

Banking Group Of The Year: Cahill Gordon

By Anna Sanders

Law360 (January 21, 2025, 3:11 PM EST) -- Cahill Gordon & Reindel LLP earned dismissals in two shareholder securities class actions on behalf of Credit Suisse and UBS following the banks' merger, once again earning the firm a spot among the 2024 Law360 Banking Groups of the Year.

Cahill Gordon chair and litigator Herb Washer said at least 75% of the firm's 335 attorneys handle banking matters, with most working out of the New York, Washington and London offices.

"Banking has always been and will continue to be an enormous and perhaps the primary focus of the firm," Washer told Law360.

For decades, Cahill Gordon's banking practice has guided clients through transactional, regulatory, criminal and civil matters, as well as internal investigations.

"On the corporate side, we've probably represented every major bank at one time or another," Cahill Gordon litigation chair David Januszewski said. "On the litigation side, the same holds." The firm is a repeat selection as a Law360 Banking Group of the Year, having won last year as well.

The firm's banking and litigation expertise came in handy after the forced UBS takeover of Credit Suisse in 2023 drove numerous shareholder securities class actions.

Washer said the collapse of Credit Suisse, the takeover and its fallout represent a classic example of people assuming "somebody must have done something wrong" and placing the blame on banks.

"While plaintiffs would like to be able to point to a specific person or event, the truth is far more complicated than that, and you can't just assume liability," Washer said.

Cahill Gordon is the sole outside counsel to Credit Suisse — now UBS — on all U.S. litigation matters related to the merger, helping draft two successful motions to dismiss civil suits stemming from the tie-up.

In February 2024, a New York federal judge threw out a proposed class action against the bank, its auditor KPMG and dozens of individual officers and directors accused of violating Swiss law as well as the federal Racketeer Influenced and Corrupt Organizations Act. U.S. District Judge Colleen McMahon



ruled that the suing investors could not skirt an earlier state ruling that found the case belonged in Switzerland, where Credit Suisse was incorporated, and not the U.S.

The following month, Judge McMahon tossed another class action filed by three European investment funds asserting Swiss Law claims on behalf of Credit Suisse Additional Tier 1 bondholders. The case centered on how the forced takeover wiped out \$17 billion in Credit Suisse AT1 bonds, which are issued by banks and included in the total level of capital they must hold under regulations imposed after the global financial crisis. Judge McMahon agreed with Cahill Gordon's motion to dismiss the case, noting, "New York has no business adjudicating this dispute."

"The arguments we made, and successfully made, have broader application to the banking industry and to other companies facing similar issues," Washer said of the two dismissals and other recent firm victories in the banking space.

The law firm has also defended numerous class action securities matters for three different groups of bank underwriters concerning those underwriters' diligence around three Chinese companies that offered securities in the U.S. since 2021. Cahill notched the firm's third dismissal on behalf of these banks in March 2024.

And the firm scored a win for Deutsche Bank AG in May 2024 when the Connecticut Supreme Court ruled it could continue to fight a long legal battle against billionaire Alexander Vik and his daughter. Cahill Gordon has served as primary counsel on the matter for more than a decade as Deutsche Bank looks to satisfy a \$243 million judgment rendered in the United Kingdom against one of Vik's shell companies.

The May decision overturned a ruling by the Connecticut Appellate Court, which had ordered a state-level case dismissed on the grounds that the litigation privilege gave the Viks immunity for their alleged interference with the court-ordered sale of shares in a Norwegian software company.

Washer and Januszewski stressed the importance of being prepared to go to trial when representing banking clients, particularly since plaintiffs often target those with "deep pockets."

"If investors lost money ... the immediate reaction is to blame the banks that sold them a product or sponsors of the product," Washer said.

Cahill Gordon served as sole outside counsel to Credit Suisse in litigation accusing the bank of causing retail investors \$2 billion in losses by delisting DGAZ, a popular exchange-traded note. In February 2024, the Second Circuit declined to revive a proposed class action on the matter, finding the bank gave adequate warnings of risks and cautioned investors against holding the note for more than a day.

"A lot of financial institutions get blamed for a lot of things that they aren't really responsible for, and sometimes it's easier to settle cases like that than to actually defend," Washer said. "In the right circumstances, you can and probably should defend against those allegations."

To handle litigation and other matters, Washer said, Cahill Gordon is always looking to bolster the banking practice with new talent, particularly as what constitutes a "banking client" continues to change with the rise of direct lending, private credit, private equity and fintech firms that provide services solely online. Januszewski noted cryptocurrency will also lead to more opportunities for the firm — both

directly from digital asset clients and indirectly, from traditional banks seeking advice on how to navigate the space.

"We're expanding our definition of banks or financial institutions to include these newer companies that have the same sophisticated needs as traditional banks — both on the corporate side and the litigation side," Washer said.

--Additional reporting by Andrea Keckley, Jessica Corso, Katryna Perera and Brian Steele. Editing by Linda Voorhis.

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