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

PAMELA M. TITTLE, et al.,

Plaintiffs,

v.

ENRON CORP., et al.,

Defendants.

No. H 01-CV-3913

(Consolidated Action)

SUPPLEMENTAL AMENDED PLAN OF ALLOCATION

I. DEFINITIONS

For purposes of this Plan of Allocation, capitalized terms and phrases have the meanings provided below:

1. **“Active Cash Balance Plan Participant”** means an employee who is a participant in the Enron Cash Balance Plan and earning benefits during a specific period of time.
2. **“Actuarial Equivalent”** means the equivalent value of a stream of payments, calculated using 7% interest and the 1984 Unisex Pension Mortality Table.

3. **“Administrative Committee Settling Defendants”** mean: the Administrative Committees and the Administrative Committee Members, including James G. Barnhart, Philip J. Bazelides, Keith Crane, Enron Corp. Employee Stock Ownership Plan Administrative Committee, Enron Corp. Savings Plan Administrative Committee, William D. Gathmann, William J. Gulyassy, Rod Hayslett, John Does Nos. 1 – 100 Unknown Fiduciaries of the Enron Corp. Savings Plan or the Enron Corp. ESOP or the Enron Corp. Cash Balance Plan who were Administrative Committee members, Mary K. Joyce, Sheila Knudsen, Tod. A. Lindholm, Cindy K. Olson, James S. Prentice, Mikie Rath, Paula Riecker, and David Shields.

4. **“Authorized Cash Balance Plan Claimant”** means either a Participant Cash Balance Plan Claimant or a Former Participant Cash Balance Plan Claimant.

5. **“Authorized Claimant”** means either a Participant Claimant or a Former Participant Claimant whose Settlement Claim is twenty-five dollars (\$25) or such other amount as may be reasonably determined by the Fund Administrator.

6. **“Cash Balance Plan Settlement Class”** means collectively: (a) all Participant Cash Balance Plan Claimants and (b) all Former Participant Cash Balance Plan Claimants.

7. **“Class Counsel”** means Lynn Lincoln Sarko, Esq. of Keller Rohrback, LLP and Steve W. Berman, Esq. of Hagens Berman Sobol Shapiro LLP.

8. **“Class Representative”** means the following persons: Pamela M. Tittle; Thomas O. Padgett; Gary S. Dreadin; Janice Farmer; John L. Moore; Betty J. Clark; Patrick Campbell; Fanette Perry; Charles Prestwood; Roy Rinard; Steve Lacey; Catherine Stevens; Roger W. Boyce; Wayne M. Stevens; Norman L. Young; Michael L. Mccown; and Dan Shultz.

9. **“Enron Cash Balance Plan”** means the Enron Corp. Cash Balance Plan, and any and all predecessors and successors to such plan.

10. **“Enron ESOP”** means the Enron Corp. Employee Stock Ownership Plan, and any and all predecessors and successors to such plan.

11. **“Enron Plans”** means, collectively, (a) the Enron Savings Plan, (b) Enron ESOP, and the (c) Enron Cash Balance Plan.

12. **“Enron Plan Trustees”** means Wilmington Trust Company, as Trustee for the Enron Savings Plan and for the Enron ESOP, and The Bank of New York, as Trustee for the Enron Corp. Cash Balance Plan, on behalf of themselves, on behalf of each of the respective Enron Plans and on behalf of such Plan’s respective representatives, employees, participants, beneficiaries and alternate payees. The phrase “Enron Plan Trustees” shall include any and all of their predecessors and Successors-In-Interest.

13. **“Enron Savings Plan”** means the Enron Corp. Savings Plan, and any and all predecessors and successors to such plan.

14. **“Enron Settlement”** means the partial settlement preliminarily approved by the Court in *Tittle, et al. v. Enron, et al.*, Civil No. H-01-3913 on July 27, 2005

15. **“Enron Settling Defendants”** means Enron and its debtor and non-debtor affiliates, subsidiaries, successors and assigns, as defined in the Settlement Agreement dated July 6, 2005.

16. **“ESOP Retirement Account”** means the segregated account within the Enron ESOP known as the Retirement Sub-Account which is used to offset the benefit earned in the Enron Cash Balance Plan.

17. **“Former Participant Cash Balance Plan Claimant”** means a separate vested participant in the Enron Cash Balance Plan who was an Active Cash Balance Plan Participant during some or all of the period January 1, 1987 to December 31, 1994 and earned a benefit from the Enron Cash Balance Plan during that period. The Former Participant Claimant must also not have received a full distribution of their ESOP Retirement Account prior to January 1, 2001.

