Feb 2021 | Case Studies

Yankwitt LLP Represents Warner Bros. in Federal Litigation After $1.3 Million Lost to E-mail Scam

The Situation:

Yankwitt LLP was retained by WB Studio Enterprises, Inc. (Warner Bros.) after an accountant of a newly acquired subsidiary lost more than $1.3 million of the subsidiary's money to a sophisticated e-mail scam. An online hacker had infiltrated the accountant's e-mail system and was able to intercept and manipulate wire instructions sent by Warner Bros. to the accountant. After failing to notice several red flags in the manipulated instructions, the accountant wired to the hacker $1.3 million in Warner Bros.' funds, which were never recovered.

Our Approach:

Yankwitt LLP filed a federal lawsuit in the Southern District of New York on behalf of Warner Bros. against the accounting firm, asserting claims for accounting malpractice and breach of contract based on the firm's failure to safeguard and negligent transfer of Warner Bros.' funds. In line with Warner Bros.' desire to keep litigation costs down, the parties agreed to participate in an early mediation in an effort to resolve the dispute before incurring significant discovery expenses. Yankwitt LLP then worked to craft a powerful mediation statement that emphasized the disturbing facts underlying the dispute.

The Result:

The Yankwitt LLP team used their advocacy and negotiating skills at mediation to reach a favorable and confidential settlement of the litigation. This result exemplified the hallmarks of Yankwitt LLP's approach to litigation: listening to the client's litigation needs and aggressively pursuing a dispute resolution strategy to maximize the client's goals. By focusing on the client's end game, Yankwitt LLP was able to resolve the matter to Warner Bros' satisfaction without incurring outsized litigation expenses.

The case was *WB Studio Enterprises, Inc. v. Dan Schwartz CPA PC*, No. 20-cv-1654.

The case was covered by the Westchester County Business Journal.