
**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

PAMELA M. TITTLE, et al.,

Plaintiffs,

v.

ENRON CORP., et al.,

Defendants.

No. H 01-CV-3913

(Consolidated Action)

AMENDED PLAN OF ALLOCATION FOR \$85 MILLION PARTIAL SETTLEMENT

I. DEFINITIONS

For purposes of this Plan of Allocation, capitalized terms and phrases have the meanings provided below:

1. **“Administrative Committee Settling Defendants”** mean: the Administrative Committees and the Administrative Committee Members, including James G. Barnhart, Philip J. Bazelides, Keith Crane, Enron Corp. Employee Stock Ownership Plan Administrative Committee, Enron Corp. Savings Plan Administrative Committee, William D. Gathmann, William J. Gulyassy, Rod Hayslett, John Does Nos. 1 – 100 Unknown Fiduciaries of the Enron

Corp. Savings Plan or the Enron Corp. ESOP or the Enron Corp. Cash Balance Plan who were Administrative Committee members, Mary K. Joyce, Sheila Knudsen, Tod. A. Lindholm, Cindy K. Olson, James S. Prentice, Mikie Rath, Paula Riecker, and David Shields.

2. **“Authorized Claimant”** means either a Participant Claimant or a Former Participant Claimant whose Settlement Claim is twenty-five dollars (\$25) or such other amount as may be reasonably determined by the Fund Administrator.

3. **“Class Counsel”** means Lynn Lincoln Sarko, Esq. of Keller Rohrback, LLP and Steve W. Berman, Esq. of Hagens Berman, LLP.

4. **“Class Representative”** means the following persons: Pamela M. Tittle; Thomas O. Padgett; Gary S. Dreadin; Janice Farmer; John L. Moore; Betty J. Clark; Patrick Campbell; Fanette Perry; Charles Prestwood; Roy Rinard; Steve Lacey; Catherine Stevens; Roger W. Boyce; Wayne M. Stevens; Norman L. Young; Michael L. Mccown; and Dan Shultz.

5. **“Enron Cash Balance Plan”** means the Enron Corp. Cash Balance Plan, and any and all predecessors and successors to such plan.

6. **“Enron ESOP”** means the Enron Corp. Employee Stock Ownership Plan, and any and all predecessors and successors to such plan.

7. **“Enron Plans”** means, collectively, (a) the Enron Savings Plan, (b) Enron ESOP, and the (c) Enron Cash Balance Plan.

8. **“Enron Plan Trustees”** means Wilmington Trust Company, as Trustee for the Enron Savings Plan and for the Enron ESOP, and The Bank of New York, as Trustee for the Enron Corp. Cash Balance Plan, on behalf of themselves, on behalf of each of the respective Enron Plans and on behalf of such Plan’s respective representatives, employees, participants, beneficiaries and alternate payees. The phrase “Enron Plan Trustees” shall include any and all of their predecessors and Successors-In-Interest.

9. **“Enron Savings Plan”** means the Enron Corp. Savings Plan, and any and all predecessors and successors to such plan.

10. **“Former Participant Claimant”** means those Settlement Class members who are former participants in the Enron Savings Plan, and/or the Enron ESOP (recognizing that the Enron ESOP merged with and into the Enron Savings Plan effective August 30, 2002).

11. **“Fund Administrator”** means the person or entity appointed or retained by the Enron Plans who shall administer the Plan of Allocation and the distribution of the funds within the Plans set forth herein.

12. **“Independent Fiduciary”** means State Street Bank and Trust Company, solely in its capacity as independent fiduciary to the Enron Savings Plan, Enron ESOP and Enron Cash Balance Plan.

13. **“Net Settlement Trust”** means the Settlement Amount, minus the Court approved amounts for attorneys’ fees and expenses.

14. **“Officer and Director Settling Defendants”** means: Robert A. Belfer, Norman P. Blake, Jr., Ronnie C. Chan, James V. Derrick, John H. Duncan, Joe H. Foy, Wendy L. Gramm, Kevin P. Hannon, Kenneth Harrison, Robert K. Jaedicke, Rebecca P. Mark-Jusbasche, Charles A. LeMaistre, John Mendelsohn, Jerome J. Meyer, Lou L. Pai, Paulo Ferraz Pereira, Frank Savage, Joseph W. Sutton, Jack Urquhart, John Wakeham, Charls E. Walker, Lawrence Greg Whalley, Bruce Willison, Herbert Winokur, Jr., Estate of J. Clifford Baxter, Richard B. Buy, Richard A. Causey, Mark A. Frevert, Joseph M. Hirko, Stanley C. Horton, Steven J. Kean, Mark E. Koenig, Michael S. McConnell, Jeffrey McMahon, J. Mark Metts, and Kenneth D. Rice.

