

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

United States Court
 Southern District of Texas

JAN 07 2003

Michael N. Milby, Clerk

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IN RE ENRON CORPORATION	:
SECURITIES LITIGATION	:
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This Document Relates To:	X
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MARK NEWBY, et al., Individually and	:
On Behalf of All Others Similarly Situated,	:
	:
Plaintiffs,	:
	:
vs.	:
	:
ENRON CORP., et al.,	:
	:
Defendants.	:
	:
-----	X
THE REGENTS OF THE UNIVERSITY OF	:
CALIFORNIA, et al., Individually and On	:
Behalf of All Others Similarly Situated,	:
	:
Plaintiffs,	:
	:
v.	:
	:
KENNETH L. LAY, et al.,	:
	:
Defendants.	:
-----	X

Consolidated Civil Action
 Case No.: H-01-CV-3624
 (Jury)

**ANSWER OF DEFENDANT J.P. MORGAN CHASE & CO.
 TO THE CONSOLIDATED COMPLAINT**

Comes now Defendant J.P. Morgan Chase & Co. and hereby states its answer to the Consolidated Complaint ("Complaint") of Plaintiffs, dated April 8, 2002.

PRELIMINARY STATEMENT

Stripped of its hundreds of pages of rhetoric and repetition, Plaintiffs' 1030-paragraph, 500-page Complaint states no more than that various subsidiaries and affiliates of J.P. Morgan Chase & Co. or its predecessors engaged from time to time in financial transactions with

1206

Enron or its affiliates. The Complaint does not allege any facts challenging the economic substance or the arm's length nature of any of these transactions. Rather, the Complaint alleges that Enron did not report properly on its financial statements some of its business dealings with others, including J.P. Morgan Chase & Co. J.P. Morgan Chase & Co. states that it had no involvement of any kind in the preparation of Enron's financial statements. Moreover, J.P. Morgan Chase & Co. engaged in no wrongdoing of any kind relating to Enron. Plaintiffs' claims against J.P. Morgan Chase & Co. are without merit.

The Complaint repeatedly conflates and confuses the identity of J.P. Morgan Chase & Co.'s subsidiaries, affiliates and its predecessors.¹ Although J.P. Morgan Chase & Co., a holding company, is the only legal entity named as a defendant, the Complaint without distinction refers to other entities as "JP Morgan." Plaintiffs' confusing and overbroad definition appears to include hundreds of entities besides J.P. Morgan Chase & Co., none of which is a defendant in this action. J.P. Morgan Chase & Co. does not, and cannot, interpret this term to reference any entity other than J.P. Morgan Chase & Co. Therefore, unless otherwise noted, J.P. Morgan Chase & Co. treats all references to "JP Morgan" as meaning the defendant J.P. Morgan Chase & Co.

¹ One particular defect in Plaintiffs' nomenclature is that it fails to account for the fact that before December 31, 2000, the former J.P. Morgan & Co., Incorporated and The Chase Manhattan Corporation (and their respective subsidiaries and affiliates) were separate legal entities. Moreover, prior to their merger, these companies were not affiliated in any way and they should not now be treated as anything other than completely separate institutions. Furthermore, Plaintiffs' inappropriate effort to fuse current subsidiaries and affiliates of J.P. Morgan Chase & Co., such as J.P. Morgan Securities Inc. and JPMorgan Chase Bank, should be rejected, as these are distinct legal entities.

To the extent the allegations ambiguously refer to certain “Investment Banks,” “Banks,” “Bankers,” “Banking Defendants,” as well as “defendants,” J.P. Morgan Chase & Co. does not, and cannot, interpret these terms. These terms are not adequately defined in the Complaint, and appear at various times to refer to all defendants, some defendants, and/or various subsidiaries thereof that are not named as defendants in this action.

Each of the qualifications stated above is hereby incorporated into each response below. J.P. Morgan Chase & Co. (hereinafter, “JPMorgan Chase”) states that all allegations, unless specifically admitted, are denied. In response to the Complaint’s “Preamble” and numbered paragraphs,² JPMorgan Chase answers as follows:

Preamble: To the extent that any response is required to the so-called “Preamble,” denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in the Preamble, except denies the allegations contained in the Preamble to the extent such allegations are directed against JPMorgan Chase, and respectfully refers to the publicly-available documents cited in the Preamble for the contents thereof.

1. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 1, except denies the allegations contained in paragraph 1 to the extent such allegations are directed against JPMorgan Chase, except admits that Plaintiffs purport to bring this action against the individuals and entities listed and defined therein.

² Unless otherwise specifically indicated, each response herein respectfully refers to the numbered paragraph that is referred to in the response, including all subsections thereof, and to any unnumbered paragraphs that appear between the numbered paragraph and the next numbered paragraph.

2. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 2, except denies the allegations contained in paragraph 2 to the extent such allegations are directed against JPMorgan Chase, and respectfully refers to publicly-available records for the historical closing prices of Enron stock and Enron's historical credit rating.

3. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 3, except denies the allegations contained in paragraph 3 to the extent such allegations are directed against JPMorgan Chase, respectfully refers to publicly-available records for the historical closing prices of Enron stock and Enron's historical credit rating, and respectfully refers to the publicly-available documents cited in paragraph 3 for the contents thereof.

4. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 4, except denies the allegations contained in paragraph 4 to the extent such allegations are directed against JPMorgan Chase, except admits, on information and belief, that the SEC and DOJ are conducting investigations pertaining to Enron and that certain individuals associated with Enron or Andersen have invoked rights against self-incrimination when called to testify in certain proceedings, and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

5-6. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 5-6, and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

7. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 7 and respectfully refers to the publicly-available documents cited in paragraph 7 for the contents thereof.

8. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 8, and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

9. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 9.

10. States that the allegations contained in paragraph 10 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 10.

11. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 11, except denies the allegations contained in paragraph 11 to the extent such allegations are directed against JPMorgan Chase.

12. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 12, and respectfully refers to publicly-available records for the historical closing prices of Enron stock and Enron's historical credit rating.

13. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 13, except admits, on information and belief, that Enron was known to JPMorgan Chase to be a large, successful, and respected corporation and a leading energy trading company, that Enron was often cited in financial circles as an innovative and

successful company, and that Enron's management was similarly praised and respected, and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

14. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 14, except denies the allegations contained in paragraph 14 to the extent such allegations are directed against JPMorgan Chase.

15. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 15, and respectfully refers to publicly-available records for the historical closing prices of Enron stock and Enron's historical credit rating.

16. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 16, except denies the allegations contained in paragraph 16 to the extent such allegations are directed against JPMorgan Chase, except admits that, consistent with its financial standing, Enron had access to the capital markets and raised billions of dollars in financing, including from subsidiaries and affiliates of JPMorgan Chase or its predecessors, and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

17. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 17, except denies the allegations contained in paragraph 17 to the extent such allegations are directed against JPMorgan Chase.

18. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 18.

19. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 19, except denies the allegations contained in paragraph 19 to the extent such allegations are directed against JPMorgan Chase, except admits that

JPMorgan Chase Bank, or its predecessor The Chase Manhattan Bank, from time to time provided financing to Enron or its affiliates, including revolving credit facilities.

20. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 20, except admits the existence of financing agreements pertaining to certain entities formed by or affiliated with Enron and respectfully refers thereto for the contents thereof.

21. States that the allegations contained in paragraph 21 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 21, except denies the allegations contained in paragraph 21 to the extent such allegations are directed against JPMorgan Chase.

22. States that the allegations contained in paragraph 22 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 22.

23-24. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 23-24, except denies the allegations contained in paragraphs 23-24 to the extent such allegations are directed against JPMorgan Chase.

25. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 25, except denies the allegations contained in paragraph 25 to the extent such allegations are directed against JPMorgan Chase, except admits the existence of the LJM2 Private Placement Memorandum and respectfully refers thereto for the contents thereof

26. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 26, except denies the allegations contained in paragraph 26 to the extent such allegations are directed against JPMorgan Chase, except admits that Sixty Wall Street Fund, L.P., Chemical Investments, Inc., and J.P. Morgan Partnership Investment Corporation were passive investors in LJM2, having invested \$3 million, \$10 million, and \$12 million, respectively.

27. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 27, except denies the allegations contained in paragraph 27 to the extent such allegations are directed against JPMorgan Chase, except admits that The Chase Manhattan Bank was involved in a \$65 million revolving credit facility to LJM2.

28. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 28, except denies the allegations contained in paragraph 28 to the extent such allegations are directed against JPMorgan Chase.

29. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 29, except denies the allegations contained in paragraph 29 to the extent such allegations are directed against JPMorgan Chase, except admits that J.P. Morgan Securities Inc. ("JPMSI") distributed to certain of its institutional clients research notes concerning Enron, and respectfully refers thereto for the contents thereof.

30. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 30, except denies the allegations contained in paragraph 30 to the extent such allegations are directed against JPMorgan Chase and respectfully refers to the publicly-available documents cited in paragraph 30 for the contents thereof.

31-35. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 31-35, except denies the allegations contained in paragraphs 31-35 to the extent such allegations are directed against JPMorgan Chase.

36-40. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 36-40.

41. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 41, except denies the allegations contained in paragraph 41 to the extent such allegations are directed against JPMorgan Chase.

42. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 42, except denies the allegations contained in paragraph 42 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMorgan Chase Bank, or its predecessor The Chase Manhattan Bank, was involved in a financing transaction involving an entity referred to as Hawaii 125-0, and respectfully refers to publicly-available records for the historical closing prices of New Power stock.

43. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 43.

44. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 44, except denies the allegations contained in paragraph 44 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMorgan Chase Bank, or its predecessor, The Chase Manhattan Bank, had involvement with certain prepaid commodity transactions involving Enron or its affiliates and one or more special purpose entities, such as Mahonia Limited and Mahonia Natural Gas Limited, that JPMorgan Chase Bank, or its predecessor The Chase Manhattan Bank, has had involvement with certain

prepaid commodity transactions with other companies, including Sumitomo Corporation, that JPMorgan Chase Bank commenced, prosecuted, and has since resolved, an action in the United States District Court for the Southern District of New York entitled *JPMorgan Chase Bank, for and on behalf of Mahonia Limited and Mahonia Natural Gas Limited v. Liberty Mutual Insurance Company, et al.*, No. 01 Civ. 11523 (JSR), to enforce rights under certain surety bonds in connection with certain of the Enron-related prepaid commodity transactions (the “Surety Litigation”), and that the Court before which the Surety Litigation is pending has issued a number of rulings, including a ruling dismissing certain defendants’ claim that JPMorgan Chase Bank aided and abetted Enron’s alleged balance sheet fraud, and respectfully refers to the record of proceedings in the Surety Litigation for the contents thereof. JPMorgan Chase further avers that it did not engage in any wrongdoing in connection with the Sumitomo or Enron-related prepaid commodity transactions.

45. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 45.

46-47. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 46-47, except denies the allegations contained in paragraphs 46-47 to the extent such allegations are directed against JPMorgan Chase.

48. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 48, except denies the allegations contained in paragraph 48 to the extent such allegations are directed against JPMorgan Chase, except admits that Chase Securities Inc., a predecessor of JPMSI, was involved in Enron’s October 1997 and July 1998 debt offerings and that JPMSI was involved in Enron’s February 2001 zero coupon convertible notes offering.

49. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 49, except denies the allegations contained in paragraph 49 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMSI was involved in the July 2001 Marlin Water Trust II and Marlin Water Capital Corp. II debt offerings.

50. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 50.

51. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 51, and respectfully refers to the publicly-available documents cited in paragraph 51 for the contents thereof.

52-53. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 52-53, except denies the allegations contained in paragraphs 52-53 to the extent such allegations are directed against JPMorgan Chase.

54. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 54, except denies the allegations contained in paragraphs 54 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMSI distributed to certain of its institutional clients research notes concerning Enron, and respectfully refers thereto for the contents thereof. *See* paragraph 29, *supra*.

55. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 55.

56. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 56, and respectfully refers to publicly-available records

for the historical closing prices of Enron stock and to the publicly-available documents cited in paragraph 56 for the contents thereof.

57. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 57, and respectfully refers to the publicly-available documents cited in paragraph 57 for the contents thereof.

58. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 58, and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

59-60. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 59-60.

61. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 61, except admits that Enron made various public statements and filings in October 2001, and respectfully refers thereto for the contents thereof.

62. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 62.

63. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 63, except denies the allegations contained in paragraph 63 to the extent such allegations are directed against JPMorgan Chase.

64. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 64, except denies the allegations contained in paragraph 64 to the extent such allegations are directed against JPMorgan Chase, except admits that, in November 2001, JPMSI was involved in a proposed corporate transaction, which did not close, between Enron and Dynegy, Inc.

65. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 65, except denies the allegations contained in paragraph 65 to the extent such allegations are directed against JPMorgan Chase, except admits that, in November 2001, JPMSI was involved in a proposed corporate transaction, which did not close, between Enron and Dynegy, Inc., and that during that time period, William Harrison communicated with Moody's Investor Service regarding Enron. JPMorgan Chase further avers that there was nothing improper about such communication.

66. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 66, except denies the allegations contained in paragraph 66 to the extent such allegations are directed against JPMorgan Chase, except admits that, on or about December 2, 2001, Enron filed for bankruptcy, and respectfully refers to publicly-available records for Enron's historical credit rating and the historical closing prices of Enron stock.

67. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 67, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

68. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 68, except admits that there have been Congressional inquiries regarding Enron, and admits, on information and belief, that certain individuals associated with Enron and Andersen have asserted their rights against self-incrimination, and respectfully refers to publicly-available records of Congressional hearings for the contents thereof.

69. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 69 and respectfully refers to the publicly-available documents cited in paragraph 69 for the contents thereof.

70. States that the allegations contained in paragraph 70 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 70, except denies the allegations contained in paragraph 70 to the extent such allegations are directed against JPMorgan Chase, except admits that various subsidiaries and affiliates of JPMorgan Chase or its predecessors engaged from time to time in financial transactions with Enron or its affiliates, that JPMorgan Chase Bank, or its predecessor, The Chase Manhattan Bank, had involvement with certain prepaid commodity transactions involving Enron or its affiliates and one or more special purpose entities, such as Mahonia Limited and Mahonia Natural Gas Limited, that Sixty Wall Street Fund, L.P., Chemical Investments, Inc., and J.P. Morgan Partnership Investment Corporation were passive investors in LJM2, having invested \$3 million, \$10 million, and \$12 million, respectively, and further avers that JPMorgan Chase did not engage in any wrongdoing in connection with these transactions.

71-72. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 71-72, except denies the allegations contained in paragraphs 71-72 to the extent such allegations are directed against JPMorgan Chase, and respectfully refers to the publicly-available documents cited in paragraphs 71-72 for the contents thereof.

73. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 73. except denies the allegations contained in paragraph

73 to the extent such allegations are directed against JPMorgan Chase, except admits that various subsidiaries and affiliates of JPMorgan Chase or its predecessors engaged from time to time in financial transactions with Enron or its affiliates, for which such JPMorgan Chase subsidiaries and affiliates were reasonably compensated, and further avers that JPMorgan Chase did not engage in any wrongdoing in connection with these transactions.

74. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 74, except denies the allegations contained in paragraph 74 to the extent such allegations are directed against JPMorgan Chase, and incorporates its responses with respect to the allegations depicted on the “fold-out” chart that are described elsewhere in the text of the Complaint.

75-78. States that the allegations contained in paragraphs 75-78 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 75-78, except denies the allegations contained in paragraphs 75-78 to the extent such allegations are directed against JPMorgan Chase, except admits that, at times relevant to the Complaint, Enron was headquartered in Houston, Texas, that affiliates of JPMorgan Chase used the mails and telephone communications in certain of their dealings pertaining to Enron, and jurisdiction and venue are alleged on the bases set forth in the Complaint.

79-80. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 79-80, except admits that the Regents of the University of California is the Court Appointed Lead Plaintiff.

81. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 81.

82. States that the allegations contained in paragraph 82 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 82, except admits that Enron has filed for protection pursuant to Chapter 11 of Title 11 of the United States Code.

83. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 83.

84. States that the allegations contained in paragraph 84 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 84.

85-88. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 85-88.

89-90. States that the allegations contained in paragraphs 89-90 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 89-90.

91. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 91, except admits that Plaintiffs refer to certain defendants as defined therein.

92-95. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 92-95.

96. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 96, except admits that Plaintiffs purport to bring the claims described therein.

97. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 97, except admits that Plaintiffs make allegations against Arthur Andersen at paragraphs 897-982.

98. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 98, except admits, on information and belief, that the law firm of Vinson & Elkins acted from time to time as outside counsel for Enron and/or certain of its affiliates on certain matters.

99. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 99, except admits, on information and belief, that the law firm of Kirkland & Ellis L.L.P. acted from time to time as outside counsel for Enron and/or certain of its affiliates on certain matters.

100. States that the allegations contained in paragraph 100 state legal or other conclusions that do not require a response. To the extent a response is required, denies the allegations contained in paragraph 100, except admits that JPMorgan Chase is a holding company incorporated under the laws of Delaware with its principal place of business in New York, that JPMorgan Chase was formed on December 31, 2000 through the merger of J.P. Morgan & Co., Incorporated and The Chase Manhattan Corporation, and that JPMorgan Chase has numerous subsidiaries and affiliates (including JPMorgan Chase Bank and JPMSI) and that certain of these subsidiaries and affiliates provide commercial and/or investment banking services to their clients

101. States that the allegations contained in paragraph 101 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 101, except admits, on information and belief, that Citigroup, Inc. is a financial services institution.

102. States that the allegations contained in paragraph 102 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 102, except admits, on information and belief, that Credit Suisse First Boston is a financial services institution.

103. States that the allegations contained in paragraph 103 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 103, except admits, on information and belief, that Canadian Imperial Bank of Commerce is a financial services institution.

104. States that the allegations contained in paragraph 104 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 104, except admits, on information and belief, that Bank of America Corp. is a financial services institution.

105. States that the allegations contained in paragraph 105 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in

paragraph 105, except admits, on information and belief, that Merrill Lynch & Co. is a financial services institution.

106. States that the allegations contained in paragraph 106 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 106, except admits, on information and belief, that Barclays PLC is a financial services institution.

107. States that the allegations contained in paragraph 107 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 107, except admits, on information and belief, that Deutsche Bank AG is a financial services institution.

108. States that the allegations contained in paragraph 108 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 108, except admits, on information and belief, that Lehman Brothers Holdings Inc. is a financial services institution.

109. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 109, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

110. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 110 and denies knowledge or information sufficient to form a belief as to the truth of the allegations concerning the proceeds of Enron's securities

offering, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

111. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 111 and denies knowledge or information sufficient to form a belief as to the truth of the allegations concerning the proceeds of Enron's securities offering, except denies the allegations contained in paragraph 111 to the extent such allegations are directed against JPMorgan Chase, except admits that Chase Securities Inc., a predecessor of JPMSI, was involved in Enron's July 1998 debt offering.

112. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 112, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

113. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 113.

114. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 114, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

115. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 115 and respectfully refers to the publicly-available documents cited in paragraphs 115 for the contents thereof.

116. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 116 and denies knowledge or information sufficient to form a belief as to the truth of the allegations concerning the proceeds of Enron's securities offering.

117-119. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 117-119, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

120. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 120.

121. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 121, except denies the allegations contained in paragraph 121 to the extent such allegations are directed against JPMorgan Chase.

122. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 122, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

123. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 123.

124. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 124 and denies knowledge or information sufficient to form a belief as to the truth of the allegations concerning the proceeds of Enron's securities offering.

125. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 125.

126. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 126, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

127. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 127.

128. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 128, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

129. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 129, and respectfully refers to the publicly-available documents cited in paragraphs 129 for the contents thereof.

130-133. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 130-133.

134. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 134, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

135. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 135 and denies knowledge or information sufficient to form a belief as to the truth of the allegations concerning the proceeds of Enron's securities offering, except denies the allegations contained in paragraph 135 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMSI was involved in an offering of 12 million shares of Enron common stock in February 1999.

136-141. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 136-141, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

142-143. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 142-143.

144-145. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 144-145, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

146-150. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 146-150.

151. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 151 and denies knowledge or information sufficient to form a belief as to the truth of the allegations concerning the proceeds of Enron's securities offering, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

152. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 152.

153. Denies the allegations contained in paragraph 153, except admits that JPMSI distributed to certain of its institutional clients a research note dated June 9, 1999 concerning Enron, and respectfully refers thereto for the contents thereof.

154. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 154.

155. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 155, except denies the allegations contained in paragraph 155 to the extent such allegations are directed against JPMorgan Chase.

156-157. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 156-157, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

158-159. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 158-159.

160. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 160 and respectfully refers to the publicly-available documents cited in paragraphs 160 for the contents thereof.

161-163. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 161-163.

164. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 164, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

165. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 165 and denies knowledge or information sufficient to form a belief as to the truth of the allegations concerning the proceeds of Enron's securities offering, except denies the allegations contained in paragraph 165 to the extent such allegations are directed against JPMorgan Chase, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

166-167. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 166-167.

168. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 168 and respectfully refers to the publicly-available documents cited in paragraphs 168 for the contents thereof.

169-171. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 169-171.

172. Denies the allegations contained in paragraph 172, except admits that JPMSI distributed to certain of its institutional clients a research note dated September 23, 1999 concerning Enron, and respectfully refers thereto for the contents thereof.

173. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 173.

174-175. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 174-175 and respectfully refers to the publicly-available documents cited in paragraphs 174-175 for the contents thereof.

176. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 176.

177. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 177, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

178. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 178 and respectfully refers to the publicly-available documents cited in paragraph 178 for the contents thereof.

179. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 179, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

180-186. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 180-186.

187. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 187 and respectfully refers to the publicly-available documents cited in paragraph 187 for the contents thereof.

188. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 188, except denies the allegations contained in paragraphs 188 to the extent such allegations are directed against JPMorgan Chase and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

189. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 189, except denies the allegations contained in paragraphs 189 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMSI distributed to certain of its institutional clients research notes concerning Enron, and respectfully refers thereto for the contents thereof.

190. Denies the allegations contained in paragraph 190, except admits that JPMSI distributed to certain of its institutional clients a research note dated November 26, 1999 concerning Enron, and respectfully refers thereto for the contents thereof.

191. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 191.

192. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 192, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

193-195. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 193-195.

196-197. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 196-197, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

198-201. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 198-201.

202. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 202 and respectfully refers to the publicly-available documents cited in paragraph 202 for the contents thereof.

203. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 203.

204. Denies the allegations contained in paragraph 204, except admits that JPMSI distributed to certain of its institutional clients a research note dated January 21, 2000 concerning Enron, and respectfully refers thereto for the contents thereof.

205-210. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 205-210.

211. Denies the allegations contained in paragraph 211, except admits that JPMSI distributed to certain of its institutional clients a research note dated February 9, 2000 concerning Enron, and respectfully refers thereto for the contents thereof.

212. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 212 and respectfully refers to the publicly-available documents cited in paragraph 212 for the contents thereof.

213. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 213.

214. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 214, except denies the allegations contained in paragraph 214 to the extent such allegations are directed against JPMorgan Chase.

215-221. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 215-221, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

222. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 222 and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

223-224. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 223-224, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

225. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 225 and respectfully refers to the publicly-available documents cited in paragraph 225 for the contents thereof.

226-227. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 226-227.

228. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 228 and respectfully refers to the publicly-available documents cited in paragraph 228 for the contents thereof.

229-233. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 229-233.

234. Denies the allegations contained in paragraph 234, except admits that JPMSI distributed to certain of its institutional clients research notes dated May 3, 2000 and May 15, 2000 concerning Enron, and respectfully refers thereto for the contents thereof.

235. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 235 and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

236. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 236 and denies knowledge or information sufficient to form a belief as to the truth of the allegations concerning the proceeds of Enron's securities offering.

237-238. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 237-238.

239. Denies the allegations contained in paragraph 239, except admits that JPMSI distributed to certain of its institutional clients a research note dated July 3, 2000 concerning Enron, and respectfully refers thereto for the contents thereof.

240-241. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 240-241, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

242. Denies the allegations contained in paragraph 242, except admits that JPMSI distributed to certain of its institutional clients a research note dated July 19, 2000 concerning Enron, and respectfully refers thereto for the contents thereof.

243-244. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 243-244.

245. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 245 and respectfully refers to the publicly-available documents cited in paragraph 245 for the contents thereof.

246-247. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 246-247, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

248. Denies the allegations contained in paragraph 248, except admits that JPMSI distributed to certain of its institutional clients a research note dated July 25, 2000 concerning Enron, and respectfully refers thereto for the contents thereof.

249-255. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 249-255.

256. Denies the allegations contained in paragraph 256, except admits that JPMSI distributed to certain of its institutional clients a research note dated September 15, 2000 concerning Enron, and respectfully refers thereto for the contents thereof.

257-259. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 257-259.

260. Denies the allegations contained in paragraph 260, except admits that JPMSI distributed to certain of its institutional clients a research note dated September 27, 2000 concerning Enron, and respectfully refers thereto for the contents thereof.

261. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 261 and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

262-264. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 262-264, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

265-270. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 265-270.

271. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 271, except denies the allegations contained in paragraph 271 to the extent such allegations are directed against JPMorgan Chase, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof, and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

272. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 272, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

273. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 273 and respectfully refers to the publicly-available documents cited in paragraph 273 for the contents thereof.

274-276. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 274-276, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

277-278. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 277-278 and respectfully refers to publicly-available records for the historical closing prices of Enron and New Power stocks.

279. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 279 and respectfully refers to the publicly-available documents cited in paragraph 279 for the contents thereof.

280. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 280, except denies the allegations contained in paragraph 280 to the extent such allegations are directed against JPMorgan Chase and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

281-283. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 281-283, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

284. Denies the allegations contained in paragraph 284, except admits that JPMSI distributed to certain of its institutional clients a research note dated January 26, 2001 concerning Enron, and respectfully refers thereto for the contents thereof.

285. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 285.

286. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 286, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

287. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 287.

288. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 288 and denies knowledge or information sufficient to form a belief as to the truth of the allegations concerning the proceeds of Enron's securities offering, except denies the allegations contained in paragraph 288 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMSI was involved in Enron's February 2001 zero coupon convertible notes offering and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

289. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 289 and respectfully refers to the publicly-available documents cited in paragraph 289 for the contents thereof.

290. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 290.

291-298. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 291-298, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

299. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 299 and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

300. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 300, except denies the allegations contained in paragraph 300 to the extent such allegations are directed against JPMorgan Chase.

301. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 301, except denies the allegations contained in paragraph 301 to the extent such allegations are directed against JPMorgan Chase, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

302. Denies the allegations contained in paragraph 302, except admits that JPMSI distributed to certain of its institutional clients a research note dated March 12, 2001 concerning Enron, and respectfully refers thereto for the contents thereof.

303-304. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 303-304.

305. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 305, except denies the allegations contained in paragraph 305 to the extent such allegations are directed against JPMorgan Chase, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

306. Denies the allegations contained in paragraph 306, except admits that JPMSI distributed to certain of its institutional clients a research note dated March 13, 2001 concerning Enron, and respectfully refers thereto for the contents thereof.

307. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 307 and respectfully refers to the publicly-available documents cited in paragraph 307 for the contents thereof.

308. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 308.

309. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 309, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

310. Denies the allegations contained in paragraph 310, except admits that JPMSI distributed to certain of its institutional clients a research note dated March 22, 2001 concerning Enron, and respectfully refers thereto for the contents thereof.

311. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 311, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

312. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 312.

313-314. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 313-314, except denies the allegations contained in paragraphs 313-314 to the extent such allegations are directed against JPMorgan Chase, and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

315-318. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 315-318, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

319. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 319.

320. Denies the allegations contained in paragraph 320, except admits that JPMSI distributed to certain of its institutional clients a research note dated April 18, 2001 concerning Enron, and respectfully refers thereto for the contents thereof.

321-323. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 321-323.

324. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 324, except denies the allegations contained in paragraphs 324 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMSI distributed to certain of its institutional clients research notes concerning Enron, and respectfully refers thereto for the contents thereof, and respectfully refers to publicly-available records for the historical closing prices of Enron stock

325. Denies the allegations contained in paragraph 325, except admits that JPMSI distributed to certain of its institutional clients a research note dated May 18, 2001 concerning Enron, and respectfully refers thereto for the contents thereof.

326-327. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 326-327.

