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Michael M. Milby, Clerk

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

MARK NEWBY,

Plaintiff,

v.

ENRON CORPORATION, ANDREW S.
FASTOW, KENNETH L. LAY, and
JEFFREY K. SKILLING,

Defendants.

C.A. No. H-01-3624

JURY TRIAL DEMANDED

HENRY H. STEINER, Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

v.

ENRON CORP., KENNETH L. LAY,
JEFFREY K. SKILLING, ANDREW S.
FASTOW, and ARTHUR ANDERSEN
LLP,

Defendants.

C.A. No. H-01-3717

JURY TRIAL DEMANDED

ORAL ARGUMENT REQUESTED

**SUR-REPLY MEMORANDUM OF PLAINTIFFS STEINER ET AL.,
REITERATING THEIR REQUEST FOR ORAL ARGUMENT,
WITH RESPECT TO THEIR MOTION FOR APPOINTMENT
AS LEAD PLAINTIFFS FOR PURCHASERS OF ENRON PREFERRED
STOCK AND APPROVAL OF THEIR SELECTION OF LEAD COUNSEL**

Plaintiffs Henry H. Steiner, Christine L. Benoit, Daniel Kaminer, Michael and Jennifer Cerone, and Harold Karnes (hereinafter, the "Proposed Preferred Purchaser Lead Plaintiffs") respectfully submit this sur-reply in further support of their motion for their appointment as Lead Plaintiffs for purchasers of Enron preferred stock and approval of their selection of lead counsel.

Despite the thousands of pages of submissions proffered to the Court by the various movants on this lead plaintiff motion, the Proposed Preferred Purchaser Lead Plaintiffs note that it is the only movant which represents purchasers of Enron preferred stock: not one other lead plaintiff movant has submitted plaintiffs' certifications or loss calculations concerning purchases of Enron

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preferred stock. Our prior submissions here, including the Declaration of expert Steven R. Wolfe, detail the material differences and conflicts between Enron common and preferred stock which require separate lead plaintiffs (or at the least, at this juncture, an Executive Committee) with separate representation for preferred stock purchasers.

Rather than attempt herein to rebut on the merits the sur-replies submitted to this Court, we respectfully reiterate that the best way to handle these issues is at oral argument. Our reasons supporting oral argument are contained in our January 21, 2002 Memorandum of Plaintiffs Steiner et al. Opposing Eight Lead Plaintiff Motions to the Extent They Seek the Appointment Of a Single Lead Plaintiff for One Class of Purchasers of Both Enron Common and Preferred Stock (And Bonds), and in Further Support of the Preferred Purchaser Plaintiffs' Motion for Appointment of a Separate Class with Separate Lead Plaintiffs For Purchasers of Enron Preferred Stock and Approval of Their Selection of Separate Lead Counsel.

Dated: February 4, 2002



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