



## *Risk.net* Quotes Nathaniel Lalone on Legal Options for Banks Involved in Cyberattack

February 23, 2023

In an article covering a cyberattack that disrupted derivatives trading around the world, *Risk.net* interviewed Nathaniel Lalone, Financial Markets and Funds partner, about legal options for banks impacted by Ion Group's service outage.

The article reports that three banks are reviewing whether Ion Group, which supplies software to process cleared derivatives trades, breached its service-level agreement (SLA). Options under consideration include seeking compensation or severing contracts.

Nate explained that SLAs typically limit compensation fees, and damages are usually capped. However, if banks can establish a breach of contract, banks may have claims to make, though likely will fall short of fully severing a relationship. "Normally, you wouldn't necessarily go directly to breach because, frankly, the financial firm needs the service provider. They're not always easily replaceable," Nate said. "I would think the banks would be looking for financial compensation rather than simply exiting the agreement, because Ion is too important to too many banks."

["Ion in the fire: three banks call in lawyers after hack: Banks are examining service-level agreements for possible breaches," \*Risk.net\*, February 22, 2023](#)

*\*Subscription may be required for article access.*

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