



Theodore L. Kornobis

Partner

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OVERVIEW

Ted Kornobis is a partner in the White Collar Defense and Investigations group in the firm's Washington, D.C. office. His practice focuses on defending complex civil and white collar criminal litigation, helping clients navigate government investigations and enforcement actions, and conducting internal investigations. He also represents clients in private litigation and provides counsel on corporate governance and compliance matters.

Ted has deep experience representing individuals and companies before state and federal courts, the United States Department of Justice (DOJ), the Securities and Exchange Commission (SEC), the Consumer Financial Protection Bureau (CFPB), FINRA, the Department of Transportation, the Environmental Protection Agency (EPA), and other government agencies and regulators.

He assists clients with investigations and litigation touching on potential regulatory, civil, or criminal exposure across a range of issues, including criminal fraud statutes, the federal securities laws, the False Claims Act (FCA), and the Bank Secrecy Act (BSA) and anti-money laundering (AML) regulations. His litigation practice includes qui tam actions, class action and shareholder derivative lawsuits, agency rulemaking challenges, and white collar disputes.

Ted has been recognized as a Rising Star of Law in an annual Top 40 Under 40 list of Washington legal talent. He also has been selected as a top-rated securities litigation attorney and selected to the Super Lawyers Rising Stars list.

Ted is involved in pro bono matters at K&L Gates, representing clients on matters involving housing, civil rights, public benefits, child custody, and other issues. He serves on the board of a non-profit organization that provides new and used clothing for the homeless population in the Washington, D.C. region.

PROFESSIONAL BACKGROUND

Ted worked as a law student clerk for the Institute for Public Representation, where he represented non-profit organizations in the communications and media industry on matters before the Federal Trade Commission (FTC), the Federal Communications Commission (FCC), and federal court. Prior to law school, Ted worked at a strategic communications and public policy firm in Washington, D.C., at a healthcare trade association, and on political campaigns. He is certified in Legal Project Management by the LPM Institute.

EDUCATION

- J.D., Georgetown University Law Center, 2009 (*magna cum laude*)
- B.A., George Washington University, 2005 (*magna cum laude*)

ADMISSIONS

- Bar of District of Columbia
- Bar of New York
- District of Columbia Court of Appeals
- United States Court of Appeals for the District of Columbia Circuit
- United States Court of Appeals for the Fifth Circuit
- United States Court of Appeals for the Second Circuit
- United States District Court for the District of Columbia
- United States District Court for the District of Nebraska
- United States District Court for the Southern District of New York

THOUGHT LEADERSHIP *POWERED BY HUB*

- 14 May 2024, Handling Allegations of Non-Compliance: Internal Investigations and Self-Reporting
- 6 December 2023, FERC Issues 2023 Enforcement Report
- 14 November 2023, When the Government Comes Knocking
- 2 November 2023, Asset Management and Investment Funds Fall Conferences - Washington, D.C.
- 10 October 2023, Recent Settlements Provide Insight on the SEC's Approach to Self-Reporting and Cooperation Credit in Enforcement Actions
- 30 May 2023, FERC Approves Enforcement's Settlements With Two Demand Response Providers
- 6 April 2023, Fifth Circuit Affirms Dismissal of Derivative Suit Against Mutual Fund Adviser and Trustees
- 5 April 2021, EPA Releases New Tool to Analyze Costs of Complying With a State-Proposed No Discharge Zone, But It Carves Out Capital Costs From the Analysis
- 3 July 2019, Court Grants Summary Judgment to Defendant Investment Adviser in Section 36(b) Excessive Fee Lawsuit
- 4 April 2019, Supreme Court Wades Into Circuit Split, Endorses Broader View of "Scheme Liability" for Disseminating False Statements

- 18 January 2019, An Update on False Claims Act Litigation: Circuit Splits and Other Developments in 2018
- 27 August 2018, Cross-Border Investigations: When Are Documents Developed in the Course of an Internal Investigation Protected By Legal Privilege?
- 29 June 2018, Supreme Court Offers Others a Chance for a Second Bite at the Apple in Federal Administrative Adjudication Proceedings – But the Clock is Ticking
- 20 October 2017, D.C. Circuit Opinions Call into Question FINRA's Ability to Impose "Capital Punishment" on the Securities Industry
- 20 June 2016, U.S. District Court (Again) Rules that Parties Can Challenge a CFPB Information Request Without Revealing Their Identities
- 17 June 2016, U.S. Supreme Court Implied Certification Case Both Expands and Limits False Claims Act Liability
- 22 April 2016, "A Bridge Too Far:" CFPB's Authority Grab Rejected by Federal Judge
- 29 March 2016, Heard at the 2016 SIFMA Conference
- 8 March 2016, A New Cyber Regulator on the Beat: The CFPB Issues its First Cybersecurity Order and Fine
- 5 November 2015, D.C. District Court Decision Supports Principle of Allowing Companies to Challenge CFPB Information Requests without Fear of Public Disclosure of Investigation
- 12 May 2015, Department of Justice Issues Guidance on Organizations' Responses to Cyber Incidents

NEWS & EVENTS

- 2 November 2022, 2022 K&L Gates Asset Management and Investment Funds Conference - Washington, D.C.
- 21 February 2019, K&L Gates Names 24 New Partners Across Four Continents