15. **“Order and Final Approval”** means the Order of Final Approval of Class Action Settlement and Bar Order contemplated under Section 2.4 of the Settlement Agreement.

16. **“Participant Claimant”** means those Settlement Class members who are currently participants in (a) the Enron Savings Plan, and/or (b) Enron ESOP.

17. **“Plaintiffs’ Case Contribution Compensation”** means the amount of three-thousand dollars (\$3,000) which shall be paid from the Settlement Fund to each Class Representative in recognition of their contributions to the Action.

18. **“Settlement”** means: the settlement to be consummated under the Settlement Agreement pursuant to the Order of Final Approval and Bar Order.

19. **“Settlement Agreement”** means the Amended and Restated Class Action Settlement Agreement filed on May 27, 2004.

20. **“Settlement Claim”** means the total dollar amount of each Authorized Claimant’s Settlement Claims, as determined in Section III below.

21. **“Settlement Class”** means, collectively: (a) all Persons who were at any time participants in any of the Enron Plans during the period starting on January 1, 1995 through and including the Effective Date of Settlement; and (b) as to each Person within the scope of subsection (a) of Section 1.37 of the Settlement Agreement, his, her or its beneficiaries, alternate payee, Representatives, and Successor-In-Interest, provided, however, that the “Settlement Class” shall not include (1) any Defendant in the *Titlle Action*, or any of their immediate family members, beneficiaries, alternate payees, Representatives or Successors-In-Interest, except for spouses and immediate family members who themselves are or were Participants in any Enron Plan, who shall be considered members of the Settlement Class with respect to their own Enron Plan Accounts, and (2) shall not include the Defendant Releasees who were Administrative Committee Members or Enron Officers or Directors during the Class Period or any of their immediate family members, beneficiaries, alternative payees, Representatives or Successor-In-Interest, except for spouses and immediate family members who themselves are or were Participants in any Enron Plan, who shall be considered members of the Settlement Class with respect to their own Enron Plan Accounts.

22. **“Settling Defendants”** means, collectively: (a) the Administrative Committee Settling Defendants, and (b) the Officer and Director Settling Defendants.

23. **“Successor-In-Interest”** means a Person’s estate, legal representatives, heirs, successors or assigns.

24. **“Settlement Trustee”** means the person or entity who shall serve as the Trustee for the Settlement Amount, and who shall distribute the funds as directed by the Plan Administrator in the manner set forth herein.

25. **“Tittle Action”** means Tittle, et al. V. Enron Corp. et al., Civil No. H 01-CV-3913 (Consolidated Action), an action pending in the United States District Court for the Southern District of Texas (Houston Division).

II. THE SETTLEMENT TRUST

Unless otherwise ordered by the Court or agreed to by the Settling Parties, within ten (10) days of the Settlement becoming Unconditional, the Settlement Trustee shall pay to Class Counsel, or retain for payment upon application by Class Counsel, the attorneys fees and expenses or other reserves as approved by the Court in the Order of Final Judgment and Dismissal. In no event shall the Settlement Trustee pay or retain attorneys fees greater than \$17 million in principal, together with accrued interest on any such amount awarded or retained for attorneys fees, or litigation expenses greater than \$2.915 million in principal, together with accrued interest on any such amount awarded or retained for expenses. The Settlement Trustee shall also have paid or retained as reserves the amounts necessary to pay all taxes on the Settlement Trust due and owing through the date of the payment or retention of such fees and expenses and all expenses relating to such preparation and payment of such taxes pursuant to section 8.1.3 of the Settlement Agreement. Following payment or retention of the specified fees and expenses, the Net Settlement Fund, together with accrued interest on the principal amount of that Net Settlement Fund, but less all amounts paid or retained by the Settlement Trustee for the payment of taxes on the Settlement Trust and expense related to payment of such taxes, shall be provided to the Enron Plans which shall then be responsible for administering and allocating the Net Settlement Fund and all expenses and costs for its administration and allocation, through the Fund Administrator in the following manner:

A. The Fund Administrator shall determine the amount of expenses that will be incurred in connection with the administration of executing the Plan of Allocation in Section II below.

B. The Fund Administrator shall provide Class Counsel with written notice of the amount of expenses to be incurred in the administration of the Plan of Allocation and Class Counsel shall promptly review the same. If the expenses are reasonable, Class Counsel shall approve the expenses and such expenses shall be deemed appropriate as a Plan expense and shall be paid from the Net Settlement Trust.

