

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

----- X  
IN RE ENRON CORPORATION  
SECURITIES LITIGATION

Consolidated Civil Action  
No. H-01-3624

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This Document Relates To:

**ANSWER OF DEFENDANT**  
**MERRILL LYNCH & CO., INC.**

MARK NEWBY, et al., individually and  
on behalf of all others similarly situated,

Plaintiffs,

v.

ENRON CORPORATION, et al.,

Defendants.

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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.

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Defendant Merrill Lynch & Co., Inc., by its undersigned attorneys, for its Answer to the Consolidated Complaint, states as follows:

1. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1, except states that the Consolidated Complaint purports to

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define the putative class as described in Paragraph 1 and further states that the Consolidated Complaint has named as defendants the persons and entities listed in Paragraph 1.<sup>1</sup>

2. To the extent that the allegations set forth in Paragraph 2 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch & Co., Inc. denies the allegations contained in Paragraph 2 insofar as they purport to relate to Merrill Lynch & Co., Inc. and its affiliates (referred to herein individually and collectively as "Merrill Lynch"), and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 2, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

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<sup>1</sup> In its Memorandum and Order re: Secondary Actors' Motions to Dismiss, entered December 20, 2002 (the "Order"), the Court denied Merrill Lynch's motion to dismiss, but ordered that Lead Plaintiff file a supplement to the Consolidated Complaint with respect to its claims against Merrill Lynch as a condition to the denial of Merrill Lynch's motion. Merrill Lynch has today filed a Motion for Reconsideration or Certification of the Order, which argues that this Court should on reconsideration grant Merrill Lynch's motion to dismiss the Consolidated Complaint. In addition, as of today, Lead Plaintiff has not yet filed the supplement required by the Court as a condition to the denial of Merrill Lynch's motion to dismiss.

In an abundance of caution, despite the pendency of its Motion for Reconsideration or Certification and despite Lead Plaintiff's failure to date to file the required supplement, Merrill Lynch is filing this Answer to the Consolidated Complaint within the time required by Fed. R. Civ. P. 12(a)(4)(A). The filing of this Answer by Merrill Lynch is not intended to waive or abandon (i) Merrill Lynch's Motion for Reconsideration or Certification, which seeks the dismissal of the Consolidated Complaint as against Merrill Lynch; and/or (ii) Lead Plaintiff's obligation to file a supplement to its Consolidated Complaint, detailing its allegations against Merrill Lynch. Merrill Lynch expressly reserves its rights to continue to seek the dismissal of the Consolidated Complaint as against it and to require Lead Plaintiff to properly supplement its claims.

3. To the extent that the allegations set forth in Paragraph 3 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 3 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 3, except admits that Enron Corporation and certain related entities filed for protection under Chapter 11 of the United States Bankruptcy Code in December 2001. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period. Merrill Lynch refers the Court to Enron's filings with the Securities and Exchange Commission ("SEC") and its press releases for Enron's statements and disclosures during the referenced period.

4. To the extent that the allegations set forth in Paragraph 4 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 4 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 4, except admits, on information and belief, that the SEC and the Department of Justice have opened investigations regarding Enron, and that Enron's accountant Arthur Andersen ("Andersen") was indicted by a federal grand jury for obstruction of justice. Merrill Lynch refers the Court to the public statements and filings of Enron, Andersen and their current and former officers, partners and employees for their positions. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

5. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 5. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

6. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 6. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

7. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 7. Merrill Lynch refers the Court to the documents referenced in Paragraph 7 for their contents.

8. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 8. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

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

10. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 10.

11. Denies the allegations contained in Paragraph 11 to the extent they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 11.

12. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 12, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the

Court to Enron's filings with the SEC and its press releases for Enron's statements and disclosures during the referenced period.

13. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 13, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

14. Denies the allegations contained in Paragraph 14 insofar as they purport to relate to Merrill Lynch, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules, and refers the Court to the public statements of Enron, its lawyers and bankers for their contents. Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 14.

15. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 15, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

16. Denies the allegations contained in Paragraph 16 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 16. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

17. To the extent that the allegations set forth in Paragraph 17 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 17 insofar as they relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 17.

18. Denies the allegations contained in Paragraph 18 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the remainder of the allegations of Paragraph 18.

19. Denies the allegations of Paragraph 19 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 19. Merrill Lynch refers the Court to the documents referenced in Paragraph 19 and to the public statements of Mr. Skilling and Mr. Fastow for their contents.

20. Denies the allegations contained in Paragraph 20 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 20.

21. To the extent that the allegations set forth in Paragraph 21 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 21 insofar as they purport

to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 21.

22. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 22.

23. To the extent that the allegations set forth in Paragraph 23 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 23 insofar as they purport to relate to Merrill Lynch, except admits that Merrill Lynch served as the placement agent for LJM2, made a proprietary investment in LJM2, and participated in loan facilities for LJM2. Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 23.

24. To the extent that the allegations set forth in Paragraph 24 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 24 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 24.

25. Denies the allegations contained in Paragraph 25 insofar as they relate to Merrill Lynch, except admits that Merrill Lynch served as the placement agent for LJM2 and made a proprietary investment in LJM2, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 25. Merrill Lynch refers the Court to the documents referenced in Paragraph 25 for their contents.

26. Denies the allegations contained in Paragraph 26 insofar as they relate to Merrill Lynch, except admits that Merrill Lynch served as placement agent for LJM2 and made a

proprietary investment in LJM2 in December 1999, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 26.

27. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 27, except states that LJM2 secured bank financing.

28. Denies the allegations contained in Paragraph 28 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 28.

29. To the extent that the allegations set forth in Paragraph 29 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 29 insofar as they relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 29, except states that Merrill Lynch issued research reports regarding Enron during the relevant time period. Merrill Lynch refers the Court to those reports for their contents.

30. Denies the allegations contained in Paragraph 30 insofar as they relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 30. Merrill Lynch refers the Court to the documents referenced in Paragraph 30 for their contents.

31. To the extent that the allegations set forth in Paragraph 31 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 31 insofar as they purport

to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 31.

32. To the extent that the allegations set forth in Paragraph 32 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 32 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 32.

33. To the extent that the allegations set forth in Paragraph 33 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 33 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 33.

34. To the extent that the allegations set forth in Paragraph 34 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 34 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 34.

35. Denies the allegations contained in Paragraph 35 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 35.

36. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 36.

37. Denies the allegations contained in Paragraph 37 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 37.

38. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 38. Merrill Lynch refers the Court to the documents referenced in Paragraph 38 for their contents.

39. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 39. Merrill Lynch refers the Court to Enron's filings with the SEC and its press releases for Enron's statements and disclosures during the referenced period.

40. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 40. Merrill Lynch refers the Court to Enron's filings with the SEC and its press releases for Enron's statements and disclosures during the referenced period.

41. Denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 41.

42. Denies the allegations contained in Paragraph 42 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 42. Merrill Lynch refers the Court to public market reports for the trading price of New Power common stock during the alleged period.

43. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 43. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

44. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 44.

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

46. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 46.

47. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 47.

48. To the extent that the allegations set forth in Paragraph 48 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 48 insofar as they relate to Merrill Lynch, except admits that Merrill Lynch participated as an underwriter in the referenced Enron securities offerings and refers the Court to the publicly filed documents pursuant to the offerings for a complete and accurate statement of their contents as to the characteristics of the offerings, including amounts offered and prices. Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 48.

49. Denies the allegations contained in Paragraph 49 insofar as they relate to Merrill Lynch, except admits that Merrill Lynch participated as an underwriter in the referenced Azurix securities offerings and refers the Court to the publicly filed documents pursuant to the offerings for a complete and accurate statements of their contents as to the characteristics of the offerings, including amounts offered and prices. Merrill Lynch denies knowledge and information

sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 49.

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

51. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 51. Merrill Lynch refers the Court to the documents referenced in Paragraph 51 for their contents.

52. Denies the allegations contained in Paragraph 52 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 52. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

53. To the extent that the allegations set forth in Paragraph 53 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 53 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 53.

54. Denies the allegations contained in Paragraph 54 insofar as they purport to relate to Merrill Lynch, except states, upon information and belief, that Andersen was engaged as Enron's auditor in early 2001, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 54. Merrill Lynch refers the Court to Enron's filings with the SEC and its press releases and to the reports and statements of Enron's lawyers and bankers for their contents.

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

56. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 56. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

57. Denies the allegations contained in Paragraph 57 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 57. Merrill Lynch refers the Court to Enron's filings with the SEC and its press releases and to the reports and statements of Enron's lawyers and bankers for their contents.

58. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 58.

59. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 59. Merrill Lynch refers the Court to the documents referenced in Paragraph 59 for their contents.

60. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 60.

61. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 61, except states upon information and belief that Enron restated its financials for 1997 through 2001. Merrill Lynch refers the Court to Enron's filings with the SEC and its press releases for Enron's statements and disclosures during the referenced period.

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

63. Denies the allegations contained in Paragraph 63 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 63.

64. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 64, except states on information and belief that Enron restated its financial results for year 1997 through 2001 in November 2001.

65. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 65.

66. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 66, except states that Enron's proposed merger with Dynege was not completed and that Enron filed for bankruptcy in December 2001. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

67. To the extent that the allegations set forth in Paragraph 67 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 67 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 67. Merrill Lynch refers the Court to Enron's filings with the SEC and its press releases for Enron's statements and disclosures during the referenced period.

68. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 68, except states that various Congressional committees are investigating Enron's collapse. Merrill Lynch refers the Court to the published records of the hearings held by these committees for their contents.

69. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 69. Merrill Lynch refers the Court to the documents referenced in Paragraph 69 for their contents.

70. To the extent that the allegations set forth in Paragraph 70 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 70 insofar as they relate to Merrill Lynch, except admits that Merrill Lynch made a proprietary investment in LJM2, participated as an underwriter in Enron securities offerings, participated as a lender in a syndicated loan to Enron, and participated in loan facilities to LJM2. Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 70.

71. Denies the allegations contained in Paragraph 71 insofar as they relate to Merrill Lynch, except admits that Merrill Lynch acted as placement agent for LJM2, that Merrill Lynch made a proprietary investment in LJM2, and that certain executives of Merrill Lynch also invested in LJM2. Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 71. Merrill Lynch refers the Court to the documents referenced in Paragraph 71 for their contents.

72. Denies the allegations contained in Paragraph 72 insofar as they relate to Merrill Lynch, except admits that Merrill Lynch acted as placement agent for LJM2, made a proprietary

investment in LJM2, participated as an underwriter in Enron securities offerings, and issued research analyst reports regarding Enron, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 72. Merrill Lynch refers the Court to the documents referenced in Paragraph 72 for their contents.

73. Denies the allegations contained in Paragraph 73 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 73.

74. To the extent that the allegations set forth in Paragraph 74 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 74 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 74. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period. Merrill Lynch refers the Court to Enron's filings with the SEC and its press releases and to the reports and statements of Enron's lawyers and bankers for their contents.

75. Paragraph 75 states legal conclusions to which no response is required.

76. Paragraph 76 states legal conclusions to which no response is required.

77. Paragraph 77 states legal conclusions to which no response is required.

78. Paragraph 78 states legal conclusions to which no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 78 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 78.

79. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 79. Merrill Lynch refers the Court to the documents referenced in Paragraph 79 for their contents.

80. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 80.

81. To the extent that the allegations set forth in Paragraph 81 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 81. Merrill Lynch refers the Court to the documents referenced in Paragraph 81 for their contents.

81(a). To the extent that the allegations set forth in Paragraph 81(a) of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 81(a). Merrill Lynch refers the Court to the documents referenced in Paragraph 81(a) for their contents.

81(b). To the extent that the allegations set forth in Paragraph 81(b) of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 81(b). Merrill Lynch refers the Court to the documents referenced in Paragraph 81(b) for their contents.

81(c). To the extent that the allegations set forth in Paragraph 81(c) of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the

truth of the allegations contained in Paragraph 81(c). Merrill Lynch refers the Court to the documents referenced in Paragraph 81(c) for their contents.

81(d). To the extent that the allegations set forth in Paragraph 81(d) of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 81(d). Merrill Lynch refers the Court to the documents referenced in Paragraph 81(d) for their contents.

81(e). To the extent that the allegations set forth in Paragraph 81(e) of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 81(e). Merrill Lynch refers the Court to the documents referenced in Paragraph 81(e) for their contents.

