

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,

§ Civil Action No. H-04-0088
§
§ CLASS ACTION

Plaintiffs,

vs.

MILBANK, TWEED, HADLEY & McCLOY LLP, et al.,

Defendants.

NOTICE OF PENDENCY AND PARTIAL SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS WHO PURCHASED OR ACQUIRED 7% EXCHANGEABLE NOTES OF ENRON CORPORATION DURING THE PERIOD FROM AUGUST 10, 1999 THROUGH AND INCLUDING DECEMBER 2, 2001.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION. PLEASE NOTE THAT IF YOU ARE A SETTLEMENT CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THIS FUND, YOU MUST SUBMIT OR HAVE ALREADY SUBMITTED A VALID PROOF OF CLAIM FORM.

EXCLUSION DEADLINE: REQUESTS FOR EXCLUSION MUST BE FILED SO AS TO BE RECEIVED NO LATER THAN DECEMBER 30, 2009. SECURITIES BROKERS AND OTHER NOMINEES: PLEASE SEE THE INSTRUCTIONS ON PAGE 7 BELOW.

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 and an order of the United States District Court for the Southern District of Texas, Houston Division (the "Court") to inform you of a proposed partial settlement of the Action (the "Settlement") and the hearing (the "Settlement Hearing") to be held by 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 Goldman Sachs (as further defined below), dated as of August 3, 2009 (the "Stipulation"), on file with the Court. 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 Action or the merits of the claims or defenses asserted. This Notice describes the rights you may have in connection with the Settlement and what steps you may take in relation to the Settlement and this Action. 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 Eleven Million Five Hundred Thousand Dollars (\$11,500,000) 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 and expenses as approved by the Court, will be available for distribution to Settlement Class Members (as defined below). Your recovery from the Gross Settlement Fund will depend on a number of variables, including the number of units of Enron 7% Exchangeable Notes ("7% Notes") you purchased or otherwise acquired during the period August 10, 1999 to December 2, 2001, the timing of your purchases and any sales, and the number of units of 7% Notes purchased by other Settlement Class Members who submit valid and timely proof of claim forms.

II. STATEMENT OF POTENTIAL OUTCOME

Representative Plaintiffs and Goldman Sachs do not agree about the issues of Goldman Sachs's alleged liability, the claims asserted by the Representative Plaintiffs, or the average amount of damages per unit that would have been recoverable from Goldman Sachs if Representative Plaintiffs were to have prevailed on each claim asserted. The issues on which the parties disagree include (1) whether Goldman Sachs 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 Goldman Sachs has valid defenses to any such claims of liability; (3) whether the Registration Statement for the 7% Notes was materially false and misleading; (4) the appropriate economic model for determining the amount by which the 7% Notes were allegedly artificially inflated (if at all) during the Settlement Class Period; (5) the amount by which the 7% Notes were allegedly artificially inflated (if at all) during the Settlement Class Period; (6) the effect of various market forces influencing the trading price of 7% Notes at various times during the Settlement Class Period; (7) the extent to which external factors, such as general market conditions, influenced the trading price of 7% Notes at various times during the Settlement Class Period; (8) the extent to which the various matters that Representative Plaintiffs alleged were materially false or misleading influenced (if at all) the price of 7% Notes at various times during the Settlement Class Period; (9) the extent to which the various allegedly adverse material facts that Representative Plaintiffs alleged were omitted influenced (if at all) the price of the 7% Notes at various times during the Settlement Class Period; and (10) whether claims based on the statements made or facts allegedly omitted were actionable under the federal securities or other laws.

III. STATEMENT OF ATTORNEYS' FEES AND EXPENSES SOUGHT

Counsel for the Representative Plaintiffs do not intend to seek a separate award of fees and expenses in connection with this Settlement.