C. If necessary, the Fund Administrator may request the assistance of the Plan's Trustees and/or record keepers in identifying Participant Claimants and Former Participant Claimants, calculating the Loss for Participant Claimants and Former Participant Claimants, and distributing the Net Settlement Fund to all Claimants in accordance with the Plan of Allocation and the Enron Savings Plan. To the extent any expenses are incurred in connection therewith, the Fund Administrator shall include notice of such expenses to Class Counsel. If Class Counsel deems such expenses to be reasonable, Class Counsel shall approve such expenses and they shall be deemed appropriate as a Plan expense and shall be paid from the Net Settlement Trust.

D. The Fund Administrator shall be solely responsible for all communications with Participant Claimants and Former Participant Claimants regarding their claims. However, the Fund Administrator shall provide drafts of intended communications to the Independent Fiduciary for review and comment at least three business days prior to the delivery of such communications. To provide communications and give effect to the Plan of Allocation, within ten (10) days of the Settlement becoming Unconditional, the record keeper for the Plan shall provide the Fund Administrator with the following information concerning the Enron Savings Plan or Enron ESOP account of each member of the Settlement Class:

- The name, last known address, and Social Security number;

- The dollar value of the account balance invested in Enron stock at the beginning of the Settlement Class;
- The dollar value of purchases of Enron stock during the Settlement Class;
- The dollar value of sales of Enron stock during the Settlement Class period;
- The dollar of the account balance as of the end of the Settlement Class;
- Whether the Claimant is a current Participant in the Enron Savings Plan or Enron ESOP as of the most recent date for which such information is reasonably available.

If precise data is not readily available, the Fund Administrator shall confer with Class Counsel and the Independent Fiduciary regarding the data that will be used.

E. As soon as practicable after the calculation of the Plan of Allocation in Section II, the Fund Administrator shall direct the payment of the Net Settlement Fund, minus attorneys' fees and expenses, and administration expenses to the trustee of the Enron Savings Plan, Enron ESOP and the Enron Cash Balance Plan, and provide to each such trustee as well as to the record keeper for each Plan a detailed summary of the allocations to be made to the accounts of Authorized Claimants of the Enron Savings Plan and Enron ESOP.

III. THE ALLOCATION

Within ten (10) days of the Settlement becoming Unconditional and the Fund Administrator receiving approval from Class Counsel of reasonable administration expenses, the Fund Administrator shall calculate the Claimants' Settlement Claims based on the information described in Section I and according to the following Court approved methodology:

A. For Participant Claimants, the Fund Administrator, with the assistance of Enron, or others, if necessary, shall determine the approximate loss ("Loss") for each member of the Settlement Class as follows: $Loss = A + B - C - D$, where, for each member's Account in the Enron Savings Plan and/or Enron ESOP:

1. A = the dollar value, if any, of the account's investment in Enron stock valued on the first day of the Settlement Class Period;

2. B = the dollar value, if any, of all of subsequent investments of such Account in Enron stock during the Settlement Class Period, valued as of the time of purchase(s);

3. C = the dollar value, if any, of all liquidations of the account's investment in Enron stock during the Settlement Class Period, valued as of the time of the sale(s); and

4. D = the dollar value, if any, of the account's investment in Enron stock, valued on the last day of the Settlement Class Period.

B. For Former Participant Claimants, the Fund Administrator, with the assistance of Enron, or others, if necessary, shall determine the approximate loss ("Loss") for each member of the Settlement Class as follows: $Loss = A + B - C - D$, where, for each member's Account:

1. A = the dollar value, if any, of the account's investment in Enron stock valued on the first day of the Settlement Class Period;

2. B = the dollar value, if any, of all of subsequent investments of such account in Enron stock during the Settlement Class Period, valued as of the time of purchase(s);

3. C = the dollar value, if any, of all liquidations of the account's investment in Enron stock during the Settlement Class Period, valued as of the time of the sale(s); and

4. D = the dollar value, if any, of the account's investment in Enron stock, valued on the last day of the Settlement Class Period.

Such Loss calculations for Former Participant Claimants shall only include the portion of the accounts invested in Enron Stock to the extent vested as of the time the Former Participant Claimants' employment with Enron ended.

C. The Losses of the Claimants as calculated in Sections A and B will be totaled to yield the Loss of each of the Enron Savings Plan and Enron ESOP as a whole over the Class Period (the "Plan's Loss").

D. The Fund Administrator shall calculate for the Account of each Claimant in the Enron Savings Plan and Enron ESOP an amount which is the same percent of the Net Settlement Fund as his or her Loss bears to the respective Plan's Loss.

