

Securities Group Of The Year: Gibson Dunn

By **Emilie Ruscoe**

Law360 (January 17, 2023, 2:02 PM EST) -- Securities law practitioners at Gibson Dunn & Crutcher LLP secured a precedential appellate victory on behalf of hotel chain Marriott International Inc., and successfully argued for the dismissal of shareholder claims on behalf of Facebook's parent company Meta, earning the group a place among Law360's 2022 Securities Groups of the Year.

In the Marriott case, the firm was defending the company against shareholder claims arising from a cyberattack. The Fourth Circuit unanimously affirmed a district court's dismissal of the proposed investor action against Marriott and certain current and former officers of the company, which was filed following a significant hack at the company.

Gibson Dunn partner Jason Mendro, who led the team on the Marriott matter, described the April opinion as the first decision by a federal appellate court that "wholly rejects a securities lawsuit arising from a data security incident."

Mendro added that the decision also established a "key precedent for defending the growing number of claims that are premised on risk factor disclosures and cybersecurity issues in general."

"I also think that is a resounding message from the Fourth Circuit, that being victimized by cybercriminals is not tantamount to committing fraud on your investors," Mendro said.

He noted that the firm had been building on its success with the Marriott case to help other clients facing similar claims, citing as an example a dismissal that Gibson Dunn was able to secure on behalf of client First American Financial Corp.

Mendro credited his firm's collaborative culture and cross-discipline expertise for its success in the Marriott matter.

Successfully handling complex and multifaceted client matters like the Marriott case often means "collaboration across practice groups, such as dealing in this case with people with expertise in appellate litigation and expertise in privacy litigation and regulation," he said.

That rigorously collaborative approach to client service was also key to the firm's results on the Meta



matter, in which the firm was handling claims arising from the Cambridge Analytica data scandal. Securities litigation practice group co-chair Brian Lutz told Law360 that the firm's true strength was bringing "expertise from numerous disciplines" to help clients facing significant claims.

In Meta's case, that meant that Gibson Dunn teams were handling matters including investigations and customer issues at the same time the securities litigation team was developing its strategy for the shareholder case.

The nearly five-year effort involved three separate dismissal bids and finally resulted in a dismissal with prejudice in December 2021.

Lutz noted that the amended complaints were hundreds of pages long and "dealt with a whole variety of complicated issues," crediting Gibson Dunn associate Michael Kahn with distilling the last version of the complaint into an "understandable narrative" that appeared to inform the reasoning in the dismissal order.

Securities litigation practice group co-chair Monica Loseman said the Marriott matter, the Meta matter and other cases that the group handled last year underscore the breadth of the firm's securities practice.

"We're winning dismissal of shareholder class actions for our clients, we're winning dismissals of derivative cases and we're winning the appeal of those decisions," she said.

She credited the group's success in part with the support it's given by firm management, noting that the firm's "willingness to invest is part of I think what has made us and continues to sort of keep us very successful."

"As practice group co-chairs we are very thankful for the firm management's faith in our practice," she said, noting that "when we identify an opportunity, a lateral partner opportunity or an area [in which] we'd like to strategically expand, they're 100% behind us, and that's resulted in some real talent acquisition wins for us," citing the hires of Jessica Valenzuela and Craig Varnen as examples.

All the partners described the resulting securities practice as tight-knit and deeply invested in all of its members' efforts on behalf of clients.

"For me, a lot of the fun is getting to know and understand your clients, and a lot of the fun and joy of litigation is getting to work with great colleagues with expertise in different areas, and combining your expertise together to really achieve great results that are informed by an understanding of all the different elements of the challenge," Mendro said.

--Additional reporting by Sarah Jarvis, Lauren Berg, Dave Simpson and Hailey Konath. Editing by Karin Roberts.
