

EX. SNO - 540

1 011109 2 batch 20041021 10-19-04 Samples 12-237801 aud779 (7:12)

2 DON: Hello?

3 SUSAN: Hello, Don.

4 DON: [*inaudible*] frightened to call you.

5 SUSAN: Oh, I bet you have.

6 [REDACTED]

7 SUSAN: Well – so, it’s – ah, we’re just kind of wait and see. We have like absolutely no
8 information, so we’re just waiting. So, I told you they were all crooks. I just didn’t know how
9 much.

10 DON: [*inaudible*].

11 SUSAN: Or how many.

12 DON: I read somewhere in the paper, what was it? The ex-executives were selling all the way
13 down from 30s and 40s or whatever?

14 SUSAN: Well, y – they’ve all – they’ve been selling for the last year and a half, but yeah, they
15 were continuing to sell. ‘Cause they knew it was about to come to a head.

16 DON: Oh, I love it. You know, this is a standard joke around town now that you – you look back
17 and – Oh! oh, there’s 600 million here that we – we didn’t – must have forgot. You know this is in
18 the paper –

19 SUSAN: Well, ah, ah, yeah, it was the – all those partnerships.

20 DON: Yeah, yeah, well they just –

21 SUSAN: Well, no, it was off balance sheets, so they didn’t have to report it in their mind. It’s just
22 a big lie. I mean, it was – it’s just so much worse than I’d thought, you know, I’d always been a
23 cynic here and then things, you know, the last few years I’d kind of turned around because I felt
24 like a lot of good things were happening, and I could see all the money that our group was making.
25 A bunch of money.

26 DON: Y’all were keepin’ ‘em afloat.

27 SUSAN: Yeah, and that’s what we didn’t realize and they were just lying to us, telling us that the
28 other groups were doin’ OK, and were, you know, turnin’ the corner into profitability and this that
29 and the other, you know, all the new things they were gettin’ into. And that was just all – I mean,
30 I – I – I – I just see, ah – see it now, all the times that we were just lied right to our faces. Right here

1 on the floor. Very informal meetings they just downright lied.

2 DON: Next thing that happens, all these guys are go on to, ah, other – will they ever get anybody

3 for criminal charges, I mean, there's gotta be –

4 SUSAN: Well, if the SEC finds out something. You know they're doing the SEC investigation, so

5 maybe.

6 DON: Where's Skil –

7 SUSAN: He's – he's probably the worst one of them all. He was m – manipulating it all.

8 DON: You'd think there'd be some responsibility somewhere. You know, I – I – I said – told

9 somebody the other day, I said, You know, I – as far as I'm concerned, nothing happened at Enron

10 that Ken Lay didn't bless.

11 SUSAN: Well, ah, yeah, ah, see, even if – if he wasn't aware, then he should have been aware, so

12 it's his fault too.

13 DON: That's right.

14 SUSAN: He was asleep at the wheel.

15 DON: Well, I mea – he hired all those [*inaudible*] – yeah, as tight a ship as he ran, [*inaudible*]

16 wheelin' dealin', he's got, so you all just, ah, kind of hangin' by your fingernails there.

17 SUSAN: Yeah. Yep.

18 DON: Has this been a good year for you, hasn't it?

19 [*they laugh*]

20 [REDACTED]

21 DON: what does – all right, now Dynegy is a gas trader too?

22 SUSAN: Yeah.

23 DON: would they – you know if they – if they, you know – clue me in on what's goin' on. If they

24 took you all over –

25 SUSAN: Mm hm.

26 DON: – [*inaudible*] or bought you, the stock, why would they want you?

27 SUSAN: Yeah, I'm – I mean only if they just need more bodies to handle the physical volume.

28 'Cause we've got – w – we do so much more business than they do.

29 DON: OK, so they'd be interested in people, family of contracts and the contacts and all that?

30 SUSAN: Not the contacts. But maybe some of the contracts, but maybe just the expertise, I mean,

1 th – I would say our financial trading is, you know, head and shoulders above theirs.

2 DON: OK.

3 SUSAN: Um, and they want our whole Enron On Line sytem and – and I would imagine they
4 would want some physical people, just to handle the load, at least initially. I – I'm gonna have to
5 go.

6 [REDACTED]

7 SUSAN: OK?

8 DON: Call me.

9 SUSAN: All right, bye.

10 DON: Bye.

11

12 SUSAN: This is Susan.

13 LOUISE: Hey, Susan, it's Louise Kitchen.

14 SUSAN: Yeah.

15 LOUISE: Have you listened to that tape yet?

16 SUSAN: Yes.

17 LOUISE: And do we need to post them any money or not?

18 SUSAN: N – in my opinion, no, I mean, ah, it was never discussed that the money in total would
19 be sent over, ah, you know, right then, ah, he asked, you know, early on, Well, so when we settle
20 this out we can just send you an invoice for – for the – for the difference? And I said, Yeah, you
21 can send it, that's fine. But it – I n – I never said that it was like, OK, and we're writing the check
22 for X amount, so on and so forth, um –

23 LOUISE: But they think [*inaudible*] s – closed out the position and not actually received payment

24 –

25 SUSAN: Well, yeah.

26 LOUISE: – As opposed to them just getting it when deal flows.

27 SUSAN: Well, and we never – I just said we're gonna net it out, because I'm – I'm gonna do the
28 reverse transaction, ah, and then we'll have those two and they will just net each other out. And y
29 – you know, they wanted to say, well, we want to pretend like the deal never happened. I said, well,
30 I think we just have to unwind it by doing an opposing deal.

1 LOUISE: But that doesn't unwind it, right? From a cap they've still got – all they're doing is
2 locking in the risk. What they want to do is take out the risk. OK. Can you get a lawyer to listen
3 to it for me?

4 SUSAN: Yeah, I think, um –

5 LOUISE: Jeff Hodge.

6 SUSAN: Jas – well, Jason was gonna call, ah, Jeff Hodge or – or Jay ah, Williams in Credit was
7 gonna talk to Jeff Hodge and –

8 LOUISE: OK. All right. I'll chase him down.

9 SUSAN: OK.

10 LOUISE: Thank you, bye.

11 SUSAN: All right, bye.