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Former Tyco head Kozlowski in divorce settlement

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NEW YORK, July 17 (Reuters) - The imprisoned former head of conglomerate Tyco International Ltd (TYC.N: Quote, Profile, Research, Stock Buzz) Dennis Kozlowski has reached a divorce settlement with his former wife, Karen, according to their attorneys on Thursday.

The attorneys declined to give details of the settlement.

"Karen will be a wealthy young lady, and Dennis will have some money one day when he's permitted to leave jail," said West Palm Beach attorney Martin L. Haines, who represented Dennis Kozlowski in the divorce. "Is it fair? Who the hell knows. Is it something Dennis wanted to do? Absolutely."

Kozlowski was sentenced to between 8 1/3 years and 25 years in prison after being found guilty in 2005 of stealing more than \$150 million from Tyco.

His case became a powerful symbol of U.S. corporate excess during the turn of the century boom years after it became clear Kozlowski had used company funds to pay for lavish furnishings, including a \$6,000 shower curtain and a \$15,000 umbrella stand.

Karen Kozlowski's lavish 40th birthday party in 2001 cost \$2 million and included such decorations as an ice sculpture Michaelangelo's David dispensing vodka.

The two did not have any children together, according to court documents.

"Karen has been very supportive of Dennis' situation," said the attorney for Kozlowski's former wife, Jason Marks of Kluger Peretz Kaplan & Berlin, in a prepared statement. "She has been at his side from the beginning of all of his legal problems through the very end. The terms of their marital settlement agreement, although confidential, is a reflection of that support and commitment."

Attorney Haines said he last met with the imprisoned ex-CEO about three weeks ago and found him "remarkably well" given the circumstances.

"This case is really just sad. It's just sad," said Haines. "The marriage is a victim of circumstance. Dennis is not bitter, Karen is not bitter. They're both decent people who just were confronted with a practical impossibility." (Reporting by Chelsea Emery and Nick Zieminski; Editing by Andre Grenon)

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AP

Former Tyco CEO Kozlowski settles divorce case

Thursday July 17, 4:03 pm ET

Former Tyco chief Dennis Kozlowski and ex-wife agree to settle divorce case

WEST PALM BEACH, Fla. (AP) -- Former Tyco International chief Dennis Kozlowski, serving prison time for financing a lavish lifestyle by looting millions of dollars from the company, has reached a divorce settlement with his wife, their attorneys said Thursday.

Karen Kozlowski's lawyer, Jason Marks, said the couple reached a confidential agreement that would be filed soon in Palm Beach County Circuit Court. She filed for divorce in 2006, months after Kozlowski was sentenced to prison for fraud and other convictions in the Tyco scandal.

"Karen has been very supportive of Dennis' situation," Marks and co-counsel Alan Kluger said in an email statement. "She has been at his side from the beginning of all of his legal problems through the very end. The terms of their marital settlement agreement, although confidential, is a reflection of that support and commitment."

Dennis Kozlowski's attorney, Martin Haines III, said the agreement was worked out amicably.

"Many divorces are punctuated with anger and angst. This case is far more dominated by sadness," Haines said. "I think the two of them really cared for each other. This marriage was the victim of circumstances."

Karen Kozlowski, a former waitress who was Dennis Kozlowski's second wife, sought half of the couple's assets including her share of a 15,000-square-foot Boca Raton mansion they bought for \$19 million. That waterfront home will now be sold.

The couple married in May 2001, and Kozlowski famously once threw her a \$2 million, Roman-themed birthday party complete with costumed gladiators and togas on the Mediterranean island of Sardinia. The party featured a performance by singer Jimmy Buffet and his band, who were flown in at a cost of \$250,000, according to testimony as his criminal trial.

Dennis Kozlowski, once one of the country's highest-paid executives, is serving a prison term of between eight and 25 years in New York. He and another former executive were convicted of several charges involving the misuse of some \$600 million in Tyco funds to finance opulent lifestyles.

Dennis Kozlowski could be released on parole as early as 2014, according to the New York corrections department Web site.

Tyco, based in Bermuda, emerged from the scandal and sells firefighting equipment, security systems, water works and valves and auto components, among other products. It has about 118,000 employees worldwide.

