



## Scott L. Schmookler

**PARTNER**

Chicago

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### RELATED SERVICES

- Insurance
- Banking & Finance
- Blockchain & Cryptocurrency
- London Market
- Directors & Officers Coverage
- Cyber, Privacy & Data Security
- Technology Litigation
- Surety
- Fidelity
- Professional Liability Coverage

### OFFICES

- Chicago

### OVERVIEW

Scott Schmookler is a Partner in the firm's Chicago office. Scott's practice focuses on commercial and construction litigation, insurance coverage, and cyber security.

Scott frequently is retained to represent insurers in complex coverage disputes across the country. He has extensive experience representing insurers in coverage disputes, particularly in the areas of fidelity bonds, directors and officers insurance, and professional liability insurance. He regularly represents domestic and international insurers in coverage evaluation and litigation, has drafted policy language for different types of policies, and has developed different types of policies for a major insurer.

Scott regularly counsels clients on insurance issues relating to technology, cybercrime, cyber security, and data breaches. Representing insurers in claims under commercial crime policies, computer crime

policies, cyber security policies, and data breach insurance policies, he provides advice of insurance claims arising from data breaches and cyber-attacks, coordinates remediation and regulatory responses, and litigates coverage disputes. Scott has been active in working with insurers in the development of new insurance programs and manuscripted coverages relating to cyber security and data breaches.

Scott also has extensive commercial and construction litigation experience as he counsels corporate clients on claims involving payment and performance bonds, breach of contract, fraud and breach of fiduciary duty.

## **REPRESENTATIVE EXPERIENCE**

### **Cyber Security/Data Breach**

- Advising insurers regarding potential exposure for the unauthorized disclosure of confidential information or unauthorized disbursement of client funds.
- Representation of international insurer in a series of lawsuits seeking coverage under computer crime policies and cyber policies for loss sustained from hacking and social engineering.
- Representation of national insurer in a \$20 million insurance claim arising from the Heartland Payment Systems data breach.

### **Fidelity/Financial Institution Bond**

- Representation of insurers in a \$141 million coverage dispute arising from allegations of unauthorized trading.
- Representation of insurers in a \$100 million coverage dispute arising from a Ponzi scheme perpetrated by Scott Rothstein.
- Representation of insurers in a \$200 million coverage dispute arising from a loan fraud perpetrated by Lou Pearlman.
- Representation of insurers in a \$25 million coverage dispute arising from a Ponzi scheme perpetrated by Bernie Madoff.
- Representation of insurers in a \$20 million coverage dispute arising from extension of credit against fictitious collateral.

### **Insurance Coverage**

- Representation of a U.S. insurer in a \$4 million claim under a directors and officers policy arising from the failure to properly supervise lending operations at regional bank.
- Representation of international insurer in a \$5 million claim under a malpractice policy arising from the failure to detect financial fraud.

- Representation of domestic insurer in a \$10 million claim under a directors and officers policy arising from the failure of a publicly traded financial institution.

#### **Professional Liability Insurance Coverage**

- Representation of a U.S. insurer in a \$4 million claim under a directors and officers policy arising from the failure to properly supervise lending operations at regional bank.
- Representation of international insurer in a \$5 million claim under a malpractice policy arising from the failure to detect financial fraud.
- Representation of domestic insurer in a \$10 million claim under a directors and officers policy arising from the failure of a publicly traded financial institution.

#### **Commercial Litigation**

- Representation of a domestic surety in performance bond dispute arising from improves to the D.C. metro's Orange and Blue lines;
- Representation of a corporate client in a \$30 million fraud and breach of fiduciary duty action against a publicly traded company.
- Representation of a condominium association in an asbestos-related construction dispute.
- Representation of a corporate client in a \$2 million breach of contract action against a publicly traded company.

#### **PUBLICATIONS**

- Author, Computer Crime Coverage: Analyzing coverage for cyber breaches and other computer crimes under commercial crime policies, *American Bar Association, Commercial Crime Policy*, November 2014

#### **CREDENTIALS**

##### **Admissions**

- Illinois
- U.S. District Court, Northern District of Illinois
- U.S. District Court, Eastern and Western Districts of Michigan
- U.S. District Court, Eastern District of Wisconsin
- Third, Sixth, Seventh, Eighth and Ninth Circuit Court of Appeals

##### **Memberships**

- State Bar of Illinois

- American Bar Association
- The Fidelity Law Association
- The Surety Claims Institute

**Education**

- J.D., Illinois Institute of Technology/Chicago-Kent College of Law, 1996
- B.A., Bradley University, 1993