

Dilig, Joe

From: Derrick Jr., James [James.Derrick@ENRON.com]
Sent: Monday, October 22, 2001 8:17 PM
To: Joseph C. Dilig (E-mail); cschwartz@velaw.com

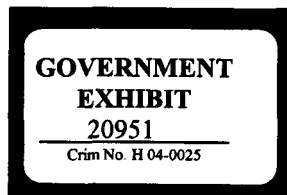


Per our conversation.

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EVE 05906



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Andy, because of the current controversy surrounding LJM I and LJM II, we believe it would be helpful for the Board to have a general understanding of the amount of your investment and of your return on investment in the LJM entities. We understand that a detailed accounting of these matters will soon be done in connection with the response to the SEC inquiry. We very much appreciate your willingness to visit with us.

In responding to our questions with respect to your interest in the LJM entities, we would appreciate your including any interest, direct or indirect, that the members of your family may have had in the entities.

- 1. What was your aggregate income attributable to LJM I and LJM II, inclusive of salary, consulting fees, management fees, partnership distributions, and gain on the sale of your partnership interests?**
- 2. What was your aggregate investment in LJM I and LJM II? What was the aggregate amount invested in LJM I and LJM II by the other participants? What was your return on investment? Did you have a promote? If you did, what was it? How does your rate of return on investment compare to that of the other participants in LJM I and LJM II?**
- 3. Other than you and Michael Kopper, did any current or former employees, officers, or directors of any Enron entity or any of their family members have any economic interest in or derive any benefit from LJM I or LJM II?**
- 4. We assume that in the course of the SEC inquiry and the litigation that has been filed, LJM and its relationship with Enron will be fully scrutinized. Do you know of any**

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**potentially troublesome matter of which we should now
be apprised in connection with the LJM relationship?**

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