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

In re ENRON CORPORATION SECURITIES LITIGATION	§	Civil Action No. H-01-3624
	§	**(Consolidated)**
	§	
	§	CLASS ACTION
This Document Relates To:	§	
	§	
MARK NEWBY, et al., Individually and On Behalf of All Others Similarly Situated,	§	
	§	
Plaintiffs,	§	
	§	
vs.	§	
	§	
ENRON CORP., et al.,	§	
	§	
Defendants.	§	
	§	
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, et al., Individually and On Behalf of All Others Similarly Situated,	§	
	§	
Plaintiffs,	§	
	§	
vs.	§	
	§	
KENNETH L. LAY, et al.,	§	
	§	
Defendants.	§	
	§	

[Caption continued on following page.]

ORDER PRELIMINARILY APPROVING SETTLEMENT

WASHINGTON STATE INVESTMENT BOARD, et al., On Behalf of Themselves and All Others Similarly Situated,	§
	§
Plaintiffs,	§
vs.	§
	§
KENNETH L. LAY, et al.,	§
	§
Defendants.	§
	§

WHEREAS, consolidated class actions are pending before this Court, including *In re Enron Corporation Securities Litigation,* Civil Action No. H-01-3624, which includes, among others, cases entitled *Newby, et al., v. Enron Corp., et al.*; *The Regents of the University of California, et al., v. Kenneth L. Lay, et al.*; *Washington State Investment Board and Employer-Teamsters Local Nos. 175 and 505 Pension Trust Fund, et al. v. Kenneth L. Lay, et al.*; *The Regents of the University of California v. Royal Bank of Canada, et al.*; *The Regents of the University of California v. Milbank Tweed, et al.*; *The Regents of the University of California v. Toronto Dominion Bank, et al.*;

WHEREAS, the Settling Parties have applied to the Court, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for an order approving the settlement of the Actions as to them in accordance with the Stipulation of Settlement among them dated as of October 28, 2004 (the "Stipulation"), which, together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed settlement of the Actions as to BofA (the "Settlement") and for dismissal of the Actions with prejudice as to BofA;

WHEREAS, the Stipulation provides for the conditional certification of the Settlement Class solely for purposes of the Settlement; and

WHEREAS, the Court has read and considered the Stipulation and the Exhibits annexed thereto and has read and considered all other papers filed and proceedings had herein, and is otherwise fully informed in the premises, and with good cause appearing therefore;

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. This Order (the "Preliminary Approval Order") incorporates by reference the definitions in the Stipulation, and all capitalized terms used herein shall have the same meanings set forth in the Stipulation.

2. The Court preliminarily approves the Stipulation, including the releases contained therein, and the Settlement as being fair, reasonable, and adequate to the Settlement Class.

3. Solely for purposes of the Stipulation and the Settlement, the Court now finds and concludes that:

(a) With respect to all Released Claims, particularly in light of the Settlement, (1) the Members of the Settlement Class are so numerous that joinder of all class members in the Actions is impracticable; (2) there are questions of law and fact common to the Settlement Class; (3) the claims of the Representative Plaintiffs are typical of the claims of the Settlement Class; and (4) in negotiating and entering into the Stipulation, the Representative Plaintiffs and their counsel have fairly and adequately represented and protected the interests of all Settlement Class Members; and

(b) With respect to all Released Claims (1) the questions of law and fact that are common to the Settlement Class predominate over any individual questions; and (2) a class action is superior to other available methods for the fair and efficient adjudication of this controversy, considering (i) the interests of the Settlement Class Members in individually controlling the prosecution of separate actions, (ii) the extent and nature of any litigation concerning the controversy already commenced by Settlement Class Members, (iii) the desirability or undesirability of concentrating the litigation of these claims in this particular forum, and (iv) the difficulties likely to be encountered in the management of the Actions.

4. Solely for purposes of the Stipulation and the Settlement, the Settlement Class is hereby certified pursuant to Rule 23(b)(3) of the Federal Rules of Civil Procedure in accordance with the following definition as set forth in the Stipulation: "Settlement Class" means (i) all Persons (and their beneficiaries) who purchased or acquired any publicly traded equity or debt securities of Enron between October 19, 1998 and November 27, 2001, inclusive, and including purchasers of all securities issued by Enron-related entities during the Settlement Class Period, the value or repayment of which was dependent on the credit, financial condition, or ability to pay of Enron Corporation

(collectively, the "Publicly Traded Securities")[1], and (ii) all states or political subdivisions thereof or state pension plans that purchased from Defendants Enron's 6.40% Notes due 7/15/06 or 6.95% Notes due 7/15/28, and that authorize the prosecution of their claims pursuant to the Texas Securities Act. Excluded from the Settlement Class are Defendants, the officers and directors of Enron, and members of their immediate families or their successors, heirs, and legal representatives. Also excluded from the Settlement Class are those Persons who timely and validly request exclusion from the Settlement Class, to the extent that they are able to do so under Rule 23 of the Federal Rules of Civil Procedure, pursuant to the Mailed Notice (as defined in ¶6, below). Notwithstanding anything in the Stipulation or any other document to the contrary, the exclusion from the Settlement Class of Defendants shall not include Defendants who purchased or acquired any publicly traded equity or debt securities of Enron in a representative capacity, such as trustee, agent, custodian or otherwise, on behalf of Persons who are or were neither Defendants, officers or directors of Enron, nor members of their immediate families or their successors, heirs and legal representatives.