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 Goldman Sachs and Goldman Sachs's defenses to those claims, 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 a representative of Plaintiffs' Counsel:

RICK NELSON
COUGHLIN STOIA GELLER RUDMAN & ROBBINS LLP
655 West Broadway, Suite 1900
San Diego, CA 92101
Telephone: (800) 449-4900

VI. BACKGROUND OF THE LITIGATION

Plaintiffs filed their complaint in this Action on January 9, 2004, and filed an amended complaint on February 6, 2004. Goldman Sachs was named as a defendant in the Action, which alleged a claim against Goldman Sachs under §11 of the Securities Act of 1933 and a claim against The Goldman Sachs Group, Inc. for control person liability under §15 of the Securities Act of 1933. Goldman Sachs and The Goldman Sachs Group, Inc. moved to dismiss the Action on the ground that the complaint failed to state a claim upon which relief could be granted. On December 5, 2005, the Court denied Goldman Sachs's motion to dismiss the claim asserted against it and granted The Goldman Sachs Group, Inc.'s motion to dismiss the control person claim asserted against it. Extensive fact discovery was conducted by plaintiffs, with Goldman Sachs producing documents and Goldman Sachs witnesses being deposed. On August 1, 2006, plaintiff The Regents moved to confirm its appointment as lead plaintiff. On August 11, 2006, plaintiff Pulsifer filed a motion for class certification. On August 21, 2006, Goldman Sachs opposed the motion to confirm The Regents as lead plaintiff and filed a cross-motion for judgment on the

pleadings against The Regents, and on October 11, 2006, Goldman Sachs opposed the motion for class certification and filed a cross-motion for judgment on the pleadings against both plaintiffs. The Court has not yet decided those motions.

VII. BACKGROUND OF THE SETTLEMENT

Counsel for the Representative Plaintiffs have conducted an investigation relating to the claims and underlying events alleged in the complaint. Counsel for the Representative Plaintiffs also have conducted considerable formal and informal discovery in the Action 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 complaint and the potential defenses thereto. The Representative Plaintiffs, by their counsel, have also conducted arm's-length negotiations with counsel for Goldman Sachs 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 and negotiations, 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 Action as to Goldman Sachs 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.

Goldman Sachs has denied and continues to deny each and all of the claims and allegations of wrongdoing made by the Representative Plaintiffs in the Action and maintains furthermore that it has meritorious defenses. Goldman Sachs 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 Action, and Goldman Sachs vigorously contends that many of the factual allegations of the complaint relating to Goldman Sachs were materially false or inaccurate. Goldman Sachs also has denied and continues to deny, *inter alia*, the allegations that the Representative Plaintiffs or the Settlement Class Members were harmed by Goldman Sachs's conduct alleged in the Action. 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 Goldman Sachs with respect to any claim of any fault or liability or wrongdoing or damage whatsoever. Nonetheless, Goldman Sachs has concluded that further litigation of the Action would be protracted and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation.

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 Regents v. Milbank, Tweed et al.*, Civil Action No. H-04-0088.
2. "Actions" means *The Regents v. Milbank, Tweed, et al.*, Civil Action No. H-04-0088; *In re Enron Corp. Sec. Litig.*, Civil Action No. H-01-CV-3624 (S.D. Tex.); *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. "Goldman Sachs" means Goldman, Sachs & Co.
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. "Judgment" means a judgment to be rendered by the Court, substantially in the form attached to the Stipulation as Exhibit B.
10. "Lead Plaintiff" means The Regents of the University of California.
11. "Non-Goldman Sachs Defendants" means the defendants other than Goldman Sachs and The Goldman Sachs Group, Inc. that have been named in the complaints in the Actions.

12. "Non-Settling Defendants" means each and all of the current Defendants in the Actions except Goldman Sachs.

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

14. "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.

15. "Plaintiffs' Counsel" means Coughlin Stoia Geller Rudman & Robbins LLP (and any successors thereof), Patrick J. Coughlin, Keith F. Park, Helen J. Hodges, 655 West Broadway, Suite 1900, San Diego, California 92101.

16. "Plan of Allocation" means any plan or formula of allocation of the Gross Settlement Fund, to be approved by the Court, whereby the Net Settlement Fund shall be distributed to Authorized Claimants. Any Plan of Allocation is not part of the Stipulation and Goldman Sachs shall have no responsibility or liability with respect thereto.