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Ex-Tyco chief Kozlowski reaches divorce settlement

By Karen Freifeld

NEW YORK (Bloomberg) - Tyco International Ltd.'s imprisoned former chief, Dennis Kozlowski, and his second wife, Karen, reached a divorce settlement almost two years after she moved to dissolve the marriage following his theft and fraud conviction.

"She'll do well," said Martin Haines III, Mr. Kozlowski's divorce attorney. "She should be getting millions from the settlement. He needs closure."

Mr. Kozlowski, 61, signed the papers at the Mid-State Correctional Facility in Marcy, New York, Mr. Haines said, where he is serving eight-and-a-third to 25 years in prison after being convicted of helping to steal \$137 million from Tyco. Karen Mayo, a one-time waitress who married Mr. Kozlowski in 2001 in Antigua, said on Tuesday that she had signed the agreement, said her attorney, Jason Marks of Kluger Peretz Kaplan & Berlin in Miami.

"Karen has been very supportive of Dennis' situation," Mr. Marks said in an e-mailed statement. "The terms of their marital settlement agreement, although confidential, is a reflection of that support and commitment."

Mr. Marks said the settlement means the couple's Boca Raton home will be on the market "in the very near future". The 15,000-square-foot waterfront property, purchased with Tyco loans, is set amid five lots and has a pool and tennis court.

The couple has claimed the estate as their homestead, which means it is protected from creditors by Florida law, Mr. Marks said. He said that protection is carried with the homeowner after a property is sold.

Mr. Haines said he hoped the property would bring in \$30 million.

The settlement must be approved by New York state Supreme Court Justice Martin Shulman, Mr. Marks said. Mr. Shulman has overseen Mr. Kozlowski's assets since as much as \$600 million worth was frozen in 2002. The settlement also must be approved by Palm Beach County Circuit Court, where Mayo filed for divorce in 2006. Mr. Haines said he hoped to get approval from the Florida court this month.

Mr. Kozlowski, who made \$300 million between 1998 and 2002 as Tyco's CEO, was found guilty in 2005 of grand larceny, securities fraud and falsifying business records. He and former Tyco finance chief Mark Swartz were accused of stealing some \$137 million in unauthorised compensation and gaining another \$410 million through sales of inflated stock.

The pair lost an appeal in November. The New York Court of Appeals in Albany, the state's highest court, then agreed to consider the case. Oral arguments are set for September 2.

A \$2 million, Roman-themed 40th birthday party Mr. Kozlowski threw for Mr. Mayo in 2001, paid for in part by Tyco, became a centerpiece of the prosecution case at his 2005 trial in New York state court in Manhattan.

Mr. Kozlowski has paid \$97 million in court-ordered restitution to Tyco. He also paid all but \$4 million of a \$70 million fine, according to court papers filed in May.

Mr. Kozlowski's home on Nantucket Island, off the coast of Massachusetts, is on the market for \$17 million, according to brokerage agreements filed in court, and a Nantucket cottage is listed at \$2.9 million. He also has an interest in a partnership that is involved in the YES Network, a sports channel that televises New York Yankees games, lawyers have said.

The accord does not contain the perks that Mr. Kozlowski's first wife, Angie, received when they were divorced in 2000, said Mr. Haines. That settlement included \$30 million in cash and a Mercedes every three years, and the \$84,000-a-year salary of her driver, plus numerous properties.

"Angie was in a different position, as was Dennis," said Mr. Haines, who is based in Lake Park, Florida.

Ms Mayo filed for divorce July 31, 2006, asking that the couple's assets and liabilities be split equally and that her husband pay financial support. She sought a lien to protect her half of the Boca Raton home.

Tyco, the world's biggest maker of security systems, based in Bermuda and operating out of West Windsor, New Jersey, spun off its electronics and health-care divisions last year.

In 2007, the company settled about \$3 billion in shareholder lawsuits stemming from the Mr. Kozlowski era. As part of a New Hampshire settlement, shareholders gave Tyco their claims against Mr. Kozlowski in exchange for half of whatever the company recovers from the former executive.

None of the civil claims against Mr. Kozlowski have been resolved, said Mr. Kozlowski's attorney, Robert N Shwartz, a partner at Debevoise & Plimpton in New York involved in the civil litigation. He added that neither have cross-claims by Mr. Kozlowski against Tyco been settled.