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[1] The Publicly Traded Securities include without limitation Enron's publicly traded debt and equity securities (including without limitation Enron's common stock, 7% Exchangeable Notes, 6.625% Notes, 7.375% Notes, 8.375% Medium Term Notes, and Zero Coupon Convertible Senior Notes) as well as preferred securities issued by Enron, Enron Capital LLC 8% Cumulative Guaranteed Monthly Income Preferred Shares, Enron Capital Trust I Trust Originated Preferred Securities, Enron Capital Trust II Trust Originated Preferred Securities and Enron Capital Resources, L.P. 9% Cumulative Preferred Securities (collectively, the "Preferred Securities"), and Osprey $1,400,000,000 8.31% Senior Secured Notes due 03, Yosemite $750,000,000 8.25% Series 1999-A Linked Enron Obligations due 11/15/04, Yosemite £200,000,000 8.75% Series 2000-A Linked Enron Obligations due 07, Enron Credit Linked Notes $500,000,000 8% due 05, Osprey $750,000,000 7.797% Senior Secured Notes due 03 and €315,000,000 6.375% Senior Secured Notes due 03, Enron Credit Linked Notes II $500,000,000 7.375% due 06, Enron Euro Credit Linked Notes Trust €200,000,000 6.5% due 06, Enron Sterling Credit Linked Notes Trust £125,000,000 7.25% due 06, and Marlin Water Trust II and Marlin Water Capital Corp. II $475,000,000 6.31% Senior Secured Notes and €515,000,000 6.19% Senior Secured Notes (collectively, the "Foreign Debt Securities").

5. Solely for purposes of the Stipulation and the Settlement, the Representative Plaintiffs are hereby certified as the class representatives pursuant to Rule 23(b)(3) of the Federal Rules of Civil Procedure.

6. The Court approves, as to form and content, the Notice of Pendency and Partial Settlement of Class Action annexed hereto as Exhibit A-1 (the "Mailed Notice").

7. The Court approves, as to form and content, the Summary Notice for Publication annexed hereto as Exhibit A-2 (the "Summary Notice").

8. The date and time of the Settlement Hearing shall be added to the Mailed Notice and the Summary Notice before they are mailed and published, respectively, in accordance with ¶10, below.

9. The Court finds that the mailing, publication and distribution of the Mailed Notice and Summary Notice substantially in the manner and form set forth, constitutes the best notice practicable under the circumstances, including individual notice to all Settlement Class Members who can be identified through reasonable effort, and constitutes valid, due and sufficient notice to all Persons entitled thereto, complying fully with the requirements of Rule 23 of the Federal Rules of Civil Procedure and due process.

10. The Notice and Claims Administrator is empowered to supervise and administer the notice procedure, as set forth below:

(a) Commencing on or before February 14, 2005, the Notice and Claims Administrator shall mail or cause to be mailed, by first class mail, postage prepaid, copies of the Mailed Notice to all Settlement Class Members who can be identified by Plaintiffs' Settlement Counsel with reasonable effort at each such Settlement Class Member's last known address; and

(b) On or before February 28, 2005, the Notice and Claims Administrator shall cause the Summary Notice to be published twice in *Investor's Business Daily* and twice in the *Houston Chronicle*.

11. At or prior to the Settlement Hearing (as defined below), Plaintiffs' Settlement Counsel shall file with the Court and serve on counsel for BofA proof by declaration or affidavit of the mailing and publication described in¶10, above.

12. Settlement Class Members who wish to exclude themselves from the Settlement Class must do so in accordance with the instructions contained in the Mailed Notice.

13. Unless otherwise ordered by the Court, all Persons who fall within the definition of the Settlement Class and who do not timely and validly request to be excluded from the Settlement Class in accordance with the instructions set forth in the Mailed Notice shall be subject to and bound by the provisions of the Stipulation, the releases contained therein, and the Judgment with respect to all Released Claims, regardless of whether such Persons seek or obtain by any means, including, without limitation, by submitting a Proof of Claim and Release or any similar document, any distribution from the Gross Settlement Fund or the Net Settlement Fund.

14. A hearing (the "Settlement Hearing") shall be held on April 11, 2005 at 10:00 a.m., before the Honorable Melinda Harmon, United States District Judge, at the United States District Court for the Southern District of Texas, Bob Casey United States Courthouse, 515 Rusk Avenue, Houston, Texas 77002, to determine (a) whether the proposed Settlement as set forth in the Stipulation is fair, reasonable and adequate and should be approved by the Court; (b) whether an Order of Final Judgment and Dismissal, substantially in the form of Exhibit B to the Stipulation, should be entered herein; and (c) whether the establishment of the Expense Fund should be approved.

15. All papers in support of the Settlement shall be filed at least seven (7) days prior to the Settlement Hearing.

16. Any Settlement Class Member may appear and show cause (if he, she or it has any) why the Court should or should not (a) approve the proposed Settlement as set forth in the Stipulation as fair, reasonable and adequate; (b) enter the Order of Final Judgment and Dismissal substantially in the form annexed as Exhibit B to the Stipulation; or (c) approve the establishment of the Expense Fund; provided, however that no Person shall be heard with respect to, or shall be entitled to contest, the foregoing matters unless on or before March 28, 2005, that Person has served by hand or by first class mail notice of his, her or its intention to appear, setting forth briefly each objection and the basis therefor, together with copies of any papers and briefs in support of said objections and proof of membership in the Settlement Class, upon William S. Lerach, Keith F. Park and Helen J. Hodges, Lerach Coughlin Stoia Geller Rudman & Robbins LLP, 401 B Street, Suite 1600, San Diego, California 92101 (on behalf of the Representative Plaintiffs); and upon Gregory Markel, Cadwalader, Wickersham & Taft LLP, 100 Maiden Lane, New York, New York 10038 (on behalf of BofA); and has filed said objections, papers and briefs with the Court. Unless otherwise ordered by the Court, any Settlement Class Member who does not make his, her, or its objection in the manner provided for herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the foregoing matters.

17. The Court may adjourn the Settlement Hearing from time to time and without further notice to the Settlement Class. The Court reserves the right to approve the Settlement at or after the Settlement Hearing with such modifications as may be consented to by the Settling Parties and without further notice to the Settlement Class. The Court further reserves the right to enter the Order of Final Judgment and Dismissal, *inter alia*, dismissing the Actions with prejudice as to BofA at or after the Settlement Hearing and without further notice to the Settlement Class.

18. Upon the Effective Date, the Representative Plaintiffs and each of the Settlement Class Members, on behalf of themselves, their successors and assigns, and any other Person claiming (now or in the future) through or on behalf of them, and regardless of whether any such Representative Plaintiff or Settlement Class Member ever seeks or obtains by any means, including, without limitation, by submitting a Proof of Claim and Release, any distribution from the Gross Settlement Fund, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against BofA and shall have covenanted not to sue BofA with respect to all such Released Claims, and shall be permanently barred and enjoined from instituting, commencing, or prosecuting any such Released Claim against BofA.

