

# **YPI Trustee Sues Insiders & An Accounting Firm For Alleged Negligence and Breach of Fiduciary Duty**

*November 3, 2021, Central District of California* – Plaintiff Trustee **Jason M. Rund** for the bankruptcy estate of **Youth Policy Institute, Inc.** (“YPI” or “Debtor”) institutes a legal proceeding against the **insiders of the Debtor** and an accounting firm, **Hill Morgan & Associates, LLP** for alleged negligence, breach of fiduciary duty, breach of a charitable trust, fraud, conversion, receiving embezzled funds and unjust enrichment.

The complaint asserts that YPI was a non-profit public benefit corporation dedicated to eradicating poverty by providing critical education, housing, and job training services throughout Los Angeles’ highest-need communities. The Trustee alleges that the insiders breached their fiduciary duties of loyalty, care, and obedience to YPI by using their powers as officers and directors of YPI to allegedly obtain illegal compensation and benefits, to convert YPI funds for their own benefit, and to dominate, control, and direct YPI to obtain personal benefit for themselves, their family members, in contravention of YPI bylaws, policies and procedures, and applicable laws. The Trustee further contends that Defendant Hill, Morgan, and Associates breached its duties of care by allegedly acting negligently, carelessly, and by recklessly rendering services below the standard of care of a similarly situated accountant or tax preparer.

Accordingly, the Trustee seeks damages in an **amount estimated to be no less than \$1,926,030.43 and no more than \$14,245,518.72.**

*In re Youth Policy Institute, Inc.*, Case No. 2:19-bk-23085-BB