

Rising Star: King & Spalding's Jenny Pelaez

By Jon Hill

Law360 (July 16, 2024, 4:08 PM EDT) -- King & Spalding LLP's Jenny Pelaez has put in powerhouse litigation efforts that have helped NatWest and TD Bank beat financial benchmark-rigging claims, landing her a spot among the banking law practitioners under age 40 honored by Law360 as Rising Stars.

Her most significant achievement:

Pelaez has played a central role as a member of the King & Spalding team representing NatWest in U.S. civil litigation concerning alleged manipulation of the London Interbank Offered Rate, a family of interest rate benchmarks that was long used in pricing trillions of dollars in financial contracts.

Libor, which came in varieties denominated in a range of global currencies, became the subject of a massive scandal more than a decade ago when it emerged that international authorities were investigating major banks over allegations that the benchmarks were being rigged to pad profits. Costly regulatory settlements and a slew of investor lawsuits ensued, some of which have lasted years.

Pelaez, who along with some of her team members was previously at WilmerHale, has spent eight years handling NatWest's representation in Libor-related cases filed against global banks in New York and California federal courts, including managing day-to-day case activities, drafting trial and appellate-level briefs on behalf of a joint defense group and negotiating disputes with investor plaintiffs' counsel.

"I became sort of a master of operations for what was then Royal Bank of Scotland and now NatWest for all Libor litigation," said Pelaez, who described it as a "behemoth" assignment, spanning multiple Libor currency versions, multiple courts and even multiple jurisdictions.

With Pelaez on board, the team defending NatWest secured a

2024



Jenny Pelaez

King & Spalding

Age: 38

Home base: Los Angeles

Position: Partner

Law school: Cardozo School of Law

First job after law school: Judicial law clerk

complete dismissal of U.S. dollar Libor-rigging claims in a 2019 proposed investor class action brought in New York federal court, a case alleging that the benchmark was still being manipulated after its administration changed hands in 2014. The team then obtained dismissal of the investor plaintiffs' appeal at the Second Circuit in 2022.

In California federal court, Pelaez and her colleagues led the defense strategy when a group of consumer borrowers filed a 2020 lawsuit accusing NatWest and a host of other global banks of participating in a Libor-rigging cartel that resulted in anticompetitive interest rates on consumer loans.

The team got the case thrown out twice — first in 2022 and again in 2023 after it was amended — and recently wrapped up briefing on a Ninth Circuit appeal that is on track for oral argument later this year.

"What has been so rewarding about it is that you're part of a team, and my team has been helping my clients through the many, many strategic issues that arise," Pelaez said. "You're dealing with really complex legal issues at a very high level that are being decided in appellate court, such as what the contours are of conspiracy jurisdiction and how can you plead antitrust injury, and at the same time, you're dealing with a very sophisticated bar, very high-quality joint defense groups.

"It's a veritable 'Who's Who' of banking law, and they're all practicing at the top of their fields," she continued. "The plaintiffs' bar is, too. And you know, you hate to compliment your opponents, but it's nice to work with people who are very sophisticated and also at the top of their game. I've found it to be a great learning experience. Working with that caliber of attorney has shaped me into the lawyer that I am."

Her biggest case:

Given that Pelaez's clients have included some of the world's largest, most influential financial institutions, it's hard to pinpoint exactly which of her cases would count as the "biggest." But her work as part of the King & Spalding team defending HSBC Bank in interchange fee antitrust litigation would no doubt rank toward the top.

Interchange fees, also known as swipe fees, are the charges that banks and card networks collect from merchants when customers make payment card purchases. Since 2005, Mastercard, Visa and banks that issue credit cards on their networks have been battling multidistrict litigation accusing them of colluding to charge excessive, anticompetitive swipe fees.

HSBC Bank is one of the larger banks out of many to face claims in this matter, which is sprawling in scope and has seen record-setting settlements and legal fee awards. Pelaez and her colleagues on the King & Spalding team have been representing HSBC in connection with various merchant- and consumer-brought components of the litigation.

In 2018, a \$6.2 billion settlement — one of the largest of its kind — was reached to resolve a portion of merchant class claims against Mastercard, Visa and banks including HSBC. The deal was given final approval in late 2019, though an appeal by objectors remains pending before the Second Circuit, and other strands of the litigation are continuing.

"It's just such a huge case and has been quite involved," Pelaez said. "There are so many different plaintiff groups. It includes major retailers that accept payment cards, and then it involves various banks that issue payment cards plus the Visa and Mastercard networks."