19. Except as otherwise provided in the Stipulation, no Person who is not a Settlement Class Member or counsel for one or more of the Representative Plaintiffs shall have any rights to any portion of the Gross Settlement Fund.

20. Banks, brokerage firms, institutions, and other Persons who are nominees that purchased Publicly Traded Securities of Enron for the beneficial interest of other Persons during the Settlement Class Period shall, within ten (10) calendar days of receiving the Mailed Notice (a) send the Mailed Notice to all such beneficial owners, or (b) if they have not already done so in connection with the settlement with Andersen Worldwide Societe Cooperative ("AWSC"), send a list of the names and addresses of such beneficial owners to the Notice and Claims Administrator, in which event the Notice and Claims Administrator shall promptly mail the Mailed Notice to such beneficial owners. The Mailed Notice will advise such nominees that their reasonable costs in providing the Mailed Notice to such beneficial owners, to the extent not already reimbursed in connection with the prior settlement with AWSC, will be reimbursed by Plaintiffs' Settlement Counsel from the Gross Settlement Fund.

21. All reasonable costs and expenses incurred in identifying and providing notice to Settlement Class Members and in administering the Gross Settlement Fund shall be paid as set forth in the Stipulation.

22. The Court retains jurisdiction over all proceedings arising out of or related to the Stipulation and/or the Settlement.

23. If for any reason the Settlement does not become effective in accordance with the terms of the Stipulation, this Preliminary Approval Order shall be rendered null and void and shall be vacated nunc pro tunc, and the provisions of paragraph 7.5 of the Stipulation shall apply.

24. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any of the provisions of this Preliminary Approval Order or the Stipulation.

25. Pending final determination as to whether the Settlement as set forth in the Stipulation should be approved, no Settlement Class Member shall commence, prosecute, pursue or litigate any Released Claim against BofA, whether directly, representatively or in any other capacity, and regardless of whether or not any such Settlement Class Member has appeared in the Actions.

IT IS SO ORDERED.

DATED: February 4, 2005

Melinda Harmon

THE HONORABLE MELINDA HARMON
UNITED STATES DISTRICT JUDGE

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re ENRON CORPORATION SECURITIES LITIGATION	§	Civil Action No. H-01-3624
	§	**(Consolidated)**
	§	
This Document Relates To:	§	CLASS ACTION
	§	
MARK NEWBY, et al., Individually and On Behalf of All Others Similarly Situated,	§	
	§	
Plaintiffs,	§	
vs.	§	
ENRON CORP., et al.,	§	
	§	
Defendants.	§	
	§	
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, et al., Individually and On Behalf of All Others Similarly Situated,	§	
	§	
Plaintiffs,	§	
vs.	§	
KENNETH L. LAY, et al.,	§	
	§	
Defendants.	§	
	§	

[Caption continued on following page.]

NOTICE OF PENDENCY AND PARTIAL SETTLEMENT OF CLASS ACTION

EXHIBIT A-1

WASHINGTON STATE INVESTMENT BOARD, et al., On Behalf of Themselves and All Others Similarly Situated,	§
Plaintiffs,	§
vs.	§
KENNETH L. LAY, et al.,	§
Defendants.	§

TO: (1) ALL PERSONS WHO PURCHASED OR ACQUIRED PUBLICLY TRADED EQUITY OR DEBT SECURITIES OF ENRON CORPORATION (INCLUDING ALL SECURITIES ISSUED BY ENRON-RELATED ENTITIES, THE VALUE OR REPAYMENT OF WHICH WAS DEPENDENT ON THE CREDIT, FINANCIAL CONDITION, OR ABILITY TO PAY OF ENRON CORPORATION) ("PUBLICLY TRADED SECURITIES" AS FURTHER DEFINED BELOW) DURING THE PERIOD FROM OCTOBER 19, 1998 THROUGH AND INCLUDING NOVEMBER 27, 2001; AND (2) ALL STATES OR POLITICAL SUBDIVISIONS THEREOF OR STATE PENSION PLANS THAT PURCHASED FROM DEFENDANTS ENRON'S 6.40% NOTES DUE 7/15/06 OR 6.95% NOTES DUE 7/15/28 AND THAT AUTHORIZE THE PROSECUTION OF THEIR CLAIMS PURSUANT TO THE TEXAS SECURITIES ACT

This Notice of Pendency and Partial Settlement of Class Action (the "Notice") is given pursuant to Rule 23 of the Federal Rules of Civil Procedure to inform you of the proposed partial settlement of these Actions (the "Settlement") and the hearing (the "Settlement Hearing") to be held by the United States District Court for the Southern District of Texas (the "Court") to consider the fairness, reasonableness and adequacy of the Settlement as set forth in the Stipulation of Settlement among the Representative Plaintiffs and BofA (as further defined below), dated as of October 28, 2004 (the "Stipulation"), on file with the Court. All capitalized terms not defined prior to their use in this Notice have the meanings set forth in Section VIII, below.

I. STATEMENT OF PLAINTIFFS' RECOVERY

The Settlement will result in the creation of a cash settlement fund in the aggregate principal amount of Sixty-Nine Million Dollars ($69,000,000) plus any interest that may accrue thereon (the "Gross Settlement Fund"), which, subject to deduction for costs of notice and administration and certain taxes and tax related expenses and for attorneys' fees, costs and expenses as approved by the Court, will be available for distribution to Settlement Class Members (as defined below). As described more fully below, the amount of any distribution to Settlement Class Members on a per share basis will depend on future Court proceedings and it is therefore not possible to estimate the amount of any such distribution at the present time. *See* Section XI.

