



Aaron Krauss

Member

Philadelphia

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Aaron Krauss is a business litigator with more than 30 years of experience representing corporations and individuals in business disputes. He concentrates his practice in the areas of commercial, health, employment, and intellectual property litigation.

A veteran trial lawyer, Aaron has won numerous verdicts in high-stakes litigation in state and federal courts and before arbitration panels. As satisfying as vindication in court may be, Aaron also recognizes that trial victories are pyrrhic at best if the cost is too great in dollars, time, or lost relationships. Aaron is mindful that any specific issue or dispute must be addressed in a way that best advances his client's broader business goals.

Aaron is a highly respected member of the business litigation bar and has held various leadership roles within the American Bar Association (ABA). He is currently a member of the ABA Book Publishing Board and served previously as chair of the Health Law Committee and vice chair of the Business Torts Committee of the Tort and Insurance Practice Section.

Aaron is the former articles editor of the ABA's *Tort & Insurance Law Journal*, former associate editor of the Philadelphia Bar Association's *Handbook of Federal Judicial Practices and Procedures for the Eastern District of Pennsylvania*, and wrote/edited *An Introduction to Health Law Litigation Based on Contract and Government Claims*, published by the ABA's First Chair Press.

Beyond the law, Aaron is involved with local civic, charitable, and community organizations. He served on the board of directors of Philabundance, an anti-hunger nonprofit, for nearly two decades, including terms as chair, vice chair, and treasurer. He has also held leadership positions with the United Way, Keneseth Israel, Moss Rehabilitation Hospital, and the Abington Band Boosters.

Aaron earned his Bachelor of Arts, *magna cum laude*, in 1988 from the University of Michigan, where he was a member of Phi Beta Kappa. His law degree is from the University of Pennsylvania, *magna cum laude*, in 1991, where he was a member of the Order of the Coif and the law review. Aaron served as a law clerk to the Hon. Edward N. Cahn, U.S. District Court for the Eastern District of Pennsylvania, from 1991-1992.

Experience

Successfully defended a closely held company and its shareholders against claims brought by a former minority shareholder. The former minority shareholder claimed that he had been oppressed and held the license to manufacture 80% of the company's products, and argued that the company should have to pay millions of dollars to buy out his stock and be shut down. We defeated the former minority shareholder's request for an injunction, secured an injunction prohibiting him from competing, had the former minority shareholder held in contempt, and were able to convince an arbitrator to reject the former minority shareholder's claim as to the value of the company.

Represented a food distribution company in multiple lawsuits with claims in excess of \$100 million in damages (including in excess of \$60 million in lost profits) as a result of alleged food contamination. At the conclusion of the litigation, the client was not required to compensate any plaintiff and was able to

Practice Areas

- Commercial Litigation
- Health Care & Life Sciences
- Labor & Employment
- Professional Liability
- Intellectual Property

Education

- University of Pennsylvania Law School, J.D., *magna cum laude*, 1991
- University of Michigan, B.A., *magna cum laude*, 1988

Bar Admissions

- Pennsylvania
- New York
- New Jersey

Court Admissions

- Pennsylvania Supreme Court
- Supreme Court of New Jersey
- U.S. Court of Appeals for the Third Circuit
- U.S. District Court -- Eastern District of Michigan
- U.S. District Court -- Eastern District of Pennsylvania
- U.S. District Court -- Middle District of Pennsylvania
- U.S. District Court -- Western District of Pennsylvania
- U.S. District Court -- New Jersey
- U.S. District Court -- Eastern District of New York
- U.S. District Court -- Southern District of New York
- New York Court of Appeals
- U.S. Court of Appeals for the Eleventh Circuit

Affiliations

- American Bar Association
- Pennsylvania Bar Association
- Philadelphia Bar Association

Awards & Honors

- 40 Business Leaders Under 40, *Philadelphia Business Journal*
- Lawyers on the Fast Track, *The Legal Intelligence*
- Pennsylvania Super Lawyers (2009-2024)
This award is conferred by Super Lawyers. A description of the selection methodology can be found here. No aspect of this

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Clerkships

Honorable Edward N. Cahn, U.S. District Court
- Eastern District of Pennsylvania

recover a portion of its attorneys' fees.

Represented a medical services provider in a claim that a health insurer improperly refused to cover the client's services, forcing the health insurer to change its medical policy.

Won a claim for "clawback" owed by a former partner to a client venture capital firm and defeated the former partner's claim for mismanagement. The client ultimately received 100 cents on the dollar, plus interest.

Won a bench trial for a Fortune 500 company in which a representative claimed he was owed commissions.

Successfully represented a defense contractor in an arbitration, defeating claims that it had improperly deducted money from a subcontractor because the subcontractor failed to supply all necessary materials.

