





LOGIN

REGISTER


RSS



Linked in



twitter



[HOME](#) [NEWS](#) [FILTER](#) [MAGAZINE](#) [ARTICLES](#) [AWARDS](#) [EXPERT WITNESS](#) [PR PORTAL](#) [ADVERTISE](#) [ABOUT](#) [CONTACT](#) [SEARCH](#)

NEWS

RECENT APPOINTMENTS

OTHER

GUIDES

COMPETITIONS

REGIONS

EUROPE



NORTH AMERICA

ASIA

LATIN AMERICA

OFFSHORE

AUSTRALASIA

MIDDLE EAST

AFRICA

PRACTICE AREAS

BANKING & FINANCE

CORPORATE

EMPLOYMENT

INSURANCE

IP

TMT

LITIGATION & ADR

M & A

PROJECTS &
INFRASTRUCTURE

PUBLIC & REGULATORY

REAL ESTATE

FRANCHISE

HEWLETT PACKARD AUDITORS SUED OVER AUTONOMY PURCHASE



Posted on: 29 November 2012

Written by: Claire Middleton

Deloitte and KPMG are being sued over their alleged role in Hewlett Packard's controversial purchase of Autonomy.

Jonathan Thornton (pictured), Partner at Russell-Cooke Solicitors commented: "Jurisdiction shopping' is an increasingly common phenomena across the globe, for both large corporations and wealthy individuals. We have seen in recent months how wealthy divorcing couples and Russian Oligarchs favour London and English law. The reasons seem to be the strength and independence of the courts and, in the case of divorce, a feeling on the part of some wives that they will be treated more favourably under English divorce law.

"The Hewlett Packard / Autonomy litigation is an example of the perceived advantages in a different context of litigating in the USA, not England.

"In the USA the courts often make penal awards where they consider the defendant was at fault so commercial litigants may make considerably more money if they win. In England the courts only recompense a claimant for their actual loss, and will not usually make a penal award. Showing "loss" can often be difficult even if something was clearly done incorrectly. What's more, in England a case called "Caparo" limits the liability of auditors to third parties. So a company's shareholders or a buyer of the company have limited scope to sue the auditors if they invest or buy in reliance on the audit and it subsequently proves inadequate.

"It is even more difficult in England to bring an action against directors of a company personally. Generally, unless the directors have given a personal guarantee or been fraudulent, they do not have personal liability for the decisions they take on behalf of their company.

"In the USA the cases have been brought by individual shareholders, which would be difficult in England, as the shareholder would have great difficulty in showing that the auditors owed individual shareholders a duty that had been breached and the individual shareholder's loss would be unlikely to be sufficient to make the cost of litigating worthwhile. An individual shareholder in England would also not usually be able to sue the directors personally. The prospect of a penal award against the auditors in the USA and the slightly greater willingness of US courts to hold directors personally liable changes that equation."

[Print](#)[Email](#)[Comments \(0\)](#)

Readers Comments

You must be logged in to comment. [Click here to login or register with Lawyer Monthly](#)

[Popular](#)[Most Comments](#)[Most Emailed](#)

- 1. PINSENT MASONS BOOSTS CLIENT SERVICE**
[18 Aug 2011 10:47 | Comments \(0\)](#)
- 2. CAREER LEGAL TOPS LEGAL DIVISION OF 2012 STANDARD CHARTERED GREAT CITY RACE**
[13 Jul 2012 13:57 | Comments \(0\)](#)
- 3. BILLIONAIRE BROTHERS CHARGED IN HONG KONG BRIBERY SCANDAL**
[13 Jul 2012 10:08 | Comments \(0\)](#)
- 4. DISTINGUISHED BUSINESS LEADERS DISCUSS TRADE AND INVESTMENT ACTIVITY ON THE NEW SILK ROAD**
[28 Sep 2012 12:08 | Comments \(0\)](#)
- 5. SIERRA GORDA AND ABENGOA SIGN TWO TRANSMISSION LINE AGREEMENTS**
[13 Jul 2012 10:24 | Comments \(0\)](#)
- 6. ECONOMIC COMPETITIVENESS AND INTELLECTUAL PROPERTY UNDER DISCUSSION IN BRAZIL**
[20 Aug 2012 08:55 | Comments \(0\)](#)
- 7. BRAZIL'S ANTITRUST REGULATOR, FTC COMMISSIONER, APPELLATE COURT JUDGES ARE DISTINGUISHED SPEAKERS AT ABA SECTION OF ANTITRUST LAW FALL FORUM**
[01 Nov 2012 09:26 | Comments \(0\)](#)
- 8. EUROPE DELAYS DECISION ON GENDER QUOTAS FOR BOARDS**
[24 Oct 2012 10:23 | Comments \(0\)](#)
- 9. UBS RECRUITS FORMER DEUTSCHE LAWYER AS FIRST ASIA-PACIFIC GC**
[18 Feb 2011 11:48 | Comments \(5\)](#)

10. SULLIVAN & CROMWELL LAUNCHES IN HONG KONG

[02 Nov 2011 09:25](#) | [Comments \(0\)](#)

[Disclaimer](#) | [Terms](#) | [Privacy Policy](#) |

©2012 A Parity Media Publication | [Sitemap](#) | Designed by Thunderhat



Legal News