



Barclays Settles with Enron for \$144 Million

One of Britain's largest banks ends its dispute with Enron in the third settlement announced this week.

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Barclays has agreed to pay Enron \$144 million to settle litigation stemming from the energy company's 2001 bankruptcy. Under the agreement, Enron will allow Barclays claims filed in the bankruptcy, totaling \$310 million.

Barclays explained on Friday that it agreed to the settlement "because this is preferable to the time, expense, and unpredictability of litigation," adding that resolving the litigation is in the shareholders' best interest. "The resolution reflects Barclays' lesser role relative to others involved in the litigation surrounding Enron's bankruptcy," the British banking giant said in a press release. Barclays also said the settlement will not affect its earnings in 2006, as it had previously made "an adequate provision" to account for the dispute's likely cost.

In announcing the settlement, which is subject to the approval of the U.S. Bankruptcy Court in the Southern District of New York and other conditions, Barclays said it has denied any wrongdoing or liability. Barclays also noted that the action, which was brought by the Enron estate, is separate from the principal class action pending in the Houston federal court. [In July](#), CFO.com reported that the U.S. District Court for the Southern District of Texas dismissed claims against Barclays. In a sweeping class-action suit against Enron, its banks, and several former top executives, Enron shareholders alleged they lost \$40 billion when the energy company collapsed, asserting that Barclays and several other banks helped Enron hide its debts.

Earlier this week, Bloomberg and *Crain's Chicago Business* reported that former Enron accounting firm Arthur Andersen agreed to pay \$72.5 million, and law firm Kirkland & Ellis agreed to pay \$13.5 million to settle with Enron investors. *Crain's* noted the settlement amounts were agreed to in late 2005 but were not made public until they were entered into record Wednesday with the federal court in Texas.

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