

tionsBank Private Client Group
Marketable Securities Underwriting Guidelines
Volume & Control Analysis

Analysis of Enron Position Only

Prepared by:				Sales
Date:				Factor
Category	Average Daily Trading Volume			
Moderately Liquid	0	to	75,000	15%
Liquid	75,001	to	200,000	20%
Most Liquid	200,000	to		25%
Borrower:	Ken Lay			
Stock Name:	Enron Corp			
Stock Symbol:	ene			
Stock Exchange:	NYSE			
Current Price:	\$39.08			
52 Week Hi:	\$47.50			
52 Week Lo:	\$35.00			
Shares Outstanding:	299,498,000	Shares of Public Float (if known):	227,450,000	
Market Capitalization:	\$11,704,381,840	Public Float (if known):	58,888,746,000	
Average Daily Trading Volume:	1,052,293			
Stock Classification:	Most Liquid			
Is Stock Subject to Rule 144?:	yes			
Average Weekly Trading Volume: (Prior 4 Weeks)		("NA" if Stock is Not Subject to Rule 144)		
Loan Amount:	\$30,000,000	Sensitivity Analysis:		
Advance Percentage:	70%	Market Correction (%)	20%	
Call Percentage:	75%			
Actual Shares Pledged (if known)	610,348			
Margin Ratio (if not Advance %)		(Ex: 50% adv; 60% call; bring LTV back to 55%)		

Marketable Securities Basic Calculations - Volume:

CURRENT SCENARIO **SENSITIVITY ANALYSIS**

1.) Required Shares Pledged:

Loan Amount / Advance Percentage
Price per Share @ Origination

Loan Amount:	\$30,000,000	\$30,000,000
Advance Percentage:	70%	70%
Current Price per Share:	\$39.08	\$31.26
Actual Shares Pledged	610,348	1,370,814
Actual Shares Pledged as % of Total Shares Outstanding	0.20%	0.46%
Required Shares Pledged as % of Public Float	0.27%	0.60%

2.) Call Price per Share:

Loan Amount / Call Percentage
Required Shares Pledged

Loan Amount:	\$30,000,000	\$30,000,000
Call Percentage:	75%	75%
Actual Shares Pledged	610,348	1,370,814
Call Price per Share:	\$65.54	\$29.18

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Marketable Securities Basic Calculations - Volume (Continued):

CURRENT SCENARIO **SENSITIVITY ANALYSIS**

3.) Shares Needed to Liquidate Loan:

Loan Amount
Call Price per Share

Loan Amount:	\$30,000,000	\$30,000,000
Call Price per Share:	\$65.54	\$29.18
Shares Needed to Liquidate Loan:	457,736	1,028,111

4.) Gross Trading Days to Liquidate Loan:

Shares Needed to Liquidate Loan
Average Daily Trading Volume

Shares Needed to Liquidate Loan:	457,736	1,028,111
Average Daily Trading Volume:	1,052,293	1,052,293
Gross Trading Days to Liquidate Loan:	0.43	0.98

5.) Net Trading Days to Liquidate Loan:

Shares Needed to Liquidate Loan
Average Daily Trading Volume x Sales Factor

Shares Needed to Liquidate Loan:	457,736	1,028,111
Average Daily Trading Volume:	1,052,293	1,052,293
Sales Factor:	25%	25%
Net Trading Days to Liquidate Loan:	1.74	3.91

6.) Shares Required to Liquidate Collateral and Meet Margin Call:

# Shares to be sold to restore Advance Ratio [=Shares Pledged (Call % - Advance %) / (1 - Advance %)]	101,725	228,469
# Shares to be Sold as % of Actual Shares Pledged	16.67%	16.67%

7.) Recommended Advance/Call Percentage:

Based on the table below, the recommended advance/call percentage on this loan is:	70% / 75%	70% / 75%
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<u>Net Days to Liquidate:</u>	<u>Recommended Advance/Call Percentage</u>
0 - 20 Days	70% / 75%
21 - 40 Days	60% / 65%
41 - 60 Days	50% / 55%
Over 60 Days	Discouraged

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Rule 144 Considerations:

If an individual's/entity's stock holdings are subject to Rule 144 limitations, the maximum amount of stock that the individual/entity can sell in any three month (1 quarter) period is the greater of:

- 1) 1.00% of the stock's total outstanding shares; or
- 2) the stock's average weekly trading volume for the preceding four calendar weeks

CURRENT SCENARIO SENSITIVITY ANALYSIS

	Enron Corp	
Stock Name:	ene	ene
Stock Symbol:	NYSE	NYSE
Stock Exchange:	610,348	1,370,814
Required Shares Pledged:	299,498,000	299,498,000
Shares Outstanding:	yes	yes
Is this stock subject to Rule 144?:		
1.00% of Outstanding Shares:	2,994,980	2,994,980
Average Weekly Trading Volume (Prior 4 Weeks):	0	0

Marketable Securities Basic Calculations - Control:

1.) Number of Quarters Necessary to Liquidate Shares:

Maximum Quarterly Volume
Number of Shares Pledged

Maximum Shares That Can Be Sold In Any Three Month Period:	2,994,980	2,994,980
Number of Actual Shares Pledged:	610,348	1,370,814
# of Quarters to Liquidate Actual Shares Pledged	0.20	0.46

2.) Average Stock Price Needed to Liquidate Loan:

Outstanding Loan Amount
Number of Shares Pledged

Outstanding Loan Amount:	\$30,000,000	\$30,000,000
Number of Actual Shares Pledged:	610,348	1,370,814
Average Stock Price Needed to Liquidate Loan:	\$49.15	\$21.88

CONCLUSION:
