

February 22, 2008

To: Participants and Beneficiaries in:

- the Enron Corp. Savings Plan ("Enron Savings Plan") and
- the Enron Corp. Employee Stock Ownership Plan ("ESOP")

**Re: *Newby v. Enron Corp.***

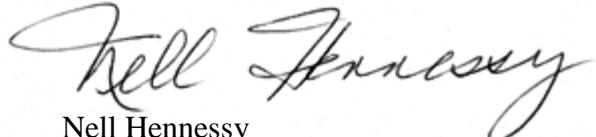
As you may know, Proof of Claim forms were recently sent out in connection with settlements in the securities class action lawsuit, *Newby v. Enron Corp.* ("Newby"). This letter provides important information concerning the *Newby* settlement and its effect upon your interests under the Enron Savings Plan and ESOP.

Under an agreement between Enron and the U.S. Department of Labor, Fiduciary Counselors was appointed as the independent fiduciary for the Enron Savings Plan and the ESOP (the "Plans") in connection with the *Newby* litigation and settlement. The purpose of this appointment is to ensure that decisions regarding the litigation and settlement are made solely in the interests of participants and beneficiaries who have an interest in the Plans and to avoid any real or perceived conflict of interest in connection with these decisions. Fiduciary Counselors is an investment adviser registered with the U.S. Securities and Exchange Commission. We act primarily as an independent third party fiduciary for pension and savings plans.

As the independent fiduciary for the Enron Savings Plan and ESOP, we are responsible for representing your interests in the *Newby* litigation and settlement with respect to Enron stock held in the Plans. We will be filing claims on behalf of the Plans and their participants and beneficiaries. **You will not have to file claims with respect to Enron stock acquired by the Enron Savings Plan and/or ESOP unless you took a distribution of Enron stock or rolled Enron stock over to an IRA during the period September 9, 1997 through December 2, 2001.**

We have received a number of questions about the *Newby* claims process, and we wanted to share the answers with all of the participants and beneficiaries. The questions and answers are attached and you can also find them on our website at [enron.planfiduciary.com](http://enron.planfiduciary.com). Please continue to check the website for new information.

Sincerely,



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President and CEO  
FIDUCIARY COUNSELORS INC.

## **Questions & Answers: Newby Settlement and the Enron Savings Plan and ESOP**

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### **1. Q: If I acquired stock through the Enron Savings Plan or the ESOP do I have to file a claim to participate in the settlement distribution in this case?**

A: Fiduciary Counselors will file the claims for the stock purchased by the Enron Savings Plan and ESOP, based on the records maintained by the Plans. You do not have to file a proof of claim for stock acquired by the Enron Savings Plan or ESOP unless you took a distribution of Enron stock or rolled Enron Stock over to an IRA during the Eligible Period (September 9, 1997 through December 2, 2001). The Plans' claims have not yet been made but will be filed by the April 30, 2008 deadline. Settlement payments will be to the Plans, and we will then oversee the distribution of the recovery to the participants.

### **2. Q: I received a distribution of Enron Stock from the Enron Savings Plan or ESOP or transferred Enron stock to an IRA from the Enron Savings Plan or ESOP during the Eligible Period. Do I need to file a Proof of Claim form?**

A: Yes. You will need to file a claim for any shares that you received as a distribution from the Plans or transferred from the Plans to an IRA during the period September 9, 1997 through December 2, 2001. Fiduciary Counselors and the claims administrator, Gilardi & Co. LLC, are working on a process to make it easier for you to file the claim by allowing you to file a claim with only the data for the period after the Plans distributed the shares or transferred them to your IRA. Fiduciary Counselors will submit the data for the period before the distribution or transfer, and Gilardi will process your claim based on the combined data. If there are additional details about how to file this type of claim, we will provide more information on our web site, [enron.planfiduciary.com](http://enron.planfiduciary.com).

You only have a claim if you acquired shares during the Eligible Period. So, if you did not acquire any shares through the Plans during the Eligible Period, you do not have a claim for the stock you received in a distribution from the Plan.

### **3. Q: What is the “Eligible Period?”**

A: The “Eligible Period” is the period of time covered by the Newby settlement. You must have acquired Enron stock, options or other Enron-related securities during the Eligible Period in order to participate in the *Newby* settlement. The Eligible Period is the period from September 9, 1997 through and including December 2, 2001.

