

Milbank

## George S. Canellos

Partner

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George S. Canellos is a partner in the New York office of Milbank and Global Head of our Litigation & Arbitration Group.

### Primary Focus & Experience

Mr. Canellos represents financial institutions, public companies, asset management firms, and individuals in government investigations and contested litigation in federal and state courts and advises clients on corporate governance and compliance with the securities and banking laws. Mr. Canellos has received national recognition and many awards for his achievements in litigation and capital markets enforcement. Praised by *Chambers USA* as “a tremendously talented lawyer” and “very cogent thinker” who is able to “handle difficult situations in a very calming matter,” Mr. Canellos has more than two decades of experience prosecuting and defending white collar criminal cases and civil actions arising under the securities laws, having served twice in federal law enforcement — most recently in top positions at the US Securities and Exchange Commission and earlier in his career as a federal criminal prosecutor in the US Attorney’s Office for the Southern District of New York. In March 2014, Mr. Canellos rejoined Milbank, where he was a partner from 2003 to 2009.

In his four and a half years at the SEC, Mr. Canellos served most recently as co-director of the SEC’s Division of Enforcement and before that, as the Enforcement Division’s acting director and deputy director. In those positions, Mr. Canellos set SEC enforcement priorities and policies, and supervised the civil law enforcement efforts —including in investigations, prosecutions, and trials — of approximately 1,300 SEC personnel in 12 offices across the country. From July 2009 until May 2012, Mr. Canellos served as director of the SEC’s New York Regional Office, overseeing approximately 400 professional staff of enforcement attorneys, accountants, investigators and compliance examiners responsible for enforcement investigations and actions, and compliance inspections of New York-based investment banks, investment advisers, broker-dealers, mutual funds and hedge funds.

While at the SEC, Mr. Canellos supervised many of the landmark enforcement cases in recent years, including the insider trading actions against Raj Rajaratnam, many individuals associated with Galleon Management LP, and hedge fund managers associated with S.A.C. Capital; the first-ever action against the operator of a “dark pool” trading platform; actions against participants in the

structuring of collateralized debt obligations and the securitization of mortgage loans; and actions concerning and clarifying the responsibilities of participants in the investment advisory and mutual fund industries. In these and other cases, he worked closely with top leadership of the US Department of Justice, FINRA, CFTC, State Attorneys' General, and the U.K. Financial Conduct Authority, and financial markets regulators in Europe and Asia.

Mr. Canellos began his career in the Litigation Department of Wachtell, Lipton, Rosen & Katz, working principally on takeover disputes and securities litigation. In 1994, he joined the US Attorney's Office in the Southern District of New York, where he served in a number of positions and led the prosecution of many high-profile cases. As Chief of the Major Crimes Unit, he supervised assistant US attorneys investigating and prosecuting large-scale financial crimes, and as Senior Trial Counsel of the Securities and Commodities Fraud Task Force he headed numerous prosecutions of individuals and corporations for accounting fraud, investment advisory fraud, insider trading and other violations of the federal securities laws. Mr. Canellos also served as Deputy Chief Appellate Attorney, overseeing the briefing and argument of criminal appeals before the US Court of Appeals for the Second Circuit.

At Milbank, he has advised many of the nation's leading broker-dealers, investment advisory firms, and mutual fund companies on compliance with the securities laws and the rules of self-regulatory organizations. He led the defense of clients in many of the recent headline investigations of the financial industry, including investigations of a wide variety of accounting practices; revenue-sharing and market-timing practices of mutual funds; soft-dollar and directed brokerage practices of investment advisors and broker-dealers; specialist trading on the New York Stock Exchange; revenue-sharing practices of insurance carriers and brokers; the promotion of tax shelters and strategies by securities and accounting firms, and trading and financial transactions implicating US sanctions laws.

