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## Supremes Say Vacated Lay Charges Will Stay Vacated

Washington (April 17, 2007) - The U.S. Supreme Court said that it would not revisit the decision made by lower courts to vacate the conviction of Kenneth Lay, the late founder and former chairman of Enron Corp.

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In October, U.S. District Judge Sim Lake dismissed the federal indictment used to bring Lay to trial. Lay was unable to exhaust the appeals process after dying of a heart attack in early July, less than two months after a jury convicted him on six charges of conspiracy and fraud and Lake found him guilty on four charges of bank fraud.

Former Enron shareholder Russell Butler had requested that Lay's conviction be reinstated under the Crime Victims' Rights Act, as part of a request for restitution of Butler's \$8,000 investment in the failed energy business. Lay's estate had argued that the act doesn't address the legal precedent under which verdicts are typically vacated when a defendant dies.

The government had been seeking up to \$44 million in restitution from Lay in criminal court, but when it was forced to drop the federal charges, investors who were seeking to reclaim money they lost in Enron were presented with another legal obstacle. Civil lawsuits against Lay's estate are still continuing, though there has been some controversy over just how much that estate is worth.

A month before the conspiracy and fraud conviction was vacated, Lay's estate agreed to pay \$12 million to settle claims brought by employees who participated in Enron's pension plan.

— WebCPA staff

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