II. STATEMENT OF POTENTIAL OUTCOME

Representative Plaintiffs and BofA do not agree on the average amount of damages per share that would have been recoverable from BofA if Representative Plaintiffs were to have prevailed on each claim asserted. The issues on which the parties disagree include: (1) whether BofA engaged in conduct that would give rise to any liability to the Settlement Class under the federal securities laws, Texas common law, or any other laws; (2) whether BofA has valid defenses to any such claims of liability; (3) the appropriate economic model for determining the amount by which the Publicly Traded Securities were allegedly artificially inflated (if at all) during the Settlement Class Period; (4) the amount by which the Publicly Traded Securities were allegedly artificially inflated (if at all) during the Settlement Class Period; (5) the effect of various market forces influencing the trading price of Publicly Traded Securities at various times during the Settlement Class Period; (6) the extent to which external factors, such as general market conditions, influenced the trading price of Publicly Traded Securities at various times during the Settlement Class Period; (7) the extent to which the various matters that Representative Plaintiffs alleged were materially false or misleading influenced (if at all) the trading price of Publicly Traded Securities at various times during the Settlement Class Period; (8) the extent to which the various allegedly adverse material facts that Representative Plaintiffs alleged were omitted influenced (if at all) the trading price of the Publicly Traded Securities at various times during the Settlement Class Period; (9) whether the statements made or facts allegedly omitted were false, material or otherwise actionable under the federal securities or other laws.

III. STATEMENT OF ATTORNEYS' FEES AND EXPENSES SOUGHT

At a future date, upon further notice to the Settlement Class, counsel for the Representative Plaintiffs will apply to the Court for an award of attorneys' fees from the Gross Settlement Fund. No attorneys' fees are being sought at this time. However, the Stipulation provides for the allocation of

Six Million Nine Hundred Thousand Dollars ($6,900,000) (the "Expense Fund") of the Gross Settlement Fund for reimbursement of expenses incurred and expected to be incurred by Plaintiffs' Settlement Counsel in prosecuting the Actions. The Court will be asked to approve the establishment of the Expense Fund at the Settlement Hearing.

IV. REASONS FOR SETTLEMENT

The Representative Plaintiffs and their counsel believe that this Settlement is fair, reasonable, and adequate to the Members of the Settlement Class. The Representative Plaintiffs and their counsel have reached this conclusion after investigating and considering, among other things, the strengths and weaknesses of the Representative Plaintiffs' claims against BofA and BofA's defenses to those claims, the fact that BofA has been dismissed from certain of the Actions by Court Order dated December 20, 2002, the uncertainties of this complex litigation, and the benefit provided by the Settlement to the Members of the Settlement Class. *See* Section VII.

V. IDENTIFICATION OF ATTORNEYS' REPRESENTATIVES

Any questions regarding the Settlement should be directed to Plaintiffs' Settlement Counsel or their staff:

RICK NELSON
LERACH COUGHLIN STOIA GELLER RUDMAN & ROBBINS LLP
401 B Street, Suite 1600
San Diego, CA 92101-4297
Telephone: (800) 449-4900

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED PARTIAL SETTLEMENT OF THESE ACTIONS AND, IF YOU ARE A SETTLEMENT CLASS MEMBER, CONTAINS IMPORTANT INFORMATION AS TO YOUR RIGHTS CONCERNING THE SETTLEMENT AS FURTHER DESCRIBED BELOW.

EXCLUSION DEADLINE: REQUESTS FOR EXCLUSION MUST BE FILED SO AS TO BE RECEIVED NO LATER THAN _____, 2005. SECURITIES BROKERS AND OTHER NOMINEES: PLEASE SEE THE INSTRUCTIONS ON PAGE__ BELOW.

VI. BACKGROUND OF THE LITIGATION

BofA has been named as a defendant in the Newby Action. BofA moved to dismiss the Newby Action on the ground that the complaint failed to state a claim upon which relief could be granted because plaintiffs failed to allege facts that would sustain a claim that BofA engaged in any actionable conduct. On December 20, 2002, the Court granted BofA's motion to dismiss all claims against it asserted against it under the Securities Exchange Act of 1934 (the "1934 Act"). BofA contends that this ruling necessarily requires dismissal of any 1934 Act claims that might be pursued against BofA in the Actions or in any of the other consolidated and coordinated actions.

VII. BACKGROUND OF THE SETTLEMENT

Counsel for the Representative Plaintiffs have conducted an investigation relating to the claims and underlying events alleged in the complaints. Counsel for the Representative Plaintiffs also have conducted considerable formal and informal discovery in the Actions and in related litigation and have analyzed the evidence obtained therein, and have researched the applicable law with respect to the claims alleged in the complaints and the potential defenses thereto.

The Representative Plaintiffs, by their counsel, have conducted arm's-length negotiations with counsel for BofA with a view toward settling the issues in dispute and achieving the best result possible consistent with the interests of the Settlement Class.

Based upon their investigation, counsel for the Representative Plaintiffs have concluded that the terms of the Settlement as set forth in the Stipulation are fair, reasonable, and adequate to the Representative Plaintiffs and the Settlement Class, and in the best interest of the Representative Plaintiffs and the Settlement Class, and have agreed to settle the Actions as to BofA pursuant to the

terms and provisions of the Stipulation, after considering (i) the benefits that the Representative Plaintiffs and the Settlement Class will receive from the Settlement; (ii) the attendant risks of litigation; and (iii) the desirability of permitting the Settlement to be consummated as provided by the terms of the Stipulation.

BofA has denied and continues to deny each and all of the claims and allegations of wrongdoing made by the Representative Plaintiffs in the Actions and maintains furthermore that it has meritorious defenses. BofA has expressly denied and continues to deny all charges of wrongdoing or liability against it arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Actions, and BofA vigorously contends that many of the factual allegations of the complaints relating to BofA were materially inaccurate. BofA also has denied and continues to deny, *inter alia*, the allegations that the Representative Plaintiffs or the Settlement Class Members were harmed by BofA's conduct alleged in the Actions. Pursuant to the terms of the Stipulation, the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession by BofA with respect to any claim of any fault or liability or wrongdoing or damage whatsoever.

Nonetheless, BofA has concluded that further conduct of the Actions would be protracted and expensive, and that it is desirable that the Actions be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation. BofA also has taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like the Actions. BofA has, therefore, determined that it is desirable and beneficial to it that the Actions be settled in the manner and upon the terms and conditions set forth in this Stipulation.

THIS NOTICE IS NOT INTENDED TO BE, AND SHOULD NOT BE CONSTRUED AS, AN EXPRESSION OF ANY OPINION BY THE COURT WITH RESPECT TO THE TRUTH OF THE ALLEGATIONS IN THE ACTIONS OR THE MERITS OF THE CLAIMS OR DEFENSES

ASSERTED. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PENDENCY OF THE ACTION AND THE PROPOSED PARTIAL SETTLEMENT THEREOF AND OF YOUR RIGHTS IN CONNECTION THEREWITH.