## Recognition & Accomplishments

Mr. Canellos is ranked as Band 1 by *Chambers USA* for White Collar Crime, Star Individual by *Chambers USA* for Securities: Regulation and named to *Benchmark Litigation's* list of America's Top 100 Trial Lawyers. Mr. Canellos has also been recognized by *Legal 500 USA*, *The Best Lawyers in America*, *Super Lawyers*, *Lawdragon* and in *International Who's Who Legal's* listing of top business crime lawyers. In 2022, Mr. Canellos was recognized in *Lawdragon's* inaugural *500 Leading Litigators in America* guide.

Mr. Canellos is "widely hailed as an outstanding regulatory enforcement practitioner, with clients describing him as 'a truly brilliant attorney with great insight into highly complex issues.' . . . '[He] is deeply respected in the white-collar Bar as one of the premier lawyers in this area.' (*Chambers USA*) Mr. Canellos is also well-regarded by his peers who admit that "More litigators should try to be like him, not just in his work but in his approach. You feel like you can trust him, he has immediate credibility.' Another peer reinforces this claim. 'George is just fantastic - one of the best and most experienced enforcement lawyers you'll find.'" "George has unquestioned credibility from both the bar and the bench." (*Benchmark Litigation*) Mr. Canellos is "considered a leading light in the defense of financial institutions and executives against business-critical regulatory enforcement actions, famed for his expert handling of claims and investigations launched by the SEC. [He is described] as 'an extremely intelligent, highly analytical and creative guy,' . . . 'There is basically nothing in the white-collar world that he hasn't faced before. He is someone who can speak authoritatively to a lot of different things, so it's very easy to get practical advice from him.'" (*Chambers USA*)

Mr. Canellos served as co-chair of the RMBS Working Group of the interagency Financial Fraud Task Force, established by President Obama in 2009.

Mr. Canellos was named Prosecutor of the Year in 1999 by the Federal Law Enforcement Foundation, for overall distinction as a federal prosecutor. In the same year, Mr. Canellos received the Director's Award for Superior Performance from the Executive Office of United States Attorneys, for distinction in the investigation and prosecution of a series of insider trading cases.

In 2016, Mr. Canellos was elected as a member of the American Law Institute. He is also a member of the NYC Bar Committee on Investment Management Regulation, the Board of Advisors of New York University Law School's Program on Corporate Compliance and Enforcement, the Executive Council of the Federal Bar Association's Securities Section, the New York Council of Defense Lawyers, and the Securities Industry Financial Markets Association (SIFMA).

Mr. Canellos received his A.B. degree magna cum laude, in economics, from Harvard College. He received his J.D. degree from Columbia Law School, where he was named a Harlan Fisk Stone scholar for academic distinction.

#### Recent Significant Engagements

##### Civil and Criminal Defense

##### Corporate Representations:

- Representation of Clover Health Investments, Corp. in connection with an investigation by the U.S. Securities and Exchange Commission ("SEC") and parallel civil litigation concerning alleged violations of the federal securities laws.
- Representation of Infinity Q Capital Management, LLC, in connection with government investigations and litigation relating to the announcement that Infinity Q Capital cannot reliably compute the net asset value of its funds and an order by the SEC suspending redemptions in mutual funds managed by Infinity Q Capital.
- Conducting a fast-paced internal investigation for a private equity firm with portfolio companies in the United States and Europe regarding possible wrongdoing by certain members of its European management team. The investigation involved the collection, review and analysis of hundreds of thousands of documents and communications, as well as numerous interviews, which uncovered indications of self-dealing and related improper conduct by certain individuals.
- Representing a leading asset manager in connection with multiple regulatory inquiries into the asset manager's approach to incorporating Environmental, Social, and Governance ("ESG") considerations into both its own corporate operations and its investment processes deployed to manage client funds.
- Representing a multinational investment bank in various matters relating to its service as financial adviser in connection with Special Purpose Investment Vehicle (SPAC) transactions, including an investigation by the U.S. Securities and Exchange Commission.
- Representation of a leading international broker-dealer and operator of alternative trading systems in regulatory and litigation matters relating to high frequency trading, including investigations by the SEC, the Financial Industry Regulatory Authority (FINRA), and New York Attorney General (NYAG), and federal securities class actions.
- Representation of Morgan Stanley Dean Witter Inc. in the defense of an action filed by the Massachusetts Securities Division (MSD) alleging violations of securities laws in relation to the sales of banking products and services to brokerage and investment advisory clients.

