

Rising Star: Morgan Lewis' Laura McNally

By Jack Karp

Law360 (June 9, 2021, 3:02 PM EDT) -- Laura McNally of Morgan Lewis & Bockius LLP has successfully argued pivotal motions to dismiss and examined expert witnesses at trial in several high-stakes securities disputes — something very few lawyers can say at her age — earning her a spot among the top securities law practitioners under 40 honored as Law360 Rising Stars.

HER BIGGEST CASE:

McNally has worked on many significant securities cases that her opposing counsel might call "bet-the-company cases," she said. But her goal is actually to make sure that none of the ones she handles end up becoming big cases.

"My job, in addition to getting them dismissed, is also to frame them in a much more narrow fashion for purposes of liability and also for damages," she pointed out.

But a proposed securities class action against Hewlett-Packard Co. and its ex-CEO does stand out as an important case for her, she said.

At issue in the case was whether shareholders could bring securities fraud claims when an executive had violated the business' code of ethics after publicly touting the company's high ethical standards, a novel issue in the Ninth Circuit.

"That was the first case where I was instrumental in both that I argued the motion to dismiss, and then we got a court of appeals decision that was precedential, finding that a company's code of conduct is not actionable for purposes of securities fraud," she said.

That appeals court ruling made the case important in the field, as well as for her.

"That was my first motion to dismiss that I argued, and then to see how that case has helped shape securities litigation in the years since



Laura McNally
Morgan Lewis

Age: 35
Home base: Philadelphia
Position: Partner
Law school: Temple University's
Beasley School of Law
First job after law
school: Associate at Morgan
Lewis

has been really interesting and fun to see," she said.

HER MOST INTERESTING RECENT CASE:

One of McNally's more recent cases was an appraisal case seeking to determine the fair value of a wireless networking company that was the subject of a \$2.8 billion acquisition by Hewlett-Packard Co.

That was a particularly interesting one for McNally because it allowed her to draw on her economics background, she said.

"That's an entirely different area of the law, and there, I was really able to use my economics expertise and work closely with the experts. I was able to examine one of the experts at trial," she said.

The appraisal suit asked Delaware's Chancery Court to determine the fair value of Aruba Networks Inc. McNally took the lead on briefing at the Delaware Supreme Court, which ultimately used the valuation approach she championed to overturn the lower court's decision and slash the company's share value to \$17.30 from the \$24.67 paid per share in the sale.

"I was able to learn about a really brand-new industry for me — the wireless networking space," McNally said. "So now any time I walk into a room, I look up and I'm like, 'What Wi-Fi routers are you using? What are the specs?' And I was able to obtain a great result for our client."

WHY SHE'S A SECURITIES ATTORNEY:

In addition to her law degree, McNally has an undergraduate and master's degree in economics. Securities law is "the sweet spot" at the convergence of both fields, she said.

"So I always knew that if I was going to follow the law path, that I would do something at that intersection of law and economics," she said.

The field is both academic and an "evolving area of the law," McNally added, saying she holds a unique position in it since she is able to speak both the language of the experts and that of the lawyers.

"A lot of this comes down to damages numbers and comes down to expert disagreement, and that's an area that I just find fascinating," she said. "I love working with the economic experts to come up with arguments that will get damages down to zero or get damages massively reduced in these spaces."

HER PROUDEST MOMENT AS AN ATTORNEY:

McNally is proudest not of any specific victories she's won, but that she was able to win them and make partner while raising her four children, all of whom are currently under the age of 6.

"I'm proud to be at a firm where that was supported and to have had clients who had confidence in me even as they watched me come and go from multiple maternity leaves," she said. "To let me come back and argue these very pivotal motions to dismiss in very important cases for them, that is an accomplishment I'm very proud of."

It's also something that has required a lot of work, according to McNally.

"It's really hard, and I'm really tired a lot," she added.

HOW HER PRACTICE WILL CHANGE IN THE NEXT 10 YEARS:

The COVID-19 pandemic is likely to change securities law by increasing the amount of work that's done remotely, McNally said, adding that remote witness preparation and depositions are likely here to stay.

But she hopes that the real change in the practice is that it becomes more diverse.

"In securities law, there have been women who have made amazing strides in a field that is traditionally pretty male-dominated, and already we're seeing younger female attorneys start to make some significant inroads," she said.

"I'm really proud to be part of that group of women, and I hope that it becomes standard to have more diversity as well," McNally insisted. "And I think it will because clients are demanding it, and firms — our firm especially — are really committed to it. It's something that we all want to see."

— *As told to Jack Karp*

Law360's Rising Stars are attorneys under 40 whose legal accomplishments belie their age. A team of Law360 editors selected the 2021 Rising Stars winners after reviewing more than 1,400 submissions. Attorneys had to be under 40 as of April 30, 2021, to be eligible for this year's award. This interview has been edited and condensed.