17. "Proof of Claim and Release" or "Proof of Claim" mean the form sent with this Notice to Settlement Class Members, by which Settlement Class Members may make claims (if they have not previously done so by submitting an earlier proof of claim and release) against the Gross Settlement Fund for damages allegedly incurred by reason of their investment(s) in the 7% Notes.

18. "Released Claims" means any and all claims, demands, rights, liabilities, and causes of action (including "Unknown Claims" as defined below) of any nature whatsoever, asserted under federal, state, common, local law, or foreign law (including, without limitation, claims under the Securities Exchange Act of 1934 and the Securities Act of 1933, the Texas Securities Act, any analogous state securities act, and common law) that Representative Plaintiffs and/or any Settlement Class Member have, had, or may have against the Released Parties (i) based on, arising out of, or related to, directly or indirectly, the purchase or sale or other acquisition or disposition, or holding of any Enron or Enron-related publicly traded securities, and (ii) based upon, arising out of, or related directly or indirectly to all acts, facts, statements, or omissions that were or could have been alleged in the Action.

19. "Released Parties" means Goldman Sachs and its parent, The Goldman Sachs Group, Inc., their direct and indirect present and former parents, subsidiaries, divisions, affiliates, attorneys, accountants, insurers, predecessors and successors, and all of their respective current and former members, officers, directors, managing directors, principals, shareholders, employees and agents, heirs, executors, administrators, spouses, assigns and/or bankruptcy estates, 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 Action.

20. "Representative Plaintiffs" means The Regents of the University of California and Nathaniel Pulsifer, Trustee of the Shooters Hill Revocable Trust.

21. "Settlement Amount" means the principal amount of Eleven Million Five Hundred Thousand Dollars (\$11,500,000).

22. "Settlement Class" means (i) all Persons (and their beneficiaries) who purchased or acquired the 7% Notes of Enron on August 10, 1999 until December 2, 2001, inclusive. 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.

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

24. "Settlement Class Period" means the period commencing on August 10, 1999 until December 2, 2001, inclusive.

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

26. "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 the Released Parties that if known by him, her or it, might have affected his, her or its settlement with and release of the Released Parties, 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 be deemed to have expressly waived, 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:

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

Upon the Effective Date, the Representative Plaintiffs shall be deemed to have expressly waived, 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 October 29, 2009, 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 Settlement Class Member, you have the following options:

If you have not already done so, you may submit a Proof of Claim and Release form as described below. If you choose this option, you will remain a Settlement Class Member, you will share in the proceeds of the proposed Settlement if your claim is timely, valid, and you are otherwise entitled to a distribution under the Plan of Allocation and if the proposed Settlement is finally approved by the Court, and you will be bound by the Judgment and release described below.

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 December 30, 2009, and addressed as follows:

Enron Securities Litigation – Goldman Sachs
Notice and Claims Administrator
c/o Gilardi & Co LLC
P.O. Box 808061
Petaluma, CA 94975-8061

You must set forth the name of this Action (*The Regents v. Milbank, Tweed, et al.*, Civil Action No. H-04-0088), your name, address and telephone number, and state that you "request exclusion from the Settlement Class in *The Regents v. Milbank, Tweed, et al.*, Civil Action No. H-04-0088." You must also set forth the number of 7% Notes that you purchased and sold during the Settlement Class Period and the prices at which the notes 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 DECEMBER 30, 2009.

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 Action insofar as such judgment relates to the Action, 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 Goldman Sachs based on the matters complained of in the Action. 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 December 30, 2009, and must serve copies of such appearance on the attorneys listed in Section XVI below. If you do not enter an appearance through counsel of your own choosing, you will be represented by Plaintiffs' Counsel.

XI. TERMS OF THE PROPOSED SETTLEMENT

A settlement has been reached in the Action between the Representative Plaintiffs and Goldman Sachs, 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. You may also access the Stipulation and related documents at the Notice and Claims Administrator's website, www.gilardi.com.

