

GUNTINGAN BERITA

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Andersen Worldwide settles with Enron investors

Agence France-Presse

Washington

Investors in the failed energy group Enron Corp. said Tuesday they had secured a US\$40 million settlement from Andersen Worldwide, South Carolina.

The deal was announced by University of California, the lead plaintiff in a class action suit against the accountant, which audited Enron's flawed books.

Andersen Worldwide is the Swiss-based coordinating entity of the Andersen accounting firms.

Arthur Andersen, the U.S. company that actually examined Enron's accounts, is not covered by the settlement.

"This substantial settlement is a favorable result for the class in light of the limit-

ed role of the non-U.S. Andersen entities," University of California general counsel James Holst said.

It was one of the biggest recoveries from an accounting firm, he said in a statement.

"We regard this settlement as only a first step in obtaining recovery for the class, and will continue to pursue damages from the remaining defendants, most of whom had far deeper involvement in the Enron debacle than the overseas Andersen firms," Holst said.

Andersen Worldwide did not admit liability or wrongdoing, the university said. The settlement was subject to court approval.

The division of the Andersen Worldwide settlement between shareholders and pension holders had yet to be determined.

Enron filed for bankruptcy in December last year, its reputation shattered by a slew of accounting scandals.

The settlement, worked out over the past few weeks, included \$15 million to finance costs — but not attorney's fees — of the continuing litigation.

The University of California said total losses experienced by all Enron shareholders were estimated at more than \$25 billion.

Arthur Andersen, the U.S. accounting firm, was convicted in June of obstruction of justice for destroying tons of documents related to its former client Enron.

The verdict effectively ended the audit business for Andersen, which had been one of the Big Five global firms.

Prosecutors only now are narrowing in on Enron.