Other notable cases:

With colleagues now at King & Spalding, Pelaez has also represented units of Toronto-Dominion Bank in high-stakes U.S. civil litigation.

It was in 2019, for example, that she helped secure TD Bank's exit from a proposed antitrust class action brought against it and other major banks over alleged manipulation of the Canadian Dollar Offered Rate. Pelaez co-drafted a successful motion to dismiss, resulting in a complete dismissal for TD Bank.

Pelaez and other team members are also handling defense for TD Securities in a New York federal court lawsuit brought by Harrington Global Opportunity Fund Ltd., a Bermuda-based investment fund. The suit alleges that TD and other financial institutions manipulated the share price of a Canadian health care company through an unlawful trading tactic known as spoofing. Pelaez manages all day-to-day aspects of the ongoing case and has played a key role in shaping case strategy.

How she became a banking law attorney:

As a newly minted attorney fresh out of law school, Pelaez didn't set out for the world of banking and finance. Instead, she got her start in public service work, spending two years as a staff attorney on a fellowship with the National Center for Law and Economic Justice in between clerking for two federal judges.

At the center, Pelaez focused on strategic, or impact, litigation. But it was one of the judges she clerked for who recommended that she explore the private sector and seek out "more experience working on complex, high-stakes matters," she said.

Acting on that advice, Pelaez soon found herself at WilmerHale in New York, a bustling venue for high-stakes litigation, and worked her way up from there.

"I identified some very talented lawyers who I really wanted to work with," she said. "They were working on matters that were often in the news that led to exposure for their clients, and I kind of weaseled my way into their teams."

From there, it was Libor litigation that got Pelaez hooked. "That was the big case that was pretty much the launching pad for into banking litigation for me," she said. "It was sprawling in scope ... and I had to learn very, very quickly.

Her proudest moments as an attorney:

Whether they are colleagues or clients, when people tell Pelaez that they want to work with her again, it's more than an ego boost. These "repeat moments," as she calls them, are proof not only of a job well done, but also of a team well managed.

"It started out first with a partner saying that they wanted to keep working with me, and now it is associates I manage who will, in some cases, move mountains to be able to fit in my case and work on them with me," Pelaez said. "More recently in my career, I was thrilled when clients started to call and say, 'I want Jenny on my case,' and then when they started hiring me as a partner on their matters."

"I don't know if there's any better validation than that," she added.

Pelaez said she is particularly proud when those repeat moments are coming from associates. Having been a junior attorney herself, Pelaez said she put "a lot of effort" into creating integrated teams where every member feels valued.

"It's great to see that making a positive difference for someone's job," she said. "I'm a people person at heart, so when people keep coming back to me, it gives me a lot of satisfaction."

What motivates her:

Community has been a source of strength for Pelaez, who was born in the Philippines, immigrated to the United States at the age of 10 and is the first person in her family to go to law school. That background distinguishes Pelaez in the world of BigLaw, where partners are disproportionately white and male, but it's also a powerful motivator, she said.

"I haven't really seen myself reflected much in partnerships at BigLaw firms, so over the years, as I've climbed up the ranks, I've gotten outreach from younger women, other attorneys of color, asking for guidance on navigating the field," Pelaez said. "When I made partner, what really took me by surprise was how many people reached out in a very emotional way. I just didn't imagine that my own promotion would be quite so meaningful to other people."

"And I don't think I would have gotten to where I am today without a lot of people along the way, taking the time to look out for me and give me guidance," she continued. "So now I go out and make sure that I do that for others. I'm really thrilled when I can help others reach their goals."

For Pelaez, becoming a partner offered an opportunity to set an example and provide even more of that support. It's important for junior attorneys to be able to see a woman of color succeeding in such a tough field, she said.

"The work we do is quite high stakes and it's highly visible," Pelaez said. "It's a lot of talented people who are at the top of their game, so to be able to mix with that and be visible in that, I have learned, can be meaningful not just for myself, but for others like me... I want to be one example that someone with my background can operate in this field."

Pelaez sets that example outside the office, too. She is a founding member of the Filipino American Lawyers Association of New York, for example, and serves on the board of the Philippine American Bar Association in Southern California.

She has also served on the junior board of Asian Americans Advancing Justice, an organization focused on advancing civil and human rights for Asian Americans, and she is deeply involved in pro bono work, with a particular emphasis on immigration and reproductive rights.

--As told to Jon Hill. Editing by Karin Roberts.

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.