A. The Settlement Fund

The entire settlement fund (the "Gross Settlement Fund") consists of the aggregate principal amount of Eleven Million Five Hundred Thousand Dollars (\$11,500,000) in cash, plus interest thereon, that has been placed into an interest-bearing account pursuant to the terms of the Stipulation. A portion of the Gross Settlement Fund will be used to pay for this Notice, taxes, and tax return preparation expenses regarding the interest earned on the Gross Settlement Fund and the Court awarded fees and expenses of counsel to the Representative Plaintiffs.

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 Action with prejudice as to Goldman Sachs. 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 the Released Parties and shall have covenanted not to sue the Released Parties with respect to all such Released Claims, and shall be permanently barred and enjoined from instituting, commencing, or prosecuting any such Released Claim against the Released Parties. In addition, subject to certain limitations set forth in the Stipulation, Goldman Sachs will release the Representative Plaintiffs, the Settlement Class Members, and Plaintiffs' Counsel from any claims relating to the prosecution of the Action. The Court shall retain jurisdiction over the Action, including, without limitation, all matters with respect to implementation and enforcement of the terms of the Stipulation.

XII. PLAN OF ALLOCATION

The Net Settlement Fund will be distributed to Settlement Class Members who submit (or have previously submitted) valid, timely Proof of Claim and Release forms ("Authorized Claimants") under the Plan of Allocation described below. The Plan of Allocation provides that you will be eligible to participate in the distribution of the Net Settlement Fund only if you have a net loss on all transactions in Enron 7% Notes during the Settlement Class Period.

For purposes of determining the amount an Authorized Claimant may recover under the Plan of Allocation, Plaintiffs' Counsel have consulted with their damage experts and the Plan of Allocation reflects an assessment of the damages that they believe could have been recovered had Lead Plaintiff prevailed at trial.

To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's claim, as defined below. If, however (and as is more likely), the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's claim bears to the total of the claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

A claim will be calculated as follows:

A 7% Note purchased during the Settlement Class Period and prior to October 17, 2001, must have been held through October 16, 2001, to participate in this plan. The claim for a 7% Note will be the purchase price of the note (but not more than \$22.25) less the sales price (but not more than \$22.25) if sold on or after October 17, 2001, and prior to December 3, 2001, or, if held on December 3, 2001, the purchase price (but not more than \$22.25) less \$4.12.

The date of purchase or sale is the "contract" or "trade" date as distinguished from the "settlement" date.

For Settlement Class Members who made multiple purchases or sales of 7% Notes during the Settlement Class Period, the first-in, first-out ("FIFO") method will be applied to such purchases and sales for purposes of calculating a claim. Under the FIFO method, sales of units during the Settlement Class Period will be matched, in chronological order against units purchased during the Settlement Class Period.

A Settlement Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Settlement Class Member had a net loss, after all profits from transactions in Enron 7% Notes during the Settlement Class Period are subtracted from all losses. No distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

XIII. PARTICIPATION IN THE SETTLEMENT

The Net Settlement Fund from this settlement with Goldman Sachs will be distributed **ONLY** to Persons who purchased or acquired 7% Notes of Enron Corporation during the period August 10, 1999 through December 2, 2001. To participate in the distribution of the Net Settlement Fund you must **EITHER** (a) complete and submit the Proof of Claim form that accompanies this Notice; **OR** (b) have completed and submitted the Proof of Claim form that accompanied the Plan of Allocation Notice dated December 20, 2007 that was previously mailed to Settlement Class Members commencing on December 21, 2007. To share in the distribution of this Net Settlement Fund, you need only complete and submit one Proof of Claim form. If you are submitting the claim form that accompanies this Notice, you must complete, sign, and mail the Proof of Claim form, postmarked on or before February 16, 2010, addressed as follows:

Enron Securities Litigation - Proof of Claim
Notice and Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 808061
Petaluma, CA 94975-8061

Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim form, you will be barred from receiving any payment from the Net Settlement Fund, but will in all other respects be bound by the provisions of the Stipulation and Judgment.