81(f). To the extent that the allegations set forth in Paragraph 81(f) of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 81(f). Merrill Lynch refers the Court to the documents referenced in Paragraph 81(f) for their contents.

81(g). To the extent that the allegations set forth in Paragraph 81(g) of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 81(g). Merrill Lynch refers the Court to the documents referenced in Paragraph 81(g) for their contents.

81(h). To the extent that the allegations set forth in Paragraph 81(h) of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 81(h). Merrill Lynch refers the Court to the documents referenced in Paragraph 81(h) for their contents.

81(i). To the extent that the allegations set forth in Paragraph 81(i) of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 81(i). Merrill Lynch refers the Court to the documents referenced in Paragraph 81(i) for their contents.

81(j). To the extent that the allegations set forth in Paragraph 81(j) of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 81(j). Merrill Lynch refers the Court to the documents referenced in Paragraph 81(j) for their contents.

81(k). To the extent that the allegations set forth in Paragraph 81(k) of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 81(k). Merrill Lynch refers the Court to the documents referenced in Paragraph 81(k) for their contents.

81(l). To the extent that the allegations set forth in Paragraph 81(l) of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the

truth of the allegations contained in Paragraph 81(l). Merrill Lynch refers the Court to the documents referenced in Paragraph 81(l) for their contents.

81(m). To the extent that the allegations set forth in Paragraph 81(m) of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 81(m). Merrill Lynch refers the Court to the documents referenced in Paragraph 81(m) for their contents.

81(n). To the extent that the allegations set forth in Paragraph 81(n) of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 81(n). Merrill Lynch refers the Court to the documents referenced in Paragraph 81(n) for their contents.

82. Admits that Enron filed for bankruptcy pursuant to Chapter 11 of the U.S. Bankruptcy Code and is not named a defendant in this action.

83. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83, except refers the Court to Enron's SEC filings and press releases for the positions held by the Enron Defendants.

83(a). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(a), except refers the Court to Enron's SEC filings and press releases for the positions held by Kenneth L. Lay.

83(b). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(b), except refers the Court to Enron's SEC filings and press releases for the positions held by Jeffrey K. Skilling.

83(c). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(c), except refers the Court to Enron's SEC filings and press releases for the positions held by Andrew S. Fastow.

83(d). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(d), except refers the Court to Enron's SEC filings and press releases for the positions held by Richard A. Causey.

83(e). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(e), except refers the Court to Enron's SEC filings and press releases for the positions held by James V. Derrick, Jr.

83(f). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(f), except refers the Court to Enron's SEC filings and press releases for the positions held by Mark A. Frevert.

83(g). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(g), except refers the Court to Enron's SEC filings and press releases for the positions held by Stanley C. Horton.

83(h). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(h), except refers the Court to Enron's SEC filings and press releases for the positions held by Kenneth D. Rice.

83(i). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(i), except refers the Court to Enron's SEC filings and press releases for the positions held by Richard B. Buy.

83(j). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(j), except refers the Court to Enron's SEC filings and press releases for the positions held by Lou L. Pai.

83(k). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(k), except refers the Court to Enron's SEC filings and press releases for the positions held by Joseph M. Hirko.

83(l). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(l), except refers the Court to Enron's SEC filings and press releases for the positions held by Ken L. Harrison.

83(m). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(m), except refers the Court to Enron's SEC filings and press releases for the positions held by Steven J. Kean.

83(n). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(n), except refers the Court to Enron's SEC filings and press releases for the positions held by Rebecca P. Mark-Jusbasche.

83(o). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(o), except refers the Court to Enron's SEC filings and press releases for the positions held by Michael S. McConnell.

83(p). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(p), except refers the Court to Enron's SEC filings and press releases for the positions held by Jeffrey McMahon.

83(q). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(q), except refers the Court to Enron's SEC filings and press releases for the positions held by Cindy K. Olson.

83(r). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(r), except refers the Court to Enron's SEC filings and press releases for the positions held by Joseph W. Sutton.

83(s). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(s), except refers the Court to Enron's SEC filings and press releases for the positions held by Mark E. Koenig.

83(t). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(t), except refers the Court to Enron's SEC filings and press releases for the positions held by Kevin P. Hannon.

83(u). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(u), except refers the Court to Enron's SEC filings and press releases for the positions held by Lawrence Greg Whalley.

83(v). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(v), except refers the Court to Enron's SEC filings and press releases for the positions held by Robert A. Belfer.

83(w). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(w), except refers the Court to Enron's SEC filings and press releases for the positions held by Norman P. Blake, Jr.

83(x). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(x), except refers the Court to Enron's SEC filings and press releases for the positions held by Ronnie C. Chan.

83(y). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(y), except refers the Court to Enron's SEC filings and press releases for the positions held by John H. Duncan.

83(z). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(z), except refers the Court to Enron's SEC filings and press releases for the positions held by Wendy L. Gramm.

83(aa). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(aa), except refers the Court to Enron's SEC filings and press releases for the positions held by Robert K. Jaedicke.

83(bb). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(bb), except refers the Court to Enron's SEC filings and press releases for the positions held by Charles A. LeMaistre.

83(cc). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(cc), except refers the Court to Enron's SEC filings and press releases for the positions held by Joe H. Foy.

83(dd). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(dd), except refers the Court to Enron's SEC filings and press releases for the positions held by John Mendelsohn, Jerome J. Meyer, Paulo V. Ferraz Pereira, John A. Urquhart, John Wakeham, Charls E. Walker, Bruce G. Willison, and Herbert S. Winokur, Jr.

83(ee). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(ee), except refers the Court to Enron's SEC filings and press releases for the positions held by Frank Savage.

83(ff). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(ff), except refers the Court to Enron's SEC filings and press releases for the positions held by the Enron Defendants.

83(gg). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(gg), except refers the Court to Enron's SEC filings and press releases for the positions held by Lay, Mark-Jusbasche and Skilling.

83(hh). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(hh), except refers the Court to Enron's SEC filings and press releases for the positions held by Lay, Pai, Derrick and Causey.

83(ii). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(ii), except refers the Court to Enron's SEC filings and press releases for the positions held by Glisan, Fastow and Causey.

83(jj). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83(jj), except refers the Court to Enron's SEC filings and press releases for the positions held by J. Clifford Baxter, and states on information and belief that Mr. Baxter is deceased.

84. To the extent that the allegations set forth in Paragraph 84 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the

truth of the allegations contained in Paragraph 84, except admits that Enron's common stock traded on the New York Stock Exchange at all times during the class period.

85. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 85.

86. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 86.

87. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 87.

88. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 88.

89. Paragraph 89 states legal conclusions to which no response is required. To the extent a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 89.

90. Paragraph 90 states legal conclusions to which no response is required. To the extent a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 90.

91. Avers that no response is required.

92. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 92.

92(a). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 92(a).

92(b). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 92(b).

92(c). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 92(c).

92(d). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 92(d).

92(e). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 92(e).

92(f). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 92(f).

92(g). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 92(g).

93. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93.

93(a). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(a).

93(b). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(b).

93(c). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(c).

93(d). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(d).

93(e). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(e).

93(f). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(f).

93(g). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(g).

93(h). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(h).

93(i). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(i).

93(j). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(j).

93(k). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(k).

93(l). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(l).

93(m). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(m).

93(n). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(n).

93(o). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(o).

93(p). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(p).

93(q). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(q).

93(r). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(r).

93(s). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(s).

93(t). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(t).

93(u). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(u).

93(v). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(v).

93(w). Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 93(w).

94. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 94.

95. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 95.

96. Avers that no response is required.

97. Avers that no response is required.

98. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 98, except states, upon information and belief, that Vinson & Elkins LLP acted as counsel to Enron during some time within the class period.

99. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 99, except states, upon information and belief, that Kirkland & Ellis acted as counsel to LJM2 during some time within the class period.

100. To the extent that the allegations set forth in Paragraph 100 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 100, except states, upon information and belief, that J.P. Morgan Chase & Co. is a financial services institution.

101. To the extent that the allegations set forth in Paragraph 101 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 101, except states, upon information and belief, that Citigroup, Inc. is a financial services institution.

102. To the extent that the allegations set forth in Paragraph 102 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 102, except states, upon information and belief, that Credit Suisse First Boston is a financial services institution.

103. To the extent that the allegations set forth in Paragraph 103 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 103, except states, upon information and belief, that Canadian Imperial Bank of Commerce is a financial services institution.

104. To the extent that the allegations set forth in Paragraph 104 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 104, except states, upon information and belief, that Bank of America Corp. is a financial services institution.

105. To the extent that the allegations set forth in Paragraph 105 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 105, except admits that Merrill Lynch & Co., Inc. is holding company with subsidiaries and affiliates that provide, *inter alia*, commercial and investment banking services, loan facilities, advisory services regarding the structuring of financial transactions, including derivatives and hedging transactions, underwriting services, and investment analysis and research reports on public companies to their clients.

106. To the extent that the allegations set forth in Paragraph 106 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 106, except states, upon information and belief, that Barclays PLC is a financial services institution.

107. To the extent that the allegations set forth in Paragraph 107 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 107, except states, upon information and belief, that Deutsche Bank AG is a financial services institution.

108. To the extent that the allegations set forth in Paragraph 108 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 108, except states, upon information and belief, that Lehman Brothers Holding, Inc. is a financial services institution.

109. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 109. Merrill Lynch refers the Court to the document referenced in Paragraph 109 for its contents.

110. To the extent that the allegations set forth in Paragraph 110 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 110, except admits that on or about April 21, 1998, Enron filed a S-3 Registration Statement with the SEC, and refers the Court to Enron's filing for its contents. Merrill Lynch further states that on or about May 5, 1998, Enron filed a 424(b)(4) Prospectus with the SEC for the sale of 15 million shares of Enron common stock priced to the public at \$50 per share, and that the Prospectus identified Merrill Lynch, Credit Suisse First Boston and Lehman Brothers as several of the participating underwriters. Merrill Lynch refers the Court to Enron's filing for its contents.

111. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 111. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 111 for their contents.

112. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 112, except states that Enron made consistent and repeated

positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 112 for their contents.

113. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 113. Merrill Lynch refers the Court to the documents referenced in Paragraph 113 for their contents.

114. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 114, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 114 for their contents.

115. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 115, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 115 for their contents.

116. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 116, except admits that on or about September 28, 1998, Enron filed a 424(b)(2) Prospectus with the SEC for the sale of \$250 million floating rate Notes due March 30, 2000, and that the Prospectus identified Merrill Lynch and Salomon Smith Barney Inc. as several of the participating underwriters, and refers the Court to Enron's filing for a complete and accurate statement of its contents.

117. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 117, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 117 for their contents.

118. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 118, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 118 for their contents.

119. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 119, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 119 for their contents.

120. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 120. Merrill Lynch refers the Court to the documents referenced in Paragraph 120 for their contents.

121. To the extent that the allegations set forth in Paragraph 121 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 121 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 121, except states that, on

information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

122. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 122, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 122 for their contents.

123. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 123. Merrill Lynch refers the Court to the documents referenced in Paragraph 123 for their contents.

124. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 124.

125. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 125. Merrill Lynch refers the Court to the documents referenced in Paragraph 125 for their contents.

126. To the extent that the allegations set forth in Paragraph 126 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 126. Merrill Lynch refers the Court to the documents referenced in Paragraph 126 for their contents.

127. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 127. Merrill Lynch refers the Court to the documents referenced in Paragraph 127 for their contents.

128. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 128, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 128 for their contents.

129. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 129, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 129 for their contents.

130. Denies the allegations contained in Paragraph 130, except admits that on or about January 20, 1999, Merrill Lynch analysts issued an Enron "Comment," and refers the Court to the document, attached as Exhibit "B" to the Declaration of Taylor M. Hicks, executed May 8, 2002, filed in connection with Merrill Lynch's motion to dismiss, for its contents.

131. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 131. Merrill Lynch refers the Court to the documents referenced in Paragraph 131 for their contents.

132. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 132. Merrill Lynch refers the Court to the documents referenced in Paragraph 132 for their contents.

133. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 133. Merrill Lynch refers the Court to the documents referenced in Paragraph 133 for their contents.

134. To the extent that the allegations set forth in Paragraph 134 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 134. Merrill Lynch refers the Court to the documents referenced in Paragraph 134 for their contents.

135. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 135, except admits that on or about February 12, 1999, Enron filed a 424(b)(2) Prospectus with the SEC for the sale of 12 million shares of Enron common stock, and that the Prospectus identified Merrill Lynch, Credit Suisse First Boston, Lehman Brothers, Salomon Smith Barney, Morgan Stanley Dean Witter, Prudential Securities, and Schroder & Co. Inc. as several of the participating underwriters, and refers the Court to Enron's filing for a complete and accurate statement of its contents. Merrill Lynch further admits that Enron's 1999 10-K, filed on or about March 30, 2000, states that 27.6 million shares of common stock were issued in February 1999.

136. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 136, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 136 for their contents.

137. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 137, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 137 for their contents.

138. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 138, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 138 for their contents.

139. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 139, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 139 for their contents.

140. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 140, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 140 for their contents.

141. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 141. Merrill Lynch refers the Court to the documents referenced in Paragraph 141 for their contents.

142. Denies the allegations contained in Paragraph 142, except admits that on or about March 31, 1999, Merrill Lynch analysts issued an Enron "Comment," and refers the Court to the document, attached as Exhibit "C" to the Declaration of Taylor M. Hicks, executed May 8, 2002, filed in connection with Merrill Lynch's motion to dismiss, for its contents.

143. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 143. Merrill Lynch refers the Court to the documents referenced in Paragraph 143 for their contents.

144. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 144, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 144 for their contents.

145. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 145, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

146. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 146. Merrill Lynch refers the Court to the documents referenced in Paragraph 146 for their contents.

147. Denies the allegations contained in Paragraph 147, except admits that on or about April 13, 1999, Merrill Lynch issued an Enron "Morning Meeting Note," and refers the Court to the document, attached as Exhibit "D" to the Declaration of Taylor M. Hicks, executed May 8, 2002, filed in connection with Merrill Lynch's motion to dismiss, for its contents.

148. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 148. Merrill Lynch refers the Court to the documents referenced in Paragraph 148 for their contents.

149. Denies the allegations contained in Paragraph 149, except admits that on or about April 15, 1999, Merrill Lynch analysts issued an Enron "Comment," and refers the Court to the document, attached as Exhibit "E" to the Declaration of Taylor M. Hicks, executed May 8, 2002, filed in connection with Merrill Lynch's motion to dismiss, for its contents.

150. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 150. Merrill Lynch refers the Court to the documents referenced in Paragraph 150 for their contents.

151. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 151.

152. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 152. Merrill Lynch refers the Court to the documents referenced in Paragraph 152 for their contents.

153. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 153. Merrill Lynch refers the Court to the documents referenced in Paragraph 153 for their contents.

154. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 154. Merrill Lynch refers the Court to the documents referenced in Paragraph 154 for their contents.

155. To the extent that the allegations set forth in Paragraph 155 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is

required, Merrill Lynch denies the allegations contained in Paragraph 155 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 155, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

156. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 156, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 156 for their contents.

157. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 157, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

158. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 158. Merrill Lynch refers the Court to the documents referenced in Paragraph 158 for their contents.

159. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 159. Merrill Lynch refers the Court to the documents referenced in Paragraph 159 for their contents.

160. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 160. Merrill Lynch refers the Court to the documents referenced in Paragraph 160 for their contents.

161. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 161. Merrill Lynch refers the Court to the documents referenced in Paragraph 161 for their contents.

162. Denies the allegations contained in Paragraph 162, except admits that on or about July 14, 1999, Merrill Lynch analysts issued an Enron "Comment," and refers the Court to the document, attached as Exhibit "F" to the Declaration of Taylor M. Hicks, executed May 8, 2002, filed in connection with Merrill Lynch's motion to dismiss, for its contents.

163. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 163. Merrill Lynch refers the Court to the documents referenced in Paragraph 163 for their contents.

164. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 164. Merrill Lynch refers the Court to the documents referenced in Paragraph 164 for their contents.

165. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 165. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 165 for their contents.

166. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 166. Merrill Lynch refers the Court to the documents referenced in Paragraph 166 for their contents.

167. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 167. Merrill Lynch refers the Court to the documents referenced in Paragraph 167 for their contents.

168. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 168, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 168 for their contents.

169. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 169. Merrill Lynch refers the Court to the documents referenced in Paragraph 169 for their contents.

170. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 170. Merrill Lynch refers the Court to the documents referenced in Paragraph 170 for their contents.

171. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 171. Merrill Lynch refers the Court to the documents referenced in Paragraph 171 for their contents.

172. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 172. Merrill Lynch refers the Court to the documents referenced in Paragraph 172 for their contents.

173. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 173, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill

Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 173 for their contents.

174. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 174, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 174 for their contents.

175. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 175, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 175 for their contents.

176. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 176. Merrill Lynch refers the Court to the documents referenced in Paragraph 176 for their contents.

177. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 177, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 177 for their contents.

178. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 178, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill

Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 178 for their contents.

179. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 179, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

180. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 180. Merrill Lynch refers the Court to the documents referenced in Paragraph 180 for their contents.

181. Denies the allegations contained in Paragraph 181, except admits that on or about October 12, 1999, Merrill Lynch analysts issued an Enron "Bulletin," and refers the Court to the document, attached as Exhibit "G" to the Declaration of Taylor M. Hicks, executed May 8, 2002, filed in connection with Merrill Lynch's motion to dismiss, for its contents.

182. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 182. Merrill Lynch refers the Court to the documents referenced in Paragraph 182 for their contents.

183. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 183. Merrill Lynch refers the Court to the documents referenced in Paragraph 183 for their contents.

184. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 184. Merrill Lynch refers the Court to the documents referenced in Paragraph 184 for their contents.

185. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 185. Merrill Lynch refers the Court to the documents referenced in Paragraph 185 for their contents.

186. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 186. Merrill Lynch refers the Court to the documents referenced in Paragraph 186 for their contents.

187. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 187, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 187 for their contents.

188. Denies the allegations contained in Paragraph 188 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 188. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

189. Denies the allegations contained in Paragraph 189 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 189.

190. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 190. Merrill Lynch refers the Court to the documents referenced in Paragraph 190 for their contents.

191. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 191. Merrill Lynch refers the Court to the documents referenced in Paragraph 191 for their contents.

192. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 192, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 192 for their contents.

193. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 193. Merrill Lynch refers the Court to the documents referenced in Paragraph 193 for their contents.

194. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 194. Merrill Lynch refers the Court to the documents referenced in Paragraph 194 for their contents.

195. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 195. Merrill Lynch refers the Court to the documents referenced in Paragraph 195 for their contents.

196. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 196, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 196 for their contents.

197. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 197, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

198. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 198. Merrill Lynch refers the Court to the documents referenced in Paragraph 198 for their contents.

199. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 199. Merrill Lynch refers the Court to the documents referenced in Paragraph 199 for their contents.

200. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 200. Merrill Lynch refers the Court to the documents referenced in Paragraph 200 for their contents.

201. Denies the allegations contained in Paragraph 201, except admits that on or about January 18, 2000, Merrill Lynch analysts issued an Enron "Bulletin," and refers the Court to the document, attached as Exhibit "H" to the Declaration of Taylor M. Hicks, executed May 8, 2002, filed in connection with Merrill Lynch's motion to dismiss, for its contents.

202. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 202, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 202 for their contents.

203. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 203. Merrill Lynch refers the Court to the documents referenced in Paragraph 203 for their contents.

204. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 204. Merrill Lynch refers the Court to the documents referenced in Paragraph 204 for their contents.

205. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 205. Merrill Lynch refers the Court to the documents referenced in Paragraph 205 for their contents.

206. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 206. Merrill Lynch refers the Court to the documents referenced in Paragraph 206 for their contents.

207. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 207. Merrill Lynch refers the Court to the documents referenced in Paragraph 207 for their contents.

208. Denies the allegations contained in Paragraph 208, except admits that on or about January 21, 2000, Merrill Lynch analysts issued an Enron "Bulletin," and refers the Court to the document, attached as Exhibit "I" to the Declaration of Taylor M. Hicks, executed May 8, 2002, filed in connection with Merrill Lynch's motion to dismiss, for its contents.

209. Denies the allegations contained in Paragraph 209, except admits that on or about January 24, 2000, Merrill Lynch analysts issued an Enron "Comment," and refers the Court to the document, attached as Exhibit "J" to the Declaration of Taylor M. Hicks, executed May 8, 2002, filed in connection with Merrill Lynch's motion to dismiss, for its contents.

210. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 210. Merrill Lynch refers the Court to the documents referenced in Paragraph 210 for their contents.

211. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 211. Merrill Lynch refers the Court to the documents referenced in Paragraph 211 for their contents.

212. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 212, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

213. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 213. Merrill Lynch refers the Court to the documents referenced in Paragraph 213 for their contents.

214. To the extent that the allegations set forth in Paragraph 214 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 214 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 214, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

215. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 215, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 215 for their contents.

216. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 216, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 216 for their contents.

217. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 217, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 217 for their contents.

218. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 218, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 218 for their contents.

219. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 219, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill

Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 219 for their contents.

220. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 220, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 220 for their contents.

221. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 221. Merrill Lynch refers the Court to the documents referenced in Paragraph 221 for their contents.

222. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 222. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

223. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 223, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 223 for their contents.

224. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 224, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

225. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 225, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 225 for their contents.

226. Denies the allegations contained in Paragraph 226, except admits that on or about April 12, 2000, Merrill Lynch analysts issued an Enron "Comment," and refers the Court to the document, attached as Exhibit "K" to the Declaration of Taylor M. Hicks, executed May 8, 2002, filed in connection with Merrill Lynch's motion to dismiss, for its contents.

227. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 227. Merrill Lynch refers the Court to the documents referenced in Paragraph 227 for their contents.

228. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 228. Merrill Lynch refers the Court to the documents referenced in Paragraph 228 for their contents.

229. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 229. Merrill Lynch refers the Court to the documents referenced in Paragraph 229 for their contents.

230. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 230. Merrill Lynch refers the Court to the documents referenced in Paragraph 230 for their contents.

231. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 231. Merrill Lynch refers the Court to the documents referenced in Paragraph 231 for their contents.

232. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 232. Merrill Lynch refers the Court to the documents referenced in Paragraph 232 for their contents.

233. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 233. Merrill Lynch refers the Court to the documents referenced in Paragraph 233 for their contents.

234. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 234. Merrill Lynch refers the Court to the documents referenced in Paragraph 234 for their contents.

235. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 235. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

236. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 236. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 236 for their contents.

237. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 237. Merrill Lynch refers the Court to the documents referenced in Paragraph 237 for their contents.

238. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 238.

239. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 239. Merrill Lynch refers the Court to the documents referenced in Paragraph 239 for their contents.

240. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 240, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 240 for their contents.

241. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 241, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

242. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 242. Merrill Lynch refers the Court to the documents referenced in Paragraph 242 for their contents.

243. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 243. Merrill Lynch refers the Court to the documents referenced in Paragraph 243 for their contents.

244. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 244. Merrill Lynch refers the Court to the documents referenced in Paragraph 244 for their contents.

245. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 245. Merrill Lynch refers the Court to the documents referenced in Paragraph 245 for their contents.

246. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 246, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 246 for their contents.

247. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 247, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

248. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 248. Merrill Lynch refers the Court to the documents referenced in Paragraph 248 for their contents.

249. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 249. Merrill Lynch refers the Court to the documents referenced in Paragraph 249 for their contents.

250. Denies the allegations contained in Paragraph 250, except admits that on or about July 24, 2000, Merrill Lynch analysts issued an Enron "Bulletin," and that on or about July 25, 2000, Merrill Lynch analysts issued an Enron "Comment," and refers the Court to the documents, attached as Exhibits "L" and "M" to the Declaration of Taylor M. Hicks, executed May 8, 2002, filed in connection with Merrill Lynch's motion to dismiss, for their contents.

251. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 251. Merrill Lynch refers the Court to the documents referenced in Paragraph 251 for their contents.

252. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 252. Merrill Lynch refers the Court to the documents referenced in Paragraph 252 for their contents.

253. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 253. Merrill Lynch refers the Court to the documents referenced in Paragraph 253 for their contents.

254. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 254. Merrill Lynch refers the Court to the documents referenced in Paragraph 254 for their contents.

255. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 255. Merrill Lynch refers the Court to the documents referenced in Paragraph 255 for their contents.

256. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 256. Merrill Lynch refers the Court to the documents referenced in Paragraph 256 for their contents.

257. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 257. Merrill Lynch refers the Court to the documents referenced in Paragraph 257 for their contents.

258. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 258. Merrill Lynch refers the Court to the documents referenced in Paragraph 258 for their contents.

259. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 259. Merrill Lynch refers the Court to the documents referenced in Paragraph 259 for their contents.

260. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 260. Merrill Lynch refers the Court to the documents referenced in Paragraph 260 for their contents.

261. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 261. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

262. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 262, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 262 for their contents.

263. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 263, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

264. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 264, except states that Enron made consistent and repeated

positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

265. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 265. Merrill Lynch refers the Court to the documents referenced in Paragraph 265 for their contents.

266. Denies the allegations contained in Paragraph 266, except admits that on or about October 17, 2000, Merrill Lynch analysts issued an Enron "Bulletin," and refers the Court to the document, attached as Exhibit "N" to the Declaration of Taylor M. Hicks, executed May 8, 2002, filed in connection with Merrill Lynch's motion to dismiss, for its contents.

267. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 267. Merrill Lynch refers the Court to the documents referenced in Paragraph 267 for their contents.

268. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 268. Merrill Lynch refers the Court to the documents referenced in Paragraph 268 for their contents.

269. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 269. Merrill Lynch refers the Court to the documents referenced in Paragraph 269 for their contents.

270. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 270. Merrill Lynch refers the Court to the documents referenced in Paragraph 270 for their contents.

271. To the extent that the allegations set forth in Paragraph 271 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is

required, Merrill Lynch denies the allegations contained in Paragraph 271 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 271, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

272. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 272, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 272 for their contents.

273. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 273. Merrill Lynch refers the Court to the documents referenced in Paragraph 273 for their contents.

274. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 274, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

275. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 275, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

276. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 276, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 276 for their contents.

277. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 277. Merrill Lynch refers the Court to public market reports for the trading price of New Power securities during the relevant period.

278. To the extent that the allegations set forth in Paragraph 278 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 278 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 278.

279. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 279. Merrill Lynch refers the Court to the documents referenced in Paragraph 279 for their contents.

280. Denies the allegations contained in Paragraph 280 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 280. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

281. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 281, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill

Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 281 for their contents.

282. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 282, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

283. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 283, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

284. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 284. Merrill Lynch refers the Court to the documents referenced in Paragraph 284 for their contents.

285. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 285. Merrill Lynch refers the Court to the documents referenced in Paragraph 285 for their contents.

286. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 286, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

287. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 287. Merrill Lynch refers the Court to the documents referenced in Paragraph 287 for their contents.

288. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 288. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

289. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 289. Merrill Lynch refers the Court to the documents referenced in Paragraph 289 for their contents.

290. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 290. Merrill Lynch refers the Court to the documents referenced in Paragraph 290 for their contents.

291. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 291, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 291 for their contents.

292. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 292. Merrill Lynch refers the Court to the documents referenced in Paragraph 292 for their contents.

293. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 293, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 293 for their contents.

294. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 294, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 294 for their contents.

295. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 295, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 295 for their contents.

296. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 296, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 296 for their contents.

297. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 297, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 297 for their contents.

298. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 298. Merrill Lynch refers the Court to the documents referenced in Paragraph 298 for their contents.

299. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 299.

300. To the extent that the allegations set forth in Paragraph 300 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 300 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 300, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

301. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 301. Merrill Lynch refers the Court to the documents referenced in Paragraph 301 for their contents.

302. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 302. Merrill Lynch refers the Court to the documents referenced in Paragraph 302 for their contents.

303. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 303. Merrill Lynch refers the Court to the documents referenced in Paragraph 303 for their contents.

304. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 304. Merrill Lynch refers the Court to the documents referenced in Paragraph 304 for their contents.

305. Denies the allegations contained in Paragraph 305 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 305. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

306. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 306. Merrill Lynch refers the Court to the documents referenced in Paragraph 306 for their contents.

307. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 307, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 307 for their contents.

308. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 308. Merrill Lynch refers the Court to the documents referenced in Paragraph 308 for their contents.

309. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 309, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

310. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 310. Merrill Lynch refers the Court to the documents referenced in Paragraph 310 for their contents.

311. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 311.

312. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 312. Merrill Lynch refers the Court to the documents referenced in Paragraph 312 for their contents.

313. Denies the allegations contained in Paragraph 313 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 313. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

314. Denies the allegations contained in Paragraph 314 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 314.

315. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 315. Merrill Lynch refers the Court to the documents referenced in Paragraph 315 for their contents.

316. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 316, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 316 for their contents.

317. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 317, except states that Enron made consistent and repeated

positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

318. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 318, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

319. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 319. Merrill Lynch refers the Court to the documents referenced in Paragraph 319 for their contents.

320. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 320. Merrill Lynch refers the Court to the documents referenced in Paragraph 320 for their contents.

321. Denies the allegations contained in Paragraph 321, except admits that on or about April 18, 2001, Merrill Lynch analysts issued an Enron "Comment," and refers the Court to the document, attached as Exhibit "O" to the Declaration of Taylor M. Hicks, executed May 8, 2002, filed in connection with Merrill Lynch's motion to dismiss, for its contents.

322. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 322. Merrill Lynch refers the Court to the documents referenced in Paragraph 322 for their contents.

323. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 323. Merrill Lynch refers the Court to the documents referenced in Paragraph 323 for their contents.

324. Denies the allegations contained in Paragraph 324 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 324. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

325. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 325. Merrill Lynch refers the Court to the documents referenced in Paragraph 325 for their contents.

326. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 326. Merrill Lynch refers the Court to the documents referenced in Paragraph 326 for their contents.

327. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 327. Merrill Lynch refers the Court to the documents referenced in Paragraph 327 for their contents.

328. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 328, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 328 for their contents.

329. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 329, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

330. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 330, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 330 for their contents.

331. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 331, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

332. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 332, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

333. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 333. Merrill Lynch refers the Court to the documents referenced in Paragraph 333 for their contents.

334. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 334. Merrill Lynch refers the Court to the documents referenced in Paragraph 334 for their contents.

335. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 335. Merrill Lynch refers the Court to the documents referenced in Paragraph 335 for their contents.

336. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 336. Merrill Lynch refers the Court to the documents referenced in Paragraph 336 for their contents.

337. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 337, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 337 for their contents.

338. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 338. Merrill Lynch refers the Court to the documents referenced in Paragraph 338 for their contents.

339. To the extent that the allegations set forth in Paragraph 339 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 339 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 339, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

340. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 340. Merrill Lynch refers the Court to the documents referenced in Paragraph 340 for their contents.

341. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 341. Merrill Lynch refers the Court to the documents referenced in Paragraph 341 for their contents.

342. Denies the allegations contained in Paragraph 342 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 342. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

343. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 343, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 343 for their contents.

344. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 344, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

345. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 345. Merrill Lynch refers the Court to the documents referenced in Paragraph 345 for their contents.

346. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 346. Merrill Lynch refers the Court to the documents referenced in Paragraph 346 for their contents.

347. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 347. Merrill Lynch refers the Court to the documents referenced in Paragraph 347 for their contents.

348. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 348. Merrill Lynch refers the Court to the documents referenced in Paragraph 348 for their contents.

349. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 349. Merrill Lynch refers the Court to the documents referenced in Paragraph 349 for their contents.

350. Denies the allegations contained in Paragraph 350 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 350. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

351. Denies the allegations contained in Paragraph 351 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 351.

352. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 352. Merrill Lynch refers the Court to the documents referenced in Paragraph 352 for their contents.

353. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 353. Merrill Lynch refers the Court to the documents referenced in Paragraph 353 for their contents.

354. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 354. Merrill Lynch refers the Court to the documents referenced in Paragraph 354 for their contents.

355. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 355.

356. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 356, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 356 for their contents.

357. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 357. Merrill Lynch refers the Court to the documents referenced in Paragraph 357 for their contents.

358. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 358. Merrill Lynch refers the Court to the documents referenced in Paragraph 358 for their contents.

359. To the extent that the allegations set forth in Paragraph 359 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 359 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 359.

360. Denies the allegations contained in Paragraph 360 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth

of the remainder of the allegations contained in Paragraph 360. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

361. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 361.

362. Denies the allegations contained in Paragraph 362, except admits that on or about October 9, 2001, Merrill Lynch analysts issued an Enron "Comment," and refers the Court to the document, attached as Exhibit "P" to the Declaration of Taylor M. Hicks, executed May 8, 2002, filed in connection with Merrill Lynch's motion to dismiss, for its contents.

363. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 363. Merrill Lynch refers the Court to the documents referenced in Paragraph 363 for their contents.

364. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 364. Merrill Lynch refers the Court to the documents referenced in Paragraph 364 for their contents.

365. Denies the allegations contained in Paragraph 365 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 365.

366. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 366, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

367. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 367. Merrill Lynch refers the Court to the documents referenced in Paragraph 367 for their contents.

368. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 368, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

369. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 369, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

370. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 370. Merrill Lynch refers the Court to the documents referenced in Paragraph 370 for their contents.

371. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 371. Merrill Lynch refers the Court to the documents referenced in Paragraph 371 for their contents.

372. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 372. Merrill Lynch refers the Court to the documents referenced in Paragraph 372 for their contents.

373. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 373. Merrill Lynch refers the Court to the documents referenced in Paragraph 373 for their contents.

374. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 374. Merrill Lynch refers the Court to the documents referenced in Paragraph 374 for their contents.

375. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 375. Merrill Lynch refers the Court to the documents referenced in Paragraph 375 for their contents.

376. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 376. Merrill Lynch refers the Court to the documents referenced in Paragraph 376 for their contents.

377. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 377, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron.

378. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 378. Merrill Lynch refers the Court to the documents referenced in Paragraph 378 for their contents.

379. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 379. Merrill Lynch refers the Court to the documents referenced in Paragraph 379 for their contents.

380. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 380. Merrill Lynch refers the Court to the documents referenced in Paragraph 380 for their contents.

381. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 381. Merrill Lynch refers the Court to the documents referenced in Paragraph 381 for their contents.

382. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 382, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 382 for their contents.

383. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 383, except states that Enron made consistent and repeated positive statements to the market regarding its business and financial condition, and that Merrill Lynch relied on those statements in its business dealings with Enron. Merrill Lynch refers the Court to the documents referenced in Paragraph 383 for their contents.

384. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 384. Merrill Lynch refers the Court to Enron's November 8, 2001 Form 8-K filing.

385. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 385.

386. Denies the allegations contained in Paragraph 386 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 386.

387. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 387.

388. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 388.

389. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 389.

390. To the extent that the allegations set forth in Paragraph 390 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 390 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 390, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

391. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 391, except states that in December 2001 Enron filed for protection under Chapter 11 of the United States Bankruptcy Code.

392. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 392, except states that various Congressional committees are investigating Enron's collapse. Merrill Lynch refers the Court to the published records of the hearings held by these committees for their contents.

393. To the extent that the allegations set forth in Paragraph 393 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 393 insofar as they relate

to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 393.

394. To the extent that the allegations set forth in Paragraph 394 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 394 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 394.

395. To the extent that the allegations set forth in Paragraph 395 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 395.

396. To the extent that the allegations set forth in Paragraph 396 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 396.

397. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 397.

398. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 398.

399. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 399.

400. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 400.

401. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 401.

402. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 402.

403. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 403.

404. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 404.

405. To the extent that the allegations set forth in Paragraph 405 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 405.

406. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 406, and refers the Court to its August 9, 2002 Order holding Dr. Hakala's findings and analysis are not to be considered for their truth.

407. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 407, and refers the Court to its August 9, 2002 Order holding Dr. Hakala's findings and analysis are not to be considered for their truth.

408. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 408, and refers the Court to its August 9, 2002 Order holding Dr. Hakala's findings and analysis are not to be considered for their truth.

409. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 409, and refers the Court to its August 9, 2002 Order holding Dr. Hakala's findings and analysis are not to be considered for their truth.

410. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 410.

411. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 411, and refers the Court to its August 9, 2002 Order holding Dr. Hakala's findings and analysis are not to be considered for their truth.

412. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 412, and refers the Court to its August 9, 2002 Order holding Dr. Hakala's findings and analysis are not to be considered for their truth.

413. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 413, and refers the Court to its August 9, 2002 Order holding Dr. Hakala's findings and analysis are not to be considered for their truth.

414. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 414, and refers the Court to its August 9, 2002 Order holding Dr. Hakala's findings and analysis are not to be considered for their truth.

415. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 415, and refers the Court to its August 9, 2002 Order holding Dr. Hakala's findings and analysis are not to be considered for their truth.

416. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 416, and refers the Court to its August 9, 2002 Order holding Dr. Hakala's findings and analysis are not to be considered for their truth.

417. Avers that no response is required.

418. Denies the allegations contained in Paragraph 418 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 418.

419. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 419. Merrill Lynch refers the Court to Enron's November 8, 2001 Form 8-K filing with the SEC for its contents.

420. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 420, and refers the Court to Enron's November 8, 2001 8-K filing with the SEC for its contents.

421. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 421, and refers the Court to Enron's November 8, 2001 8-K filing with the SEC for its contents.

422. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 422. Merrill Lynch refers the Court to the documents referenced in Paragraph 422 for their contents.

423. Denies the allegations contained in Paragraph 423 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 423, and refers the Court to Enron's November 8, 2001 8-K filing with the SEC for its contents.

424. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 424, and refers the Court to Enron's financial statements filed with the SEC for their contents.

425. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 425. Merrill Lynch refers the Court to the documents referenced in Paragraph 425 for their contents.

426. To the extent that the allegations set forth in Paragraph 426 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 426.

427. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 427, except refers the Court to Regulation S-X for its contents.

428. To the extent that the allegations set forth in Paragraph 428 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 428, except refers the Court to § 13(b)(2) of the 1934 Act for its contents.

429. Denies the allegations contained in Paragraph 429 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 429.

430. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 430. Merrill Lynch refers the Court to the documents referenced in Paragraph 430 for their contents.

431. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 431. Merrill Lynch refers the Court to SFAS No. 94 for its contents.

432. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 432. Merrill Lynch refers the Court to SFAS No. 125 for its contents.

433. Denies the allegations contained in Paragraph 433 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 433. Merrill Lynch refers the Court to the documents referenced in Paragraph 433 for their contents.

434. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 434. Merrill Lynch refers the Court to the documents referenced in Paragraph 434 for their contents.

435. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 435. Merrill Lynch refers the Court to Enron's filings with the SEC and its press releases for Enron's statements and disclosures during the referenced period.

436. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 436.

437. Denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 437.

438. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 438.

439. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 439.

440. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 440.

441. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 441.

442. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 442.

443. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 443.

444. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 444, except refers the Court to FASB Statement of Concepts No. 5 for its contents.

445. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 445. Merrill Lynch refers the Court to the documents referenced in Paragraph 445 for their contents.

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

447. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 447, except states that Enron's restatement related to JEDI and Chewco, and refers the Court to Enron's November 8, 2001 8-K filing with the SEC for its contents.

448. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 448, except states upon information and belief that LJM2 was formed in 1999, and that, on information and belief, LJM2 partnership records indicate that Enron entered into several business relationships with LJM2.

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

450. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 450, but states that Enron restated its financial results for 1999 and 2000.

451. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 451.

452. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 452.

453. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 453.

454. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 454.

455. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 455.

456. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 456.

457. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 457.

458. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 458.

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

460. Denies the allegations of Paragraph 460 insofar as they relate to Merrill Lynch, except admits that Merrill Lynch served as private placement agent for the partnership, made a proprietary investment in LJM2, and participated in loan facilities to LJM2, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 460.

461. Denies the allegations of Paragraph 461 insofar as they relate to Merrill Lynch, except admits that Merrill Lynch served as placement agent for LJM2 and made a proprietary investment in LJM2, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 461. Merrill Lynch refers the Court to the documents referenced in Paragraph 461 for their contents.

462. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 462. Merrill Lynch refers the Court to the documents referenced in Paragraph 462 for their contents.

463. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 463.

464. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 464.

465. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 465.

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

467. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 467.

468. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 468.

469. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 469.

470. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 470.

471. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 471.

472. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 472.

473. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 473.

474. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 474.

475. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 475.

476. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 476.

477. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 477.

478. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 478.

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

480. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 480.

481. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 481.

482. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 482.

483. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 483.

484. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 484.

485. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 485.

486. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 486.

487. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 487.

488. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 488.

489. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 489.

490. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 490.

491. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 491.

492. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 492.

493. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 493. Merrill Lynch refers the Court to the documents referenced in Paragraph 493 for their contents.

494. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 494, but states that Enron's restatements related to the Raptor entities, and refers the Court to Enron's November 8, 2001 8-K filing with the SEC for a complete and accurate statement of its contents.

495. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 495.

496. Denies the allegations contained in Paragraph 496 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of remainder of the allegations contained in Paragraph 496.

497. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 497.

498. Denies the allegations contained in Paragraph 498 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of remainder of the allegations contained in Paragraph 498.

499. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 499.

500. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 500.

501. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 501. Merrill Lynch refers the Court to the documents referenced in Paragraph 501 for their contents.

502. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 502. Merrill Lynch refers the Court to the documents referenced in Paragraph 502 for their contents.

503. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 503. Merrill Lynch refers the Court to the documents referenced in Paragraph 503 for their contents.

504. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 504. Merrill Lynch refers the Court to the documents referenced in Paragraph 504 for their contents.

505. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 505.

506. To the extent that the allegations set forth in Paragraph 506 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 506 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 506.

507. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 507. Merrill Lynch refers the Court to the documents referenced in Paragraph 507 for their contents.

508. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 508. Merrill Lynch refers the Court to the documents referenced in Paragraph 508 for their contents.

509. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 509. Merrill Lynch refers the Court to the documents referenced in Paragraph 509 for their contents.

510. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 510. Merrill Lynch refers the Court to Enron's filings with the SEC and its press releases for Enron's statements and disclosures during the referenced period.

511. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 511. Merrill Lynch refers the Court to the documents referenced in Paragraph 511 for their contents.

512. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 512. Merrill Lynch refers the Court to the documents referenced in Paragraph 512 for their contents.

513. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 513. Merrill Lynch refers the Court to the documents referenced in Paragraph 513 for their contents.

514. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 514. Merrill Lynch refers the Court to the documents referenced in Paragraph 514 for their contents.

515. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 515. Merrill Lynch refers the Court to the documents referenced in Paragraph 515 for their contents.

516. Denies the allegations contained in Paragraph 516 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 516.

517. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 517. Merrill Lynch refers the Court to the documents referenced in Paragraph 517 for their contents.

518. To the extent that the allegations set forth in Paragraph 518 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 518. Merrill Lynch refers the Court to the documents referenced in Paragraph 518 for their contents.

519. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 519. Merrill Lynch refers the Court to the documents referenced in Paragraph 519 for their contents.

520. Denies the allegations contained in Paragraph 520 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 520.

521. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 521.

522. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 522.

523. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 523.

524. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 524.

525. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 525. Merrill Lynch refers the Court to the documents referenced in Paragraph 525 for their contents.

526. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 526.

527. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 527.

528. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 528.

529. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 529.

530. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 530. Merrill Lynch refers the Court to the documents referenced in Paragraph 530 for their contents.

531. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 531.

532. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 532.

533. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 533.

534. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 534. Merrill Lynch refers the Court to the documents referenced in Paragraph 534 for their contents.

535. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 535.

536. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 536.

537. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 537.

538. Denies the allegations contained in Paragraph 538 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 538.

539. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 539.

540. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 540.

541. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 541.

542. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 542. Merrill Lynch refers the Court to the documents referenced in Paragraph 542 for their contents.

543. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 543.

544. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 544.

545. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 545.

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

547. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 547.

548. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 548.

549. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 549.

550. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 550. Merrill Lynch refers the Court to the documents referenced in Paragraph 550 for their contents.

551. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 551.

552. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 552. Merrill Lynch refers the Court to the documents referenced in Paragraph 552 for their contents.

553. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 553. Merrill Lynch refers the Court to the documents referenced in Paragraph 553 for their contents.

554. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 554. Merrill Lynch refers the Court to the documents referenced in Paragraph 554 for their contents.

555. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 555.

556. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 556.

557. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 557.

558. Denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 558.

559. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 559. Merrill Lynch refers the Court to the documents referenced in Paragraph 559 for their contents.

560. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 560.

561. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 561.

562. To the extent that the allegations set forth in Paragraph 562 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 562.

563. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 563. Merrill Lynch refers the Court to the documents referenced in Paragraph 563 for their contents.

564. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 564. Merrill Lynch refers the Court to the documents referenced in Paragraph 564 for their contents.

565. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 565.

566. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 566.

567. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 567. Merrill Lynch refers the Court to the documents referenced in Paragraph 567 for their contents.

568. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 568.

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

570. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 570. Merrill Lynch refers the Court to the documents referenced in Paragraph 570 for their contents.

571. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 571.

572. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 572.

573. To the extent that the allegations set forth in Paragraph 573 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 573. Merrill Lynch refers the Court to Enron's filings with the SEC and its press releases for Enron's statements and disclosures during the referenced period.

574. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 574. Merrill Lynch refers the Court to the documents referenced in Paragraph 574 for their contents.

575. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 575.

576. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 576.

577. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 577.

578. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 578. Merrill Lynch refers the Court to the documents referenced in Paragraph 578 for their contents.

579. To the extent that the allegations set forth in Paragraph 579 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 579.

580. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 580.

581. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 581. Merrill Lynch refers the Court to the documents referenced in Paragraph 581 for their contents.

582. To the extent that the allegations set forth in Paragraph 582 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 582.

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

584. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 584. Merrill Lynch refers the Court to the documents referenced in Paragraph 584 for their contents.

585. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 585. Merrill Lynch refers the Court to the documents referenced in Paragraph 585 for their contents.

586. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 586.

587. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 587.

588. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 588. Merrill Lynch refers the Court to the documents referenced in Paragraph 588 for their contents.

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

590. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 590. Merrill Lynch refers the Court to public market reports for the trading price of Azurix securities during the alleged period.

591. Denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 591.

592. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 592.

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

594. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 594. Merrill Lynch refers the Court to the documents referenced in Paragraph 594 for their contents.

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

596. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 596.

597. Denies the allegations contained in Paragraph 597 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 597.

598. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 598.

599. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 599.

600. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 600. Merrill Lynch refers the Court to the documents referenced in Paragraph 600 for their contents.

601. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 601.

602. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 602.

603. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 603.

604. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 604.

605. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 605.

606. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 606.

607. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 607.

608. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 608.

609. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 609.

610. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 610. Merrill Lynch refers the Court to the documents referenced in Paragraph 610 for their contents.

611. To the extent that the allegations set forth in Paragraph 611 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 611 insofar as they purport

to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 611.

612. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 612. Merrill Lynch refers the Court to the documents referenced in Paragraph 612 for their contents.

613. To the extent that the allegations set forth in Paragraph 613 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 613. Merrill Lynch refers the Court to the documents referenced in Paragraph 613 for their contents.

614. To the extent that the allegations set forth in Paragraph 614 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 614. Merrill Lynch refers the Court to the documents referenced in Paragraph 614 for their contents.

615. To the extent that the allegations set forth in Paragraph 615 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 615. Merrill Lynch refers the Court to the documents referenced in Paragraph 615 for their contents.

616. To the extent that the allegations set forth in Paragraph 616 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 616 insofar as they purport

to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 616. Merrill Lynch refers the Court to the documents referenced in Paragraph 616 for their contents.

617. To the extent that the allegations set forth in Paragraph 617 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 617 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 617.

618. To the extent that the allegations set forth in Paragraph 618 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 618. Merrill Lynch refers the Court to the documents referenced in Paragraph 618 for their contents.

619. To the extent that the allegations set forth in Paragraph 619 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 619 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 619.

620. To the extent that the allegations set forth in Paragraph 620 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 620. Merrill Lynch refers the Court to the documents referenced in Paragraph 620 for their contents.

621. Denies the allegations contained in Paragraph 621 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 621.

622. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 622.

623. Denies the allegations contained in Paragraph 623 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 623.

624. To the extent that the allegations set forth in Paragraph 624 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 624 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 624. Merrill Lynch refers the Court to the documents referenced in Paragraph 624 for their contents.

625. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 625. Merrill Lynch refers the Court to the documents referenced in Paragraph 625 for their contents.

626. To the extent that the allegations set forth in Paragraph 626 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 626 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 626. Merrill Lynch refers the Court to the documents referenced in Paragraph 626 for their contents.

