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Local tie to Enron scandal nets \$7 million settlement; Federal judge to make final ruling May 1

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Attorneys have worked out a tentative deal to settle a \$22 million lawsuit involving a Naperville man and at least 10,000 other current and former BP and Amoco employees whose retirement savings dollars were lent to energy giant Enron weeks before the company went bankrupt.

Attorney Shawn Collins of Naperville said Monday the settlement will total about \$7 million but still is subject to approval by U.S. District Court Chief Judge Charles Kocoras. He is scheduled to review the settlement May 1. Terms of the settlement could still change, according to representatives

from The **Collins Law Firm** in Naperville.

The case was filed Jan. 13 in U.S. District Court in Chicago by James Nelson of Naperville. Kocoras delayed the case on Jan. 23 to give both parties time to reach a settlement.

Court documents indicated Nelson, who no longer works for BP, and other workers invested into a 401(k) market fund that lent money to the now-defunct Enron. The defendants in the case are UBS Global Management --

which had managed the BP and Amoco employees fund -- and BP.

Nelson, who was represented by Collins' firm, is under court order not to discuss the case.

Collins said the lawsuit initially sought about \$22 million, the estimated amount lent to Enron. However, about \$5 million was recovered through sales of assets held by the BP 401(k) fund.

The lawsuit then sought to recover about \$17 million, Collins said.

As it stands, about \$5.5 million will be paid by UBS, he said. The remaining \$1.5 million will be paid by BP.

The settlement also seeks reimbursement for Nelson's legal fees and related costs for the lawsuit estimated at about \$15,000.

The settlement dollars will be placed into a fund that will be monitored

by the courts.

"The people who were participants in the (BP money market) fund on the date of the Enron bankruptcy filing are eligible to recover some funds and

those people have already been identified," Collins said.

No money will be paid out until the settlement is approved by the federal courts.

Vincent Connelly, an attorney for Mayer, Brown, Rowe in Chicago, who is representing UBS Global Management of Chicago, did not return calls seeking comment Monday.

Nelson's complaint notes an investment decision made by UBS of Chicago cost the BP employees' money market fund as much as \$22 million. Money from the fund was lent to Enron about seven weeks before the energy company filed for bankruptcy.

Enron was unable to repay the loan after it went bankrupt.

Enron and many of its former executives, including former CEO Jeff Skilling, are facing an assortment of lawsuits and charges stemming from accounting fraud and inflating the company's earnings.

The BP money market fund, in which Nelson had invested some money, was described as a low-risk fund, according to court documents. The complaint estimated the fund lost about 2 percent of its value after Enron defaulted

on its loan.

No fraud is alleged on the part of UBS.

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