VIII. DEFINITIONS

As used in this Notice, the following terms have the meanings specified below. Any capitalized terms not specifically defined in this Notice shall have the meanings set forth for such terms in the Stipulation. In the event of any inconsistency between any definition set forth below or elsewhere in this Notice and any definition set forth in the Stipulation, the definition set forth in the Stipulation shall control.

1. "Action" means the Newby Action, Civil Action No. H-01-CV-3624 (S.D. Tex.).

2. "Actions" means the *Newby* Action, *Washington State Investment Board, et al. v. Kenneth L. Lay, et al.*, Civil Action No. H-02-CV-3401 (S.D. Tex.) (the "WSIB Action"); *The Regents of the University of California v. Royal Bank of Canada, et al.*, Civil No. H-04-0087 (S.D. Tex.); *The Regents of the University of California v. Milbank Tweed, et al.*, Civil No. H-04-0088 (S.D. Tex.); and *The Regents of the University of California v. Toronto-Dominion Bank, et al.*, Civil No. 03-5528.

3. "Authorized Claimant" means any Settlement Class Member who is entitled to a distribution from the Gross Settlement Fund pursuant to the terms of the Stipulation, any Plan of Allocation, or any order of the Court.

4. "BofA" means Bank of America Corp. and Banc of America Securities LLC, along with their direct and indirect present and former parents, subsidiaries, divisions, affiliates, attorneys, accountants, insurers, predecessors and successors and all of their current and former members, officers, directors, principals, shareholders, employees and agents and each and all of the heirs, executors, administrators, spouses, assigns and/or bankruptcy estates of such persons, in each

instance only in their capacity as such, and any person or entity in which any of the above has or had a controlling interest or which is or was related to or affiliated with any of the above, but excluding the Non-Settling Defendants in the Actions.

5. "Court" means the United States District Court for the Southern District of Texas, Houston Division.

6. "Defendants" means each and all of the defendants that have been or may be named in any of the complaints in the Actions.

7. "Effective Date" means the first date by which all of the events and conditions specified in paragraph 7.1 of the Stipulation have occurred and have been met, respectively.

8. "Enron" means Enron Corporation and all of its past and present parents, subsidiaries, divisions, joint ventures, predecessors, successors, assigns, related or affiliated entities, and any entity in which any of them has a controlling interest.

9. "Expense Fund" means a principal amount not to exceed Six Million Nine Hundred Thousand Dollars ($6,900,000) plus any interest that may accrue thereon. The Expense Fund shall be paid from, and not in addition to, the Gross Settlement Fund.

10. "Judgment" means a judgment to be rendered by the Court, substantially in the form attached to the Stipulation as Exhibit B.

11. "Lead Plaintiff" means The Regents of the University of California.

12. "Newby Action" means the actions brought on behalf of all purchasers (and their beneficiaries) of any publicly traded equity and debt securities of Enron Corporation, as defined in that action, from October 19, 1998 through November 27, 2001, inclusive (excluding Defendants, the officers and directors of Enron, and members of their immediate families or their successors, heirs, and legal representatives), proceeding as a consolidated action captioned *Newby, et al. v. Enron Corp., et al.*, No. H-01-CV-3624 (S.D. Tex.).

13. "Non-BofA Defendants" means the defendants other than BofA that have been named in the complaints in the Actions.

14. "Non-Settling Defendants" means each and all of the current Defendants except BofA.

15. "Notice and Claims Administrator" means Gilardi & Co. LLC or its successors.

16. "Person" means an individual, corporation, limited liability corporation, professional corporation, limited liability partnership, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and any spouses, heirs, predecessors, successors, representatives, or assignees of any of the foregoing.

17. "Plaintiffs' Settlement Counsel" means Lerach Coughlin Stoia Geller Rudman & Robbins LLP (and any successors thereof), William S. Lerach, Keith F. Park, Helen J. Hodges, 401 B Street, Suite 1600, San Diego, California 92101.

18. "Plan of Allocation" means any plan or formula of allocation of the Gross Settlement Fund, to be approved by the Court upon further notice to the Settlement Class, whereby the Net Settlement Fund shall in the future be distributed to Authorized Claimants. Any Plan of Allocation is not part of the Stipulation and BofA shall have no responsibility or liability with respect thereto.

19. "Proof of Claim and Release" means the form to be sent to Settlement Class Members, upon further order(s) of the Court, by which Settlement Class Members may make claims against the Settlement Fund for damages allegedly incurred by reason of their investment(s) in the Publicly Traded Securities.

20. "Released Claims" means any and all claims, demands, rights, liabilities and causes of action (including "Unknown Claims" as defined below) of any nature whatsoever (excluding claims under ERISA), asserted under federal, state or local law, including without limitation claims

under the Securities Exchange Act of 1934 and the Securities Act of 1933, that Representative Plaintiffs and/or any Settlement Class Member have, had, or may have against BofA based on, arising out of, or related to, directly or indirectly, purchases or other acquisitions of any Publicly Traded Securities, including stock, notes and foreign debt securities, during the Settlement Class Period and all acts, facts, statements, or omissions that were or could have been alleged in the Actions.

21. "Representative Plaintiffs" means the Lead Plaintiff and the named plaintiffs in the WSIB Action.

22. "Settlement Amount" means the principal amount of Sixty-Nine Million Dollars ($69,000,000).