627. Denies the allegations contained in Paragraph 627 insofar as they purport to relate to Merrill Lynch, except admits that Merrill Lynch made a proprietary investment in LJM2, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 627. Merrill Lynch refers the Court to the documents referenced in Paragraph 627 for their contents.

628. To the extent that the allegations set forth in Paragraph 628 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 628 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 628. Merrill Lynch refers the Court to the documents referenced in Paragraph 628 for their contents.

629. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 629. Merrill Lynch refers the Court to the documents referenced in Paragraph 629 for their contents.

630. To the extent that the allegations set forth in Paragraph 630 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 630 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 630.

631. To the extent that the allegations set forth in Paragraph 631 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the

truth of the allegations contained in Paragraph 631. Merrill Lynch refers the Court to the documents referenced in Paragraph 631 for their contents.

632. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 632.

633. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 633.

634. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 634.

635. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 635.

636. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 636. Merrill Lynch refers the Court to the documents referenced in Paragraph 636 for their contents.

637. To the extent that the allegations set forth in Paragraph 637 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 637. Merrill Lynch refers the Court to the documents referenced in Paragraph 637 for their contents.

638. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 638. Merrill Lynch refers the Court to the documents referenced in Paragraph 638 for their contents.

639. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 639.

640. To the extent that the allegations set forth in Paragraph 640 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 640. Merrill Lynch refers the Court to the documents referenced in Paragraph 640 for their contents.

641. To the extent that the allegations set forth in Paragraph 641 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 641. Merrill Lynch refers the Court to the documents referenced in Paragraph 641 for their contents.

642. To the extent that the allegations set forth in Paragraph 642 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 642 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 642. Merrill Lynch refers the Court to the documents referenced in Paragraph 642 for their contents.

643. To the extent that the allegations set forth in Paragraph 643 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 643 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 643. Merrill Lynch refers the Court to the documents referenced in Paragraph 643 for their contents.

644. Denies the allegations contained in Paragraph 644 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 644. Merrill Lynch refers the Court to the documents referenced in Paragraph 644 for their contents.

645. Denies the allegations contained in Paragraph 645 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 645. Merrill Lynch refers the Court to the documents referenced in Paragraph 645 for their contents.

646. To the extent that the allegations set forth in Paragraph 646 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 646 insofar as they relate to Merrill Lynch, except admits that Merrill Lynch served as placement agent for LJM2 and made a proprietary investment in LJM2, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 646. Merrill Lynch refers the Court to the documents referenced in Paragraph 646 for their contents.

647. Denies the allegations contained in Paragraph 647 insofar as they relate to Merrill Lynch, except admits that Merrill Lynch served as placement agent for LJM2 and made a proprietary investment in LJM2 in December 1999, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 647.

648. Denies the allegations contained in Paragraph 648 insofar as they relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the

remainder of the allegations contained in Paragraph 648. Merrill Lynch refers the Court to the documents referenced in Paragraph 648 for their contents.

649. Denies the allegations contained in Paragraph 649 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 649.

650. To the extent that the allegations set forth in Paragraph 650 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 650 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 650.

651. Denies the allegations contained in Paragraph 651 insofar as they relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 651.

652. To the extent that the allegations set forth in Paragraph 652 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 652, except states upon information and belief that J.P. Morgan is a financial services institution.

653. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 653.

654. To the extent that the allegations set forth in Paragraph 654 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is

required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 654.

655. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 655. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 655 for their contents.

656. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 656. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 656 for their contents.

657. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 657.

658. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 658.

659. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 659.

660. To the extent that the allegations set forth in Paragraph 660 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 660 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 660.

661. To the extent that the allegations set forth in Paragraph 661 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 661.

662. To the extent that the allegations set forth in Paragraph 662 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 662. Merrill Lynch refers the Court to the documents referenced in Paragraph 662 for their contents.

663. To the extent that the allegations set forth in Paragraph 663 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 663. Merrill Lynch refers the Court to the documents referenced in Paragraph 663 for their contents.

664. To the extent that the allegations set forth in Paragraph 664 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 664.

665. To the extent that the allegations set forth in Paragraph 665 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 665. Merrill Lynch refers the Court to the documents referenced in Paragraph 665 for their contents.

666. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 666. Merrill Lynch refers the Court to the documents referenced in Paragraph 666 for their contents.

667. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 667.

668. To the extent that the allegations set forth in Paragraph 668 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 668.

669. To the extent that the allegations set forth in Paragraph 669 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 669.

670. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 670.

671. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 671, except admits that Enron has filed for bankruptcy pursuant to Chapter 11 of the United States Bankruptcy Code.

672. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 672.

673. To the extent that the allegations set forth in Paragraph 673 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 673.

674. To the extent that the allegations set forth in Paragraph 674 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is

required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 674, except states on information and belief that Citigroup is a financial services institution.

675. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 675.

676. To the extent that the allegations set forth in Paragraph 676 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 676.

677. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 677. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 677 for their contents.

678. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 678. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 678 for their contents.

679. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 679. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 679 for their contents.

680. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 680.

681. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 681.

682. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 682. Merrill Lynch refers the Court to public market reports for the trading price of Enron securities during the referenced period.

683. To the extent that the allegations set forth in Paragraph 683 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 683 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 683.

684. To the extent that the allegations set forth in Paragraph 684 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 684 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 684.

685. To the extent that the allegations set forth in Paragraph 685 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 685. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 685 for their contents.

686. To the extent that the allegations set forth in Paragraph 686 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 686. Merrill Lynch refers the Court to the documents referenced in Paragraph 686 for their contents.

687. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 687.

688. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 688, except admits that Enron has filed for bankruptcy pursuant to Chapter 11 of the United States Bankruptcy Code.

689. To the extent that the allegations set forth in Paragraph 689 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 689.

690. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 690.

691. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 691.

692. To the extent that the allegations set forth in Paragraph 692 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 692.

693. To the extent that the allegations set forth in Paragraph 693 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 693, except states upon information and belief that CS First Boston is a financial services institution.

694. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 694.

695. To the extent that the allegations set forth in Paragraph 695 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 695.

696. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 696. Merrill Lynch refers the Court to the documents for the offerings referenced in Paragraph 696 for their contents.

697. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 697. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 697 for their contents.

698. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 698. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 698 for their contents.

699. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 699. Merrill Lynch refers the Court to the documents for the offerings referenced in Paragraph 699 for their contents.

700. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 700.

701. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 701.

702. Denies the allegations contained in Paragraph 702 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 702.

703. To the extent that the allegations set forth in Paragraph 703 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 703. Merrill Lynch refers the Court to the documents referenced in Paragraph 703 for their contents.

704. To the extent that the allegations set forth in Paragraph 704 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 704. Merrill Lynch refers the Court to the documents referenced in Paragraph 704 for their contents.

705. To the extent that the allegations set forth in Paragraph 705 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 705.

706. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 706.

707. To the extent that the allegations set forth in Paragraph 707 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 707.

708. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 708.

709. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 709.

710. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 710.

711. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 711.

712. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 712.

713. To the extent that the allegations set forth in Paragraph 713 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 713.

714. To the extent that the allegations set forth in Paragraph 714 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 714.

715. To the extent that the allegations set forth in Paragraph 715 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 715, except states on information and belief that CIBC is a financial services institution.

716. To the extent that the allegations set forth in Paragraph 716 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 716.

717. To the extent that the allegations set forth in Paragraph 717 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 717.

718. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 718. Merrill Lynch refers the Court to the documents for the offerings referenced in Paragraph 718 for their contents.

719. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 719.

720. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 720. Merrill Lynch refers the Court to the documents for the offerings referenced in Paragraph 720 for their contents.

721. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 721. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 721 for their contents.

722. To the extent that the allegations set forth in Paragraph 722 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 722 insofar as they purport

to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 722.

723. To the extent that the allegations set forth in Paragraph 723 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 723. Merrill Lynch refers the Court to the documents referenced in Paragraph 723 for their contents.

724. To the extent that the allegations set forth in Paragraph 724 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 724. Merrill Lynch refers the Court to the documents referenced in Paragraph 724 for their contents.

725. To the extent that the allegations set forth in Paragraph 725 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 725.

726. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 726.

727. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 727.

728. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 728.

729. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 729. Merrill Lynch refers the Court to the documents referenced in Paragraph 729 for their contents.

730. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 730.

731. Denies the allegations contained in Paragraph 731 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 731.

732. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 732.

733. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 733.

734. To the extent that the allegations set forth in Paragraph 734 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 734.

735. Denies the allegations contained in Paragraph 735, except admits that Merrill Lynch & Co., Inc. is a holding company with subsidiaries or affiliates which acted as an underwriter and analyst for Enron securities at certain times during the class period, and that Merrill Lynch served as placement agent and participating lender for, and investor in, LJM2.

736. Denies the allegations contained in Paragraph 736, except admits that Schuyler Tilney was an employee of Merrill Lynch during some time period and that his wife was an employee of Enron during some time period, and that Merrill Lynch acted as an underwriter for

Enron securities at certain times during the class period, served as placement agent for LJM2, and participated in loan facilities to LJM2.

737. To the extent that the allegations set forth in Paragraph 737 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 737.

738. Denies the allegations contained in Paragraph 738, except states that Merrill Lynch participated in the securities offerings listed in Paragraph 738 with the exception of the October 1999 purported offering of \$100 million Enron "weather" bonds, which Merrill Lynch did not participate in and which is listed in error.

739. Denies the allegations contained in Paragraph 739, except states that Merrill Lynch acted as lead underwriter for the Azurix initial public offering.

740. Denies the allegations contained in Paragraph 740, except admits that Merrill Lynch served as placement agent for, and investor in, the LJM2 partnership and participated in loan facilities to LJM2. Merrill Lynch refers the Court to the documents referenced in Paragraph 740 for their contents.

741. Denies the allegations contained in Paragraph 741, except states that Merrill Lynch served as placement agent for the LJM2 partnership and made a proprietary investment in LJM2 in December 1999. Merrill Lynch also states that certain Merrill Lynch executives directly and indirectly purchased limited partnership interests in LJM2.

742. To the extent that the allegations set forth in Paragraph 742 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 742, except admits that Merrill Lynch participated in loan facilities to LJM2.

743. Denies the allegations contained in Paragraph 743.

744. To the extent that the allegations set forth in Paragraph 744 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 744, except admits that Merrill Lynch participated as an underwriter for the aforementioned Enron securities offerings at certain times during the class period and served as placement agent for LJM2.

745. To the extent that the allegations set forth in Paragraph 745 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 745, and avers that all the Enron securities offerings in which Merrill Lynch participated as an underwriter are time-barred as a predicate for liability under the applicable three year statute of limitations. Merrill Lynch refers the Court to the documents referenced in Paragraph 745 for their contents.

746. To the extent that the allegations set forth in Paragraph 746 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 746, except admits that Merrill Lynch analysts covered Enron stock at certain times during the class period and issued the research documents attached as the aforementioned exhibits to the Declaration of Taylor M. Hicks, executed May 8, 2002, submitted in connection with Merrill Lynch's motion to dismiss. Merrill Lynch refers the Court to the documents referenced in Paragraph 746 for their contents, except avers that the alleged 4/13/00 statement by Donato Eassey appears nowhere in the Consolidated Complaint.

747. To the extent that the allegations set forth in Paragraph 747 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 747.

748. Denies the allegations contained in Paragraph 748.

749. To the extent that the allegations set forth in Paragraph 749 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 749.

750. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 750, except states upon information and belief that Barclays is a financial services institution.

751. To the extent that the allegations set forth in Paragraph 751 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 751.

752. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 752. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 752 for their contents.

753. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 753. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 753 for their contents.

754. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 754.

755. Denies the allegations contained in Paragraph 755 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 755.

756. To the extent that the allegations set forth in Paragraph 756 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 756.

757. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 757.

758. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 758.

759. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 759.

760. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 760.

761. To the extent that the allegations set forth in Paragraph 761 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 761.

762. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 762, except states on information and belief that Lehman Brothers is a financial services institution.

763. To the extent that the allegations set forth in Paragraph 763 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 763.

764. To the extent that the allegations set forth in Paragraph 764 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 764.

765. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 765. Merrill Lynch refers the Court to the documents for the offerings referenced in Paragraph 765 for their contents.

766. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 766. Merrill Lynch refers the Court to the documents for the offerings referenced in Paragraph 766 for their contents.

767. Denies the allegations contained in Paragraph 767 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 767.

768. To the extent that the allegations set forth in Paragraph 768 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 768. Merrill Lynch refers the Court to the documents for the offerings referenced in Paragraph 768 for their contents.