### **4. Q: Do I have to provide proof that I was part of the Enron Savings Plan or the ESOP?**

A: No. We will file the claim based on the records of the Plans. However, you will have to file a Proof of Claim if you received a distribution of Enron Stock from the Plans or transferred Enron stock to an IRA from the Plans during the Eligible Period. **See Question 2 above.**

**5. Q: I received part of the settlement in the *Tittle v. Enron* litigation involving the Plans. Does that mean I will receive part of the *Newby* settlement?**

A: Not necessarily. The *Newby* settlement only covers Enron stock acquired during the Eligible Period. The *Tittle* settlement covered Enron stock acquired or held during the class period for that settlement. If you did not acquire any Enron stock during the Eligible Period (September 9, 1997 through December 2, 2001), you will not share in the *Newby* settlement. For example, most of the stock in the ESOP was acquired before the Eligible Period and will not be entitled to any recovery in the *Newby* settlement. In addition, sales during the Eligible Period may offset the stock you acquired during that period.

**6. Q: Will Fiduciary Counselors file claims related to stock options or other programs that provided employees with the opportunity to make equity investments in Enron?**

A: No. Our responsibilities are limited to our role as independent fiduciary for the Enron Savings Plan and the ESOP. We do not represent any interests outside the Plans. We have no involvement with the stock options or with any plans other than the Enron Savings Plan and the ESOP.

If you believe that you have a claim under one of Enron's stock option plans or any similar arrangements, you will have to file Proofs of Claim on your own behalf. Additionally, it is our understanding that neither PaineWebber nor Enron will be able to supply records on the stock options. If you have questions about filling out the Proof of Claim for stock options or other equity investments, we suggest that you contact Gilardi & Co. at 415-461-0410 or 800-654-5763 or [classact@gilardi.com](mailto:classact@gilardi.com). Gilardi & Co. does not have access to your records regarding stock options and will rely upon the records you provide with your Proof of Claim.

**7. Q: As part of Enron's annual bonus program employees were allowed to roll bonuses into a "phantom stock" program. Will Fiduciary Counselors file claims regarding Enron phantom stock?**

A: No, Fiduciary Counselors has no involvement with the phantom stock program, and we will not be filing a Proof of Claim in connection with any phantom stock awards. If you acquired Enron stock through the phantom stock program, you will have to file a Proof of Claim on your own behalf with records that you have or obtain. If you were in the program but didn't receive stock or you have questions about filling out the Proof of Claim for stock acquired through the phantom stock program, we suggest that you contact Gilardi & Co. at 415-461-0410 or 800-654-5763 or [classact@gilardi.com](mailto:classact@gilardi.com). Gilardi & Co. does not have access to your records regarding phantom stock and will rely upon the records you provide with your Proof of Claim.

**8. Q: Several employees I work with have received a Proof of Claim form to complete pertaining to the *Newby* settlement. To date I have not received any paperwork on this. Why have I not received the Proof of Claim?**

A: There are a number of possible reasons that you did not receive a Proof of Claim form:

- The Proof of Claim form was mailed by Gilardi & Co., the claims administrator, and it is possible that it was mailed to your former address. You may want to contact them by telephone at 1-800-654-5763 or email at [classact@gilardi.com](mailto:classact@gilardi.com) to confirm your mailing address in their records. You can download the Proof of Claim form at [www.gilardi.com/enron/securities](http://www.gilardi.com/enron/securities).
- The Proof of Claim form was sent only to investors that acquired Enron stock, options or other Enron-related securities during the Eligible Period (September 9, 1997 through December 2, 2001). You would not have received a Proof of Claim form if you did not acquire any Enron stock during the Eligible Period.
- If the only Enron stock you acquired was in the Enron Savings Plan and/or ESOP and you did not take a stock distribution or roll stock over to an IRA during the Eligible Period, you do not have to file a Proof of Claim.

**9. Q: Do I need to file a claim if I received stock options from Enron?**

A: Yes. Enron had a number of programs under which employees received stock options. If you received stock options, you will have to file your own Proof of Claim. Page 8 of the Notice on the Plan of Allocation describes how stock options you received as an employee will be treated. (The Notice is available on the *Newby* settlement website: [www.enronfraud.com](http://www.enronfraud.com), under the Settlement tab.) You will need to rely on your personal records in the submission of your Proof of Claim forms with regard to any stock options.

**10. Q: Do I need to file a claim if I bought Enron stock or other Enron securities outside of the Enron Savings Plan and ESOP?**

A: Yes. If you acquired Enron stock or Enron-related securities outside of your Enron Savings Plan and ESOP accounts during the Eligible Period, you must file your own Proof of Claim with respect to these additional securities. You will need to rely on your personal records in the submission of your Proof of Claim forms with regard to any other Enron stock or related securities that you acquired during the Eligible Period (September 9, 1997 through December 2, 2001).

