

Rising Star: Covington & Burling's Michael Nonaka

Law360 (July 30, 2018, 4:11 PM EDT) -- Covington & Burling LLP's Michael Nonaka has strutted his stuff as a champion of financial technology, helping firms navigate the legal and regulatory hurdles of the fintech frontier and co-authoring a white paper on blockchain's cybersecurity implications, earning a spot as one of five banking attorneys under age 40 honored by Law360 as Rising Stars.

HIS BIGGEST CASE:

Nonaka thinks back to the darkest days of the economic meltdown in September 2008, when he was a second-year associate on a Covington team that represented mortgage giant Freddie Mac as it was placed into conservatorship along with its big sister, government-sponsored enterprise Fannie Mae.

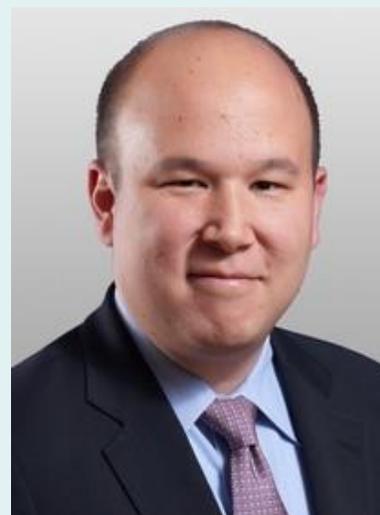
A key event in the financial crisis, the U.S. government's takeover of the GSEs was intended to help keep the then-sinking mortgage market afloat and prevent more widespread instability in the financial system. With such high stakes, the episode posed an unforgettable challenge for Nonaka.

"It was an extraordinary moment in the country's political landscape and economic stability," Nonaka said. "It required a lot of very careful planning and deep knowledge of the underlying regulatory frameworks, while also having to react in real time to pretty dire financial circumstances."

OTHER NOTABLE MATTERS:

In the past year, Nonaka became co-chair of Covington's

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STAR



Michael Nonaka
Covington & Burling

Age: 36

Home base: Washington, D.C.

Position: Partner, Financial Institutions Co-Chair

Law school: University of Pennsylvania Law School

First job after law school: Associate at Covington & Burling LLP

financial services practice, a position that he attained, in part, through his extensive work advising a wide range of top-tier financial institution clients like Synchrony Financial, American Express and Paypal on a host of regulatory matters.

Nonaka has also been a major player in Covington's fintech initiative, where he offers comprehensive counsel to banks, fintech firms that are partnering or competing with banks and fintech firms that provide services to banks. He's been a thought leader in this area, too — in March, for example, he co-authored a white paper with Microsoft and the Chamber of Digital Commerce that examined blockchain's potential cybersecurity benefits and risks.

"For financial institutions evaluating blockchain, it explores considerations for them to think about from a cybersecurity perspective," Nonaka said.

HIS PROUDEST MOMENT:

For Nonaka, his proudest moment came at the tail end of his work helping General Electric Co. get regulatory approval to spin off its consumer finance business Synchrony Financial into a separate savings-and-loan holding company. The high-profile maneuver was first announced in 2013 and took a lot of time and effort to get the required approval, but Nonaka said it was the close relationships he had developed with his counterparts at Synchrony that helped make that success the sweetest.

"It's a great group of people at the bank who really care about their customers and regulatory compliance," Nonaka said. "It was a lot of work, and it was a lot of interaction with the Federal Reserve and other regulators, but it was a nice moment getting that approval, for sure."

WHY HE'S A FINANCIAL SERVICES ATTORNEY:

When he started out in law school, he didn't necessarily think of financial institutions work as being a separate practice area, but working as a summer associate under Covington partner Jean Veta, one of the top banking attorneys in the country, persuaded him otherwise.

Veta assigned Nonaka a project to look into how the Federal Deposit Insurance Corp. treats industrial loan companies, a type of financial institution that can be owned by a nonfinancial company. The chance to delve into this relatively small segment of the financial industry quickly proved fascinating to Nonaka.

"I've always enjoyed nuanced regulatory questions, and that particular question was at the intersection of politics, policy and banking laws that have been around for decades," he said.

WHAT MOTIVATES HIM:

Nonaka covers a broad portfolio of matters, including fintech, privacy and cybersecurity issues, anti-money laundering compliance and more. It's this variety that keeps him coming into the office each day, he said.

"You have to go from talking about anti-money laundering requirements in the Cayman Islands to then talking about a merger of community banks located in Texas," Nonaka said. "I just really enjoy getting to use different parts of my brain in order to advise clients in these very different areas."

And it's pretty much been that way from the beginning, according to Nonaka. Even as a junior attorney, he was given a wide enough range of matters that no two days were the same.

"Covington is great because you get a lot of responsibility early on," Nonaka said. "I remember that feeling of being kept on your toes as a very young associate and it hasn't gone away."

— *As told to Jon Hill*

Law360's Rising Stars are attorneys under 40 whose legal accomplishments belie their age. A team of Law360 editors selected the 2018 Rising Stars winners after reviewing more than 1,200 submissions. This interview has been edited and condensed.