

## Clark Hill Can't Duck \$50M Malpractice Suit Over Hacked Docs

By **Kevin Penton**

Law360 (February 21, 2020, 7:19 PM EST) -- A Chinese entrepreneur and prominent dissident may proceed with most of his \$50 million malpractice suit against Clark Hill PLC because he has submitted sufficient evidence to suggest the firm mishandled his personal information in an asylum bid and failed to protect the data from hackers, a D.C. federal judge has ruled.

Clark Hill must face allegations that it breached its contract and its fiduciary duty and engaged in legal malpractice after hackers accessed Guo Wengui's personal information from the firm's servers in September 2017 and published it on social media, according to Thursday's opinion by U.S. District Judge James E. Boasberg on Clark Hill's motion to dismiss.

The firm will not have to answer allegations that it also caused damages for Wengui after it dropped the client in the hacking's wake, according to the opinion. Clark Hill noted it might need to serve as a witness over the hacking, compromising its ability to adequately represent Wengui, according to court documents.

"Plaintiff has successfully pleaded that the alleged mishandling of his information and subsequent cyber attack resulted in damages," the opinion reads. "The withdrawal, however, may have added insult, but it did not add injury."

Wengui said in his October complaint that he warned Clark Hill before retaining the firm of the potential that his political opponents might seek to hack into the firm's computer systems to access his personal information. Clark Hill assured him that it would take proper precautions, but did not, according to the complaint.

Judge Boasberg noted Thursday that Wengui sufficiently pleaded that Clark Hill breached its duties of loyalty and good faith to its prospective client by misrepresenting how well it would protect his personal information, as part of an effort to secure his business, according to the opinion.

"Discovery may reveal that defendants never made ... misrepresentations to plaintiff and were not negligent in their handling of his confidential information, but the well-pleaded allegations in the complaint preclude granting defendants' motion to dismiss," according to the opinion.

Counsel for the parties could not be reached for comment on Friday.

Wengui is represented by Ari S. Casper and Ralph S. Tyler of the Casper Firm LLC.

Clark Hill is represented by John R. Storino, Kali N. Bracey and Leigh J. Jahnig of Jenner & Block LLP.

The case is Wengui v. Clark Hill PLC et al., case number 1:19-cv-03195, in the U.S. District Court for the District of Columbia.

--Editing by Amy Rowe.