E. The Administrators shall identify all Claimants whose Settlement Claim is less than twenty-five dollars (\$25) or such other amount designated by the Fund Administrator (“De Minimis Amounts”). All such Claimants whose Settlement payment is De Minimis shall not receive an award from the Net Settlement Trust. The remaining Claimants shall become Authorized Claimants. The De Minimis Amounts shall then be allocated to the Authorized Claimants on a pro rata basis based on each Authorized Claimant’s Loss, and such amounts shall be added to the Settlement Claim for each Authorized Claimant.

F. In light of the manner in which the data is kept and the ease with which it can be manipulated, it may be appropriate for the Fund Administrator, with Class Counsel’s consent, to simplify some of the features of these calculations without further approval by the Court. Such simplifications shall be acceptable as long as the two basic features of the distribution are preserved: (1) that, with respect to each of the Enron Savings Plan and Enron ESOP, all members of the Settlement Class receive their share of the Net Settlement Fund based approximately on the decline in the value of Enron stock in which their Accounts were invested over the Settlement Class Period in comparison the total decline in the value of Enron Stock held by each respective Plan as a whole for the same period; and (2) that the distribution take place through the Plan as an entity so as to maximize the tax advantages of investment in the Plan.

G. The amount of \$85,000 shall be paid to the trustee of the Enron Cash Balance Plan.

H. Subject to the approval of the Court, Plaintiffs in the Tittle Action who served as Class Representatives will receive an additional payment of \$3,000 each as compensation for their contributions to the successful prosecution and partial resolution of this action.

I. ***Authorized Claimants: Allocation within Plans***

As promptly as possible after deposit of the Net Settlement Trust into the Trust, the Fund Administrator shall allocate the Net Settlement Trust in accordance with the Plan of Allocation above. For deposits into the Enron Savings Plan, the Fund Administrator shall cause the

amounts allocated to each Authorized Claimant's Plan account to be invested in accordance with the existing investment elections in effect for such account and such amounts shall be treated thereafter for all purposes under the Plan as plan assets credited to the Authorized Claimant's account under the Plan, and shall thereafter be distributed only in accordance with the applicable Plan provisions. Each Authorized Claimant who is a Former Participant and does not have an Account in the Plan shall have his or her Settlement Claim invested in a suitable short term investment vehicle the primary purpose of which is the preservation of assets. The Fund Administrator, or their agents, shall report and remit such distributions and any applicable tax withholdings to the Former Participant Claimants, the Internal Revenue Service, and applicable state revenue agents under the Employer Identification Number generally used for distributions from the Plan, and shall provide a copy of such reports to the Class Counsel in a form acceptable to the Class Counsel.

J. The Administrators shall make available to Enron, the record keepers of the Plans, the Independent Fiduciary, and Class Counsel any and all summaries, compilations, calculations, or tabulations of the claims and amounts described in this Section, upon the request of Enron, the record keepers of the Plans, the Independent Fiduciary, Class Counsel, or the Court.

K. ***Application of the Settlement Amount and Other Recoveries to Each Plan - Bar Order Offsets.***

After this Plan of Allocation is fully implemented by the Plan Administrator, the Plan Administrator shall report to the Class Counsel the gross amount allocated to each of the Enron Plans. In the event a judgement is subsequently entered against one or more of the Non-Settling Defendants in the ERISA action, then any offset credit due under the Settlement Bar Order shall be allocated to each Enron Plan's claims in proportion to the gross settlement amount that ultimately was allocated to each of the Enron Plans under the Plan of Allocation. In no event

shall the offset credit applied against any particular Enron Plan exceed the amount actually allocated to such Enron Plan under this Plan of Allocation.

Respectfully submitted this 17th day of August 2004.

CAMPBELL HARRISON & DAGLEY LLP


Robin L. Harrison
State Bar No. 09120700
Justin Campbell
Southern District No. 4556
4000 Two Houston Center
909 Fannin Street
Houston, TX 77010
Phone: (713) 752-2332
Fax: (713) 752-2330

Liaison Counsel for Plaintiffs

KELLER ROHRBACK, L.L.P.

Lynn Lincoln Sarko
Britt Tinglum
Ron Kilgard
Derek W. Loeser
1201 Third Avenue, Suite 3200
Seattle, WA 98101-3052
Telephone: (206) 623-1900
Fax: (206) 623-3384

Co-Lead Counsel for Plaintiffs

HAGENS BERMAN LLP

Steve W. Berman
Clyde Platt
1301 Fifth Avenue, Suite 2900
Seattle, Washington 98101
Telephone: (206) 623-7292
Fax: (206) 623-0594