23. "Settlement Class" means (i) all Persons (and their beneficiaries) who purchased or acquired any publicly traded equity or debt securities of Enron between October 19, 1998 and November 27, 2001, inclusive, and including purchasers of all securities issued by Enron-related entities during the Settlement Class Period, the value or repayment of which was dependent on the credit, financial condition, or ability to pay of Enron Corporation (collectively, the "Publicly Traded Securities")[1], and (ii) all states or political subdivisions thereof or state pension plans that purchased

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[1] The Publicly Traded Securities include without limitation Enron's publicly traded debt and equity securities (including without limitation Enron's common stock, 7% Exchangeable Notes, 6.625% Notes, 7.375% Notes, 8.375% Medium Term Notes, and Zero Coupon Convertible Senior Notes) as well as preferred securities issued by Enron, Enron Capital LLC 8% Cumulative Guaranteed Monthly Income Preferred Shares, Enron Capital Trust I Trust Originated Preferred Securities, Enron Capital Trust II Trust Originated Preferred Securities and Enron Capital Resources, L.P. 9% Cumulative Preferred Securities (collectively, the "Preferred Securities"), and Osprey $1,400,000,000 8.31% Senior Secured Notes due 03, Yosemite $750,000,000 8.25% Series 1999-A Linked Enron Obligations due 11/15/04, Yosemite£200,000,000 8.75% Series 2000-A Linked Enron Obligations due 07, Enron Credit Linked Notes $500,000,000 8% due 05, Osprey $750,000,000 7.797% Senior Secured Notes due 03 and €315,000,000 6.375% Senior Secured Notes due 03, Enron Credit Linked Notes II $500,000,000 7.375% due 06, Enron Euro Credit Linked Notes Trust €200,000,000 6.5% due 06, Enron Sterling Credit Linked Notes Trust£125,000,000 7.25% due 06,

from Defendants Enron's 6.40% Notes due 7/15/06 or 6.95% Notes due 7/15/28, and that authorize the prosecution of their claims pursuant to the Texas Securities Act. Excluded from the Settlement Class are Defendants, the officers and directors of Enron, and members of their immediate families or their successors, heirs, and legal representatives. Also excluded from the Settlement Class are those Persons who timely and validly request exclusion from the Settlement Class, to the extent that they are able to do so under Rule 23 of the Federal Rules of Civil Procedure, pursuant to this Notice.

24. "Settlement Class Member" or "Member of the Settlement Class" mean a Person who falls within the definition of the Settlement Class.

25. "Settlement Class Period" means the period commencing on October 19, 1998 through November 27, 2001, inclusive.

26. "Settling Parties" means, collectively, BofA and the Representative Plaintiffs (on behalf of themselves and each of the Settlement Class Members).

27. "Unknown Claims" means any Released Claim that any Representative Plaintiff or Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of BofA that if known by him, her or it, might have affected his, her or its settlement with and release of BofA, or might have affected his, her or its decision not to object to this settlement or not to exclude himself, herself or itself from the Settlement Class. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Representative Plaintiffs shall expressly waive, and each of the Settlement Class Members shall be deemed to have waived and by operation of the Judgment shall have waived, the provisions, rights and benefits of California Civil Code§1542, which provides:

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and Marlin Water Trust II and Marlin Water Capital Corp. II $475,000,000 6.31% Senior Secured Notes and €515,000,000 6.19% Senior Secured Notes (collectively, the "Foreign Debt Securities").

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

The Representative Plaintiffs shall expressly waive, and each of the Settlement Class Members shall be deemed to have waived and by operation of the Judgment shall have waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, that is similar, comparable or equivalent to California Civil Code§1542. The Representative Plaintiffs and Settlement Class Members may hereafter discover facts in addition to or different from those that any of them now knows or believes to be true with respect to the subject matter of the Released Claims, but each Representative Plaintiff shall expressly have, and each Settlement Class Member shall be deemed to have and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Representative Plaintiffs acknowledge, and the Settlement Class Members shall be deemed to have acknowledged, and by operation of the Judgment shall have acknowledged, that the foregoing waiver was separately bargained for and a key element of the settlement of which this release is a part.

IX. THE SETTLEMENT CLASS

By Order dated _____, 2005, the Court certified the Settlement Class pursuant to Rule 23(b)(3) of the Federal Rules of Civil Procedure, for the purpose of the Settlement only, and directed that this Notice be given to Members of the Settlement Class. If you fall within the definition of the Settlement Class set forth above at Section VIII, then you are a Settlement Class Member.

X. THE RIGHTS OF SETTLEMENT CLASS MEMBERS

If you are a Settlement Class Member, you may receive the benefit of, and you will be bound by, the terms of the proposed Settlement described in Section XI of this Notice, upon approval of the proposed Settlement by the Court.

If you are a Member of the Settlement Class and if you do not wish to be included in the Settlement Class and do not wish to participate in the proposed Settlement described in this Notice, you may request to be excluded with respect to all Released Claims.

To request to be excluded in accordance with the preceding paragraph, you must send a signed, written request to be excluded, postmarked no later than _____, 2005, and addressed as follows:

In re Enron Corporation Securities Litigation
c/o Gilardi & Co. LLC
P.O. Box 5100
Larkspur, CA 94977-5100

You must set forth the name of this Action *(In re Enron Corporation Securities Litigation,* Civil Action No. H-01-3624 (Consolidated)), your name, address and telephone number, and state that you "request exclusion from the Settlement Class in *In re Enron Corporation Securities Litigation,* Civil Action No. H-01-3624 (Consolidated)." You must also set forth the number and type of shares of Publicly Traded Enron securities that you purchased and sold during the Settlement Class Period and the prices at which the shares were purchased and sold, along with the name and

address of the record owner of such shares if different from your own. NO PERSON OR ENTITY MAY EXCLUDE HIMSELF, HERSELF, OR ITSELF FROM THE SETTLEMENT CLASS AFTER _____, 2005.

If you validly request exclusion from the Settlement Class (a) you will be excluded from the Settlement Class, (b) you will not share in the proceeds of the Settlement described herein, (c) you will not be bound by any judgment entered in the Actions insofar as such judgment relates to the Actions, and (d) you will not be precluded, by reason of your decision to request exclusion from the Settlement Class, from otherwise prosecuting an individual claim, if timely and otherwise valid, against BofA based on the matters complained of in the Actions. If you are a Settlement Class Member, you may, but are not required to, enter an appearance through counsel of your own choosing at your own expense, provided that such counsel must file an appearance on your behalf on or before _____, 2005, and must serve copies of such appearance on the attorneys listed in Section XIV below. If you do not enter an appearance through counsel of your own choosing, you will be represented by Plaintiffs' Settlement Counsel.

