

Questions & Answers: Newby Settlement and the Enron Savings Plan and ESOP

1. Q: What is the status of the *Newby* Settlement?

A: Fiduciary Counselors filed a claim in the *Newby* case on behalf of eligible participants and beneficiaries in the Enron Savings Plan and ESOP. On December 19, 2008, Gilardi and Co., the claims processor, made an initial partial round of distributions to claimants, including a distribution of more than \$58 million to the Enron Savings Plan. Since the Savings Plan and ESOP have merged, the distribution went to the Savings Plan. Currently, Fiduciary Counselors is working to determine the correct allocation of settlement money to eligible Enron Savings Plan and ESOP participants and beneficiaries. This process will take some time to complete.

2. Q: What is the process for former Enron employees and beneficiaries to receive their share of the *Newby* settlement from the Savings Plan?

A: After the allocation for each eligible participant and beneficiary has been determined, the Plan will send an election form so that participants and beneficiaries can indicate whether they want to receive the settlement proceeds directly or as a rollover into an IRA or another employer's plan. Eligible participants and beneficiaries will have 30 days to make their elections after the forms are mailed. After elections have been received and verified, the settlement money will be distributed. We expect it will be several months before the election forms will be mailed out to participants and beneficiaries.

3. Q: What options will I have for receiving settlement proceeds from the Savings Plan?

A: The options will be (1) rollover to an IRA or another employer's qualified retirement plan with no current tax obligation; (2) taxable cash, which may also be subject to a 10% penalty tax for those less than age 59 1/2 or (3) a combination of cash and rollover. You will use the Election Form mentioned in Question 2 above to make this election.

4. Q: Has Gilardi & Co. processed all claims related to stock acquired in the Enron Savings Plan and ESOP?

A: No. Gilardi has not processed all the claims connected with shares of Enron stock distributed in kind or rolled over to an IRA during the Eligible Period, September 9, 1997 through December 2, 2001. As we informed participants before the claims filing deadline, participants who received a distribution of Enron stock from the Plans or rolled over Enron stock to an IRA needed to file a claim for those shares. Fiduciary Counselors submitted the data for the period before the in-kind distribution and Gilardi then processed the claim based on the combined data submitted by the individual claimant and Fiduciary Counselors. If you submitted data that enabled Gilardi to reconcile your

rollover with the data submitted by Fiduciary Counselors and thereby process the claim before December 19, 2008, Gilardi sent you a check directly for any amount you were due based on the shares that were distributed in kind or rolled over to an IRA.

5. Q: What if I have not submitted a claim for stock acquired in the Enron Savings Plan and ESOP?

A: If you did not take a rollover or distribution in kind, you do not need to file a claim because Fiduciary Counselors has filed on your behalf. If you took a rollover or distribution in kind of shares, please file a Proof of Claim immediately if you have not yet done so. You may be eligible to participate in a residual distribution if the Court approves one.

6. Q: What should I do if I received a distribution or rollover of Enron stock from the ESOP or Savings Plan during the Eligible Period and haven't gotten any payment from Gilardi?

A: If you did not file a claim, Gilardi has sent a letter requesting that you file a claim. If you have not received that letter, contact Gilardi at classact@gilardi.com or 1-800-961-2086. If you filed a claim but Gilardi could not reconcile the data you submitted with the Plan data we submitted, Gilardi sent you a letter requesting that you supplement the data you had submitted with your claim. If you want to have claims processed based on the shares that were distributed or rolled over to an IRA from the ESOP or the Savings Plan, you must submit the data to Gilardi immediately. Additionally, if some of the shares distributed in kind or rolled over to an IRA were from the ESOP, and if you did not provide sufficient data regarding those shares, Gilardi did not process any claim the ESOP might have on your behalf based on other shares. After consultation with Gilardi, Class Counsel determined that delaying the processing of claims based on an individual participant's transaction data was appropriate until the data was complete, including all data regarding the participant's shares distributed in kind or rolled over to an IRA. Class Counsel has not yet determined how to proceed regarding the ESOP's claim on your behalf if you do not provide data regarding the shares you received in kind or rolled over to an IRA.

7. Q: I received part of the settlement in the *Tittle v. Enron* litigation involving the Plans. Does that mean I will receive part of the *Newby* settlement?