**11. Q: When is the deadline for filing a Proof of Claim?**

A: April 30, 2008.

**12. Q: I have heard that Hewitt had problems in determining how to allocate the proceeds of the settlement in *Tittle v. Enron Corp.* How will Fiduciary Counselors obtain the information needed to submit a valid Proof of Claim form on behalf of the Plans and to allocate recoveries among Plan participants and beneficiaries?**

A: Because of the data problems uncovered in allocating the *Tittle* settlement, Enron has retained Mercer Human Resource Consulting, another large benefits consulting firm, to assist in

obtaining and verifying accurate participant data. We will be working with Mercer to get the data necessary to complete the Proof of Claim forms in a timely fashion and to allocate the settlement funds once they have been disbursed to the Plans.

**13. Q: When will I get my money and how much will it be?**

A: The actual allocation is likely to take several years. We will not know how much the participants and beneficiaries will receive until after all the claims are filed and the claims administrator sorts through all the claims. In other settlements, this process has taken 2-3 years. The Enron settlement is more complex than most, involving a number of different securities, so it could take longer.

**14. Q: I worked for Portland General Electric (“PGE”) before it was merged with Enron on July 1, 1997. My PGE stock in the Portland General Holdings, Inc. Retirement Savings Plan (“PGE Plan”) was converted to Enron stock at that time. In July 1999, the PGE Plan was merged into the Enron Savings Plan. Am I a class member?**

A: The *Newby* settlement applies to you if you acquired Enron stock through the PGE Plan or the Enron Savings Plan and/or ESOP between September 9, 1997 and December 2, 2001 (the Eligible Period). The *Newby* settlement does not apply to PGE stock converted to Enron stock at the time of the merger on July 1, 1997, since that is before the beginning of the Eligible Period. However, the Enron stock acquired by the PGE Plan during the Eligible Period will be included in the claims that we file.

**15. Q: I worked for Enron Oil & Gas when it was spun off from Enron on August 16, 1999 and became EOG Resources, Inc. Do I need to file a claim for the Enron stock that was transferred to the EOG Resources, Inc. Savings Plan (“EOG Plan”)?**

A: We will be working with EOG Resources to coordinate the claims of the Enron Plans and the EOG Plan. You will not have to file a separate claim unless you took a distribution of Enron stock or rolled Enron stock into an IRA or another qualified retirement plan during the Eligible Period.

**16. Q: Does the *Newby* settlement cover the Enron Corp. Cash Balance Plan, too?**

A: No. The Enron Corp. Cash Balance Plan did not acquire any Enron stock during the Eligible Period.

**17. Q: Is Fiduciary Counselors the Plan Administrator for the Enron Savings Plan and ESOP?**

A: No. Fiduciary Counselors is the independent fiduciary for the Enron Savings Plan and ESOP. The Plaintiffs’ Counsel’s website incorrectly identified us as the plan administrator. This has been corrected.

**18. Q: Who is the Plan Administrator? What is the Plan Administrator's contact information?**

A:      Administrative Committee  
Enron Corp. Savings Plan  
P. O. Box 1188  
Houston, TX 77251-1188

**19. Q: Where can I find more information about the Enron Savings Plan or ESOP?**

A:      Go online to [www.enron.com](http://www.enron.com) to the tab labeled "For Employees" or contact the Plan Administrator at the address above. If you have questions about the Proof of Claim forms that Fiduciary Counselors is filing on behalf of the Enron Savings Plan or ESOP, send an email to us at [enron@planfiduciary.com](mailto:enron@planfiduciary.com).

**20. Q: What happens if I move before the *Newby* settlement payments are made?**

A:      If your address changes go to [www.enron.com](http://www.enron.com) to update your address in the Enron records. Click on "For Employees" at the top of the page and then click on the option titled "Benefit Address Change Form." Complete the "Change of Address" form and click "Submit" to update your address.

**21. Q: Where can I find more information about the *Newby* settlement?**

A:      For information about the *Newby* settlement, please contact Plaintiffs' Counsel in the *Newby* litigation, the law firm of Coughlin Stoia Geller Rudman & Robbins LLP. You can refer to their website at [www.enronfraud.com](http://www.enronfraud.com) or contact them by telephone at 1-800-449-4900 or email at [rickn@csgrr.com](mailto:rickn@csgrr.com). For inquiries regarding the Proof of Claim form, contact the claims administrator, Gilardi & Co., at 415-461-0410 or 800-654-5763 or [classact@gilardi.com](mailto:classact@gilardi.com).