769. To the extent that the allegations set forth in Paragraph 769 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 769. Merrill Lynch refers the Court to the documents referenced in Paragraph 769 for their contents.

770. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 770.

771. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 771.

772. To the extent that the allegations set forth in Paragraph 772 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 772.

773. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 773, except states on information and belief that Bank of America is a financial services institution.

774. To the extent that the allegations set forth in Paragraph 774 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 774.

775. To the extent that the allegations set forth in Paragraph 775 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is

required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 775.

776. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 776. Merrill Lynch refers the Court to the documents for the offerings referenced in Paragraph 776 for their contents.

777. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 777. Merrill Lynch refers the Court to the documents for the offerings referenced in Paragraph 777 for their contents.

778. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 778. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 778 for their contents.

779. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 779.

780. Denies the allegations contained in Paragraph 780 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 780.

781. To the extent that the allegations set forth in Paragraph 781 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 781. Merrill Lynch refers the Court to the documents for the offerings referenced in Paragraph 781 for their contents.

782. To the extent that the allegations set forth in Paragraph 782 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is

required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 782. Merrill Lynch refers the Court to the documents referenced in Paragraph 782 for their contents.

783. To the extent that the allegations set forth in Paragraph 783 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 783.

784. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 784.

785. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 785.

786. To the extent that the allegations set forth in Paragraph 786 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 786.

787. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 787, except states on information and belief that Deutsche Bank is a financial services institution.

788. To the extent that the allegations set forth in Paragraph 788 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 788.

789. To the extent that the allegations set forth in Paragraph 789 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 789.

790. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 790. Merrill Lynch refers the Court to the documents for the offerings referenced in Paragraph 790 for their contents.

791. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 791. Merrill Lynch refers the Court to the documents for the offerings referenced in Paragraph 791 for their contents.

792. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 792. Merrill Lynch refers the Court to the documents for the offering referenced in Paragraph 792 for their contents.

793. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 793.

794. Denies the allegations contained in Paragraph 794 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 794.

795. To the extent that the allegations set forth in Paragraph 795 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 795. Merrill Lynch refers the Court to the documents referenced in Paragraph 795 for their contents.

796. To the extent that the allegations set forth in Paragraph 796 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 796. Merrill Lynch refers the Court to the documents referenced in Paragraph 796 for their contents.

797. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 797.

798. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 798.

799. To the extent that the allegations set forth in Paragraph 799 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 799.

800. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 800. Merrill Lynch refers the Court to the documents referenced in Paragraph 800 for their contents.

801. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 801.

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

803. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 803.

804. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 804.

805. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 805.

806. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 806.

807. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 807.

808. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 808.

809. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 809.

810. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 810.

811. Denies the allegations contained in Paragraph 811 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 811.

812. To the extent that the allegations set forth in Paragraph 812 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 812.

813. Denies the allegations contained in Paragraph 813 insofar as they relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the

remainder of the allegations contained in Paragraph 813. Merrill Lynch refers the Court to the documents referenced in Paragraph 813 for their contents.

814. Denies the allegations contained in Paragraph 814 insofar as they relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 814.

815. Denies the allegations contained in Paragraph 815 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 815.

816. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 816.

817. Denies the allegations contained in Paragraph 817 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 817.

818. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 818.

819. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 819.

820. Denies the allegations contained in Paragraph 820 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 820.

821. Denies the allegations contained in Paragraph 821 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 821.

822. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 822.

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

824. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 824. Merrill Lynch refers the Court to the documents referenced in Paragraph 824 for their contents.

825. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 825. Merrill Lynch refers the Court to the documents referenced in Paragraph 825 for their contents.

826. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 826. Merrill Lynch refers the Court to the documents referenced in Paragraph 826 for their contents.

827. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 827. Merrill Lynch refers the Court to the documents referenced in Paragraph 827 for their contents.

828. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 828, except states that Enron's restatements in its November 8, 2001 8-K related to JEDI.

829. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 829.

830. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 830. Merrill Lynch refers the Court to the documents referenced in Paragraph 830 for their contents.

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

832. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 832. Merrill Lynch refers the Court to the documents referenced in Paragraph 832 for their contents.

833. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 833. Merrill Lynch refers the Court to the documents referenced in Paragraph 833 for their contents.

834. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 834. Merrill Lynch refers the Court to the documents referenced in Paragraph 834 for their contents.

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

836. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 836. Merrill Lynch refers the Court to the documents referenced in Paragraph 836 for their contents.

837. To the extent that the allegations set forth in Paragraph 837 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 837.

838. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 838.

839. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 839. Merrill Lynch refers the Court to the documents referenced in Paragraph 839 for their contents.

840. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 840. Merrill Lynch refers the Court to the documents referenced in Paragraph 840 for their contents.

841. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 841. Merrill Lynch refers the Court to the documents referenced in Paragraph 841 for their contents.

842. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 842. Merrill Lynch refers the Court to the documents referenced in Paragraph 842 for their contents.

843. To the extent that the allegations set forth in Paragraph 843 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 843.

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

845. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 845. Merrill Lynch refers the Court to the documents referenced in Paragraph 845 for their contents.

846. To the extent that the allegations set forth in Paragraph 846 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 846.

847. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 847. Merrill Lynch refers the Court to the documents referenced in Paragraph 847 for their contents.

848. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 848. Merrill Lynch refers the Court to the documents referenced in Paragraph 848 for their contents.

849. To the extent that the allegations set forth in Paragraph 849 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 849.

850. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 850. Merrill Lynch refers the Court to the documents referenced in Paragraph 850 for their contents.

851. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 851.

852. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 852.

853. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 853. Merrill Lynch refers the Court to the documents referenced in Paragraph 853 for their contents.

854. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 854.

855. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 855. Merrill Lynch refers the Court to the documents referenced in Paragraph 855 for their contents.

856. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 856.

857. Denies the allegations contained in Paragraph 857 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 857.

858. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 858.

859. Denies the allegations contained in Paragraph 859 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 859.

860. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 860.

861. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 861.

862. Denies the allegations contained in Paragraph 862 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 862.

863. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 863.

864. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 864.

865. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 865.

866. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 866.

867. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 867.

868. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 868.

869. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 869.

870. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 870.

871. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 871.

872. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 872.

873. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 873.

874. Denies the allegations contained in Paragraph 874 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 874.

875. Denies the allegations contained in Paragraph 875 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 875.

876. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 876.

877. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 877.

878. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 878.

879. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 879. Merrill Lynch refers the Court to the documents referenced in Paragraph 879 for their contents.

880. Denies the allegations contained in Paragraph 880 insofar as they relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 880. Merrill Lynch refers the Court to the documents referenced in Paragraph 880 for their contents.

881. Denies the allegations contained in Paragraph 881 insofar as they relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 881.

882. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 882.

883. Denies the allegations contained in Paragraph 883 insofar as they relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 883.

884. Denies the allegations contained in Paragraph 884 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 884.

885. Denies the allegations contained in Paragraph 885 insofar as they relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 885. Merrill Lynch refers the Court to the documents referenced in Paragraph 885 for their contents.

886. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 886.

887. Denies the allegations contained in Paragraph 887 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 887.

888. Denies the allegations contained in Paragraph 888 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 888.

889. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 889.

890. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 890.

891. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 891.

892. Denies the allegations contained in Paragraph 892 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 892.

893. Denies the allegations contained in Paragraph 893 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 893.

894. Denies the allegations contained in Paragraph 894 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 894.

895. To the extent that the allegations set forth in Paragraph 895 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 895.

896. To the extent that the allegations set forth in Paragraph 896 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 896.

897. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 897, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

898. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 898, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 898 for their contents.

899. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 899, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 899 for their contents.

900. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 900. Merrill Lynch refers the Court to the documents referenced in Paragraph 900 for their contents.

901. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 901, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 901 for their contents.

902. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 902. Merrill Lynch refers the Court to the documents referenced in Paragraph 902 for their contents.

903. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 903, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 903 for their contents.

904. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 904, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all

relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 904 for their contents.

905. To the extent that the allegations set forth in Paragraph 905 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 905, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

906. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 906.

907. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 907, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

908. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 908. Merrill Lynch refers the Court to the documents referenced in Paragraph 908 for their contents.

909. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 909, except states that, on information and belief, Andersen

was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

910. Denies the allegations contained in Paragraph 910 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 910, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

911. Denies the allegations contained in Paragraph 911 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 911, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

912. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 912, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all

relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 912 for their contents.

913. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 913, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

914. Denies the allegations contained in Paragraph 914 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 914, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

915. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 915, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

916. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 916, except states that, on information and belief, Andersen

was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 916 for their contents.

917. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 917. Merrill Lynch refers the Court to the documents referenced in Paragraph 917 for their contents.

918. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 918, except states that in March 2002 Andersen was indicted by a federal grand jury.

919. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 919. Merrill Lynch refers the Court to the documents referenced in Paragraph 919 for their contents.

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

921. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 921, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 921 for their contents.

922. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 922, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 922 for their contents.

923. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 923, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 923 for their contents.

924. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 924.

925. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 925, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

926. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 926, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 926 for their contents.

927. Denies the allegations contained in Paragraph 927 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 927, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

928. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 928, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 928 for their contents.

929. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 929, except states that, on information and belief, Andersen

was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 929 for their contents.

930. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 930, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 930 for their contents.

931. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 931, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 931 for their contents.

932. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 932, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial

statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 932 for their contents.

933. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 933, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

934. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 934.

935. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 935, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

936. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 936, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all

relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 936 for their contents.

937. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 937, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 937 for their contents.

938. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 938, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 938 for their contents.

939. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 939, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 939 for their contents.

940. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 940, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

941. Denies the allegations contained in Paragraph 941 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 941, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

942. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 942, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

943. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 943, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial

statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 943 for their contents.

944. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 944, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

945. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 945, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

946. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 946, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

947. To the extent that the allegations set forth in Paragraph 947 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is

required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 947, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

948. Denies the allegations contained in Paragraph 948 insofar as they purport to relate to Merrill Lynch, and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 948, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

949. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 949, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

950. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 950, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial

statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

951. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 951, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 951 for their contents.

952. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 952, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 952 for their contents.

953. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 953, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

954. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 954, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

955. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 955, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

956. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 956, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

957. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 957, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all

relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 957 for their contents.

958. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 958. Merrill Lynch refers the Court to the documents referenced in Paragraph 958 for their contents.

959. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 959, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

960. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 960. Merrill Lynch refers the Court to the documents referenced in Paragraph 960 for their contents.

961. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 961, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 961 for their contents.

962. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 962, except states that in March 2002 Andersen was indicted by a federal grand jury.

963. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 963.

964. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 964, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 964 for their contents.

965. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 965. Merrill Lynch refers the Court to the documents referenced in Paragraph 965 for their contents.

966. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 966. Merrill Lynch refers the Court to the documents referenced in Paragraph 966 for their contents.

967. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 967, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial

statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules.

968. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 968, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 968 for their contents.

969. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 969, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 969 for their contents.

970. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 970, except states that, on information and belief, Andersen was engaged as Enron's auditor at all times during the class period and that Merrill Lynch relied upon Andersen's expertise and professional judgment to not approve Enron's financial statements, public statements, and transactions unless accurate and in compliance with all relevant accounting standards and rules. Merrill Lynch refers the Court to the documents referenced in Paragraph 970 for their contents.

971. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 971. Merrill Lynch refers the Court to the documents referenced in Paragraph 971 for their contents.

972. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 972. Merrill Lynch refers the Court to the documents referenced in Paragraph 972 for their contents.

973. To the extent that the allegations set forth in Paragraph 973 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 973.

974. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 974. Merrill Lynch refers the Court to the documents referenced in Paragraph 974 for their contents.

975. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 975.

976. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 976.

977. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 977.

978. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 978.

979. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 979.

980. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 980.

981. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 981.

982. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 982.

983. To the extent that the allegations set forth in Paragraph 983 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 983, except admits that Enron's stock was publicly traded and that Enron filed periodic public reports with the SEC.

984. To the extent that the allegations set forth in Paragraph 984 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 984.

985. To the extent that the allegations set forth in Paragraph 985 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 985.

986. To the extent that the allegations set forth in Paragraph 986 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 986.

987. To the extent that the allegations set forth in Paragraph 987 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies that plaintiffs are entitled to class certification and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 987.