A: Not necessarily. The *Newby* settlement only covers Enron stock acquired during the Eligible Period. The *Tittle* settlement covered Enron stock acquired or held during the Eligible Period for that settlement. If you did not acquire any Enron stock during the Eligible Period (September 9, 1997 through December 2, 2001), you will not share in the *Newby* settlement. For example, most of the stock in the ESOP was acquired before the Eligible Period and will not be entitled to any recovery in the *Newby* settlement. In addition, sales during the Eligible Period may offset the stock you acquired during that period. Further, while the *Tittle* settlement included participants in the Enron Cash

Balance Plan, the *Newby* settlement does not because the Cash Balance Plan did not acquire any Enron Stock during the Eligible Period.

8. Q: Will there be additional distributions from the *Newby* Settlement?

A: According to the web site of Gilardi & Co., LLC, the Claims Administrator, <http://www.gilardi.com/enron/securities/>, the initial stage of the distribution process, which began on December 19, 2008, will distribute almost \$5 billion of the \$7 billion recovered in the *Newby* settlements. The web site states further:

This initial distribution is a partial payment to most eligible class members. The distribution is being conducted in stages because some claims remain in process due to the tremendous number of claims filed and their unique and complex nature. While additional distributions are anticipated, their timing and amount remain to be determined.

If the Savings Plan receives further *Newby* distributions, Fiduciary Counselors will determine how they should be allocated, then notify you.

9. Q: If elections were made for the Tittle Settlement can they be used for the *Newby* Settlement?

A: No. The Tittle and *Newby* cases are separate and require separate elections.

10. Q: Who should I contact if my address has changed?

A: Any changes to your contact information should be made online at <http://www.enron.com>. This is the only way that you can be sure your contact information is accurate.

11. Q: Who should I contact about *Newby* distributions I already received?

A: Contact the Claims Administrator, Gilardi & Co. at mclassact@gilardi.com or 1-800-961-2086. *Newby* distributions already made to you are not from the Enron Savings Plan's recovery for its claim in the *Newby* settlement. They could be for stock or options acquired outside the Savings Plan, ESOP or PGE Plan. They also could be for stock acquired in one of the plans and distributed in kind or rolled over to an IRA during the Eligible Period. Also be aware that checks were recently sent out in connection with the Tittle settlement. Call the Tittle Settlement Call Center at 1-866-490-4188 about distributions in the Tittle case.

12. Q: I received a *Newby* settlement check. Can I deposit it into an IRA and defer current taxes?

A: Any *Newby* distribution you receive prior to completing the election form you receive from Fiduciary Counselors is not from the Savings Plan. We are not in a position to determine whether you can deposit part or all of a *Newby* settlement check other than the check you will receive from the Savings Plan. We note, however, that the answer may depend on where you held the shares that were the basis for the claim and related

distribution. For example, if you held the shares in an IRA, you may be able to deposit the distribution based on those shares in the IRA. In contrast, if the claim was based on shares or options you held outside a qualified plan or IRA, the distribution is not eligible for tax-deferred rollover into an IRA. Contact your tax advisor if you have questions about tax treatment and eligibility for deposit in an IRA. Contact the Claims Administrator, Gilardi & Co. at classact@gilardi.com or 1-800-961-2086, if you have questions regarding the claim on which the distribution was based.

13. Q: I worked for Portland General Electric (“PGE”) before it was merged with Enron on July 1, 1997. My PGE stock in the Portland General Holdings, Inc. Retirement Savings Plan (“PGE Plan”) was converted to Enron stock at that time. In July 1999, the PGE Plan was merged into the Enron Savings Plan. Did the claim you filed include the Enron stock I acquired in the PGE Plan?

A: The *Newby* settlement applies to you if you acquired Enron stock through the PGE Plan or the Enron Savings Plan and/or ESOP between September 9, 1997 and December 2, 2001 (the Eligible Period). The *Newby* settlement does not apply to PGE stock converted to Enron stock at the time of the merger on July 1, 1997, since that is before the beginning of the Eligible Period. The Enron stock acquired by the PGE Plan during the Eligible Period was included in the claims that we filed, and your allocation will take that stock into account.