



SHEA O. HICKS

Counsel

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BIOGRAPHY

Shea's practice focuses on representing broker-dealers, investment advisors, banks, and industry professionals in the defense of regulatory enforcement matters and litigation/arbitration. He also represents clients in conducting and defending internal investigations, compliance consulting, designing control procedures, general business disputes, interpleader actions, garnishments, employment matters, and real estate/lease disputes.

Shea's representation of financial institutions and individuals in regulatory enforcement matters is all-inclusive, including defending potential and actual charges initiated by all financial industry regulatory authorities. Representative litigation/arbitration matters include disputes involving alleged sales practice violations, fraud, industry raiding/recruiting disputes, employment matters (including wrongful termination claims, defamation, promissory note recovery, and training contract indebtedness), customer debt collection, real estate/lease/contract disputes, and, on occasion,

initiating offense litigation. Shea also leads internal investigations on behalf of broker-dealers and banks in conjunction with actual and anticipated regulatory actions, engages in compliance consulting, and provides reasoned, effective, and concise advice to c-suite, senior, and mid-level management executives.

Prior to joining BCLP, Shea served as Managing Counsel for the Litigation, Regulatory Enforcement and Investigations group within Wells Fargo's Wealth and Investment Management Division. In this role, Shea served as first chair, or managed a team, in the defense of significant and complex regulatory enforcement and litigation matters, internal investigations, litigation, and providing advice to executives.

Before taking that role, Shea served as a Managing Director and Senior Litigation Counsel for Morgan Keegan & Co., Inc., which was acquired by Raymond James & Associates. In that role, he served as first chair in securities arbitrations and tried over 75 contested matters to award and settled many more. In the wake of the 2009 Financial Crisis, Shea also assisted in the management and supervision of six law firms defending approximately 1,750 arbitrations, 3 regulatory actions, and 6 class actions, all related to investor losses sustained in the RMK Bond Funds, marking the most significant docket of FINRA arbitrations to arise during that period of time.

Shea has almost 25 years of securities and financial industry experience, and he previously worked in-house most of that time as both an individual contributor and manager of legal teams, which gave him insight into both legal and business interactions and decision-making processes. Simply put, he knows how the financial industry operates, from both the inside and outside perspective, and he delivers excellent legal services tailored to make his clients' jobs easier.

Shea holds law licenses in MO, FL, GA and TN, he has an accounting degree and was previously licensed through FINRA with a Series 7 and 24 (expired January 4, 2023). Outside of work, Shea is a proud and loving husband, father of three active young boys and an adorable baby girl, and he enjoys whatever free time he can find playing soccer, basketball, tennis, golf, hunting, fishing, traveling, making his wife laugh, and watching their children grow.

CIVIC INVOLVEMENT & HONORS

- United Way Leadership Giving
- Boys and Girls Club Supporter

PROFESSIONAL AFFILIATIONS

- Securities Industry and Financial Markets Association
- Tennessee Bar Association

- Florida Bar Association
- Georgia Bar Association
- Missouri Bar Association
- FINRA Licenses – Series 7 & Series 24 (expired January 4, 2023)

ADMISSIONS

- Missouri, 2013
- Georgia, 2012
- Florida, 2003
- Tennessee, 2000
- U.S. District Court, Eastern District of Tennessee
- U.S. District Court, Middle District of Tennessee
- U.S. District Court, Western District of Tennessee
- Supreme Court, Tennessee

EDUCATION

- Oklahoma City University, J.D., summa cum laude, 2000
- University of Memphis, BBA, 1997

RELATED PRACTICE AREAS

- White Collar
- Real Estate
- Securities Litigation and Enforcement
- Fiduciary Disputes
- Broker-Dealer and Investment Advisor Regulatory Enforcement, Disputes and Investigations
- Real Estate Disputes
- Banking & Finance Disputes
- Non-Compete, Trade Secret & Employee Unfair Competition
- Financial Regulation Compliance & Investigations
- Investigations

- Litigation & Dispute Resolution
- Real Estate Sector
- Regulation, Compliance & Advisory

EXPERIENCE

Securities Litigation

- Jointly managed a syndicate of six outside law firms in defending over 1,600 securities arbitrations, three significant regulatory enforcement actions and six class actions related to \$3 billion in investor losses from the decline of the RMK Bond Funds, marking one of the more significant securities litigation representations to arise out of the market crash of 2008-2009.
- Served as first chair in over 75 arbitrations and court cases that concluded after a contested hearing.
- Obtained a favorable settlement for a regional broker/dealer in a customer arbitration wherein the claimant sought \$155 million in damages based on allegations of overconcentration and unsuitability.
- Obtained favorable defense arbitration awards in suitability and supervision cases for a regional broker/dealer client.
- Collected over \$35 million in debt owed to a regional broker/dealer client through initiating collection efforts to recover promissory note obligations and unpaid margin balances.
- Initiated and successfully represented regional broker/dealer in raiding cases against its competitors for unfair competition practices and breach of fiduciary duties.
- Served in-house as a Protocol Officer for a regional broker/dealer and was responsible for the firm's raiding/recruiting/collection matters.