XI. TERMS OF THE PROPOSED SETTLEMENT

A settlement has been reached in the Actions between the Representative Plaintiffs and BofA, the terms and conditions of which are set forth in the Stipulation and the Exhibits thereto. The following description of the proposed Settlement is only a summary, and reference is made to the text of the Stipulation, on file with the Court, for a full statement of its provisions.

A. The Settlement Fund

The entire settlement fund (the "Gross Settlement Fund") consists of the aggregate principal amount of Sixty-Nine Million Dollars ($69,000,000) in cash, plus interest thereon, that has been placed into an interest-bearing account pursuant to the terms of the Stipulation. The Stipulation provides for the establishment of an Expense Fund in the amount of Six Million Nine Hundred

Thousand Dollars ($6,900,000), which shall be paid from, and not in addition to, the Gross Settlement Fund. At the Settlement Hearing, the Court will be asked to approve the establishment of the Expense Fund. The Expense Fund will be used, subject to the Court's approval(s), to reimburse Plaintiffs' Settlement Counsel for the expenses that they have incurred and expect to incur in the prosecution of the Actions. A portion of the Gross Settlement Fund will also be used to pay for this Notice as well as taxes and tax return preparation expenses regarding the interest earned on the Gross Settlement Fund.

After further notice to the Settlement Class and an opportunity to be heard, Plaintiffs' Settlement Counsel will seek approval by the Court of a Plan of Allocation that will govern the calculation of Settlement Class Members' claims against the Gross Settlement Fund. In the future, Settlement Class Members will be sent a Proof of Claim and Release form to establish their claims against the Gross Settlement Fund.

Because of the aggregate amount of damages that Plaintiffs' Settlement Counsel assert were suffered by Settlement Class Members, it is not economically feasible to distribute the Gross Settlement Fund to Settlement Class Members at this time. Plaintiffs' Settlement Counsel anticipate that such distributions will occur in connection with additional recoveries against the remaining Defendants in the Actions.

B. Releases

If the proposed Settlement is approved by the Court, the Court will enter an order (the "Order of Final Judgment and Dismissal") that will dismiss the Actions with prejudice as to BofA. In addition, upon the Effective Date, the Representative Plaintiffs and each of the Settlement Class Members, on behalf of themselves, their successors and assigns, and any other Person claiming (now or in the future) through or on behalf of them, and regardless of whether any such Representative Plaintiff or Settlement Class Member ever seeks or obtains by any means, including, without

limitation, by submitting a Proof of Claim and Release, any distribution from the Gross Settlement Fund, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against BofA and shall have covenanted not to sue BofA with respect to all such Released Claims, and shall be permanently barred and enjoined from instituting, commencing, or prosecuting any such Released Claim against BofA. In addition, subject to certain limitations set forth in the Stipulation, BofA will release the Representative Plaintiffs, the Settlement Class Members and Plaintiffs' Settlement Counsel from any claims relating to the prosecution of the Action. The Court shall retain jurisdiction over these Actions, including, without limitation, all matters with respect to implementation and enforcement of the terms of the Stipulation.

XII. NOTICE TO BANKS, BROKERS AND OTHER NOMINEES

Banks, brokerage firms, institutions, and other persons who are nominees that purchased Enron Publicly Traded Securities for the beneficial interest of other persons as of any date from October 19, 1998 through and including November 27, 2001 are requested to, within ten (10) calendar days of receipt of this Notice, (1) provide the Notice and Claims Administrator with the names and addresses of such beneficial purchasers (IF YOU HAVE NOT ALREADY DONE SO IN CONNECTION WITH THE NOTICE TO SETTLEMENT CLASS MEMBERS SENT IN THE FALL OF 2003 REGARDING THE PARTIAL SETTLEMENT WITH ANDERSEN WORLDWIDE SOCIETE COOPERATIVE ("AWSC")), or (2) forward a copy of this Notice to each such beneficial purchaser and provide Plaintiffs' Settlement Counsel with written confirmation that the Notice has been so forwarded. Upon submission of appropriate documentation, Plaintiffs' Settlement Counsel will reimburse your reasonable costs and expenses of complying with this provision (to the extent you have not already been reimbursed for providing a list of beneficial

purchasers in connection with the previous partial settlement with AWSC). Additional copies of this Notice may be obtained from the Notice and Claims Administrator by writing to:

In re Enron Corporation Securities Litigation
c/o Gilardi & Co. LLC
P.O. Box 5100
Larkspur, CA 94977-5100

Correspondence to Plaintiffs' Settlement Counsel should be addressed as follows:

WILLIAM S. LERACH
KEITH F. PARK
LERACH COUGHLIN STOIA & ROBBINS LLP
401 B Street
Suite 1600
San Diego, CA 92101-4297

XIII. APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

Plaintiffs' Settlement Counsel do not intend to apply for an award of attorneys' fees at this time. As noted above, however, Plaintiffs' Settlement Counsel will ask the Court at the Settlement Hearing to approve the establishment of the Expense Fund in the amount of Six Million Nine Hundred Thousand Dollars. Reimbursement of expenses from the Expense Fund will only occur upon further Court order. Any application for attorneys' fees and reimbursement of expenses not otherwise recovered from the Expense Fund will only occur after notice of that application has been given to the Settlement Class and an opportunity to be heard. Any such sums as awarded by the Court will be paid from the Gross Settlement Fund.

XIV. THE SETTLEMENT HEARING

A hearing (the "Settlement Hearing") will be held on _____, 2005 at _____, __.m., before the Honorable Melinda Harmon, United States District Judge, at the United States District Court for the Southern District of Texas, Bob Casey United States Courthouse, 515 Rusk Avenue, Houston, Texas 77002, for the purpose of determining (a) whether the proposed Settlement as set forth in the Stipulation is fair, reasonable and adequate and should be approved by

the Court; (b) whether an Order of Final Judgment and Dismissal, substantially in the form of Exhibit B to the Stipulation, should be entered herein; and (c) whether the establishment of the Expense Fund should be approved. The Court may adjourn the Settlement Hearing from time to time and without further notice to the Settlement Class.