988. To the extent that the allegations set forth in Paragraph 988 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies that plaintiffs are entitled to class certification and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 988.

989. To the extent that the allegations set forth in Paragraph 989 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies that plaintiffs are entitled to class certification and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 989.

990. To the extent that the allegations set forth in Paragraph 990 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies that plaintiffs are entitled to class certification and denies knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 990.

991. To the extent that the allegations set forth in Paragraph 991 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies that plaintiffs are entitled to class certification and denies

knowledge and information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 991.

992. For its response to Paragraph 992, Merrill Lynch repeats and realleges its responses to the allegations contained in Paragraphs 1 through 991.

993. Avers that no response is required.

994. Paragraph 994 states legal conclusions to which no response is required and, to the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 994.

995. Paragraph 995 states legal conclusions to which no response is required and, to the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 995.

996. Paragraph 996 states legal conclusions to which no response is required and, to the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 996.

997. Paragraph 997 states legal conclusions to which no response is required and, to the extent that a response is required, Merrill Lynch denies the allegations contained in Paragraph 997.

998. For its response to Paragraph 998, Merrill Lynch repeats and realleges its responses to the allegations contained in Paragraphs 1 through 997.

999. Avers that no response is required.

1000. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1000.

1001. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1001.

1002. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1002.

1003. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1003.

1004. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1004.

1005. For its response to Paragraph 1005, Merrill Lynch repeats and realleges its responses to the allegations contained in Paragraphs 1 through 1004.

1006. Avers that no response is required. Merrill Lynch refers the Court to the documents for the offerings referenced in Paragraph 1006 for their contents.

1007. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1007. Merrill Lynch refers the Court to the documents for the offerings referenced in Paragraph 1007 for their contents.

1008. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1008.

1009. To the extent that the allegations set forth in Paragraph 1009 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1009.

1010. To the extent that the allegations set forth in Paragraph 1010 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is

required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1010.

1011. To the extent that the allegations set forth in Paragraph 1011 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1011.

1012. To the extent that the allegations set forth in Paragraph 1012 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1012.

1013. To the extent that the allegations set forth in Paragraph 1013 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1013.

1014. To the extent that the allegations set forth in Paragraph 1014 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1014.

1015. To the extent that the allegations set forth in Paragraph 1015 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1015.

1016. To the extent that the allegations set forth in Paragraph 1016 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1016.

1017. For its response to Paragraph 1017, Merrill Lynch repeats and realleges its responses to the allegations contained in Paragraphs 1 through 1016.

1018. Avers that no response is required.

1019. Avers that no response is required.

1020. To the extent that the allegations set forth in Paragraph 1020 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1020.

1021. To the extent that the allegations set forth in Paragraph 1021 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1021.

1022. To the extent that the allegations set forth in Paragraph 1022 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1022.

1023. To the extent that the allegations set forth in Paragraph 1023 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is

required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1023.

1024. To the extent that the allegations set forth in Paragraph 1024 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1024.

1025. To the extent that the allegations set forth in Paragraph 1025 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1025.

1026. To the extent that the allegations set forth in Paragraph 1026 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1026.

1027. To the extent that the allegations set forth in Paragraph 1027 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1027.

1028. To the extent that the allegations set forth in Paragraph 1028 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1028.

1029. To the extent that the allegations set forth in Paragraph 1029 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1029.

1030. To the extent that the allegations set forth in Paragraph 1030 of the Consolidated Complaint contain conclusions of law, no response is required. To the extent that a response is required, Merrill Lynch denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1030.

### **GENERAL DENIAL**

1031. Except as otherwise expressly recognized above, Merrill Lynch denies each and every allegation contained in Paragraphs 1 through 1030, including, without limitation, the footnotes, headings and subheadings contained in the Consolidated Complaint, and specifically denies any liability to plaintiffs or any members of the class that plaintiffs purport to represent, or that plaintiffs or any members of the class that plaintiffs purport to represent has suffered any legally cognizable damages for which Merrill Lynch is responsible. Pursuant to Rule 8(d) of the Federal Rules of Civil Procedure, averments in the Consolidated Complaint to which no responsive pleading is required shall be deemed denied. Merrill Lynch expressly reserves the right to amend and/or supplement its Answer.

### **DEFENSES**

1032. The statement of any defense hereinafter does not assume the burden of proof for any issue as to which applicable law places the burden upon plaintiffs. Merrill Lynch expressly reserves the right to amend and/or supplement its defenses.

### **FIRST DEFENSE**

1033. The Consolidated Complaint fails to state a claim upon which relief can be granted against Merrill Lynch, and fails to comply with the requirements of the Private Securities Litigation Reform Act and Rule 9(b) of the Federal Rules of Civil Procedure.

### **SECOND DEFENSE**

1034. Plaintiffs' claims and/or the claims of members of the class that plaintiffs purport to represent are barred, in whole or in part, because this action cannot be maintained as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure.

### **THIRD DEFENSE**

1035. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, by the applicable statutes of limitation.

### **FOURTH DEFENSE**

1036. Plaintiffs and/or members of the class that plaintiffs purport to represent are barred from obtaining injunctive relief by the doctrine of laches, and because there exists an adequate remedy at law.

### **FIFTH DEFENSE**

1037. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, because Merrill Lynch did not create a misrepresentation, did not employ any device, scheme, or artifice to defraud, and did not engage in any act, practice, or course of business which operated as a fraud or deceit upon which any person relied, and is not responsible, in law or in fact, for any alleged false or misleading statements or omissions of material fact, or any manipulative or deceptive conduct, by others on which plaintiffs allegedly relied.

#### **SIXTH DEFENSE**

1038. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, because Merrill Lynch was neither a controlling nor a culpable participant in any party's primary violation of the federal securities laws, and cannot be held liable for aiding and abetting another party's violation.

#### **SEVENTH DEFENSE**

1039. The claims asserted in the Consolidated Complaint against Merrill Lynch are barred because Merrill Lynch at all times acted with reasonable care and diligence.

#### **EIGHTH DEFENSE**

1040. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, because any conduct by Merrill Lynch was non-reckless, non-malicious, taken in good faith and without knowledge or intent to commit fraud, and did not directly or indirectly constitute unlawful acts.

#### **NINTH DEFENSE**

1041. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, because the alleged misrepresentations, omissions, and conduct by Merrill Lynch were based on good faith and reasonable reliance upon the work, opinions, information, representations, and advice of others, upon which Merrill Lynch was entitled to rely.

#### **TENTH DEFENSE**

1042. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, because Merrill Lynch neither owed nor

breached any duty to disclose information allegedly omitted in Enron's statements, and had no duty to verify, opine upon, audit, review or correct Enron's statements.

#### **ELEVENTH DEFENSE**

1043. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, because Merrill Lynch neither owed nor breached any duty to disclose information allegedly misrepresented or omitted in analyst research notes distributed by Merrill Lynch.

#### **TWELFTH DEFENSE**

1044. Plaintiffs' claims and/or the claims of members of the class that plaintiffs purport to represent are barred, in whole or in part, because Merrill Lynch did not know, and in the exercise of reasonable care could not have known or had reasonable grounds to believe, that any misstatements or omissions of material fact existed in any of Enron's public filings with the SEC or press releases, or any statement issued in connection therewith.

#### **THIRTEENTH DEFENSE**

1045. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, because any statements by Merrill Lynch are non-actionable statements containing only expressions of opinion, repetition of publicly-available information, and forward-looking statements, and/or contained sufficient cautionary language and risk disclosures.

#### **FOURTEENTH DEFENSE**

1046. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, because they did not actually or justifiably rely on any alleged misrepresentation, omission or conduct by Merrill Lynch.

#### **FIFTEENTH DEFENSE**

1047. The alleged misstatements, omissions, and conduct by Merrill Lynch were not material to the investment decisions of a reasonable investor in view of, *inter alia*, the total mix of available information.

#### **SIXTEENTH DEFENSE**

1048. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, because the alleged actions or failures to act or alleged misrepresentations or omissions by Merrill Lynch were not made in connection with the purchase of any securities by plaintiffs.

#### **SEVENTEENTH DEFENSE**

1049. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, because they have failed to allege, and have not suffered, any cognizable injury attributable to any conduct by Merrill Lynch.

#### **EIGHTEENTH DEFENSE**

1050. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, for lack of proximate causation between Merrill Lynch's alleged misrepresentations, omissions, and conduct and the alleged harm, which followed from other, superseding and/or intervening causes.

#### **NINETEENTH DEFENSE**

1051. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, due to the alleged fraud, comparative fault, and/or contributory negligence of the current and/or former officers and employees of Enron, as

well as other third parties who, on information and belief, collaborated with Enron to perpetuate and conceal the alleged fraud from Merrill Lynch and others.

#### **TWENTIETH DEFENSE**

1052. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, because the alleged misstatements, omissions, and conduct alleged with respect to Merrill Lynch in the Consolidated Complaint did not affect, or was publicly known and at all times reflected in, the market price of Enron securities.

#### **TWENTY-FIRST DEFENSE**

1053. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, because the depreciation in the market price of Enron securities resulted from factors other than the alleged misstatements, omissions, and conduct alleged with respect to Merrill Lynch in the Consolidated Complaint.

#### **TWENTY-SECOND DEFENSE**

1054. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, due to their failure to exercise reasonable and due care with respect to the transactions alleged to form the basis of the claims against Merrill Lynch.

#### **TWENTY-THIRD DEFENSE**

1055. Plaintiffs' and/or any members of the class that plaintiffs purport to represent are barred from recovering injury or damages, if any, because they failed to make reasonable efforts to mitigate, minimize, or avoid such injury or damages, which efforts would have prevented any injury or damages.

#### **TWENTY-FOURTH DEFENSE**

1056. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent 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, common law, or any other applicable statute, rule or regulation.

#### **TWENTY-FIFTH DEFENSE**

1057. To the extent that plaintiffs and/or any members of the class that plaintiffs purport to represent sustained any damages, loss or injury, any damages award against Merrill Lynch 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 Merrill Lynch's percentage of responsibility.

#### **TWENTY-SIXTH DEFENSE**

1058. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, because Merrill Lynch is not, as a matter of law or fact, responsible for the acts of its predecessors or subsidiaries.

#### **TWENTY-SEVENTH DEFENSE**

1059. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, for lack of standing.

#### **TWENTY-EIGHTH DEFENSE**

1060. Plaintiffs' claims and/or the claims of any members of the class that plaintiffs purport to represent are barred, in whole or in part, for lack of privity with Merrill Lynch.

### **TWENTY-NINTH DEFENSE**

1061. Merrill Lynch is entitled to recover contribution from others for any liability it incurs as a result of any of the alleged misrepresentations, omissions, and conduct alleged in the Consolidated Complaint.

### **THIRTIETH DEFENSE**

1062. Merrill Lynch reserves the right to raise any additional defenses, cross-claims, and third-party claims, not asserted herein of which it may become aware through discovery or other investigation.

### **THIRTY-FIRST DEFENSE**

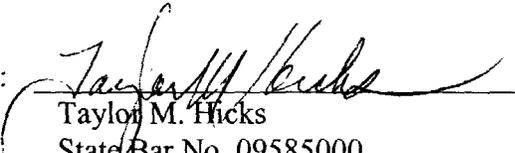
1063. Merrill Lynch hereby adopts and incorporates by reference any and all other defenses asserted or to be asserted by any of the other defendants to the extent that Merrill Lynch may share in such a defense.

**PRAYER FOR RELIEF**

WHEREFORE, Merrill Lynch respectfully requests that the Court dismiss the Consolidated Complaint as against it, award costs, disbursements and attorney's fees to Merrill Lynch, and grant such other and further relief that the Court deems just and proper.

Dated: January 7, 2003

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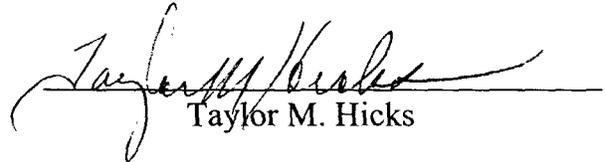
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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the **Answer of Defendant Merrill Lynch & Co., Inc.** was served upon all known counsel of record by website, <http://www.esl3624.com>, pursuant to the Court's Order dated August 7, 2002 (Docket No. 984), on this the **7th** day of **January, 2003**.

*Please See Attached Service List*

  
Taylor M. Hicks