If you completed and submitted the Proof of Claim form that accompanied the Plan of Allocation Notice dated December 20, 2007 that was previously mailed to Settlement Class Members commencing on December 21, 2007, you need not complete and submit another Proof of Claim form to share in the distribution of the proceeds of the Net Settlement Fund. Those Settlement Class Members who do not need to submit a Proof of Claim form but who the Notice and Claims Administrator determines are entitled to distributions from proceeds of the Net Settlement Fund shall receive distribution checks, to which will be attached a document containing the same release set out in the Stipulation of Settlement and Proof of Claim and Release form. The back of the check will contain language acknowledging that by endorsing the check, the Settlement Class Member(s) is (are) releasing all "Released Claims" (including "Unknown Claims") against the "Released Parties" and that such endorsement and release shall operate as if they had been included in the Proof of Claim such Settlement Class Member(s) previously submitted, all as more particularly defined and set forth in the document attached to the check and in the Stipulation of Settlement between Goldman Sachs and Representative Plaintiffs dated August 3, 2009.

XIV. NOTICE TO BANKS, BROKERS, OTHER NOMINEES AND UNDERWRITERS

All nominees who hold 7% Notes purchased during the period beginning on August 10, 1999 through and including December 2, 2001 for the beneficial ownership of another, including each of the underwriters that sold the 7% Notes to initial purchasers during the initial period beginning on August 10, 1999, are requested to send this Notice to all such beneficial owners and initial purchasers, respectively, no later than twenty days after receipt of this Notice. Additional copies of the Notice will be provided to such nominees upon written request sent to:

Enron Securities Litigation – Goldman Sachs
Notice and Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 808061
Petaluma, CA 94975-8061

In the alternative, all nominees and underwriters are requested, IF YOU HAVE NOT ALREADY DONE SO IN CONNECTION WITH THE PRIOR NOTICES OF SETTLEMENT SENT REGARDING THE PARTIAL SETTLEMENTS WITH ANDERSEN WORLDWIDE SOCIETE' COOPERATIVE, BANK OF AMERICA, LEHMAN BROTHERS, THE ENRON OUTSIDE DIRECTORS, CITIGROUP, JP MORGAN CHASE, CANADIAN IMPERIAL BANK OF COMMERCE, ARTHUR ANDERSEN, OR KIRKLAND & ELLIS, no later than twenty days after receipt of this Notice, to send a list of the names and addresses of only such persons who are or were beneficial owners and/or initial purchasers of 7% Notes of Enron to Gilardi & Co. LLC at the above address. Gilardi & Co. LLC will thereafter mail copies of this Notice directly to all such beneficial owners and initial purchasers. Lead Plaintiff's counsel offer to prepay the reasonable costs of preparing a list of the names and addresses of such beneficial owners and/or initial purchasers or of forwarding this Notice to beneficial owners and/or initial purchasers in those cases where a nominee or underwriter elects to forward notice, rather than provide a list of names and addresses to Gilardi & Co. LLC.

XV. APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

Counsel for the Representative Plaintiffs do not intend to seek a separate award of fees and expenses in connection with this Settlement.

XVI. THE SETTLEMENT HEARING

A hearing (the "Settlement Hearing") will be held on February 4, 2010, at 1:30 p.m., before the Honorable Melinda Harmon, United States District Judge, United States District Court for the Southern District of Texas, at the 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; and (b) whether an Order of Final Judgment and Dismissal, substantially in the form of Exhibit B to the Stipulation, should be entered herein. 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, no later than December 30, 2009, and showing due proof of service on Plaintiffs' Counsel:

KEITH F. PARK
HELEN J. HODGES
COUGHLIN STOIA GELLER RUDMAN
& ROBBINS LLP
655 West Broadway
Suite 1900
San Diego, CA 92101

and upon the following counsel for Goldman Sachs:

MAX GITTER
CLEARY GOTTlieb STEEN & HAMILTON LLP
One Liberty Plaza
New York, NY 10006

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.

XVII. 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 Action, 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 for the Southern District of Texas, Bob Casey United States Courthouse, 515 Rusk Avenue, Houston, Texas 77002, during business hours of any business day. The Stipulation and other documents relating to this Settlement may also be accessed at the Notice and Claims Administrator's website, www.gilardi.com.

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

PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE.

DATED: October 29, 2009

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