- Representation of American Realty Capital Properties Inc. (now known as VEREIT, Inc.), a publicly listed Real Estate Investment Trust, in investigations of the US Justice Department (DOJ), SEC, and MSD, federal securities class actions, and individual and derivative actions in federal and state court arising from the company's public disclosure of accounting irregularities and restatement of previously issued financial statements.
- Representation of a leading national broker-dealer in an investigation by the SEC and FINRA of potential violations of SEC Rule 15c3-3 (the Customer Protection Rule) and Rule 15c3-5 (the Market Access Rule).
- Representation of a publicly listed international corporation in government investigations following disclosure of financial losses and a multi-billion-dollar write-down of assets.
- Representation of a publicly listed financial institution in an SEC investigation of the manner of reporting regulatory capital ratios under Basel III and accounting for certain transactions that had the effect of reducing reported risk weighted assets.
- Representation of a major international bank and swap dealer in an investigation of the US Justice Department, Commodity Futures Trading Commission (CFTC), and Chicago Mercantile Exchange of alleged "spoofing" activity (i.e., placement of orders to purchase or sell financial instruments with intent to cancel them) in the US Treasury futures market.
- Representation of a leading US broker-dealer in an investigation by the SEC and FINRA into the firm's compliance with the SEC's Customer Protection Rule (Rule 15c3-3), which prescribes the method of segregating customer assets and the amount required to be held in a reserve account for the benefit of customers.
- Representation of a Big 4 accounting firm in an SEC investigation of compliance with SEC rules restricting accounting firms from performing auditing services for clients with which the accounting firm or covered persons have a lending relationship.
- Representation of a Big 4 accounting firm in an SEC investigation of allegedly deficient performance of a public company audit.
- Representation of an international law firm in matters relating to federal criminal charges against a former partner of the firm for alleged securities fraud and conspiracy.
- Representation of a major hedge fund and private equity firm in an insider trading investigation being conducted by the SEC.
- Representation of a hedge fund manager in investigations by the SEC, CFTC, and National Futures Association of the process of marking-to-market illiquid instruments and computing the Net Asset Value (NAV) at which interests in the hedge fund were purchased and redeemed.
- Representation of multiple broker-dealers and asset managers in investigations of their compliance with prospectus delivery rules.
- Representation of an investment advisory firm in an SEC investigation of the quality of supervision and policies and procedures following disclosure that a former employee misappropriated client funds.
- Representation of a US broker-dealer in an investigation by FINRA of compliance with FINRA rules prescribing the standards for review of business correspondence and supervision of outside business activities.
- Representation of an international bank that acts as a depository of American Depositary Receipts (ADRs) in an SEC investigation into the practice known as pre-releasing and pre-cancelling ADRs.

Individual Representations:

