



# Aaron Krauss

## Member

## Philadelphia

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Aaron Krauss concentrates his practice on business litigation, health care litigation, labor and employment litigation, and intellectual property litigation.

Aaron tries cases in both state and federal court and before arbitration panels on behalf of companies (or officers, directors or shareholders of companies) who have disputes with other companies or shareholders. These disputes usually arise out of a prior business or employment relationship, or allegations of product liability. Although clients always want to win their case, Aaron recognizes that business goals must remain paramount, and a victory that comes at too great a cost either in terms of dollars spent or the harm to an otherwise important relationship is at best a pyrrhic victory. As a result, he provides practical advice recognizing that the lawsuit he is handling is only a part of a larger whole.

Aaron has been named one of "40 Business Leaders Under 40" by the Philadelphia Business Journal and as a "Lawyer on the Fast Track" in Pennsylvania by American Lawyer Media. He has repeatedly been named a "Super Lawyer" in Pennsylvania by Law & Politics.

Aaron has held various leadership roles within the American Bar Association's Litigation Section, including as and a member of the ABA Book Publishing Board (2019-present) and as the chair of the Health Law Committee (2016-17). Aaron is a former vice chair of the Business Torts Committee of the American Bar Association's Tort and Insurance Practice Section (1999-2004) and a former articles editor of the Tort & Insurance Law Journal (1995-1999). He wrote and edited the book *An Introduction to Health Law Litigation Based on Contract and Government Claims* (ABA First Chair Press, 2016). He was also an associate editor of the *Handbook of Federal Judicial Practices and Procedures for the Eastern District of Pennsylvania*, published by the Philadelphia Bar Association in conjunction with West Publishing Company (1996).

Outside of the law, Aaron is very involved with civic, charitable, and community organizations. For nearly two decades, Aaron served on the board of directors of Philabundance, a charitable organization that arranges for food that would otherwise be wasted to be distributed to community and relief organizations, including two years as chairman, one year as vice chairman, and four years as treasurer. Aaron is active in the United Way, and headed a team of attorneys who work with the United Way's Campaign for Working Families. He has served on the board of directors of Keneseth Israel, and as an officer of the congregation, as well as on the advisory board of the Moss Rehabilitation Hospital. Finally, for six years he served on the board of the Abington Band Boosters.

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.

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, and his law degree 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.

## Experience

Represented a closely held company and its shareholder against claims brought by a former minority shareholder. The former minority shareholder claimed that he had been oppressed, that he had the

### Practice Areas

- Health Care
- Product Liability
- Intellectual Property Litigation
- Commercial Litigation

### Industry Sectors

- Food & Beverage
- Health Care & Life Sciences

### 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

### Affiliations

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

### Awards & Honors

- Pennsylvania Super Lawyers 2009-2020

### Clerkships

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

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license to manufacture 80% of the company's products, that the company should be shut down, and that the company should have to pay millions of dollars to buy out his stock. Cozen O'Connor defeated the former minority shareholder's request for an injunction and secured an injunction prohibiting the former minority shareholder from competing. The firm also had the former minority shareholder held in contempt, and was later 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 claiming 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 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. The health insurer changed its medical policy.

Represented a venture capital firm in a claim for "clawback" owed by a former partner. The firm's client received 100 cents on the dollar, plus interest. Cozen O'Connor also defeated the former partner's claim for mismanagement.

Represented a Fortune 500 company in a claim that a representative was owed commissions. Cozen O'Connor won the bench trial.

Represented a shareholder in a dispute involving more than \$100 million in connection with the sale of multiple franchised locations, in which an adverse shareholder 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.

Represented a printing company in a claim for breaches of representations and warranties arising out of an asset purchase agreement. Cozen O'Connor secured a favorable jury verdict.

Represented a big four accounting firm against claims that it had failed to discover related party transactions and was therefore liable for in excess of \$34 million. The firm secured a directed verdict.

Represented a company against claims of age discrimination. Cozen O'Connor secured a directed verdict.

Represented a bank against a claim that it should be removed as the Trustee of a trust with tens of millions of dollars of assets. The firm convinced the Orphans' Court to reject the beneficiary's claim.

Represented 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 boarder. The firm secured a favorable verdict for our client.

Represented a Fortune 500 company that had purchased assets and then sublet space from the seller in a dispute with the seller and a mortgage securitization pool. The seller claimed that our client had exercised two lease renewal options, and that the lease had been assigned to the lender. The lender sought \$15.5 million. The firm secured summary judgment.

Represented a company against claims it had breached a lease when it changed the dimensions of the warehouse that was the subject of the lease. Cozen O'Connor was able to secure a favorable settlement during the trial.

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Represented a big four accounting firm in claims that it failed to discover inadequate reinsurance. The firm secured a dismissal of the claims.

Represented a securities firm in a FINRA arbitration alleging unsuitable investments. Cozen O'Connor secured a dismissal of the claims.

Represented four former members of the board of a pension fund against claims alleging a \$75 million RICO conspiracy. Cozen O'Connor secured summary judgment for our clients.

Represented a bank against claims that the bank was required to pay \$2.6 million based on a bearer certificate of deposit. Cozen O'Connor secured summary judgment for our client.

Represented several individual clients who purchased a large amount of auction rate securities (ARS). Subsequently, when the credit crunch hit and the ARS market seized up, our clients were left with sizable illiquid assets. Previous ARS claims had been framed as standard securities frauds. Our litigators 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. The firm 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. The firm secured a settlement that was a fraction of the cost of defending the case.

Represented a franchisee of a distribution company in termination proceedings. The firm negotiated an amicable settlement.

Won summary judgment, which was 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 court's opinion clarifies ambiguities in recent Supreme Court cases governing recoveries by ERISA plans based on equitable liens by agreement. The court found that our client's claims were equitable rather than legal and 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.

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