Any Settlement Class Member who has not requested exclusion may appear at the Settlement Hearing and be heard on any of the foregoing matters; provided, however, that no such person shall be heard unless his, her or its objection is made in writing and is filed, together with proof of membership in the Settlement Class and copies of all other papers and briefs to be submitted by him, her or it to the Court at the Settlement Hearing, with the Court no later than _____, 2005, and showing due proof of service on Plaintiffs' Settlement Counsel:

WILLIAM S. LERACH
KEITH F. PARK
HELEN J. HODGES
LERACH COUGHLIN STOIA GELLER RUDMAN & ROBBINS LLP
401 B Street
Suite 1600
San Diego, CA 92101-4297

and upon the following counsel for BofA:

GREGORY MARKEL
CADWALADER, WICKERSHAM
& TAFT LLP
100 Maiden Lane
New York, NY 10038

Unless otherwise ordered by the Court, any Settlement Class Member who does not make his, her or its objection in the manner provided shall be deemed to have waived all objections to the foregoing matters.

XV. EXAMINATION OF PAPERS AND INQUIRIES

This Notice contains only a summary of the terms of the proposed Settlement. For a more detailed statement of the matters involved in the Actions, reference is made to the pleadings, to the

Stipulation and to other papers filed in this action, which may be inspected at the Office of the Clerk of the United States District Court, Bob Casey United States Courthouse, 515 Rusk Avenue, Houston, Texas 77002, during business hours of any business day.

Inquiries regarding the Actions should be addressed to Plaintiffs' Settlement Counsel at the address set forth above.

DO NOT CONTACT THE COURT REGARDING THIS NOTICE.

DATED: _____, 2005

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS

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RECYCLED PAPER MADE FROM 20% POST CONSUMER CONTENT

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re ENRON CORPORATION SECURITIES LITIGATION	§	Civil Action No. H-01-3624
	§	**(Consolidated)**
	§	
This Document Relates To:	§	CLASS ACTION
	§	
MARK NEWBY, et al., Individually and On Behalf of All Others Similarly Situated,	§	
	§	
Plaintiffs,	§	
vs.	§	
ENRON CORP., et al.,	§	
	§	
Defendants.	§	
	§	
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, et al., Individually and On Behalf of All Others Similarly Situated,	§	
	§	
Plaintiffs,	§	
vs.	§	
KENNETH L. LAY, et al.,	§	
	§	
Defendants.	§	
	§	

[Caption continued on following page.]

SUMMARY NOTICE FOR PUBLICATION

EXHIBIT A-2

WASHINGTON STATE INVESTMENT BOARD, et al., On Behalf of Themselves and All Others Similarly Situated,	§
Plaintiffs,	§
vs.	§
KENNETH L. LAY, et al.,	§
Defendants.	§

TO: (1) ALL PERSONS WHO PURCHASED OR ACQUIRED PUBLICLY TRADED EQUITY OR DEBT SECURITIES OF ENRON CORPORATION (INCLUDING ALL SECURITIES ISSUED BY ENRON-RELATED ENTITIES, THE VALUE OR REPAYMENT OF WHICH WAS DEPENDENT ON THE CREDIT, FINANCIAL CONDITION, OR ABILITY TO PAY OF ENRON CORPORATION) ("PUBLICLY TRADED SECURITIES" AS FURTHER DEFINED IN THE NOTICE OF PENDENCY AND PARTIAL SETTLEMENT OF CLASS ACTION DESCRIBED BELOW) DURING THE PERIOD FROM OCTOBER 19, 1998 THROUGH AND INCLUDING NOVEMBER 27, 2001; AND (2) ALL STATES OR POLITICAL SUBDIVISIONS THEREOF OR STATE PENSION PLANS THAT PURCHASED FROM DEFENDANTS ENRON'S 6.40% NOTES DUE 7/15/06 OR 6.95% NOTES DUE 7/15/28 AND THAT AUTHORIZE THE PROSECUTION OF THEIR CLAIMS PURSUANT TO THE TEXAS SECURITIES ACT

YOU ARE HEREBY NOTIFIED that the Representative Plaintiffs in the above litigation (the "Actions") have entered into a Stipulation of Settlement (the "Stipulation") with Bank of America Corp. and Banc of America Securities LLC and certain other related entities or persons ("BofA") as further defined in the Stipulation to resolve the issues raised in the Actions as to BofA.

PLEASE BE FURTHER ADVISED that pursuant to an Order of the United States District Court, dated _____, 2005, a hearing will be held on _____, 2005 at _____ __.m., before the Honorable Melinda Harmon, United States District Judge, at the United States District Court for the Southern District of Texas, Bob Casey United States Courthouse, 515 Rusk Avenue, Houston, Texas 77002, for the purpose of determining whether, among other things: (1) the proposed settlement of the Actions as to BofA for Sixty-Nine Million Dollars ($69,000,000) and certain other consideration should be approved by the Court as fair, reasonable and adequate; (2) the Actions should be dismissed with prejudice as to BofA pursuant to the terms of the Stipulation; and (3) a portion of the Gross Settlement Fund should be allocated for the payment of expenses, excluding attorneys' fees, associated with the prosecution of the Actions. If you meet the definition of the Settlement Class as set forth above and are not a defendant, an officer or director of Enron, or a member of their immediate families or their successors, heirs, and legal representatives; your rights may be affected by the settlement of the Actions. If you have not received a Notice of Pendency and Partial Settlement of Class Action (the "Mailed Notice") you may obtain a copy by contacting: *In re Enron*

Corporation Securities Litigation, c/o Gilardi & Co. LLC , P.O. Box 5100, Larkspur, CA 94977-5100.

You will be bound by any judgment rendered in the Actions with respect to BofA with respect to claims asserted in the actions identified above, and with respect to other claims that you had, have, or may have against BofA (and certain persons and entities related to BofA) based on matters related to Enron Corporation, ***unless*** you request to be excluded from the Settlement Class, in writing, in accordance with the instructions set forth in the Mailed Notice, postmarked by _____, 2005. Any objection to the Settlement must be filed with the Court by _____, 2005, and must show due proof of service on each of the counsel listed below:

LERACH COUGHLIN STOIA & ROBBINS LLP
KEITH F. PARK
401 B Street
Suite 1600
San Diego, CA 92101-4297

GREGORY MARKEL
CADWALADER, WICKERSHAM
& TAFT LLP
100 Maiden Lane
New York, NY 10038

PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE.

DATED: _____, 2005

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS

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