18. **“Former Participant Claimant”** means those Settlement Class members who are former participants in the Enron Savings Plan, and/or the Enron ESOP (recognizing that the Enron ESOP merged with and into the Enron Savings Plan effective August 30, 2002).

19. **“Fund Administrator”** means the person or entity appointed or retained by the Enron Plans who shall administer the Plan of Allocation and the distribution of the funds within the Plans set forth herein.

20. **“Independent Fiduciary”** means Consulting Fiduciaries, Inc., or its successor, solely in its capacity as independent fiduciary to the Enron Savings Plan, Enron ESOP and Enron Cash Balance Plan for the Tittle litigation.

21. **“Net Settlement Trust”** means the Settlement Amount, minus the Court approved amounts for attorneys’ fees and expenses.

22. **“Officer and Director Settling Defendants”** means: Robert A. Belfer, Norman P. Blake, Jr., Ronnie C. Chan, James V. Derrick, John H. Duncan, Joe H. Foy, Wendy L. Gramm, Kevin P. Hannon, Kenneth Harrison, Robert K. Jaedicke, Rebecca P. Mark-Jusbasche, Charles A. LeMaistre, John Mendelsohn, Jerome J. Meyer, Lou L. Pai, Paulo Ferraz Pereira, Frank Savage, Joseph W. Sutton, Jack Urquhart, John Wakeham, Charls E. Walker, Lawrence Greg Whalley, Bruce Willison, Herbert Winokur, Jr., Estate of J. Clifford Baxter, Richard B. Buy, Richard A. Causey, Mark A. Frevert, Joseph M. Hirko, Stanley C. Horton, Steven J. Kean, Mark E. Koenig, Michael S. McConnell, Jeffrey McMahon, J. Mark Metts, and Kenneth D. Rice.

23. **“Order and Final Approval”** means the Order of Final Approval of Class Action Settlement and Bar Order contemplated under Section 2.4 of the \$85 million Settlement Agreement, under Section 3.7 of the Enron Settlement, or such an Order under any other Settlement.

24. **“Participant Cash Balance Plan Claimant”** means a person who was actively employed by Enron on January 1, 2001, and who was an Active Cash Balance Plan Participant during some or all of the period January 1, 1987 to December 31, 1994 and earned a benefit from the Cash Balance Plan during that period. The Participant Cash Balance Plan Claimant must also not have received a full distribution of their ESOP Retirement Account prior to January 1, 2001.

25. **“Participant Claimant”** means those Settlement Class members who are currently participants in (a) the Enron Savings Plan, and/or (b) Enron ESOP.

26. **“Plaintiffs’ Case Contribution Compensation”** means the amount of three-thousand dollars (\$3,000) which shall be paid from the Settlement Fund to each Class Representative in recognition of their contributions to the Action.

27. **“Plan Actuary”** means Hewitt Associates, the actuary for the Cash Balance Plan as of January 1, 2001, or its successor.

28. **“Settlement”** means: a settlement to be consummated under a Settlement Agreement(s) pursuant to an Order of Final Approval and Bar Order.

29. **“Settlement Agreement”** means any Settlement Agreement filed with the Court in the Tittle Action.

30. **“Settlement Claim”** means the total dollar amount of each Authorized Claimant’s Settlement Claims, as determined in Section III below.

31. **“Settlement Class”** means:

- (1) For the \$85 million Settlement, collectively: (a) all Persons who were at any time participants in any of the Enron Plans during the period starting on January 1, 1995 through and including the Effective Date of Settlement; and (b) as to each Person within the scope of subsection (a) of Section 1.37 of the Settlement Agreement, his, her or its beneficiaries, alternate payee, Representatives, and Successor-In-Interest, provided, however, that the “Settlement Class” shall not include (1) any Defendant in the *Tittle Action*, or any of their immediate family members, beneficiaries, alternate payees, Representatives or Successors-In-Interest, except for spouses and immediate family members who themselves are or were Participants in any Enron Plan, who shall be considered members of the Settlement Class with respect to their own Enron Plan Accounts, and (2) shall not include the Defendant Releasees who were Administrative Committee Members or Enron Officers or Directors during the Class Period or any of

their immediate family members, beneficiaries, alternative payees, Representatives or Successor-In-Interest, except for spouses and immediate family members who themselves are or were Participants in any Enron Plan, who shall be considered members of the Settlement Class with respect to their own Enron Plan Accounts.

