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What are the Damages caused by a Fraud?

Here is an introductory framework for you:

- A. If the claim is against the fraudster, then damages are generally the quantum of the assets misappropriated.
- B. If the claim is against a party who should have prevented or detected the fraud, then:
 - I. For a small fraud, if the fraud had been prevented or detected sooner, the company would not have lost the assets that were misappropriated between the time when the fraud was actually discovered, and the time the fraud should have been prevented / detected “but for” the breach; or
 - II. For a large fraud, which forced the business to cease to operate, then damages become a question of – from the perspective of the shareholders, bondholders or company – what financial position did they end up in given the breach, compared with the financial position they would have ended up in “but for” the breach.

Interestingly, the damages for each of the: a) shareholders, b) bondholders and c) company, are often vastly different.

[Get my help quantifying Damages](#)