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Jenkins & Gilchrist reaches \$81.55M settlement in tax case

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Another change is that Jenkins & Gilchrist has agreed to settle with the class even though a number of individuals had opted out of the settlement.

A final court hearing on the settlement is set for Jan. 24.

In a statement, Jenkins' chairman, Tom Cantrill, says more than 90 percent of the plaintiffs have agreed to participate in this settlement but declines to disclose details.

"As anticipated, some opt-outs remain, but we believe we will have sufficient financial resources, including remaining insurance coverage, to defend or resolve these claims," Cantrill says.

"We are looking forward to putting this matter behind us and moving forward in a positive and successful direction in 2005. This agreement, once approved by the court, represents significant progress toward that goal."

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Lead counsel **David Deary**, a partner at Dallas law firm Deary Montgomery DeFeo & Canada LLP, says the settlement provides his clients and other participants in the class-action case with crucial information about the role of accounting firms, other law firms and investment firms in the tax-shelter matter.

"The information we received from Jenkins & Gilchrist as part of the settlement has undoubtedly strengthened our clients' claims against others who were integral players in the scheme," **Deary** says in a statement.

"As a result of this settlement, our clients possess a tremendous amount of ammunition against the other defendants. Our clients' claims against the other defendants are now backed by very powerful, irrefutable evidence. This information can't be measured by any amount of money."

According to **Deary**, others being pursued for allegedly giving questionable tax-shelter advice include accounting firms Ernst & Young LLP, BDO Seidman LLP, Grant Thornton LLP and KPMG LLP; and banking giants Bank One Corp., now part of J.P. Morgan Chase & Co., and Deutsche Bank AG.



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