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2006 Top Defense Verdicts

Insurer's Lawyer Exposed Jeweler, Proved Robbery Never Took Place

Despite the alleged robbery of a wholesale jeweler's being caught on tape, investigators at Lloyd's of London became suspicious and denied the company's \$1.2 million claim.

When the jeweler filed suit against Lloyd's, defense attorney Andre J. Cronthall had the unenviable burden of proving to a jury that the robbery never occurred. *Scott's Creations Inc. v. Underwriters at Interestat Lloyd's, London, BC337672* (L.A. Super. Ct. 2006).

"This was the first case I had where I had to prove a negative — that something didn't happen," said Cronthall, a partner at Sheppard Mullin Richter & Hampton. "I hadn't heard of anything else where an insurer showed a claimed theft did not occur, though I know this sort of thing is suspected from time to time.

Cronthall said he had to incorporate detective work to show the incident was more likely an elaborate fraud committed by the jewelry store owner than a robbery.

Surveillance video shot on Dec. 29, 2004, at Scott's Creations in Los Angeles' Jewelry District showed an individual

wearing a cap, sunglasses and raincoat and carrying an umbrella arrive in the building and leave 15 minutes later.

Store owner Harry Yildiz, 67, testified a man had called earlier in the day to make an appointment to sell jewelry. Yildiz said the man came into the building and up to his sixth-floor office. The man produced a gun and ordered him to open the safe.

Yildiz testified he was bound and gagged and the robber took 515 pieces of jewelry and loose diamonds before fleeing.

At trial, Cronthall, along with second-chair attorney Mary Gram, showed evidence that Yildiz immediately opened his office door to the man despite his wearing dark sunglasses indoors and after having just seen him hold up an umbrella when he passed the surveillance camera.

The defense also pointed out that 15 minutes was an eternity for a high-stakes robbery and that Yildiz had been purchasing additional inventory several months before the alleged robbery despite declining sales.

Several months after the claimed theft, Yildiz traveled to Aruba to sell jewelry



Photo courtesy of Sheppard Mullin Richter & Hampton

ANDRE J. CRONTHALL

and significantly understated on customs forms the value of the jewelry he took, Cronthall said.

The jury rendered a verdict completely in Lloyd's favor on Sept. 29, 2006.

"It was extremely gratifying," Cronthall said. "I think the detective-Columbo things we managed to discover made this case really interesting."

— RYAN OLIVER