

PROFFER AGREEMENT

With respect to the meeting of DAVID DALANNEY ("Client") and his/her attorney, John Dowd Esq., with Samuel W. Ewell of the Department of Justice Enron Task Force, and Special Agents HOUSEMAN, HAYES of the Federal Bureau of Investigation ("FBI"), held at WASHINGTON on 5/23/03 ("the meeting"), the following understandings exist:

(1) In any prosecution brought against Client by the United States, except a prosecution for false statements, obstruction of justice, or perjury, the United States will not offer in evidence any statements made by Client at the meeting (A) in its case-in-chief or (B) at sentencing. The United States may use any statements made by Client and any other information derived directly or indirectly from the meeting for the purpose of obtaining leads to other evidence, which evidence may be used by the United States in any stage of a criminal or civil proceeding (including but not limited to detention hearing, trial or sentencing).

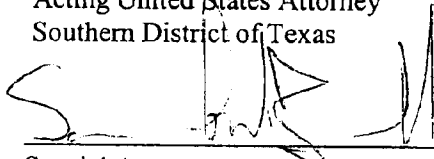
(2) Notwithstanding paragraph (1) above, the United States may use any statements made by the Client and any information derived directly or indirectly from the meeting for any purpose (A) should Client testify or (B) to rebut, directly or indirectly, any evidence offered or elicited, or factual assertions made, by or on behalf of Client at any stage of a criminal or civil proceeding (including but not limited to detention hearing, trial or sentencing).

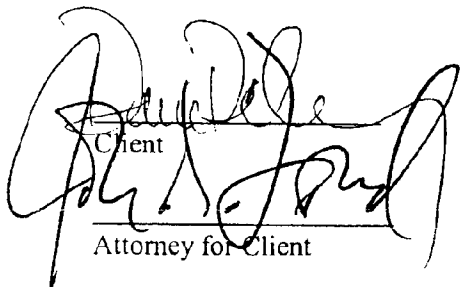
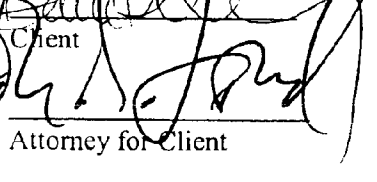
(3) It is further understood that this agreement is limited to the statements made by Client at the meeting and does not apply to any oral, written or recorded statements made by Client at any other time or to any other information provided at the meeting. Moreover, the provisions of Fed. R. Crim. P. 11(e)(6) and Fed. R. Evid. 408 and 410 do not apply to any statements made by Client at the meeting and Client shall not assert any claim under these or any other provisions of law that such statements or any leads therefrom should be suppressed. No understandings, promises, or agreements have been entered into with respect to the meeting other than those set forth in this agreement, and none will be entered into unless memorialized in writing and signed by all parties.


Dated: 5/29/03

JOSHUA HOCHBERG  
Acting United States Attorney  
Southern District of Texas

By:

  
Special Attorney

  
Client  
  
Attorney for Client

  
Special Agent, FBI