(2) For the Enron Settlement, collectively, (a) all Persons who were, at any time, participants in the Enron Plans during the period from January 21, 1998 up to and including the Petition Date and (b) as to each Person within the scope of subsection (a) of Section 1.3 (vv), his, her or its beneficiaries, alternate payees (including spouses of deceased Persons who were Enron Plan participants), Representatives and Successors-In-Interest; provided, however, that the “Settlement Class” shall not include any Defendant in the Tittle Action, or any of their Immediate Family, beneficiaries, alternate payees (including spouses of deceased Persons who were Enron Plan participants), Representatives or Successors-In-Interest, except for spouses and immediate family members who themselves are or were participants in any of the Enron Plans, who shall be considered members of the Settlement Class with respect to their own Enron Plan accounts.

32. “**Settling Defendants**” means, collectively: (a) the Administrative Committee Settling Defendants, (b) the Officer and Director Settling Defendants and (c) the Enron Settling Defendants.

33. “**Successor-In-Interest**” means a Person’s estate, legal representatives, heirs, successors or assigns.

34. “**Settlement Custodian**” means the person or entity who shall serve as the escrow agent for the Settlement Fund, and who shall distribute the funds as directed by the Plan Administrator in the manner set forth herein.

35. “**Tittle Action**” means Tittle, et al. V. Enron Corp. et al., Civil No. H 01-CV-3913 (Consolidated Action), an action pending in the United States District Court for the Southern District of Texas (Houston Division).

36. “**85 Million Settlement**” means the partial settlement approved by the Court in *Tittle, et al. v. Enron, et al.*, Case No. H-01-CV-3913 on May 24, 2005 and given final judgment on June 9, 2005.

II. THE SETTLEMENT TRUST

Unless otherwise ordered by the Court or agreed to by the Settling Parties, within ten (10) days of a Settlement becoming Unconditional, the Settlement Custodian shall pay to Class Counsel, or retain for payment upon application by Class Counsel, the attorneys fees and expenses or other reserves as approved by the Court in the Order(s) of Final Judgment and Dismissal. For the \$85 million Settlement, in no event shall the Settlement Custodian pay or retain attorneys fees greater than \$17 million in principal, together with accrued interest on any such amount awarded or retained for attorneys fees, or litigation expenses greater than \$2.915 million in principal, together with accrued interest on any such amount awarded or retained for expenses. For all other Settlements, the Settlement Custodian shall pay or retain all attorneys’ fees and litigation expenses, together with accrued interest on any such amount, as Ordered by the Court. The Settlement Custodian shall also have paid or retained as reserves the amounts necessary to pay all taxes on the Settlement Trust due and owing through the date of the payment or retention of such fees and expenses and all expenses relating to such preparation and payment of such taxes pursuant to the Settlement Agreement(s). Following payment or retention of the specified fees and expenses, the Net Settlement Fund, together with accrued interest on the principal amount of that Net Settlement Fund, but less all amounts paid or retained by the Settlement Custodian for the payment of taxes on the Settlement Trust and expense related to payment of such taxes, shall be provided to the Enron Plans which shall then be responsible for

administering and allocating the Net Settlement Fund and all expenses and costs for its administration and allocation, through the Fund Administrator in the following manner:

A. The Fund Administrator shall determine the amount of expenses that will be incurred in connection with the administration of executing the Plan of Allocation in Section II below.

B. The Fund Administrator shall provide Class Counsel with written notice of the amount of expenses to be incurred in the administration of the Plan of Allocation and Class Counsel shall promptly review the same. If the expenses are reasonable, Class Counsel shall approve the expenses and such expenses shall be deemed appropriate as a Plan expense and shall be paid from the Net Settlement Trust.

C. If necessary, the Fund Administrator may request the assistance of the Plans' Trustees and/or record keepers in identifying Participant Claimants, Former Participant Claimants and Authorized Cash Balance Plan Claimants ("Claimants"), calculating the Loss for claimants, and distributing the Net Settlement Fund to all Claimants in accordance with the Plan of Allocation and the Enron Savings Plan. To the extent any expenses are incurred in connection therewith, the Fund Administrator shall include notice of such expenses to Class Counsel. If Class Counsel deems such expenses to be reasonable, Class Counsel shall approve such expenses and they shall be deemed appropriate as a Plan expense and shall be paid from the Net Settlement Trust.

D. The Fund Administrator shall be solely responsible for all communications with Claimants regarding their claims. However, the Fund Administrator shall provide drafts of intended communications to the Independent Fiduciary and to Class Counsel for review and comment at least five business days prior to the delivery of such communications. To provide communications and give effect to the Plan of Allocation, within ten (10) days of the Settlement(s) becoming Unconditional, the record keeper for the Plan shall provide the Fund

Administrator with the following information concerning the Enron Savings Plan or Enron ESOP account of each member of the Settlement Class:

- The name, last known address, and Social Security number;
- The dollar value of the account balance invested in Enron stock at the beginning of the Settlement Class;
- The dollar value of purchases of Enron stock during the Settlement Class;
- The dollar value of sales of Enron stock during the Settlement Class period;
- The dollar of the account balance as of the end of the Settlement Class;
- Whether the Claimant is a current Participant in the Enron Savings Plan or Enron ESOP as of the most recent date for which such information is reasonably available.

