

## Lender Liability

Schnader has substantial experience representing financial institutions in federal and state courts and in adversary proceedings in bankruptcy courts across the country. Schnader has handled numerous litigations involving the potential liability of lenders in connection with lending practices as well as the foreclosure, workout and restructuring of loans and other debt instruments.

Because we handle a significant amount of this type of work, our litigators are not only familiar with the claims, defenses and tactics typical of these matters, but also are familiar with the financial, accounting and business concepts that underlie these types of disputes.

## Our Clients Are Diverse

We represent a broad spectrum of financial institutions and other creditors. We have been engaged as counsel or special litigation counsel to bank syndicates, creditors' committees and major creditors in bankruptcies and liquidations in which former officers, directors, shareholders or outside professionals have engaged in fraud or otherwise wrongful practices to the detriment of the debtor, its creditors and/or its insurers. Examples include, but are not limited to, such claims arising out of the *ScoreBoard*, *NELCO*, *Kent International Associates*, *Phar-Mor* and *Walnut Leasing* bankruptcies and other bankruptcies.

Schnader has been counsel for RTC/FDIC on professional and director and officer liability in connection with the failures of savings and loans and banks, including Hill Financial (Pennsylvania), Otero (Colorado), Meritor/PSFS (Pennsylvania), Valley Federal (New Mexico), Old Stone (Rhode Island) and First American (Miami).

## REITs and RESPA Claims

Schnader also has been counsel for several real estate investment trusts and banks in large and complex

litigation involving failed or failing resorts and major city hotels, motels, apartment complexes and office buildings.

We also have defended Real Estate Settlement Procedures Act claims on behalf of lenders in a number of jurisdictions, including defense of a major underwriter of private mortgage insurance in class action litigation pending in federal court in North Carolina, Texas and other jurisdictions concerning claims that the structure of the private mortgage insurance industry violates RESPA.

## National Experience in Bank and Lending Litigation

Schnader has national experience in bank and lending litigation. Recent notable examples include:

- Schnader has served as counsel for Rhode Island Hospital Trust ("RIHT") - the primary lender to the developer and escrow agent for the investors - on a failed "all or nothing" offering of condominium units. We successfully defended three actions brought by investors, obtaining a directed verdict in one and summary judgment in the other federal action, both of which were upheld by the First Circuit. We also prevailed before a jury on a state court action.
- We obtained summary judgment for Bank of Boston on a guaranty by a U.S. company's British parent covering a loan made to an Argentine company even though the Argentine debtor had paid funds to the Central Bank to satisfy the loan.
- Schnader represented First Union in the post-trial proceedings and appeal of a punitive damages award in a lender liability claim. Retained after the jury verdict, Schnader first obtained a substantial reduction of the \$352 million punitive damage award and then a ruling overturning that entire award. The court ordered a new trial on punitive damages, while affirming the compensatory damages award.

As these representative matters demonstrate, our lawyers have developed a wide range of capabilities. In doing so, we have become familiar with many of our clients' accounting, financial and other business concepts. We have developed the skills, flexibility and responsiveness to our clients' needs that enable us to effectively and efficiently protect our clients' rights and interests in both the short and the long term.