- Representing former CEO of a publicly traded mining company in connection with an investigation by the SEC into disclosures made by the company concerning cost savings associated with adoption of new mineral mining techniques, as well environmental contamination issues at facilities in South America.
- Representation of the Chief Financial Officer of a publicly traded pharmaceutical corporation in a government investigation following whistleblower allegations of improper revenue recognition practices.
- Representation of the partner in charge of the Beijing Office of a major international financial institution in connection with an investigation by the DOJ, Federal Reserve, and SEC of potential FCPA violations.
- Representation of the Chairman and Chief Executive Officer of an automaker in investigations by the DOJ and the National Highway Traffic Safety Administration (NHTSA) following the recall of automobiles for safety defects.
- Representation of the Chief Executive Officer of an international automobile supply company in an investigation by the DOJ and related class action arising from alleged misconduct in relation to compliance with US automotive regulatory standards.
- Representation of a senior executive of a manufacturer of automotive safety systems investigations by DOJ and the National Highway Traffic Safety Administration (NHTSA) following the disclosure of safety issues.
- Representation of the Chief Executive Officer of a loan servicing corporation in an SEC investigation of the company's public financial disclosures following the announcement of a restatement of previously issued financial statements.
- Representation of the principal of an insurance brokerage firm in DOJ investigation of the firm's role in the origination and sale of whole life insurance policies to financial institutions.
- Representation of the head of government relations of a US listed public company in investigation by the DOJ and SEC of certain payments made in connection with operating businesses in various African countries.
- Representation of compliance officers responsible for administering Anti-Money Laundering (AML) and Bank Secrecy Act (BSA) compliance program of a major international broker-dealer in a FINRA investigation of alleged defects in the program.
- Representation of a director of AML and BSA compliance of a domestic bank in connection with DOJ investigation of alleged defects in the bank's compliance program.

#### Advisory/Internal Investigations

- Representation of a Special Committee of the Board of Directors of a publicly listed financial institution in overseeing the implementation of changes in policies, procedures, personnel, and governance recommended by independent consultant mandated by recent SEC and FINRA settlements.
- Conducted an internal investigation for the Board of Directors of an international asset management firm and mutual fund advisor of whistleblower allegations by a member of the firm's Legal Department.
- Conducted an internal investigation for the Special Committee of the Board of Directors of a US listed corporation following disclosure of apparent accounting irregularities at one of its international subsidiaries.
- Assisted in drafting and analyzing policies and procedures of a publicly listed private equity firm governing the allocation of investment opportunities between the firm and its private equity clients.

- Conducted an internal investigation for a leading investment advisory firm following allegations that one of the firm's senior traders participated in improper conduct in operating a "dark pool" alternative trading system for a previous employer.
- Conducted an internal investigation for a major international financial institution into allegations by a purported whistleblower that corrupt payments were made to obtain or retain business in South Asia.
- Conducted an internal investigation for a leading investment advisory firm of attempted theft of proprietary trading software and other intellectual property.
- Analyzed for an international oil service and supply company proposed policies for compliance with sanctions imposed by the Office of Foreign Assets Controls of the US Treasury in relation to projects that have the potential to produce oil in the Russian Federation.

## Speaking Engagements

Mr. Canellos is an active speaker, writer and commentator on the securities laws and policies. His most recent speaking engagements include:

- Panelist, "Former Enforcement Directors – A View from the Outside," 2024 SIFMA's C&L Annual Seminar (March 2024)
- Panelist, New York City Bar Association's Securities Litigation & Enforcement Institute 2024 (February 2024)
- Panelist, "Insider Trading 360° – Enforcement Trends, Sweeps, Key Cases and Prosecutions," Securities Enforcement Forum 2023 (October 2023)
- Panelist, "Investment Banking and Capital Markets Enforcement Issues and Developments," 2023 SIFMA's C&L Annual Seminar (March 2023)
- Moderator, "2022: A Busy Year at the SEC and What is Coming in 2023," New York City Bar's Securities Litigation & Enforcement Institute (February 2023)
- Panelist, "Financial Firms in the SEC's Crosshairs," Securities Enforcement Forum 2022 (November 2022)
- Speaker, Forum on Financial Institutions Enforcement (May 2022)
- Speaker, Forum on Financial Institutions Enforcement (May 2022)
- Panelist, "Investment Banking and Capital Markets Enforcement Issues and Developments", 2022 Security Industry and Financial Markets Association C&L Annual Seminar (March 2022)
- Moderator, "Changes in Focus at the SEC and Other Developments", New York City Bar's 10th Annual Securities Litigation & Enforcement Institute (February 2022)
- Panelist, "Where Enforcement Agencies' ESG Emphasis is Leading: Disclosure Standards and Thresholds for Enforcement Actions," New York University School of Law's Program on Corporate Compliance and Enforcement (November 2021)
- Panelist, "Litigation Update: Regulatory and Criminal," 2021 Security Industry and Financial Markets Association ("SIFMA") C&L Forum (July 2021)
- Moderator, "SEC and CFTC Regulation and Enforcement," the New York City Bar's 9th Annual Securities Litigation & Enforcement Institute (February 2021)
- Moderator, "Regulator Spotlight – Q&A," Securities Enforcement Virtual Forum (October 2020)
- Panelist, "Litigate or Settle?: Current Considerations in Handling Enforcement Matters Against Firms and Individuals," the Security Industry and Financial Markets Association (SIFMA) C&L Virtual Forum (September 2020).

