

Rising Star: Cahill Gordon's John MacGregor

By **Emilie Ruscoe**

Law360 (July 14, 2024, 8:02 PM EDT) -- John MacGregor of Cahill Gordon & Reindel LLP has successfully defended Credit Suisse in litigation over a complex financial product alleging more than \$2 billion in losses, and secured dismissal in a claim alleging losses of \$1 billion over its financial adviser work. These matters and others have earned him a spot among the banking law practitioners under age 40 honored by Law360 as Rising Stars.

The biggest case of his career:

MacGregor told Law360 that the biggest case of his career was a putative securities class action against Cahill Gordon client Credit Suisse.

The suit's claims involved a complex financial product offered by Credit Suisse called DGAZ exchange-traded notes, which were intended to provide what's known as triple-leverage inverse exposure to an index that tracked the rolling composite of natural gas futures.

Offering documents for the notes stated the product was for sophisticated investors, MacGregor said, but retail investors purchased it, and some of them shorted it, which he described as "incredibly risky."

In 2020, Credit Suisse announced it would suspend further issuance of the notes and delist them. Following the news, the notes started trading at a "pretty substantial premium to the product's indicative value," resulting in a short squeeze and an alleged \$2 billion in losses, precipitating the suit, MacGregor said.

MacGregor was the principal drafter of Credit Suisse's dismissal bid and reply brief, and he argued, among other things, that the notes' offering documents disclosed the risk that ultimately materialized. A Manhattan federal judge sided with him, as did the Second Circuit when the plaintiffs appealed the dismissal.

MacGregor said that the firm's success in that matter resulted from a

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John MacGregor
Cahill Gordon

Age: 36

Home base: New York

Position: Litigation partner

Law school: Cornell University
Law School

First job after law school:
Associate at Cahill Gordon

willingness to "get your hands dirty and roll up your sleeves and go through the offering documents and learn how the product works, which was itself pretty complicated."

"It really, really showed that hard work paid off, because once you master the product, you can really answer anything, and it's something we try to apply in every case," he said.

His biggest case recently:

MacGregor has defended Credit Suisse against claims arising from its role advising hospital operator Community Health Systems on its 2015 spin-off of a hospital group called Quorum, which declared bankruptcy in 2020.

In litigation over the adviser role in Delaware, MacGregor said, equity holders claimed that Credit Suisse aided and abetted the payment of an unlawful dividend in its adviser role.

MacGregor argued successfully that the claim wasn't a cause of action recognized by Delaware courts, reducing the bank's potential liability in the matter by more than \$1 billion.

In that matter, he said, it was interesting to prove a negative — that is, that the cause of action doesn't exist.

Ultimately, "the court agreed with us that there's no such thing as aiding and abetting an unlawful dividend under Delaware law," MacGregor said.

His proudest moment:

MacGregor cited the Second Circuit's decision affirming the dismissal of the DGAZ securities suit as one of his proudest moments.

"I played a central role in drafting all of the briefs and ideas and coming up with our arguments, and so to see both the Second Circuit and the district court agree with our arguments was a very proud moment for me," he said.

MacGregor recalled reading the circuit court's decision, saying that "I saw that the court had really followed our outline of the argument pretty closely, and so it just underscored how persuasive our arguments in that case were, that our brief could be used as a road map by the court to issue their decision."

What motivates him:

MacGregor described two motivators in particular.

First, he said, "I've been able to build up great relationships with the folks in-house at our clients."

"It really gives us a personal stake in the outcomes of our cases, if we have those relationships with our clients," MacGregor said.

He also said that he likes the competitive aspect of litigation, noting that in litigation, someone wins and someone loses, and "you always want to be on the right side of that."

MacGregor recalled his college days as a student athlete, remembering that his coach would say that "everybody at the starting line wants to win, but the only people who do win are the people who are willing to win."

"What he meant by that is that the people who actually put in the time and effort in the months and years beforehand put themselves in as good a position to win as possible," he said, noting that by putting in the work, "you're putting yourself in the best position you can for yourself and your clients to succeed."

Why he represents financial services institutions:

MacGregor said that his clients "are involved in virtually every aspect of the economy," adding that in representing banks, he has "exposure to all these different types of industries, all their products, all these different regions," as well as matters that are themselves diverse.

Other notable cases he's worked on:

When he was first out of law school, MacGregor was part of a team representing Credit Suisse in a Foreign Corrupt Practices Act investigation that came about as the U.S. Department of Justice and the U.S. Securities and Exchange Commission probed its alleged bribery of Chinese government officials by giving their children internships and other employment opportunities.

"It was just exciting to be right out of law school and to be a central team member" in a high-profile case, noting that the matter gave him an opportunity to "distinguish myself early and get to know people who eventually became my mentors here," MacGregor said.

How he expects the legal industry to change over the next 10 years:

MacGregor said that in the coming decade, being nimble as an attorney "is going to only become more important."

He added that he expects to see major changes to financial services law, noting that the definition of banking is evolving quickly with the advent of cryptocurrency and digital assets.

--As told to Emilie Ruscoe. Editing by Adam LoBelia.

Law360's Rising Stars are attorneys under 40 whose legal accomplishments belie their age. A team of Law360 editors selected the 2024 Rising Stars winners after reviewing nearly 1,200 submissions. Attorneys had to be under 40 as of April 30, 2024, to be eligible for this year's award. This interview has been edited and condensed.