

MVP: Sullivan & Cromwell's Sharon L. Nelles

By Reenat Sinay

Law360 (November 18, 2019, 5:01 PM EST) -- Sharon Nelles of Sullivan & Cromwell LLP's litigation group successfully steered underwriter clients through two precedential post-Cyan state court securities cases that have helped define the bounds of last year's landmark U.S. Supreme Court ruling, earning her a spot as one of Law360's 2019 Securities MVPs.

HER BIGGEST CHALLENGE OF THE LAST YEAR:

The high court's controversial March 2018 decision in *Cyan v. Beaver County Employees Retirement Fund* found that state courts have jurisdiction over certain securities class actions brought under federal law. The ruling has led to debate over whether defendants in state court should be afforded a discovery stay while a motion to dismiss is pending — a protection guaranteed in federal court by the Private Securities Litigation Reform Act.

Nelles has been one of the first attorneys to navigate the new legal landscape in New York state court, which she called an "interesting challenge," as she has increasingly found herself there over the last year on behalf of underwriter groups in securities litigation connected to various initial public offerings.

In August, Nelles succeeded in obtaining the first post-Cyan discovery stay in New York state court in a suit in which a group of financial institutions that served as the underwriters for online insurance marketplace EverQuote Inc. were sued by the company's investors.

While she enjoys practicing in the New York Supreme Court, it's also a place that "has its own rhythms and own point of view, which may or may not always mesh with the well-developed federal precedents," she said. "This is a multimillion-dollar issue because discovery is very expensive and the results have been decidedly mixed."

Nelles also won the first post-Cyan dismissal of a proposed securities class action in New York state court in July in *In re: Netshoes Securities Litigation*.



WHY SHE'S A SECURITIES ATTORNEY:

In her role as managing partner of Sullivan & Cromwell's litigation group, Nelles' practice is broad, encompassing not only securities, but transportation, white collar and anti-terrorism, and pro bono work for Time's Up New York, an organization that addresses sexual harassment in the entertainment industry, among many other things.

As a person who enjoys having her fingers in several different pies, she loves the multidisciplinary and event-driven nature of securities litigation, calling it "fantastic fun."

"I get to do enforcement work in the morning, civil litigation in the afternoon, and I think each makes me a better lawyer with respect to the other," Nelles said. "It also crosses industries: We have banks, we have car and plane manufacturers, we have cosmetics companies, we do management, we do boards. It's really foundational work in the truest sense."

WHAT MOTIVATES HER:

When Nelles first joined Sullivan & Cromwell nearly three decades ago, she was a new lawyer and a new mom, unsure whether she'd be able to balance both responsibilities, she said.

"I gave myself a really great gift: an unarticulated acknowledgement that it was okay to do something else if I was not getting as much from my work as I was giving," she said. "I'm here 25 years later. I still check in with myself and I can say without hesitation that I still wake up excited to be a lawyer."

Taking on cutting-edge work, facing "uncharted challenges" and solving "big and important problems" with her team at the firm is what keeps her going, she said.

HER ADVICE FOR JUNIOR ATTORNEYS:

Nelles said she feels a responsibility to impart that excitement for lawyering on the next generation of attorneys. In order to be successful at event-driven litigation like securities work, you have to have a wide focus, she said.

"In the securities space, I think it's extremely important to step back from the technicalities and try to see the big picture," Nelles said.

It's also important to keep an open mind and make good use of the resources around you, she noted.

"Don't say no to opportunity, don't be afraid to have questions and come to your partners and colleagues with questions, but even more importantly, come with proposed answers," Nelles said.

"I would also encourage young attorneys who are looking to practice in the securities area not to be afraid to practice in other areas," she added. "I believe that the broader exposure you get, the better lawyer you will be."

— *As told to Reenat Sinay*

Law360's MVPs are attorneys who have distinguished themselves from their peers over the past year through high-stakes litigation, record-breaking deals and complex global matters. A team of Law360 editors selected the 2019 MVP winners after reviewing nearly 900 submissions.