328-329. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 328-329, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

330. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 330 and respectfully refers to the publicly-available documents cited in paragraph 330 for the contents thereof.

331-332. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 331-332, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

333. Denies the allegations contained in paragraph 333.

334-335. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 334-335.

336. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 336, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

337. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 337 and respectfully refers to the publicly-available documents cited in paragraph 337 for the contents thereof.

338. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 338.

339. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 339, except denies the allegations contained in paragraph 339 to the extent such allegations are directed against JPMorgan Chase.

340-341. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 340-341.

342. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 342, except denies the allegations contained in paragraph 342 to the extent such allegations are directed against JPMorgan Chase, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

343-344. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 343-344, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

345-347. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 345-347.

348. Denies the allegations contained in paragraph 348, except admits that JPMSI distributed to certain of its institutional clients a research note dated August 15, 2001 concerning Enron, and respectfully refers thereto for the contents thereof.

349. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 349.

350. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 350, except denies the allegations contained in paragraphs 350 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMSI distributed to certain of its institutional clients research notes concerning Enron, and respectfully refers thereto for the contents thereof, and respectfully refers to publicly-available records for the historical closing prices of Enron stock

351. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 351, except admits that the research note referred to in paragraph 352 indicates that representatives of JPMSI met with Enron senior management on August 16, 2001.

352. Denies the allegations contained in paragraph 352, except admits that JPMSI distributed to certain of its institutional clients a research note dated August 17, 2001 concerning Enron, and respectfully refers thereto for the contents thereof.

353-355. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 353-355.

356. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 356 and respectfully refers to the publicly-available documents cited in paragraph 356 for the contents thereof.

357-358. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 357-358.

359-361. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 359-361, except denies the allegations contained in paragraphs 359-361 to the extent such allegations are directed against JPMorgan Chase and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

362. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 362.

363. Denies the allegations contained in paragraph 363, except admits that JPMSI distributed to certain of its institutional clients a research note dated October 9, 2001 concerning Enron, and respectfully refers thereto for the contents thereof

364. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 364, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

365. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 365, except denies the allegations contained in paragraphs 365 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMSI distributed to certain of its institutional clients research notes concerning Enron, and respectfully refers thereto for the contents thereof, and respectfully refers to publicly-available records for the historical closing prices of Enron stock

366. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 366, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

367. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 367 and respectfully refers to the publicly-available documents cited in paragraph 367 for the contents thereof.

368-369. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 368-369, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

370-372. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 370-372.

373. Denies the allegations contained in paragraph 373, except admits that JPMSI distributed to certain of its institutional clients a research note dated October 17, 2001 concerning Enron, and respectfully refers thereto for the contents thereof.

374-375. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 374-375.

376. Denies the allegations contained in paragraph 376, except admits that JPMSI distributed to certain of its institutional clients a research note dated October 30, 2001 concerning Enron, and respectfully refers thereto for the contents thereof.

377. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 377, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

378-379. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 378-379.

380. Denies the allegations contained in paragraph 380, except admits that JPMSI distributed to certain of its institutional clients a research note dated October 23, 2001 concerning Enron, and respectfully refers thereto for the contents thereof.

381. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 381.

382-385. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 382-385, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

386. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 386, except denies the allegations contained in paragraph 386 to the extent such allegations are directed against JPMorgan Chase.

387. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 387. denies the allegations contained in paragraph 387

to the extent such allegations are directed against JPMorgan Chase, except admits that, in November 2001, JPMSI was involved in a proposed corporate transaction, which did not close, between Enron and Dynegey, Inc..

388. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 388, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

389. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 389, except denies the allegations contained in paragraph 389 to the extent such allegations are directed against JPMorgan Chase, except admits that, in November 2001, JPMSI was involved in a proposed corporate transaction, which did not close, between Enron and Dynegey, Inc., and that during that time period, William Harrison communicated with Moody's Investor Service regarding Enron. JPMorgan Chase further avers that there was nothing improper about such communication.

390. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 390, except denies the allegations contained in paragraph 390 to the extent they are directed against JPMorgan Chase.

391. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 391, except denies the allegations contained in paragraph 391 to the extent such allegations are directed against JPMorgan Chase, except admits that Enron filed for bankruptcy on or about December 2, 2001 and admits that, in November 2001, JPMSI was involved in a proposed corporate transaction, which did not close, between Enron and Dynegey, Inc., and that during that time period, William Harrison communicated with Moody's Investor Service regarding Enron. JPMorgan Chase further avers that there was

nothing improper about such communication. Further, respectfully refers to publicly-available records for Enron's historical credit rating.

392. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 392, except admits that there have been Congressional inquiries regarding Enron, and admits, on information and belief, that certain individuals associated with Enron and Andersen have asserted their rights against self-incrimination, and respectfully refers to publicly-available records of Congressional hearings for the contents thereof.

393. States that the allegations contained in paragraph 393 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 393, except denies the allegations contained in paragraph 393 to the extent such allegations are directed against JPMorgan Chase.

394. States that the allegations contained in paragraph 394 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 394, except denies the allegations contained in paragraph 394 to the extent such allegations are directed against JPMorgan Chase.

395-405. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 395-405.

406-415. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 406-415, except admits that Plaintiffs allege that

they hired Dr. Scott D. Hakala and have annexed his findings as Exhibit B of the Exhibit Appendix.

416. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 416 or Exhibit C to the Exhibit Appendix.

417. States that the allegations contained in paragraph 417 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph 417, except denies the allegations contained in paragraph 417 to the extent such allegations are directed against JPMorgan Chase.

418-426. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 418-426, except admits that Enron periodically published financial statements and included information concerning its financial results in public filings and statements and respectfully refers thereto for the contents thereof.

427-428. States that the allegations contained in paragraphs 427-428 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the allegations contained in paragraphs 427-428.

429. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 429, except denies the allegations contained in paragraph 429 to the extent such allegations are directed against JPMorgan Chase.

430-432. States that the allegations contained in paragraphs 430-432 state legal or other conclusions that do not require a response. To the extent a response is required, denies

knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 430-432.

433. States that the allegations contained in paragraph 433 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 433, except denies the allegations contained in paragraph 433 to the extent such allegations are directed against JPMorgan Chase.

434. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 434, and respectfully refers to the publicly-available documents cited in paragraph 434 for the contents thereof.

435-436. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 435-436.

437. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 437, except denies the allegations contained in paragraph 437 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMorgan Chase Bank, or its predecessor The Chase Manhattan Bank, was involved in providing bridge financing to the entity referred to as Chewco.

438-439. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 438-439.

440. States that the allegations contained in paragraph 440 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in paragraph 440.

441-442. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 441-442.

443-445. States that the allegations contained in paragraphs 443-445 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the allegations contained in paragraphs 443-445.

446. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 446.

447. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 447, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

448. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 448, except admits, on information and belief, that LJM2 was formed in 1999 and that Andrew Fastow initially was the managing member of the general partner of LJM2.

449. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 449.

450. States that the allegations contained in paragraph 450 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 450, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

451-452. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 451-452.

453. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 453, and respectfully refers to publicly-available records for the historical closing prices of Rhythms stock.

454. States that the allegations contained in paragraph 454 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 454.

455. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 455, and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

456-457. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 456-457.

458. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 458, and respectfully refers to publicly-available records for the historical closing prices of Rhythms stock.

459. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 459.

460. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 460, except denies the allegations contained in paragraph 460 to the extent such allegations are directed against JPMorgan Chase, except admits that Sixty Wall Street Fund, L.P., Chemical Investments, Inc., and J.P. Morgan Partnership

Investment Corporation were passive investors in LJM2, having invested \$3 million, \$10 million, and \$12 million, respectively, admits that The Chase Manhattan Bank was involved in a \$65 million revolving credit facility to LJM2, and admits, on information and belief, that LJM2 was formed in 1999 and that Andrew Fastow initially was the managing member of the general partner of LJM2.

461. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 461, except denies the allegations contained in paragraph 461 to the extent such allegations are directed against JPMorgan Chase, except admits that Sixty Wall Street Fund, L.P., Chemical Investments, Inc., and J.P. Morgan Partnership Investment Corporation were passive investors in LJM2, having invested \$3 million, \$10 million, and \$12 million, respectively, and admits the existence of the LJM2 Private Placement Memorandum and respectfully refers thereto for the contents thereof.

462-463. States that the allegations contained in paragraphs 462-463 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 462-463.

464. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 464, except denies the allegations contained in paragraph 464 to the extent such allegations are directed against JPMorgan Chase, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

465. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 465, except admits that Plaintiffs make allegations concerning Raptors at paragraphs 477-495.

466. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 466.

467-477. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 467-477.

478. States that the allegations contained in paragraph 478 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 478.

479. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 479.

480. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 480, and respectfully refers to publicly-available records for the historical closing prices of Avici stock.

481. States that the allegations contained in paragraph 481 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 481.

482-484. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 482-484.

485-488. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 485-488, and respectfully refers to publicly-available records for the historical closing prices of New Power stock.

489-495. States the allegations contained in paragraphs 489-495 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 489-495.

496. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 496, except denies the allegations contained in paragraph 496 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMSI or its predecessor and JPMorgan Chase Bank or its predecessor were involved in Enron's acquisition and financing of Elektro.

497-500. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 497-500.

501-505. States that the allegations contained in paragraphs 501-505 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 501-505.

506. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 506, except denies the allegations contained in paragraph 506 to the extent such allegations are directed against JPMorgan Chase.

507-509. States that the allegations contained in paragraphs 507-509 state legal or other conclusions that do not require a response. To the extent a response is required, denies

knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 507-509.

