

## Steptoe & Johnson Financial Services Head Talks Growth

By Anna Sanders

*Law360 (August 18, 2021, 12:10 PM EDT)* -- Steptoe & Johnson LLP financial services group co-chair Stacie Hartman endeavors to help deepen and diversify her firm's bench of partners to meet new demands created by increased enforcement.

The firm added six partners including three women in June whose work involves the financial services industry, bringing Steptoe's practice in the area to more than 65 attorneys across the globe.

Hartman talked to Law360 Pulse about an increase in federal enforcement and investigations, growing the firm's financial services group to meet these needs during a pandemic and the importance of diversity in law practice.



Stacie Hartman

This interview was conducted on Aug. 6 and has been edited for length and clarity.

### **How do you see the current state of your practice and this field of law overall given the ongoing upheaval from the pandemic?**

With both a gyrating economy and a new administration, we're seeing financial services becoming increasingly important. We already started to see that with more aggressive enforcement coming out of the Securities and Exchange Commission under chairman Gary Gensler's leadership. He and his agency have really hit the ground running, and now, with his most recent pronouncement on the need to regulate more in the digital assets industry, we'll only see a growth in that arena of SEC enforcement.

On the Commodity Futures Trading Commission front, while we're still awaiting the naming of a permanent chair, we're already seeing increased enforcement and regulation under acting Chair [Rostin] Behnam and acting Head of Enforcement Vince McGonagle. Once those positions are fully confirmed, I expect we'll see an uptick in that as well. There's also [Financial Industry Regulatory Authority] enforcement. Its CEO recently talked about the areas they expect to be working in, including in the digital asset space, financial fraud and what he termed "fin-fluencers." They're influencers on social media focusing on financial assets.

On the private litigation front, I think we'll see a surge in litigation in the industry as well, given that we have been going through a pandemic, and we're going to be dealing with the fallout for quite some time. If past is prologue, the experience of the 2008 financial crisis really is going to be a guide for the

length of time and the diversity of issues that we'll be seeing in litigation as well. Having seen these developments, the firm has been able to grow our financial services group significantly.

### **What is the strategy in growing the group?**

We have been a multidisciplinary group, but we have now built ourselves out in the past year or so to nearly 70 lawyers. Seeing the need for even more representation in both practice and diversity, we have added folks like Lizzie Baird, who was the deputy director of trading and markets at the SEC. Most recently, we added Rachel Cannon, who was a former assistant U.S. attorney and served in the securities and commodities fraud section in the office, and Dave Stetson, who was previously at Goldman Sachs and prior to that he was at the Treasury Department's Office of Foreign Assets Control.

Though we have an existing bench of enforcement lawyers and practitioners in the investigations space, adding them has helped us grow that even further. We also added Erica Gerson last fall, who is former associate director at FINRA handling enforcement matters, and even prior to that, my co-chair, Matt Kulkin, who was the director of the Division of Swap Dealer and Intermediary Oversight at the CFTC. So we're really building out the different aspects of what we expect to be seeing in the area.

We also have a government affairs and public policy team that helps clients make public policy solutions instead of having to grapple with enforcement. A new administration also brings challenges from that standpoint.

And in private litigation, we recently added Liz Cassady, who was a litigator from Sullivan & Cromwell LLP, and also Larry Hill, who is a senior trial lawyer representing many of the leading financial institutions. He focuses on significant civil and criminal tax controversies.

These are all areas where we expect to see continued growth. We wanted to be able to leverage our existing foundation with even greater experience coming from senior staff within agencies like the SEC, CFTC, FINRA and OFAC. We've always had a significant Washington presence, but now we've been able to leverage that with our strength representing brokerage firms and traders and even financial exchanges in the heart of the derivatives industry in Chicago, as well as global financial centers in New York, London and Hong Kong.

### **Three of the six partners in financial services who joined the firm recently were women. Why do you think it's still relatively rare for women to work in this area of law?**

It's a good question, and I don't know if I have a good answer to it. As I've grown up in this field, I've noticed there are too few lawyers who look like me, and that's even more true for other diverse groups. The industry has a long history of lack of diversity, which is partially caused by a lack of familiarity by those who might seek opportunities in this field. But there's a greater interest to address it, with clients putting a finer point on the need to address diversity at all levels. It's also coming from judges who want to see more diversity in the litigators and trial lawyers who appear before them.

We need to help familiarize diverse lawyers with opportunities, and we really should be starting with prospective attorneys and law students who are at the very beginning of their careers. I've been personally focusing on trying to acquaint law students with the financial markets and industry with the hope that they'll be interested in pursuing opportunities with it. We've focused on diversity quite heavily at Steptoe more broadly and also within our financial services group.

### **Why do you think diversity is so important for your group and this area in general?**

It's been well established by now that greater diversity improves results. The old way of doing things has been improved upon by having the contributions of more diverse lawyers, and, frankly, the clients are demanding it. We've been very successful both at recruiting and retaining diverse talent because of the strong platform that we offer and the opportunities that we're able to give.

### **What trends do you see impacting the practice in a couple of months?**

I come at it from an enforcement angle given my own practice. There's opportunity and challenge with growth of aggressive enforcement. It can be a surprise of the particular matter that the government agency has decided to focus on, because they rarely announce new initiatives in advance of taking action. They often announce there's been a task force when they bring the first action, which means that the entity being investigated had to endure a lengthy investigation leading up to it, not realizing that that was going to be an area of focus.

The way we've been able to deepen our financial services group bench within a short time and with such significant industry talent demonstrates that we've been able to capitalize on our traditional strengths with government-facing matters while expanding on our capabilities for the expected upturn in activity.

--Editing by Alyssa Miller.