Regulatory Enforcement and Internal Investigations

- Supervised a team of attorneys and legal professionals responsible for providing legal representation in the areas of regulatory enforcement and internal investigations.
- Led as first chair significant and complex regulatory enforcement matters from inception to resolution, including conferring and meeting with senior regulatory officials to negotiate mutually agreeable resolutions.

- Led internal investigations into possible employee misconduct and/or systemic control breakdowns for the purpose of advising as to appropriate solutions.
- Provided counsel into issues involving broker/dealer compliance and the design and implementation of controls.
- Provided counsel to client on issues pertaining to employment risks.

Real Estate Disputes

- Represented regional broker/dealer in landlord/tenant disputes.

RESOURCES

PUBLICATIONS

"The SEC's Recent Observations from Examinations into Private Fund Advisers," BCLP Client Alert, March 1, 2022

"The SEC's Recent Observations from Examinations into Advisers' Fee Calculations," BCLP Client Alert, December 20, 2021

"Observations from a Review of FINRA's 2021 Sanction Guidelines," BCLP Client Alert, December 6, 2021

"The SEC Declares "You All Fail" - Summary of Recent SEC Examinations into Advisers Offering Electronic Investment Advice," BCLP Client Alert, November 22, 2021

"SEC's Observations from Recent Examinations into Registered Investment Company Initiatives," BCLP Client Alert, November 12, 2021

"The Song Remains the Same – FINRA's Riff on High-Risk Brokers and Firms," BCLP Client Alert, October 12, 2021

"September 1st Implementation of FINRA Rule 1017(a)(7) – "Final Criminal Matters" and "Specified Risk Events" Defined," BCLP Client Alert, August 30, 2021

"Supervision of Vendors When Outsourcing – The Buck Stops with FINRA Member Firms," BCLP Client Alert, August 17, 2021

"The SEC's Division of Examinations Highlights Increased Concerns with Wrap Fee Programs," BCLP Client Alert, July 23, 2021

"FINRA Warns of Potential Regulatory Exposure Stemming From Overreaching Pre-Dispute Arbitration Awards," BCLP Client Alert, July 15, 2021

"Anti-Money Laundering Continues to be Among the Highest Regulatory Priorities, As Evidenced by Recent Enforcement Cases and Releases," BCLP Client Alert, June 4, 2021

"FINRA Reminds Broker-Dealers of their Obligations to Safeguard Customer Information and to Build Controls Designed to Protect Customers from Fraud," BCLP Client Alert, May 26, 2021

"Through the Issuance of New Rules Aimed at Recidivist Brokers and the Firms that Hire Them, FINRA Loudly Exclaims to its Membership – 'Can You Hear Me Now?'," BCLP Client Alert, May 11, 2021

SPEAKING ENGAGEMENTS

"Best Practices for Interacting with In-House Counsel," BCLP CLE webinar, June 16, 2021

"Current Regulatory Issues," Securities Industry and Financial Markets Association, C&L Society St. Louis Regional Seminar, June 18, 2019

"Leveraging the Relationship," Foley & Lardner CLE, C2 Counsel and Compliance, May 5, 2015

RELATED INSIGHTS

Insights

Sep 07, 2023

Call for Vacatur of Massachusetts' Fiduciary Duty Standard for Broker/Dealers

Key Takeaways: The Massachusetts Supreme Judicial Court upheld the fiduciary duty standard of care imposed on broker/dealers by the Commonwealth of Massachusetts on August 25, 2023. Below we explain the practical implications of the recent court opinion and highlight why the United States Supreme Court should grant a Writ of Certiorari and vacate the Massachusetts' fiduciary duty standard.

Insights

Oct 20, 2022

Implications of FINRA's Recently Released 2022 Sanction Guidelines

Key Takeaways: Last December, BCLP's Financial Services Disputes and Investigations Team issued an alert discussing the Sanction Guidelines issued by FINRA on October 20, 2021. A copy of that alert can be found [here](#). Among other things, we noted that: Previous FINRA Sanction Guidelines failed to recommend the largest monetary sanctions for sales practice violations and other conduct that arguably caused the most significant impact to investors; and FINRA regularly negotiated for, and often received, settlements that largely exceeded the ranges outlined in its prior published Sanction Guidelines. FINRA's recently published Sanction Guidelines for 2022 surprisingly addresses these two previous critiques. See FINRA Regulatory Notice 22-20 which introduces the most recent Sanction Guidelines. A copy can be found [here](#). One issue the latest version of the Sanction Guidelines raises for debate is the r...

