



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
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\$21 MILLION SECURED FOR BAPTIST FOUNDATION INVESTORS

PHOENIX – Today the Arizona Corporation Commission authorized its attorneys to execute a settlement agreement that, with final court approvals, will resolve all issues between the Commission and Jennings, Strouss & Salmon.

Jennings, Strouss & Salmon is a prominent Valley law firm that represented the Baptist Foundation of Arizona during the time that the Commission alleges the foundation engaged in an elaborate Ponzi scheme.

Today's settlement means that Jennings, Strouss & Salmon will pay \$21 million to settle all possible claims the Commission and other plaintiffs may have had against the firm.

“We are pleased to be able to approve and announce this settlement today,” Chairman Bill Mundell said at today's press conference. While we still have to have this settlement affirmed by the Judge before the funds can be disbursed, we regard that step as procedural in nature.”

The full \$21 million was deposited in an interest-bearing account to safeguard the funds until the settlement could be finalized. After attorney fees and court costs, the BFA Liquidation Trust estimates that this settlement with Jennings, Strouss & Salmon will result in \$18,330,000 going directly back into the pockets of the Baptist Foundation of Arizona investors.

The Commission participated in a mediation in June 2001 of possible claims against Jennings, Strouss & Salmon. There were compelling strategic reasons that required the resolution of the Andersen litigation

before the Commission could approve the Jennings, Strouss & Salmon settlement.

“The money is already in the bank, safeguarded for BFA investors. We hope that by late summer – or at least by September – investors will begin getting a pro rata share of these funds, along with money from the Andersen settlement,” Commissioner Marc Spitzer said.

“Combined with the \$217 million settlement with Andersen, the hard assets that are being sold through the bankruptcy process and the \$21 million we secured by our action today, investors should ultimately receive close to 75 percent of their money back,” explained Commissioner Jim Irvin.

Irvin and his fellow Commissioners underscored the point by stating typically investors get nothing or a small fraction of their funds back once a scam or scheme has occurred.

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