510-511. States that the allegations contained in paragraphs 510-511 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 510-511, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

512-515. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 512-515, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

516. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 516, except denies the allegations contained in paragraph 516 to the extent such allegations are directed against JPMorgan Chase.

517-518. States that the allegations contained in paragraphs 517-518 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 517-518, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

519. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 519 and respectfully refers to the publicly-available documents cited in paragraph 519 for the contents thereof.

520. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 520, except denies the allegations contained in paragraph 520 to the extent such allegations are directed against JPMorgan Chase.

521. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 521, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

522-524. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 522-524.

525-526. States that the allegations contained in paragraphs 525-526 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained paragraphs 525-526, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

527-529. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 527-529.

530. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 530 and respectfully refers to the publicly-available documents cited in paragraph 530 for the contents thereof.

531. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 531, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

532-533. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 532-533.

534-535. States that the allegations contained in paragraphs 534-535 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 534-535.

536-540. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 536-540.

541. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 541, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

542. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 542 and respectfully refers to the publicly-available documents cited in paragraph 542 for the contents thereof.

543-544. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 543-544.

545. States that the allegations contained in paragraph 545 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 545.

546. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 546.

547. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 547, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

548-549. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 548-549.

550. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 550 and respectfully refers to the publicly-available documents cited in paragraph 550 for the contents thereof.

551. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 551, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

552-553. States that the allegations contained in paragraphs 552-553 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 552-553.

554. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 554.

555. States that the allegations contained in paragraph 555 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 555.

556-557. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 556-557.

558. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 558, except denies the allegations contained in paragraph 558 to the extent such allegations are directed against JPMorgan Chase.

559. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 559, except denies the allegations contained in paragraph 559 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMorgan Chase Bank, or its predecessor, The Chase Manhattan Bank, had involvement with certain prepaid commodity transactions involving Enron or its affiliates and one or more special purpose entities, such as Mahonia Limited and Mahonia Natural Gas Limited. JPMorgan Chase further avers that it did not engage in any wrongdoing in connection with Enron-related prepaid commodity transactions. Further respectfully refers to the publicly-available documents cited in paragraph 559 for the contents thereof.

560. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 560, except denies the allegations contained in paragraph 560 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMorgan Chase Bank, or its predecessor, The Chase Manhattan Bank, had involvement with certain prepaid commodity transactions involving Enron or its affiliates and one or more special purpose entities, such as Mahonia Limited and Mahonia Natural Gas Limited. JPMorgan Chase further avers that it did not engage in any wrongdoing in connection with Enron-related prepaid commodity transactions. Further respectfully refers to the publicly-available documents cited in paragraph 560 for the contents thereof.

561. Denies the allegations contained in paragraph 561, except admits that JPMorgan Chase Bank, or its predecessor, The Chase Manhattan Bank, was involved in a prepaid commodity transaction entered into in December 2000 and respectfully refers to the governing agreements for the contents thereof.

562. Denies the allegations contained in paragraph 562

563. Denies the allegations contained in paragraph 563, except admits:

(a) On December 7, 2001, JPMorgan Chase Bank, for and on behalf of Mahonia Limited and Mahonia Natural Gas Limited, and in accordance with the terms of the governing surety bonds, provided written notices to each of the defendants in the Surety Litigation that payments under the surety bonds were due ten days after the written notices;

(b) Despite the express terms of the surety bonds requiring them to do so, the defendants in the Surety Litigation did not make the payments that were required, but instead demanded documents and information relating to certain prepaid commodity transactions to which they were not entitled and stated that, to the extent they did not receive the demanded documents or information, they would resort to legal action against JPMorgan Chase Bank; and

(c) Accordingly, on December 11, 2001, JPMorgan Chase Bank commenced the Surety Litigation, which has since been resolved, the record of which JPMorgan Chase respectfully refers to for the contents thereof.

564. Denies the allegations contained in paragraph 564 and respectfully refers to the publicly-available documents cited in paragraph 564 for the contents thereof.

565-568. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 565-568 and respectfully refers to the publicly-available document cited in paragraphs 567 for the contents thereof.

569. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 569.

570. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 570 and respectfully refers to the publicly-available documents cited in paragraph 570 for the contents thereof.

571-573. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 571-573.

574. States that the allegations contained in paragraph 574 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 574.

575-577. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 575-577.

578. States that the allegations contained in paragraph 578 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 578.

579. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 579.

580. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 580, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

581-582. States that the allegations contained in paragraphs 581-582 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 581-582.

583. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 583.

584-585. States that the allegations contained in paragraphs 584-585 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 584-585.

586-587. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 586-587.

588. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 588, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

589. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 589.

590. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained paragraph 590, and respectfully refers to publicly-available records for the historical closing prices of Azurix stock.

591-592. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 591-592, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

593. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 593.

594. States that the allegations contained in paragraph 594 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 594.

595. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 595.

596-599. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 596-599.

600. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 600 and respectfully refers to the publicly-available documents cited in paragraph 600 for the contents thereof.

601. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 601, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

602-604. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 602-604.

605. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 605, except denies the allegations contained in paragraph 605 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMSI or its predecessor and JPMorgan Chase Bank or its predecessor were involved in Enron's acquisition and financing of Elektro.

606-609. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 606-609.

610-611. States that the allegations contained in paragraphs 610-611 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 610-611.

612. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 612, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

613-636. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 613-636, except denies the allegations contained in paragraphs 613-636 to the extent such allegations are directed against JPMorgan Chase, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

637-639. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 637-639.

640-641. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 640-641, except denies the allegations contained in paragraphs 640-641 to the extent such allegations are directed against JPMorgan Chase, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

642-645. States that the allegations contained in paragraphs 642-645 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 642-645, except denies the allegations contained in paragraph 642-645 to the extent such allegations are directed against JPMorgan Chase, and respectfully refers to the publicly-available documents cited in paragraphs 642-645 for the contents thereof.

646. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 646, except denies the allegations contained in

paragraph 646 to the extent such allegations are directed against JPMorgan Chase, except admits the existence of the LJM2 Private Placement Memorandum and respectfully refers thereto for the contents thereof.

647. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 647, except denies the allegations contained in paragraph 647 to the extent such allegations are directed against JPMorgan Chase, except admits that Sixty Wall Street Fund, L.P., Chemical Investments, Inc., and J.P. Morgan Partnership Investment Corporation were passive investors in LJM2, having invested \$3 million, \$10 million, and \$12 million, respectively, and admits that The Chase Manhattan Bank was involved in a \$65 million revolving credit facility to LJM2.

648. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 648, except denies the allegations contained in paragraph 648 to the extent such allegations are directed against JPMorgan Chase, and respectfully refers to the publicly-available documents cited in paragraph 648 for the contents thereof.

649. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 649, except denies the allegations contained in paragraph 649 to the extent such allegations are directed against JPMorgan Chase.

650. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 650, except denies the allegations contained in paragraph 650 to the extent such allegations are directed against JPMorgan Chase, except admits that affiliates of JPMorgan Chase that engage in lending activities evaluate potential borrowers.

651. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 651, except denies the allegations contained in paragraph 651 to the extent such allegations are directed against JPMorgan Chase.

652. Denies the allegations contained in paragraph 652, except admits that JPMorgan Chase is a holding company incorporated under the laws of Delaware with its principal place of business in New York, that JPMorgan Chase was formed on December 31, 2000 through the merger of J.P. Morgan & Co., Incorporated and The Chase Manhattan Corporation, and that JPMorgan Chase has numerous subsidiaries and affiliates (including JPMorgan Chase Bank and JPMSI) and that certain of these subsidiaries and affiliates provide commercial and/or investment banking services to their clients, and that certain affiliates of JPMorgan Chase or its predecessors from time to time transacted financial business with Enron and that certain affiliates of JPMorgan Chase or its predecessors were passive investors in LJM2, as specified elsewhere herein.

653. Denies the allegations contained in paragraph 653, except admits that certain affiliates of JPMorgan Chase or its predecessors from time to time transacted financial business with Enron.

654. States that the allegations contained in paragraph 654 state legal or other conclusions that do not require a response. To the extent a response is required, denies the allegations contained in paragraph 654.

655. Denies the allegations contained in paragraph 655, except admits that Chase Securities Inc. was involved in Enron's October 1997 and July 1998 debt offerings and JPMSI was involved in an offering of 12 million shares of Enron common stock in February 1999 and Enron's February 2001 zero coupon convertible notes offering.

656. Denies the allegations contained in paragraph 656, except admits that Chase Securities Inc. was involved in The New Power Company's October 2000 offering and admits that JPMSI was involved in the July 2001 issuance of notes for Marlin Water Trust II and Marlin Water Capital Corp. II.

657. Denies the allegations contained in paragraph 657, except admits that JPMorgan Chase Bank, or and its predecessor, The Chase Manhattan Bank, was a lender to Enron and its affiliates, and JPMorgan Chase respectfully refers to the various lending agreements for terms thereof.

658 Denies the allegations contained in paragraph 658, except admits that JPMorgan Chase Bank, or its predecessor The Chase Manhattan Bank, from time to time provided financing to Enron or its affiliates, including revolving credit facilities.

659. Denies the allegations contained in paragraph 659, except admits that certain affiliates of JPMorgan Chase or its predecessors were involved in financing transactions involving entities referred to as Choctaw, Sequoia, Cherokee, Cheyenne, JEDI and JEDI II.

660. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 660 and denies knowledge or information sufficient to form a belief as to the truth of the allegations concerning the proceeds of Enron's securities offering, except denies the allegations contained in paragraph 660 to the extent such allegations are directed against JPMorgan Chase, except admits that various subsidiaries and affiliates of JPMorgan Chase or its predecessors engaged from time to time in financial transactions with Enron or its affiliates, for which such JPMorgan Chase subsidiaries and affiliates were reasonably compensated, and further avers that JPMorgan Chase did not engage in any wrongdoing in connection with these transactions.