Insights

Jun 06, 2022

The SEC's Continued Efforts to Dive Feet First into Climate Control and ESG Initiatives

On May 25, 2022, the U.S. Securities and Exchange Commission ("SEC") provided notice of proposed rulemaking aimed at Investment Advisers ("Advisers"), Investment Companies and Business Development Companies (collectively "Funds") that market themselves as incorporating environmental, social and governance ("ESG") factors into their investment selection process or overall investment strategies. The public comment period will be open for 60 days following the SEC's announcement. The proposed rules seek to standardize the categorization of ESG strategies and require Advisers and Funds to provide more specific disclosures in their fund prospectuses, annual reports, and brochures, as well as enhanced ESG reporting requirements on Forms N-CEN and ADV Part 1A, with the quantity of disclosures commensurate with the standardized categorizations. The SEC's proposed rules follow a related announcem...

Insights

Mar 15, 2022

FINRA Requests Information from Member Firms Related to the Sale of Complex Products by May 9, 2022

On March 8, 2022, FINRA released Regulatory Notice 22-08 expressing continued concerns related to the sale of complex products and options ("complex products") to retail investors. The expressed concerns include the following: Registered representatives often fail to understand the unique characteristics and risks presented by complex products; Member firms are not adequately training their registered representatives as to the characteristics and risks of complex products; Registered representatives and member firms often fail to fairly and adequately present complex products to retail customers; Customers often fail to possess the financial experience and acumen to understand the related characteristics and risks, particularly when investing in self-directed accounts; Member firms and their registered representatives are not conducting satisfactory suitability analyses and/or ensuring Regulation Best ...

Insights

Mar 01, 2022

The SEC's Recent Observations from Examinations into Private Fund Advisers

On January 27, 2022, the SEC released a Risk Alert from the Division of Examinations ("EXAMS"), wherein it reported concerns noted during its recent examinations of investment advisers who manage private funds ("private fund advisers"). A copy of the SEC's Risk Alert is linked [HERE](#). This is the SEC's third Risk Alert in the last five (5) years regarding compliance issues in this space. Private fund advisers are likely to be a continued focus for the SEC. In the Risk Alert, EXAMS noted four problematic areas related to private fund advisers who 1) acted inconsistently with their obligations under fund disclosures, 2) made misleading marketing disclosures, 3) failed to perform appropriate due diligence before recommending investments, or 4) used hedge clauses to limit their liability for breaches of fiduciary duty. Below is a summary of the SEC's observations.

Insights

Dec 20, 2021

The SEC's Recent Observations from Examinations into Advisers' Fee Calculations

Key Takeaways: On November 10, 2021, the SEC released a Risk Alert which provides observations from recent examinations into advisers' fee calculations. A copy of that Alert can be found [HERE](#). In yet another bleak report, the SEC declared that "most" of its recent examinations related to this topic resulted in the issuance of deficiency letters. The noted infractions included inadequate compliance programs, inaccurate fee calculations, disclosures that did not match the advisory agreements, and books and records violations. These problems "often" resulted in

financial harm to clients and were violations of the advisors' fiduciary duties under the Investment Advisers Act. Below is a summary of the SEC's observations as to the compliance failures and its suggestions for ways in which investment advisers can improve in this area.

Insights

Dec 06, 2021

Observations from a Review of FINRA's 2021 Sanction Guidelines

Insights

Nov 22, 2021

The SEC Declares "You All Fail" - Summary of Recent SEC Examinations into Advisers Offering Electronic Investment Advice

On November 9, 2021, the SEC released a Risk Alert from the Division of Examinations which provides observations from recent examinations into advisers that offer electronic investment advice. A copy of that Alert can be found [HERE](#). In a rather harsh report, the SEC declared that almost every investment adviser examined in this area received a deficiency letter based on the following categories of compliance failures: (1) inadequate compliance programs with an emphasis on policies, procedures and testing; (2) poor portfolio management, including a failure to provide advice that is commensurate with each client's best interest; and (3) unfair, inaccurate, omitted or misleading marketing/performance advertising. Below is a summary of the SEC's observations as to the compliance failures and its suggestions for ways in which investment advisers can improve in this area. Given the ominous nature of the Alert, we re...

Insights

Nov 12, 2021

SEC's Observations from Recent Examinations into Registered Investment Company Initiatives