

Accountant Liability

Schnader regularly represents audit clients, lenders, trustees in bankruptcy and others who have been harmed by their reliance upon inadequate audits by major accounting firms. Those representations have resulted in claims for professional malpractice, securities fraud, misrepresentation and common law fraud, as well as investigations and enforcement actions by government agencies. Our lawyers' depth of knowledge of our clients' businesses, the relevant law, the applicable professional standards, and the attorneys and experts who regularly appear in professional liability litigation enables us to work creatively, efficiently and effectively toward the vindication of our clients' rights.

Representative Matters

Our lawyers have developed a broad level of experience. A few examples of matters we have handled include:

Lead trial counsel for Resolution Trust Corporation in *Resolution Trust Corporation v. Peat Marwick*, formerly pending in the Eastern District of Pennsylvania, which involved accountant liability claims arising out of the failure of Hill Financial Savings Association (settled globally for \$185 million).

Replacement trial counsel for Resolution Trust Corporation in *Resolution Trust Corporation v. Deloitte & Touche*, formerly pending in the federal court for the District of Colorado, which involved accountant liability claims arising out of the failure of Otero Federal Savings and Loan.

Replacement trial counsel for Resolution Trust Corporation in *Resolution Trust Corporation v. Grant Thornton*, formerly pending in the federal court for the District of New Mexico, which involved accountant liability claims arising out of the failure of Valley Federal Savings and Loan.

Counsel for Resolution Trust Corporation and Federal Deposit Insurance Corporation in connection with the investigation and assessment of potential liability of accountants in connection with the failures of certain

failed financial institutions.

Lead counsel for a large, multinational lending institution in accounting malpractice claim against Coopers & Lybrand arising out of the Phar-Mor bankruptcy.

Lead counsel for a debtor in accounting malpractice claims against KPMG Peat Marwick arising out of the NELCO bankruptcy.

Counsel to a group of lender-banks to investigate and prosecute claims against an accounting firm that provided unqualified audit opinions on fraudulent financial statements of a borrower who defaulted on loans.

Counsel to shareholders of a closely held manufacturing company to investigate and prosecute claims against the company's accounting firm for failure to disclose fraudulent conduct by another shareholder, which the accounting firm discovered or should have discovered as it performed its audit.

Through these representations, we have developed the skills, the flexibility and the responsiveness to our clients' needs that enable us to effectively and efficiently protect our clients' rights and interests in both the short term and the long term. Together with our clients, we develop the appropriate strategy to reach a prompt, cost-efficient resolution of the client's claim consistent with the client's goals.

Contacts

Theresa E. Loscalzo - Chair

215-751-2254