



2/14/02

BoD

(6)

[Paulo Out] Paulo questioned

10:35

Discussion around ~

Comm. restructuring

- 1) Reconstitute or
- 2) Expand Board mfg.

Cooper stated this would be further addressed later in the mtg.

Cooper called in West for a report on deep ex. loan terms. West said W&M prepared to document but may be premature. De summarized #70 mm proceeds

- 1) Lee
- 2) Review of comp. package

Lay unilaterally resigned in letter dated 1/23/01 & reviewed Lay's resignation letter; reviewed prior Board actions

Provided background on

Review of Lay's loans & previous minutes & Lay's request came in heels of JKS mtg., which was not another. Lay's loan not

Collateral

Reviewed materials

#42 mm add pursuant to public sale; #30 mm profits

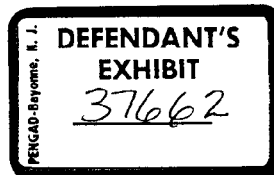
Respect

Integrity

Communication

Excellence

all reported in Form 4x



EC 000755594



3/14/02

BoD

(7)

- Reviewed activity & financial statements
- Reviewed activity & financial statements in 2001
- Reviewed activity & financial statements in 2001
- Summarized discussion with [Name], addressing revolving nature of loan & summarizing discussion. [Name] indicated occurred at [Name] & [Name]
- Summarized interview with Elaine O, Sup Corp [Name] who described [Name] process to repay the loans and her effort to validate the use of the revolving nature of the loan,
- Summarized interview with Rex [Name] re: compliance issues associated with the loans and efforts to ensure that the Board understood revolving nature of the loan.
- Summarized interview with M [Name], accompanied by [Name] and [Name]. She indicated she was not involved in the operation of the loan. She understood [Name] understood revolving nature of the loan.
- Summarized interview with S [Name] & Rocky Jones

[Gramm, Cooper Our]

- Discussion ensued on information learned in interview by [Name]

[Mendelsohn Our]

- Next summarized facts
 - Noted KLL emp. agreements within his oblig to act in best int of Co. ; code of ethics parallel language

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EC 000755595



3/14/02

BoD

②

- Under Ill law, duty to disc. material facts to Comm & BoD
- Not yet clear if KLL fulfilled that obligation for the record gathered to date.
- KLL did not conceal anything, but BoD did not learn of activity until 2/02. No oversight mechanism in place to report to Corp. Comm. or BoD.
- No basis for concluding illegal activity.
- Discussion ensued on severe disappointment in KLL's use of term that, although legal, not moral ^{what} may be course of action avail. to Co.
- West summarized empl. & benefit package
 - Substantial benefits to KLL if not for cause or if by him without
 - Censure of split # life, when KLL is legally entitled w/ or w/o cause.
 - Recommended that tell KLL, subj. to CC approvals that respect, w/o good reason may result in comparable benefits to term for cause.
 - PHH raised draft language in Ex Com 1/23/02 & BoD 1/26/02 minutes re: treatment.

EC 000755596

214 746 7777

- Discussion ensued on alternative discussion points w/ KLL
1st ~~point~~ - Term w/o good reason; KLL would be due

Respect	Integrity	Communication	Excellence
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2/14/02
BoD
9

vis. policy. Otherwise, Board will continue to
remain for cause.
2nd - Deal to E Comm to insure ~~that~~ ^{that}
Do not tender annuities, as to pd Laps in
excess of MV in 9/01 & could be deemed as
fraudulent transfer (in lieu of existing power, per TP)
Split # life - Policies could be forfeited if Co. does
not pay prem.
Discussion ensued on merits and to by KLL &
alternate negotiations.

* West gave a full report; Board expressed strong sense to
agree to negotiate w/ KLL trans. to maximize value
of estate & achieve deal to our no more
approval & to bring back to BoD for approval

Acting Chair - Dunin

Action

- 1) Dun
- 2) L.M

Approved

9) Lett. Ex. L. main

Action

- 1) Dunin
- 2) L.M

Approved

10) Comp Comm - L.M

reported through scrub by Dept 2
Comp (on a FS non-debt)
#10mm for 375 emp.
-9.38 340 - 2000

EC 000755597

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Blake - 3/14/02 to discuss to [unclear] effective to date.
Reduce [unclear] to 9

Action

- 1) [unclear]
 - 2) [unclear]
- approved

Recognize tremendous service of 6 board members.
 [Cooper, Peterson &] [Wetake Over]
 1) Report on Restructure (w/ Blake)
 - New dir

Acting chair - Cooper resumed

DVO

Go to Ct of comfort order for post-petition order
from Enron (already)
admin claims better the [unclear]

Ther. Review

AS #2

Yates - Solal

Action

- 1) Blake
 - 2) Savage
- approved

[Kelman In]

EC 000755598

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Ag. Item 3

Action

EES / Occ / Jim Wood
1) Duncan
2) Blake

Ag. Item 4

Action

Approved
Eric Shaw / ARLOS
1200 MW power
Subj. approval to sell to Dboard

210
105
Subj. to
Proj. 6.
1) Blake
2) Savage

Ag. Item 5

Action

SK ENAM - Wm Krong

1)
2)
Approved

Ag. Item 6

Action

Enam Metals
1)
2)

EC 000755599

[Blake Out]

No finance report. Enam corp auditors not yet identified.
4 of Cal. Agents - lead plaintiff in AA class action

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Stacy H. ... - fid duties ...
requested ... to ...
Loop provided a brief summary?
Open term until ...
In 3 pm, ...
Discussion ...
No forum.

12:30

EC 000755600

Respect Integrity Communication Excellence