661. Denies the allegations contained in paragraph 661.

662. States that the allegations contained in paragraph 662 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 662, except denies the allegations contained in paragraph 662 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMSI was involved in an offering of 12 million shares of Enron common stock in February 1999 and the July 2001 resale of Enron's zero coupon convertible notes and admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

663. Denies the allegations contained in paragraph 663, except admits that on or about June 9, 1999, July 15, 1999, September 23, 1999, November 26, 1999, January 21, 2000, February 9, 2000, May 3, 2000, May 15, 2000, July 3, 2000, July 19, 2000, September 15, 2000, September 27, 2000, March 13, 2001, May 18, 2001, August 15, 2001, August 17, 2001, October 17, 2001, October 23, 2001, and November 2, 2001, JPMSI distributed to certain of its institutional clients research notes, and respectfully refers to these documents for the contents thereof.

664. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 664, except denies the allegations contained in paragraph 664 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMorgan Chase Bank, or its predecessor, The Chase Manhattan Bank, had involvement with certain prepaid commodity transactions involving Enron or its affiliates and one or more special purpose entities, such as Mahonia Limited and Mahonia Natural Gas Limited. JPMorgan Chase further avers that it did not engage in any wrongdoing in connection with Enron-related

prepaid commodity transactions. Further respectfully refers to the publicly-available documents cited in paragraph 664 for the contents thereof.

665. Denies the allegations contained in paragraph 665, except admits that:

(a) JPMorgan Chase Bank, or its predecessor, The Chase Manhattan Bank, had involvement with certain prepaid commodity transactions involving Enron or its affiliates and one or more special purpose entities, such as Mahonia Limited and Mahonia Natural Gas Limited, and surety bonds were issued in connection therewith;

(b) Despite the express terms of the surety bonds requiring them to do so, the defendants in the Surety Litigation wrongfully failed to make payment when due; and

(c) Accordingly, on December 11, 2001, JPMorgan Chase Bank commenced the Surety Litigation, which has since been resolved, the record of which JPMorgan Chase respectfully refers to for the contents thereof.

666. Denies the allegations contained in paragraph 666 and respectfully refers to the publicly-available documents cited in paragraph 666 for the contents thereof.

667. Denies the allegations contained in paragraph 667.

668. Denies the allegations contained in paragraph 668, except admits that The Chase Manhattan Bank and Sumitomo Corporation were previously involved in litigation pertaining to certain prepaid commodity transactions.

669. Denies the allegations contained in paragraph 669, except admits that Sixty Wall Street Fund, L.P., Chemical Investments, Inc., and J.P. Morgan Partnership Investment Corporation were passive investors in LJM2, having invested \$3 million, \$10 million, and \$12 million, respectively, and admits that The Chase Manhattan Bank was involved in a \$65 million revolving credit facility to LJM2.

670. Denies the allegations contained in paragraph 670.

671. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 671, except denies the allegations contained in paragraph 671 to the extent such allegations are directed against JPMorgan Chase, except admits that, in November 2001, JPMSI was involved in a proposed corporate transaction, which did not close, between Enron and Dynegy, Inc., and that during that time period, William Harrison communicated with Moody's Investor Service regarding Enron. JPMorgan Chase further avers that there was nothing improper about such communication.

672. Denies the allegations contained in paragraph 672, except admits that JPMorgan Chase Bank is a party to the action captioned *Unicredito Italiano, et al, v. JPMorgan Chase Bank, et al.*

673. States that the allegations contained in paragraph 673 state legal or other conclusions that do not require a response. To the extent a response is required, denies the allegations contained in paragraph 673.

674-675. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 674-675.

676. States that the allegations contained in paragraph 676 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 676.

677-678. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 677-678.

679. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 679 and respectfully refers to publicly-available records for the historical closing prices of New Power stock.

680. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 680, except denies the allegations contained in paragraph 680 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMorgan Chase Bank, or its predecessor, The Chase Manhattan Bank, was a lender to Enron and its affiliates, and JPMorgan Chase respectfully refers to the various lending agreements for terms thereof.

681. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 681, except denies the allegations contained in paragraph 681 to the extent such allegations are directed against JPMorgan Chase.

682. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 682 and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

683-684. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 683-684.

685. States that the allegations contained in paragraph 685 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 685.

686-687. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 686-687.

688. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 688, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

689. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 689.

690. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 690, except denies the allegations contained in paragraph 690 to the extent such allegations are directed against JPMorgan Chase, except admits that, in November 2001, JPMSI was involved in a proposed corporate transaction, which did not close, between Enron and Dynege, Inc., and that during that time period, William Harrison communicated with Moody's Investor Service regarding Enron. JPMorgan Chase further avers that there was nothing improper about such communication.

691. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 691, except denies the allegations contained in paragraph 691 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMorgan Chase Bank is a party to the action captioned *Unicredito Italiano, et al, v. JPMorgan Chase Bank, et al.*

692. States that the allegations contained in paragraph 692 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 692.

693-694. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 693-694.

695. States that the allegations contained in paragraph 695 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 695.

696. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 696.

697. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 697, and respectfully refers to publicly-available records for the historical closing prices of New Power stock.

698. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 698, and respectfully refers to publicly-available records for the historical closing prices of Azurix stock.

699-702. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 699-702.

703. States that the allegations contained in paragraph 703 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 703.

704-705. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 704-705.

706. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 706, except denies the allegations contained in paragraph 706 to the extent such allegations are directed against JPMorgan Chase.

707-710. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 707-710.

711. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 711 and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

712-713. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 712-713.

714. States that the allegations contained in paragraph 714 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 714.

715-716. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 715-716.

717. States that the allegations contained in paragraph 717 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 717.

718-720. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 718-720.

721. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 721 and respectfully refers to publicly-available documents for the historical closing prices of New Power stock.

722. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 722.

723. States that the allegations contained in paragraph 723 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 723.

724-728. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 724-728.

729. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 729 and respectfully refers to the publicly-available documents cited in paragraph 729 for the contents thereof.

730. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 730 and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

731. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 731, except denies the allegations in paragraph 731 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMorgan Chase Bank, or its predecessor The Chase Manhattan Bank, was involved in a financing transaction involving an entity referred to as Hawaii 125-0, and respectfully refers to publicly-available records for the historical closing prices of New Power stock.

732-733. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 732-733.

734. States that the allegations contained in paragraph 734 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 734.

735-736. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 735-736.

737. States that the allegations contained in paragraph 737 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 737.

738. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 738.

739. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 739 and respectfully refers to publicly-available records for the historical closing prices of Azurix stock.

740. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 740, except admits the existence of the LJM2 Private Placement Memorandum and respectfully refers thereto for the contents thereof.

741-744. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 741-744.

745. States that the allegations contained in paragraph 745 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in

paragraph 745, and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

746. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in paragraph 746.

747-748. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 747-748.

749. States that the allegations contained in paragraph 749 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 749.

750-760. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 750-760.

761. States that the allegations contained in paragraph 761 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 761.

762-763. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 762-763.

764. States that the allegations contained in paragraph 764 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 764.

765-767. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 765-767.

768. States that the allegations contained in paragraph 768 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 768.

769-771. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 769-771.

772. States that the allegations contained in paragraph 772 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 772.

773-774. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 773-774.

775. States that the allegations contained in paragraph 775 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 775.

776-777. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 776-777.

778. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 778 and respectfully refers to publicly-available documents for the historical closing prices of Azurix stock.

779. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 779, except denies the allegations contained in paragraph 779 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMorgan Chase Bank, or its predecessor, The Chase Manhattan Bank, was a lender to Enron and its affiliates, and JPMorgan Chase respectfully refers to the various lending agreements for terms thereof.

780. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 780.

781. States that the allegations contained in paragraph 781 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 781.

782-785. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 782-785.

786. States that the allegations contained in paragraph 786 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 786.

787-788. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 787-788.

789. States that the allegations contained in paragraph 789 state legal or other conclusions that do not require a response. To the extent a response is required, denies

knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 789.

790-791. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 790-791.

792. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 792 and respectfully refers to publicly-available documents for the historical closing prices of Azurix stock.

793-794. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 793-794.

795. States that the allegations contained in paragraph 795 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 795.

796-798. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 796-798.

799. States that the allegations contained in paragraph 799 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 799.

800. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 800 and respectfully refers to the publicly-available documents cited in paragraph 800 for the contents thereof.

801. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 801, except admits, on information and belief, that the law firm of Vinson & Elkins acted from time to time as outside counsel for Enron and/or certain of its affiliates on certain matters.

802. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 802.

803. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 803, except denies the allegations contained in paragraph 803 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMorgan Chase Bank, or its predecessor, The Chase Manhattan Bank, had involvement with certain prepaid commodity transactions involving Enron or its affiliates and one or more special purpose entities, such as Mahonia Limited and Mahonia Natural Gas Limited. JPMorgan Chase further avers that it did not engage in any wrongdoing in connection with Enron-related prepaid commodity transactions. Further respectfully refers to the publicly-available documents cited in paragraph 803 for the contents thereof.

804-812. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 804-812.

813. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 813, except denies the allegations contained in paragraphs 813 to the extent such allegations are directed against JPMorgan Chase, except admits that Sixty Wall Street Fund, L.P., Chemical Investments, Inc., and J.P. Morgan Partnership Investment Corporation were passive investors in LJM2, having invested \$3 million,

\$10 million, and \$12 million, respectively, and admits the existence of the LJM2 Private Placement Memorandum and respectfully refers thereto for the contents thereof.

