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How to Sue Your Auditors – Deloitte Settles for C\$121.9 million shortly before the SCC decision on Livent

Superior Court Approves a C\$121.9 million Settlement of CIBC v. Deloitte over the Audit of Philip Services Corp.

The Supreme Court ruling in December 2017 appears to have been preceded by the settlement of another long-running case against Deloitte.

Eighteen years ago, both CIBC and the Receiver Manager of Philip sued Deloitte over the 1995 and 1996 audits of Philip. CIBC led a loan syndicate which claimed US\$524 million in deficiencies in loan repayments, and Philip claimed US\$723.7million on the basis that Philip relied to its detriment on the audited financial statements in charting a course for the company, and in particular, pursuing its acquisition strategy.

After extensive litigation, and a number of mediation sessions, Deloitte agreed to accept the Plaintiffs' settlement offer of US\$90 million, in consideration of: a) full and final mutual releases by the Lenders, Philip and Deloitte, and b) dismissal of claims without admission of liability and without costs from Deloitte.

The Ontario Superior Court of Justice approved the settlement.

2017 ONSC 5000, Justice Perell, J., dated August 24, 2017

Get my help in framing damages in your cases.