

## Accountants' Liability Cases

Bartlit Beck represents accounting firms, including several of the “Big Four” firms, in complex litigation across the country. Bartlit Beck handles cases involving allegations of accountant malpractice, failed due diligence, securities fraud, and various other claims relating to the work of accounting firms in a variety of industries, including banking, real estate, consumer products, transportation, education, media and private equity transactions. We have represented accounting firms in cases brought by their former clients, bankruptcy trustees, regulators, shareholders, creditors, investors, insurers and others. We have represented accounting firms in trials, mediations and arbitrations, through discovery, motion practice and trial.

Through our experience, we have gained a detailed understanding of the auditing process, including Generally Accepted Auditing Standards (GAAS), the interpretation of financial reporting standards and the adequacy of financial statement disclosures. We use this understanding and work closely with the audit partners and the rest of the audit team, and inside and outside accounting experts, to present our client's best possible defense.

Bartlit Beck has won each of the accountants' liability cases it has tried. We have also won other cases on motion. Combining our trial expertise with our experience with these types of matters, we are uniquely qualified to defend against all types of accountants' liability claims.

**Below are summaries of some of the representative accountants' liability cases we have handled.**

***In re Metropolitan Securities Litigation; Metropolitan Mortgage and Securities v. Ernst & Young; Washington State Office of Insurance Commissioner v. Ernst & Young***

Defending Ernst & Young against audit malpractice claims in federal securities class action and related arbitrations surrounding the collapse of Metropolitan Mortgage & Securities Co., a \$2 billion investment, real estate and insurance conglomerate. Won complete defense verdict in three-week trial against Metropolitan's insurance subsidiary in which plaintiff was claiming \$90 million in damages. Won complete defense verdict against the bankrupt estates after four-week trial involving claims for \$220 million in damages. Securities class action case settled favorably shortly before trial.

***Thayer Capital Partners v. Ernst & Young***

Represented Ernst & Young in arbitration against venture capital firms alleging claiming \$100 million in damages stemming from alleged accountants' negligence in connection with due diligence and audit work for a large private acquisition. Complete defense verdict in client's favor after three-week trial.

## ***In Re Parmalat Securities Litigation***

Retained after summary judgment proceedings to represent Deloitte Touche Tohmatsu at trial in securities class action. Plaintiffs had sought to hold DTT, the Swiss verein, liable for the alleged misconduct of Deloitte member firms in connection with Parmalat's downfall. Case settled favorably after Bartlit Beck appeared and requested an early trial date.

## ***Swift Transportation Co. v. Ernst & Young***

Represented Ernst & Young in accounting malpractice action stemming from merger between Swift Transportation Company and M.S. Carriers, Inc.

## ***Board of Trustees of City Colleges v. Arthur Andersen***

Represented Arthur Andersen in litigation relating to derivative securities trading investment made by public treasurer. Won partial summary judgment as to most of plaintiff's damages claim, case settled thereafter.

## ***Smith v. Arthur Andersen***

Defended Andersen in action by Boston Chicken bankruptcy trustee alleging auditor malpractice. Case settled favorably shortly before trial.

## ***Coleman Holdings v. Arthur Andersen***

Represented Andersen in negligence and fraud action in connection with Andersen's audit of Sunbeam. Case settled.

## ***Adelphia Communications Corp. v. Deloitte & Touche***

Represented Deloitte in multi-billion dollar accounting malpractice case brought by Adelphia, with third-party claims against the Rigas family. Case resolved on confidential terms.

## ***In re National Century Financial Enterprises***

Represented Deloitte in multibillion dollar lawsuits relating to the collapse of Deloitte audit client. The majority of claims against Deloitte have settled.