- Panel Moderator, “SEC Enforcement and Related Civil Litigation,” 47th Annual Securities Regulation Institute, Coronado, CA (January 2020).
- Panelist, “RCA Compliance Risk and Enforcement,” 2019 Symposium, NY, NY (November 2019).
- Panelist, “Rebuttal: The Defense Perspective,” Practising Law Institute (PLI) Annual Institute on Securities Regulation, NY, NY (November 2019).
- Panelist, “Directors’ Panel,” Securities Enforcement Forum, Washington, DC (October 2019).
- Panelist, “The Current Enforcement Climate: Perspective from the SEC, the Industry and the Bar,” SIFMA Compliance & Legal Society Regional Seminar, NY, NY (October 2019).
- Panelist, “Coordination Across Enforcers: Investigations, Cooperation, and Sanctions,” NYU School of Law Program on Corporate and Enforcement, NY, NY (April 2019).
- Panelist, “Current Considerations in Settling or Litigating Enforcement Matters,” SIFMA C&L Annual Seminar Phoenix, AZ (March 2019).
- Panelist, “Avoiding Ethical Pitfalls in a Complicated Business Environment,” Yeshiva University Cardozo School of Law, NY, NY (February 2019).
- Panel Moderator, “White Collar Litigation Trends,” NYC Bar’s 7th Annual Securities Litigation & Enforcement Institute, NY, NY (January 2019).

#### ADDITIONAL DETAILS

##### EDUCATION

Columbia Law School, J.D.

Harvard University, B.A.

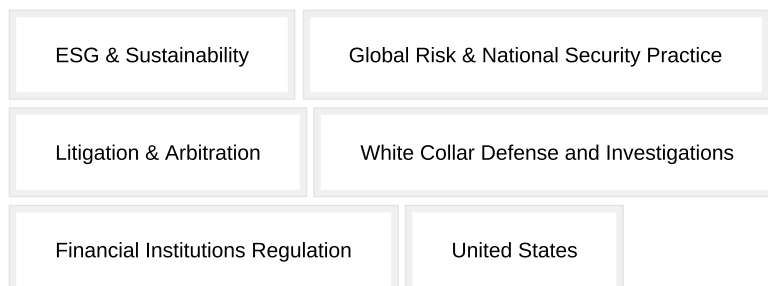
##### ADMISSIONS

New York

US District Court for the Eastern District of New York

US District Court for the Southern District of New York

#### EXPERIENCE



#### FEATURED NEWS

Milbank Litigation Partners to Attend 2024 Cambridge Forum on Financial Institutions Enforcement

Milbank Litigation Partner George Canellos to Speak at SIFMA's C&L Annual Seminar

Milbank Litigation Partner George Canellos to Speak at Securities Litigation & Enforcement Institute 2024

New York Appellate Division, First Department Holds That PSLRA Discovery Stay Applies to State Court Actions

Milbank Partner George Canellos to Speak at Securities Enforcement Forum 2023

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