814-815. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 814-815, except denies the allegations contained in paragraphs 814-815 to the extent such allegations are directed against JPMorgan Chase, except admits that Sixty Wall Street Fund, L.P., Chemical Investments, Inc., and J.P. Morgan Partnership Investment Corporation were passive investors in LJM2, having invested \$3 million, \$10 million, and \$12 million, respectively.

816-820. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 816-820.

821. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 821, except denies the allegations in paragraph 821 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMorgan Chase Bank, or its predecessor The Chase Manhattan Bank, was involved in a financing transaction involving an entity referred to as Hawaii 125-0, and respectfully refers to publicly-available records for the historical closing prices of New Power stock.

822. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 822 and respectfully refers to publicly-available records for the historical closing prices of Enron stock.

823. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 823.

824-829. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 824-829, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

830. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 830 and respectfully refers to the publicly-available documents cited in paragraphs 830 for the contents thereof.

831. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 831.

832. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 832, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

833. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 833 and respectfully refers to the publicly-available documents cited in paragraphs 833 for the contents thereof.

834. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 834, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

835. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 835.

836-842. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 836-842, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

843. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 843.

844. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 844.

845-846. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 845-846, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

847. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 847 and respectfully refers to the publicly-available documents cited in paragraphs 847 for the contents thereof.

848. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 848, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

849-856. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 849-856.

857. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 857, except admits, on information and belief, that the law firm of Kirkland & Ellis L.L.P. acted from time to time as outside counsel for Enron and/or certain of its affiliates on certain matters.

858-873. Denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in paragraphs 858-873.

874. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 874, except denies the allegations contained in paragraphs 874 to the extent such allegations are directed against JPMorgan Chase, except admits that Sixty Wall Street Fund, L.P., Chemical Investments, Inc., and J.P. Morgan Partnership Investment Corporation were passive investors in LJM2, having invested \$3 million, \$10 million, and \$12 million, respectively.

875-878. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 875-878.

879. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 879, except admits the existence of the LJM2 Private Placement Memorandum and respectfully refers thereto for the contents thereof.

880. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 880, except denies the allegations contained in paragraphs 880 to the extent such allegations are directed against JPMorgan Chase, except admits that Sixty Wall Street Fund, L.P., Chemical Investments, Inc., and J.P. Morgan Partnership Investment Corporation were passive investors in LJM2, having invested \$3 million, \$10 million, and \$12 million, respectively, and admits the existence of the LJM2 Private Placement Memorandum and respectfully refers thereto for the contents thereof.

881. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 881, except denies the allegations contained in paragraphs 881 to the extent such allegations are directed against JPMorgan Chase, except admits that Sixty Wall Street Fund, L.P., Chemical Investments, Inc., and J.P. Morgan

Partnership Investment Corporation were passive investors in LJM2, having invested \$3 million, \$10 million, and \$12 million, respectively.

882-884. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 882-884.

885. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 885, except denies the allegations contained in paragraphs 885 to the extent such allegations are directed against JPMorgan Chase, except admits the existence of Supplement No. 1 to the LJM2 Private Placement Memorandum and respectfully refers thereto for the contents thereof.

886-887. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 886-887.

888. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 888, except denies the allegations contained in paragraphs 888 to the extent such allegations are directed against JPMorgan Chase.

889-892. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 889-892.

893. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 893, except denies the allegations in paragraph 893 to the extent such allegations are directed against JPMorgan Chase, except admits that JPMorgan Chase Bank, or its predecessor The Chase Manhattan Bank, was involved in a financing transaction involving an entity referred to as Hawaii 125-0, and respectfully refers to publicly-available records for the historical closing prices of New Power stock.

894-897. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 894-897.

898. States that the allegations contained in paragraph 898 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 898, and respectfully refers to the decision of the U.S. Supreme Court cited in paragraph 898 for the contents thereof.

899. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 899, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

900-902. States that the allegations contained in paragraphs 900-902 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 900-902 and respectfully refers to the publicly-available documents cited in paragraphs 900-902 for the contents thereof.

903-907. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 903-907.

908-909. States that the allegations contained in paragraphs 908-909 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 908-909.

910. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 910.

911. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 911, except denies the allegations contained in paragraph 911 to the extent such allegations are directed against JPMorgan Chase.

912-916. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 912-916.

917. Denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph 917 and respectfully refers to the publicly-available records cited therein for the contents thereof.

918. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 918, except admits that Andersen was charged with and convicted of criminal conduct in connection with the destruction of Enron-related documents and respectfully refers to publicly-available records of those criminal proceedings for the contents thereof.

919. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 919 and respectfully refers to the publicly-available documents and records cited in paragraph 919 for the contents thereof.

920. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 920.

921-923. States that the allegations contained in paragraphs 921-923 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 921-923.

924. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 924, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

925. States that the allegations contained in paragraph 925 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 925.

926. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 926, except admits that there have been Congressional inquiries regarding Enron, and respectfully refers to publicly-available records of Congressional hearings for the contents thereof.

927. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 927, except denies the allegations contained in paragraph 927 to the extent such allegations are directed against JPMorgan Chase.

928-935. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 928-935.

936-937. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 936-937 and respectfully refers to the publicly-available documents cited in paragraphs 936-937 for the contents thereof.

938. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 938.

939. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 939 and respectfully refers to the publicly-available documents cited in paragraphs 939 for the contents thereof

940. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 940.

941. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 941, except denies the allegations contained in paragraph 941 to the extent such allegations are directed against JPMorgan Chase.

942. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 942.

943. States that the allegations contained in paragraph 943 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 943.

944-947. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 944-947.

948. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 948, except denies the allegations contained in paragraphs 948 to the extent such allegations are directed against JPMorgan Chase, except admits the existence of the LJM2 Private Placement Memorandum and respectfully refers thereto for the contents thereof.

949-950. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 949-950.

951. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 951 and respectfully refers to the publicly-available documents cited in paragraph 951 for the contents thereof.

952. States that the allegations contained in paragraph 952 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 952.

953-955. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 953-955.

956. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 956, except admits that Enron periodically made public filings and statements and respectfully refers thereto for the contents thereof.

957-958. States that the allegations contained in paragraphs 957-958 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 957-958.

959. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 959.

960-961. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 960-961 and respectfully refers to the publicly-available documents cited in paragraphs 960-961 for the contents thereof.

962. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 962, except admits that Andersen was charged with and

convicted of criminal conduct in connection with the destruction of Enron-related documents and respectfully refers to publicly-available records of those criminal proceedings for the contents thereof.

963-964. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 963-964.

965. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 965 and respectfully refers to the publicly-available documents cited in paragraphs 965 for the contents thereof.

966-970. States that the allegations contained in paragraphs 966-970 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 966-970.

971. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 971 and respectfully refers to the publicly-available documents cited in paragraphs 971 for the contents thereof.

972. States that the allegations contained in paragraph 972 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 972 and respectfully refers to the publicly-available documents cited in paragraph 972 for the contents thereof.

973. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 973.

974. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 974 and respectfully refers to the publicly-available documents cited in paragraph 974 for the contents thereof.

975-979. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 975-979.

980. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 980 and respectfully refers to the publicly-available documents cited in paragraph 980 for the contents thereof.

981-982. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 981-982.

983. States that the allegations contained in paragraph 983 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 983, except admits that Enron's securities were listed and actively traded on the NYSE, that Enron filed periodic public reports with the SEC, that Enron disseminated press releases and engaged in analyst conferences and conference calls, and that Enron was followed by securities analysts.

984-985. States that the allegations contained in paragraphs 984-985 state legal or other conclusions that do not require a response. To the extent a response is required, denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 984-985.

986-991. States that the allegations contained in paragraphs 986-991 state legal or other conclusions that do not require a response. To the extent a response is required, denies

knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 986-991 and states further that a complete response cannot be provided until JPMorgan Chase has been given an opportunity to take appropriate class discovery.

ANSWERING THE FIRST CLAIM FOR RELIEF

992. Repeats and incorporates its responses to the allegations contained in paragraphs referred to in paragraph 992 as if set forth fully herein.

993. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 993, except denies the allegations contained in paragraph 993 to the extent such allegations are directed against JPMorgan Chase, except admits that Plaintiffs purport to bring this claim against the defendants listed and defined in paragraph 993.

994-997. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 994-997, except denies the allegations contained in paragraphs 994-997 to the extent such allegations are directed against JPMorgan Chase.

AS TO THE SECOND CLAIM FOR RELIEF

998-1004. The allegations contained in paragraphs 998-1004 are not directed against JPMorgan Chase so no response is required. To the extent a response may be required, JPMorgan Chase repeats and incorporates its responses to the paragraphs referred to in paragraph 998 as if fully set forth herein, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 998-1004, except denies the allegations contained in paragraphs 998-1004 to the extent such allegations are directed against JPMorgan Chase.

AS TO THE THIRD CLAIM FOR RELIEF

1005-1016. The allegations contained in paragraphs 1005-1016 are not directed against JPMorgan Chase so no response is required. To the extent a response may be required, JPMorgan Chase repeats and incorporates its responses to the paragraphs referred to in paragraph 1005 as if fully set forth herein, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 1005-1016, except denies the allegations contained in paragraphs 1005-1016 to the extent such allegations are directed against JPMorgan Chase

ANSWERING THE FOURTH CLAIM FOR RELIEF

1017. Repeats and incorporates its responses to the allegations contained in paragraphs referred to in paragraph 1017 as if set forth fully herein.

