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REIT defendant in more lawsuits

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by [Natalie Kostelni](#)

Three more lawsuits have been filed against [GMH Communities Trust](#) alleging the real estate investment trust engaged in securities fraud or violated securities laws.

[Schatz & Nobel](#) of Hartford, Conn., [Goldman Scarlato & Karon](#) of Conshohocken, Pa., and [Law Offices Of Charles J. Piven](#) of Baltimore said late Thursday that they have individually filed lawsuits in the U.S. District Court for the Eastern District of Pennsylvania on behalf of shareholders who bought GMH (NYSE: GCT) stock.

The first of the announced suits against GMH was revealed Wednesday by Philadelphia law firm [Berger & Montague](#), which said in a statement that it sued GMH and some of its officers and directors on behalf of investors who bought the company's shares. That firm is also alleging the company engaged in securities fraud.

A spokeswoman at the Newtown Square, Pa., real estate investment trust said Thursday that the company wasn't going to comment on that suit. A call to the spokeswoman Friday morning on the three new suits wasn't immediately returned. GMH invests and develops student and military housing.

The lawsuits come after GMH revealed March 13 it would postpone the release of its annual report and revise downward its earnings guidance for this year and indicated there were several material weaknesses in its internal controls.

The company also disclosed at the time that its audit committee had received a letter from its former CFO Bradley Harris that alleged a "tone at the top" problem within company management. The letter prompted an investigation by the audit committee with the assistance of a forensic accountant and an independent attorney. GMH has since terminated Harris. The company spokeswoman said it does not comment on personnel issues. It has installed an interim CFO.

In the statement issued March 31, GMH said it expects to file its annual report for 2005 no later than May 15. An internal review by its auditor, Ernst & Young, is continuing. The company said it expects to restate certain of its previously reported financial results.

The company has previously said that the delay of its financial statements, the material

weaknesses and the internal investigation do not affect day-to-day operations of the company's student housing properties and military housing projects.

Each lawsuit seeks class-action status.

GMH closed down slightly Thursday at \$11.48 per share and was trading down 1 percent Friday morning at \$11.40 per share. It had been trading above \$16 in early March.

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