Defended a Fortune 500 company in a claim that it owed a licensor \$300 million. At the conclusion of the bench trial, the judge awarded less than 1% of the amount claimed.

Represented a shareholder in a dispute involving more than \$100 million in connection with the sale of multiple franchised locations. An adverse shareholder had attempted to purchase our client's interest and stop the sale. After a two-week bench trial, we obtained an order in our client's favor that required the sale to proceed and allowed our client to retain a minority interest in the business and to serve as a senior executive in the new entity.

Secured a favorable jury verdict on behalf of a printing company against claimed breaches of representations and warranties arising from an asset purchase agreement.

Secured a directed verdict for a Big Four accounting firm client against claims that it had failed to discover related party transactions and was therefore liable for in excess of \$34 million.

Secured a directed verdict for a corporate client in an age discrimination suit.

Convinced the Orphans' Court to reject a beneficiary's claim that our client, a bank, should be removed as the Trustee of a trust with tens of millions of dollars of assets.

Won a favorable verdict for a non-profit co-op in a claim that the USDA had acted arbitrarily and capriciously in refusing to award rural development funding to the co-op in support of its efforts to open a store approximately one mile from the Philadelphia border.

Secured an *inter partes* review victory before the U.S. Patent and Trademark Office's Patent Trial and Appeal Board (PTAB), and affirmance by the U.S. Court of Appeals for the Federal Circuit, successfully defending three patents relating to water treatment systems.

Represented Lung Therapeutics, Inc., a clinical-stage biopharmaceutical company developing therapies for life-threatening lung conditions, in its \$90 million "sign and close" merger with Aileron Therapeutics, Inc. (Nasdaq: ALRN) and a concurrent \$18 million private investment in public equity (PIPE) transaction. This transaction drew on the experience of the firm's corporate, capital markets & securities, tax, labor and employment, employee benefits and executive compensation, and commercial litigation attorneys.

Won summary judgment in five cases brought against a single client on interrelated claims of race discrimination, sex and age discrimination, retaliation, hostile work environment, and intentional infliction of emotional distress.

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Won summary judgment in a dispute with a seller and a mortgage securitization pool on behalf of a Fortune 500 company over claims by the seller that his client had exercised two lease renewal options and that the lease had been assigned to the lender (who sought \$15.5 million).

Achieved a favorable settlement in the midst of a trial over claims that our corporate client had breached a lease when it changed the dimensions of the warehouse that was the subject of the lease.

Secured a dismissal of the claims against a Big Four accounting firm in claims that it failed to discover inadequate reinsurance.

Successfully represented a securities firm in a FINRA arbitration alleging unsuitable investment, winning dismissal of the claims.

Won summary judgment for four former members of the board of a pension fund against claims alleging a \$75 million RICO conspiracy.

Obtained summary judgment on behalf of a bank against claims that it was required to pay \$2.6 million based on a bearer certificate of deposit.

Represented several individual clients who purchased a large amount of auction rate securities (ARS) and were left with sizable illiquid assets when the credit crunch hit and the ARS market seized up. Previous ARS claims had been framed as standard securities frauds, but we devised a strategy to file common law claims alleging negligent misrepresentation, breach of fiduciary duty, and unfair trade practices. The claims survived a motion to dismiss and a motion for summary judgment. Shortly after the start of the trial, the case settled to our clients' satisfaction.

Represented a family in a dispute with a venture capital firm over the family's entitlement to receive carried interest from the fund and secured a favorable settlement.

Represented the sellers of a company in a claim in which a former employee claimed to have been entitled to receive millions of dollars worth of additional stock options as a result of the sale. Secured a settlement that was a fraction of the cost of defending the case.

Won summary judgment, affirmed by the U.S. Court of Appeals for the Third Circuit, on behalf of an employee health plan operated by a health system in an ERISA case involving the recovery of a substantial overpayment to an out-of-network health care provider by the plan on behalf of a plan beneficiary. The opinion clarifies ambiguities in recent Supreme Court cases governing recoveries by ERISA plans based on equitable liens by agreement. The circuit court found that our client's claims were equitable rather than legal, thus permitted by ERISA, and awarded the plan an equitable lien by agreement based on a provision of the plan requiring the return of overpayments made in error. The plaintiff was ordered to repay our client the substantial overpayments. Additionally, we won summary judgment on the provider's ERISA claims against our client, through which the provider sought \$1.2 million in reimbursement based on its full-billed charges.

Successfully represented a trustee of a group of nine related trusts with total assets exceeding \$350 million in litigation brought by multiple beneficiaries against the settlor and other trustees alleging inappropriate investments and self-dealing.

Successfully represented a trustee and executrix in multiple accountings involving in excess of \$50 million.

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