1018-1019. Denies the allegations contained in paragraphs 1018-1019, except admits that Plaintiffs purport to bring the claim described in paragraph 1018 against the defendants named in paragraph 1019.

1020-1030. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 1020-1030, except denies the allegations contained in paragraphs 1020-1030 to the extent such allegations are directed against JPMorgan Chase, except admits that affiliates of JPMorgan Chase or its predecessors was involved in Enron's July 1998 debt offering and respectfully refers to the publicly-available documents cited in paragraphs 1020-1030 for the contents thereof.

AFFIRMATIVE AND OTHER DEFENSES

In asserting the following affirmative and other defenses to Plaintiffs' claims, JPMorgan Chase does not concede that the assertion of such defenses imposes any burden of proof on JPMorgan Chase with respect thereto.³

FIRST DEFENSE

The Complaint fails to state a claim against JPMorgan Chase upon which relief may be granted and fails to comply with the requirements of Federal Rule of Civil Procedure 9(b) and the Private Securities Litigation Reform Act.

SECOND DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred, in whole or in part, under applicable statutes of limitations.

THIRD DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred, in whole or in part, because Plaintiffs lack standing.

FOURTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because JPMorgan Chase is not, as a matter of law or fact, liable for the acts of its predecessors or subsidiaries.

³ JPMorgan Chase has not yet completed its investigation and, to the extent that investigation and/or discovery warrant, reserves the right to supplement, amend or delete any or all of the following affirmative or other defenses prior to any trial of this action.

FIFTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because JPMorgan Chase cannot be held liable as a matter of law for allegedly aiding and abetting any actionable conduct of Enron or others.

SIXTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred, in whole or in part, because Plaintiffs are not in privity with JPMorgan Chase.

SEVENTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because this action cannot be maintained as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure.

EIGHTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because any conduct by JPMorgan Chase was non-reckless, non-malicious, taken in good faith, with reasonable care and diligence, and without knowledge to commit fraud, and did not directly or indirectly constitute unlawful acts.

NINTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because JPMorgan Chase was entitled to, and did, reasonably and in good faith rely upon the work and conclusions of professionals and experts in executing or authorizing the execution and/or publication of any document containing the statements complained of in the Complaint.

TENTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because JPMorgan Chase did not employ any device, scheme or artifice to defraud and did not engage in any act, practice, or course of business which operates or would operate as a fraud or deceit in connection with the purchase or sale of any securities by Plaintiffs.

ELEVENTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because JPMorgan Chase did not make a false or misleading statement or omission of material fact concerning Enron, and is not responsible in law or in fact for any alleged false or misleading statement or omission of material fact by others on which Plaintiffs allegedly relied.

TWELFTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because the alleged misrepresentations or omissions on which Plaintiffs base such claims were not material.

THIRTEENTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because JPMorgan Chase neither owed nor breached any duty to disclose information allegedly misrepresented or omitted in Enron's or any third-party's statements to Plaintiffs.

FOURTEENTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because JPMorgan Chase neither owed nor breached any duty to disclose information allegedly misrepresented or omitted in research notes distributed by JPMSI.

FIFTEENTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because research notes distributed by JPMSI are non-actionable statements that contain only expressions of opinion and repetition of publicly-available information.

SIXTEENTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because any alleged misrepresentations by JPMorgan Chase were forward-looking statements and/or contained sufficient cautionary language and risk disclosures.

SEVENTEENTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because JPMorgan Chase did not know, and in the exercise of reasonable care could not have known, of the existence of the alleged false or misleading statements and omissions of material fact asserted in the Complaint.

EIGHTEENTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because JPMorgan Chase did not act with scienter.

NINETEENTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because Plaintiffs did not actually or justifiably rely on any alleged act or failure to act, or alleged false or misleading statement or omission of material fact by JPMorgan Chase.

TWENTIETH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because Plaintiffs knew or had reason to know the truth of the alleged misrepresentations or omissions on which Plaintiffs base such claims.

TWENTY-FIRST DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because the alleged acts or failures to act, or alleged false or misleading statements or omissions of material fact by JPMorgan Chase were not made in connection with the purchase or sale of any securities by Plaintiffs.

TWENTY-SECOND DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred, in whole or in part, for lack of proximate causation between JPMorgan Chase's alleged conduct and the alleged harm, and by superseding and intervening causes.

TWENTY-THIRD DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because Plaintiffs' investment decisions were not actually, directly or proximately caused by any alleged act or failure to act, or any alleged false or misleading statement or omission of material fact by JPMorgan Chase.

TWENTY-FOURTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because Plaintiffs' alleged losses were not actually, directly or proximately caused by any alleged act or failure to act, or any alleged false or misleading statement or omission of material fact by JPMorgan Chase.

TWENTY-FIFTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because Plaintiffs failed to exercise due care with respect to the transactions alleged on which Plaintiffs base such claims.

TWENTY-SIXTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred, in whole or in part, because the decline in the market price of Enron securities resulted from factors other than the alleged acts or failures to act, or alleged false or misleading statements or omissions of material fact alleged in the Complaint.

TWENTY-SEVENTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because Plaintiffs have failed to allege, and have not suffered, any cognizable injury attributable, in whole or in part, to any conduct by JPMorgan Chase. Any damages for which the Plaintiffs seek to recover against JPMorgan Chase were in fact caused by acts or omissions of the Plaintiffs and/or third parties.

TWENTY-EIGHTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred because Plaintiffs failed to make reasonable efforts to mitigate, minimize or avoid any losses or damages alleged in the Complaint.

TWENTY-NINTH DEFENSE

Plaintiffs' state law claims against JPMorgan Chase are barred under the Securities Litigation Uniform Standards Act.

THIRTIETH DEFENSE

Plaintiffs' state law claims against JPMorgan Chase are barred by the Commerce and Due Process Clauses of the United States Constitution and this Court lacks jurisdiction over such claims.

THIRTY-FIRST DEFENSE

Plaintiffs' state law claims against JPMorgan Chase are barred because either (a) Plaintiffs knew of the alleged untruth or omission, and/or (b) JPMorgan Chase did not know, and in the exercise of reasonable care could not have known, of the alleged untruth or omission.

THIRTY-SECOND DEFENSE

Plaintiffs' claims for injunctive relief are barred because Plaintiffs have an adequate remedy at law.

THIRTY-THIRD DEFENSE

JPMorgan Chase is entitled to recover contribution from others for any liability it incurs.

THIRTY-FOURTH DEFENSE

To the extent that Plaintiffs sustained any damages, loss or injury, any damages award against JPMorgan Chase should be reduced, diminished, and/or eliminated under the proportionate liability provisions of Section 21D(f)(2)(B) and 21D(f)(3) of the Securities Exchange Act of 1934 and/or Chapter 33 of the Texas Civil Practice and Remedies Code to reflect only JPMorgan Chase's percentage of responsibility.

THIRTY-FIFTH DEFENSE

The claims asserted in the Complaint against JPMorgan Chase are barred, in whole or in part, to the extent that the damages sought exceed those permitted under the Securities Exchange Act of 1934, the Private Securities Litigation Reform Act, the Texas Securities Act, common law, or any other applicable statute, rule or regulation.

THIRTY-SIXTH DEFENSE

JPMorgan Chase hereby adopts and incorporates by reference any and all other defenses asserted or to be asserted by any other defendant to the extent JPMorgan Chase may share in such defense.

THIRTY-SEVENTH DEFENSE

JPMorgan Chase reserves the right to assert other defenses, cross-claims, and third-party claims when and if they become appropriate in this action.

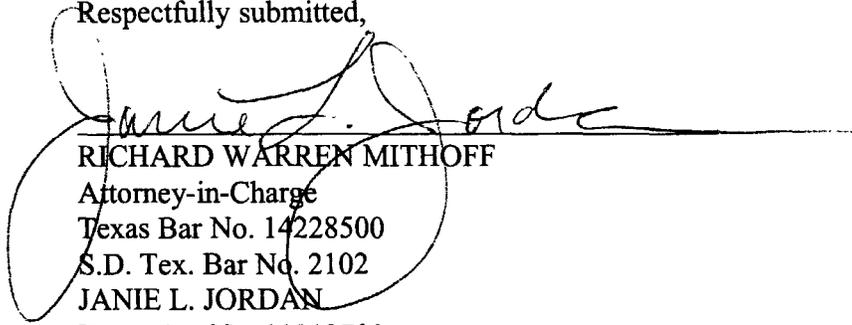
WHEREFORE, JPMorgan Chase seeks judgment:

- A. dismissing with prejudice all claims asserted against JPMorgan Chase;
- B. awarding the costs of defending this action, including reasonable attorneys' fees, costs and disbursements;
- C. granting such other and further relief as this Court may deem just and proper.

JPMORGAN CHASE REQUESTS A TRIAL BY JURY

Dated: Houston, Texas
January 7, 2003

Respectfully submitted,



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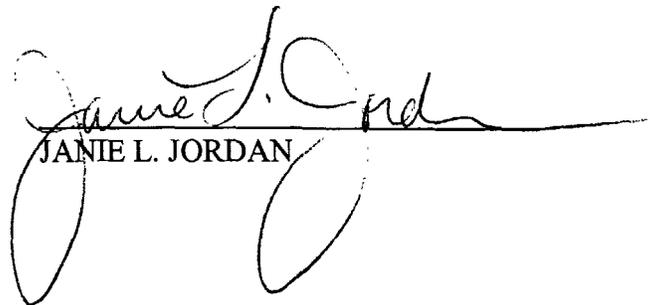
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ATTORNEYS FOR DEFENDANT

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing has been served upon all known counsel by electronic mail to the website on this 7th day of January, 2003.



JANIE L. JORDAN