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North Carolina U.S. District Court Orders That All Six Sim Swapping Causes of Action Can Survive AT&T's Motion to Dismiss

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CHARLOTTE, NC- Shumaker, Loop & Kendrick, LLP is pleased to share that in an initial victory for a Shumaker client represented by Terence S. Reynolds and Lucas D. Garber of Shumaker's Charlotte office (in coordination with out-of-state counsel), the United States District Court for the Eastern District of North Carolina, Western Division, has ordered that six causes of action pled against AT&T can survive AT&T's Motion to Dismiss.

The case involves an emerging issue in the telecommunications industry where cell phone providers are allegedly permitting the fraudulent swapping of subscribers' mobile phone SIM cards (subscriber identification module) to criminal hackers, thereby providing the hackers access to the subscribers' sensitive and private data and accounts through two-factor authentication. Six causes of action were pled against AT&T after it allegedly permitted seven unauthorized SIM swaps of Shumaker's client's account over approximately three months, resulting in significant financial, reputational and personal harm to the client.

Those six claims are (1) violation of the Federal Communications Act, 47 U.S.C. § 201 et seq.; (2) violation of the North Carolina Unfair and Deceptive Trade Practices Act ("UDTPA"), N.C. Gen. Stat. § 75-1.1; (3) Negligence; (4) Negligent Supervision; (5) violation of North Carolina's computer trespass law, N.C. Gen. Stat. § 1-539.2A; and (6) violation of the Computer Fraud and Abuse Act ("CFAA"), 18 U.S.C. § 1030. The US District Court found on March 25, 2020 that Plaintiff has alleged sufficient grounds for all six causes of action to survive AT&T's Motion to Dismiss and may proceed through discovery.

Visit Law360.com to see the full article, "AT&T Can't Shake Bitcoin Investor's Suit Over 'SIM Swaps'"

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