UNITED STATES COURTS
SOUTHERN DISTRICT OF TEXAS
FILED

OCT 21 2002

MICHAEL N. MILBY, CLERK OF COURT

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE ENRON CORPORATION SECURITIES LITIGATION	§ § § §	CIV. NO. H-01-3624 **Judge Melinda Harmon**
UNITED STATES OF AMERICA v. ARTHUR ANDERSEN, L.L.P.	§ § § § §	CR. NO. H-02-121 **Judge Melinda Harmon**
UNITED STATES OF AMERICA v. DAVID DUNCAN	§ § § § §	CR. NO. H-02-209 **Judge Melinda Harmon**
UNITED STATES OF AMERICA v. MICHAEL J. KOPPER	§ § § § §	CR. NO. H-02-560 **Judge Ewing Werlein, Jr.**
UNITED STATES OF AMERICA v. DAVID BERMINGHAM, GILES DARBY, and GARY MULGREW	§ § § § § § §	CR. NO. H-02-597 **Judge Ewing Werlein, Jr.**

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UNITED STATES OF AMERICA	§	
	§	
v.	§	
	§	CIV. NO. H-02-3844
REAL PROPERTY KNOWN AS	§	
3005 DEL MONTE DR.,	§	**Judge Ewing Werlein, Jr.**

Notice of Related Litigation

Under Local Rule 3(F) of the Local Rules for the United States District Court, Southern District of Texas, the United States, through the undersigned counsel, respectfully notifies the Court of the five related cases identified above. The first three of these cases are pending before United States District Judge Melinda Harmon and the latter three are pending before United States District Judge Ewing Werlein, Jr.

Civil No. H-01-3624

1. Filed in December, 2001, *In re Enron Corporation Securities Litigation* was originally assigned to the Honorable Lee H. Rosenthal. Upon Judge Rosenthal's prompt recusal, the case was reassigned to Judge Harmon. Plaintiffs filed an amended complaint (the "amended complaint") on April 28, 2002. The amended complaint contains extensive allegations concerning Enron's transactions and its accounting.

Criminal No. H-02-121

2. On March 7, 2002, a federal grand jury sitting in Houston returned a one-count indictment against defendant Arthur Andersen, LLP, ("Andersen"), a former Big Five accounting firm. The indictment charged the firm with obstruction of justice (18 U.S.C. § 1512). The case was assigned to Judge Harmon by random selection. On June 15, 2002, Andersen was found guilty after a six-week jury trial and is scheduled to be sentenced in October 2002.

3. The evidence produced during the *Andersen* trial concerned Andersen's work for Enron, particularly various accounting issues addressed by Andersen and Enron, including transactions involving Enron's senior executives. The *Andersen* trial included extensive evidence concerning Enron's use and accounting treatment of complex structured finance vehicles at issue in the Enron civil case.

Criminal No. H-02-209

4. On April 9, 2002, a criminal information was filed against defendant David Duncan. The information charged one count of obstruction of justice (18 U.S.C. § 1512). Defendant Duncan entered a guilty plea that same day before Judge Harmon and he is scheduled to be sentenced on October 25, 2002. This case was originally assigned to the Honorable Lynn Hughes but later Judge Hughes, on motion by the parties, agreed to the reassignment of the case to Judge Harmon based on the random assignment to her of the two earlier cases involving Enron.

5. David Duncan was the Andersen lead engagement partner for the Enron account. He testified in the *Andersen* trial for five days about his role as the engagement partner for Enron, including substantial testimony regarding Enron's accounting treatment of off-balance sheet partnerships such as JEDI/Chewco and LJM Cayman and other transactions involving senior Enron executives.

Criminal No. H-02-560

6. On August 20, 2002, a criminal information was filed against Michael J. Kopper and was randomly assigned to the Honorable Ewing Werlein, Jr. On August 21, 2002, Kopper pled guilty before Judge Werlein to conspiracy to commit wire fraud (18 U.S.C. § 371) and

conspiracy to launder monetary instruments (18 U.S.C. §§ 1956(h) and 1957). The information against Kopper details his and others involvement with Enron's use of off-balance sheet partnerships such as RADR, JEDI/Chewco and LJM Cayman.

Criminal No. H-02-597

7. On September 12, 2002, a federal grand jury sitting in Houston returned a seven-count indictment against defendants David Bermingham, Giles Darby and Gary Mulgrew which was randomly assigned to the Honorable Ewing Werlein, Jr. The indictment charges wire fraud in violation of 18 U.S.C. § 1343 in connection with the Southampton transaction, which was related to LJM Cayman transaction and involved the defrauding of National Westminster Bank and others by the defendants and others who were employed by Enron. None of the defendants in this case have made an initial appearance as each is a citizen and resident of the United Kingdom. The United States is pursuing the extradition of these defendants.

Civil No. H-02-3844

8. On October 10, 2002, a civil forfeiture complaint was filed against Real Property Known As 3005 Del Monte Dr., which is owned by Andrew and Lea Fastow. The case was originally assigned to the Honorable Nancy F. Atlas. Upon Judge Atlas' prompt recusal, the case was reassigned to the Honorable Ewing Werlein, Jr. The civil forfeiture complaint is based upon the involvement of Enron's former Chief Financial Officer, Andrew Fastow and others in Enron's use of off-balance sheet partnerships, particularly the LJM1 (aka LJM Cayman) and LJM2 partnerships, and details how criminal proceeds generated by that activity are traceable to the defendant real property.

Common Elements in Each Case

9. These cases have the following common elements:

(a) All of the cases involve Enron's accounting treatment and use of off-balance sheet partnerships and special-purpose entities. These partnerships and entities were involved in complex structured finance transactions used by Enron to achieve certain financial reporting objectives.

(b) All of the cases involve the dual roles of certain Enron executives during the time that they worked for Enron and simultaneously ran or were affiliated with various entities that did business with Enron. These include Enron's former Chief Financial Officer, who was recently named a defendant in a criminal complaint and is a named defendant in the civil class action, a former Managing Director, Micheal Kopper, who recently pled guilty, and others. The involvement of these executives in one or more of the RADR, JEDI/Chewco and LJM transactions, and Enron's accounting treatment of those transactions, are relevant to each case. Similarly, the actions of other Enron executives, and others who did not work at Enron but enriched themselves at the expense of Enron and others, features prominently in each of these cases.

Conclusion

These cases are all related because they all involve transactions which were relevant to the collapse of Enron in the latter part of 2001 as well as allegations of self dealing and fraud by former Enron executives and others.

Date: October 18, 2002

Respectfully submitted,

LESLIE CALDWELL, Director
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By: _____
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