If precise data is not readily available, the Fund Administrator shall confer with Class Counsel and the Independent Fiduciary regarding the data that will be used.

E. As soon as practicable after the calculation of the Plan of Allocation in Section II, the Fund Administrator shall direct the payment of the Net Settlement Fund, minus attorneys' fees and expenses, and administration expenses to the trustee of the Enron Savings Plan, Enron ESOP and the Enron Cash Balance Plan, and provide to each such trustee as well as to the record keeper for each Plan a detailed summary of the allocations to be made to the accounts of Authorized Claimants of the Enron Savings Plan and Enron ESOP. For each Authorized Cash Balance Plan Claimant, such allocations shall be made to their Enron Savings Plan accounts or such other appropriate account.

III. THE ALLOCATION

Enron Savings Plan and ESOP Allocation

Within ten (10) days of the Settlements becoming Unconditional and the Fund Administrator receiving approval from Class Counsel of reasonable administration expenses, the Fund Administrator shall calculate the Claimants' Settlement Claims based on the information described in Section I and according to the following Court approved methodology:

A. For Participant Claimants, the Fund Administrator, with the assistance of Enron, or others, if necessary, shall determine the approximate loss ("Loss") for each member of the Settlement Class as follows: $Loss = A + B - C - D$, where, for each member's Account in the Enron Savings Plan and/or Enron ESOP:

1. A = the dollar value, if any, of the account's investment in Enron stock valued on the first day of the Settlement Class Period;

2. B = the dollar value, if any, of all of subsequent investments of such Account in Enron stock during the Settlement Class Period, valued as of the time of purchase(s);

3. C = the dollar value, if any, of all liquidations of the account's investment in Enron stock during the Settlement Class Period, valued as of the time of the sale(s);
and

4. D = the dollar value, if any, of the account's investment in Enron stock, valued on the last day of the Settlement Class Period.

B. For Former Participant Claimants, the Fund Administrator, with the assistance of Enron, or others, if necessary, shall determine the approximate loss ("Loss") for each member of the Settlement Class as follows: $Loss = A + B - C - D$, where, for each member's Account:

1. A = the dollar value, if any, of the account's investment in Enron stock valued on the first day of the Settlement Class Period;

2. B = the dollar value, if any, of all of subsequent investments of such account in Enron stock during the Settlement Class Period, valued as of the time of purchase(s);

3. C = the dollar value, if any, of all liquidations of the account's investment in Enron stock during the Settlement Class Period, valued as of the time of the sale(s);
and

4. D = the dollar value, if any, of the account's investment in Enron stock, valued on the last day of the Settlement Class Period.

Such Loss calculations for Former Participant Claimants shall only include the portion of the accounts invested in Enron Stock to the extent vested as of the time the Former Participant Claimants' employment with Enron ended.

C. The Losses of the Claimants as calculated in Sections A and B will be totaled to yield the Loss of each of the Enron Savings Plan and Enron ESOP as a whole over the Class Period (the "Plan's Loss").

D. The Fund Administrator shall calculate for the Account of each Claimant in the Enron Savings Plan and Enron ESOP an amount which is the same percent of the Net Settlement Fund as his or her Loss bears to the respective Plan's Loss.

E. The Administrators shall identify all Claimants whose Settlement Claim is less than twenty-five dollars (\$25) or such other amount designated by the Fund Administrator ("De Minimis Amounts"). All such Claimants whose Settlement payment is De Minimis shall not receive an award from the Net Settlement Trust. The remaining Claimants shall become Authorized Claimants. The De Minimis Amounts shall then be allocated to the Authorized Claimants on a pro rata basis based on each Authorized Claimant's Loss, and such amounts shall be added to the Settlement Claim for each Authorized Claimant.

F. In light of the manner in which the data is kept and the ease with which it can be manipulated, it may be appropriate for the Fund Administrator, with Class Counsel's consent, to simplify some of the features of these calculations without further approval by the Court. Such simplifications shall be acceptable as long as the two basic features of the distribution are preserved: (1) that, with respect to each of the Enron Savings Plan and Enron ESOP, all members of the Settlement Class receive their share of the Net Settlement Fund based approximately on the decline in the value of Enron stock in which their Accounts were invested over the Settlement Class Period in comparison the total decline in the value of Enron Stock held by each