MEDIA MENTIONS

- Quoted, "Companies Heed SEC Call for Self-Reporting, but Want Clear Perks," *Bloomberg Law*, 29 November 2023

AREAS OF FOCUS

- White Collar Defense and Investigations
- Anti-Money Laundering (AML)
- Class Action Litigation Defense
- Federal, State, and Local False Claims Act

- Internal Investigations
- Securities and Transactional Litigation
- Securities Enforcement / Financial Regulatory Enforcement
- U.S. Congressional Investigations
- U.S. National Security Law and Policy

REPRESENTATIVE EXPERIENCE

Government Enforcement and White Collar Criminal Cases

- Successful defense of a former executive at a Fortune 100 company in federal litigation against the SEC involving complex allegations of improper revenue recognition, resulting in all charges being dismissed after over four years of litigation.
- Representing several individuals in multiple international white collar criminal investigations into alleged fraud, false statements, and violations of the Clean Air Act and other environmental laws regarding vehicle emission certifications.
- Defending several large financial institutions in False Claims Act (FCA) and FIRREA investigations by the US Department of Justice, HUD, and Offices of Inspectors General (OIG) regarding residential mortgage origination and servicing practices.
- Representing internet-based consumer marketplace in CFPB investigation, including formal investigative hearings and responses to civil investigative demands.
- Defending members of mutual funds' board of directors in SEC enforcement proceedings involving fund asset valuation issues.
- Represent rental car company in NHTSA investigation regarding automobile safety recall obligations.
- Defended individual in SEC enforcement proceeding filed in US District Court for the Southern District of New York alleging fraudulent practices to artificially inflate the price of securities and sell unregistered securities
- Represented investment adviser in parallel DOJ and SEC investigations relating to allegations of fraudulent trading practices.
- Representing mutual fund and variable annuity provider in SEC investigation regarding VA product offerings and marketing.
- Defense of emerging technology company in SEC investigation and testimony, resulting in declination of enforcement action.
- Representing broker-dealer division of national financial institution in FINRA investigation related to advertising and registration regulations.

- Defense of registered representative in FINRA investigation concerning allegations of misleading statements in connection with bond market sales practices, resulting in successful declination of enforcement action.

Internal Investigations

- Leading several internal investigations for large financial services client regarding allegations that include potential fraud and violations of securities laws and self-regulatory organization rules.
- Conducting complex internal investigation for global financial institution regarding anti-money laundering (AML) activities at broker-dealer subsidiary and branch offices.
- Assisting large financial institutions with internal investigations into issues involving potential False Claims Act and FIRREA liability.
- Conduct internal investigation for wealth management company regarding investment selection and due diligence processes.
- Conducting internal investigation into possible violations of False Claims Act and Anti-Kickback Act for federal government contractor, and assisting client with self-reporting to government agencies.
- Conducted internal investigation regarding allegations of financial fraud, environmental crimes, public corruption, and retaliation involving utility company.
- Conduct internal investigation for payment processing company regarding systems and controls regarding use of customer funds and unclaimed property.

Private Litigation and Commercial Disputes

- Successfully obtained dismissal of all claims against government contractor in False Claims Act (FCA) qui tam litigation alleging fraud in connection with small business requirements in government contracts.
- Obtained dismissal of all counts against former CEO of manufacturing, energy, and telecommunication company in federal securities class action lawsuit.
- Defended and obtained summary judgment in favor of mutual fund provider in excessive fee litigation in federal district court under Section 36(b) of the Investment Company Act, and successful affirmance of decision on appeal to United States Court of Appeals for the Second Circuit.
- Successfully obtained dismissal of all claims against investment adviser and board members in shareholder derivative lawsuit alleging breaches of fiduciary duty and contract in connection with investment decisions by a mutual fund, and successful affirmance in United States Court of Appeals for the Fifth Circuit.
- Successful prosecution of claim on behalf of higher education institution in binding arbitration involving issues of contract interpretation and employment law.
- Representing companies and boards of directors in shareholder class action and derivative lawsuits in federal and state courts, involving claims of federal and state securities law violations, breaches of fiduciary duty, corporate dissolution, and common law claims.
- Representing recreational facility in class action litigation involving consumer statute and contract claims.

- Obtained dismissal of class action lawsuit against brokerage firm alleging breaches of contract and tort duties in operation of online automatic trading platform, and successful affirmance in United States Court of Appeals for the Eighth Circuit.
- Successful defense of independent board members in federal shareholder derivative and class action lawsuits alleging breaches of fiduciary duty and RICO violations, and successful affirmance in United States Court of Appeals for the Second Circuit.

Appellate Litigation

- Challenge to federal agency action in petition before United States Court of Appeals for the D.C. Circuit under the Administrative Procedures Act, resulting in successful settlement modifying challenged agency procedures.
- Petition for writ of certiorari with the United States Supreme Court in connection with representing a member of a public company's board of directors in discovery dispute involving white collar criminal issues.
- Successful appeal of an adverse decision by the Department of Veterans Affairs regarding benefits coverage for a veteran who experienced in-service exposure to harmful agent.