

**U.S. Department of Justice****Criminal Division**

Washington, D.C. 20530

October 10, 2008

VIA FAX at (619-231-7423) and EMAIL at PaulH@csgrr.com

G. Paul Howes, Esquire
Coughlin Stoia Rudman & Robbins LLP
655 West Broadway, Suite 1900
San Diego, California 92101

Re: United States v. Joseph Hirko and Rex Shelby, Cr. 3-093-7 and 3-093-4

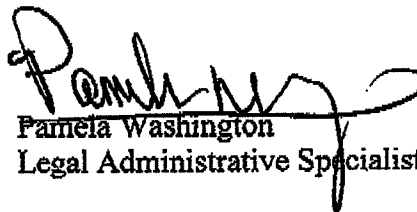
Dear Mr. Howes:

We write to provide you an update on the status of the above-captioned case and to inform you of a change of plea hearing that has been scheduled for defendant Joseph Hirko. Based on a plea agreement reached with the government pursuant to Federal Rule of Criminal Procedure 11(c)(1)(C), Joseph Hirko has agreed to plead guilty to Court 4 of the Seventh Superceding Indictment, charging him with wire fraud, in violation of Title 18, United States Code, Section 1343. The change of plea hearing is scheduled before the Honorable Judge Vanessa Gilmore on October 14, 2008, at 8:00a.m. in Courtroom 9A of the District Court for the Southern District of Texas, located at 515 Rusk Avenue, Houston, Texas.

If the court accepts his plea agreement, Hirko has agreed, among other things, to forfeit \$7,000,000 in criminal proceeds, to be satisfied from an account, which contains sufficient funds for this purpose and for which he is the sole owner. He also has agreed to withdraw and relinquish for all purposes all rights to his interest in the settlement awarded to the Defendant in connection with the liquidation of his claim in Enron's bankruptcy (In Re Enron Corp et al., Case No. 01-16034 (S.D.N.Y.)). In addition, Hirko agrees to relinquish any other claim he may have to deferred compensation, severance, or any other form of payment related to his employment by Enron or any related entity. Hirko also agrees to consent to the entry of orders of forfeiture for all Forfeited Assets to the United States Marshal Service, or any other entity deemed appropriate by the United States, for the benefit of the Securities and Exchange Commission Victim's Fund.

Updated information on this case and other Enron-related cases is available on the Criminal Division's Victim Witness webpage at: <http://www.usdoj.gov/criminal/vns/index.html>.

Sincerely,



Pamela Washington
Legal Administrative Specialist