

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

In re ENRON CORPORATION SECURITIES  
LITIGATION

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§ Civil Action No. H-01-3624  
§ **(Consolidated)**

§  
§ CLASS ACTION

This Document Relates To:

MARK NEWBY, et al., Individually and On  
Behalf of All Others Similarly Situated,

Plaintiffs,

vs.

ENRON CORP., et al.,

Defendants.

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THE REGENTS OF THE UNIVERSITY OF  
CALIFORNIA, et al., Individually and On Behalf  
of All Others Similarly Situated,

Plaintiffs,

vs.

KENNETH L. LAY, et al.,

Defendants.

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**DECLARATION OF JOHN MOORES IN SUPPORT OF LEAD COUNSEL'S MOTION  
FOR AN AWARD OF ATTORNEY FEES**

I, JOHN MOORES, declare as follows:

1. I was a Regent of the University of California from March 1999 until November 12, 2007. I was Chairman of the Board of Regents from May 16, 2002 until July 1, 2004. I resigned from the Board of Regents on November 12, 2007. I make this declaration with reference to Lead Counsel's motion for an award of attorney fees. I have personal knowledge of the facts stated here and, if called, would competently testify to them.

2. The Regents of the University of California ("The Regents" or the "University"), a public corporation operating under Article IX, Section 9 of the California Constitution, was founded in 1868 and is composed of ten campuses and five medical centers with a mission of teaching, research and public service. The Regents has over 183,000 graduate and undergraduate students, three law schools, five medical schools and the nation's largest continuing education program. The University has more than 155,000 employees and is governed by a 26-member Board of Regents. The Chief Investment Officer of The Regents is responsible for managing the investments and treasury operation of the University of California system and currently manages a portfolio totaling more than \$73 billion. The investment funds managed consist of the University's retirement, defined contribution and endowment funds. The Chief Investment Officer is the custodian of these funds. These investments support the University's mission of education, research, and public service and provide substantial benefits for retired employees.

3. The Board of Regents has 26 members, 18 of whom are appointed by the Governor of California for 12-year terms. The Board members individually and collectively have a wealth of experience in business and legal matters. The Regents also has the benefit of relying upon an accomplished professional staff which included financial professionals and a legal staff of 50 or more in-house lawyers.

4. In December 2001, The Regents applied for appointment as Lead Plaintiff in the *Enron* litigation. At that time, the Office of the General Counsel on behalf of The Regents carefully considered the choice of Lead Counsel. The objective of this process was to retain outside class counsel possessing the financial resources, skill, experience, and track record required to obtain optimum results for the Class. The Regents selected as Lead Counsel the firm of Milberg Weiss Bershad Hynes & Lerach LLP (“Milberg Weiss”), now Coughlin Stoia Geller Rudman & Robbins LLP (“Coughlin Stoia”). I am now confident that we collectively made the right decision in retaining Coughlin Stoia based on the outstanding results that were produced by their efforts on behalf of the Class.

5. During December 2001 and January 2002, The Regents, through attorneys in the General Counsel’s office, negotiated a fee agreement with Lead Counsel. At the time I knew the terms of that agreement and understood it was designed to incentivize Lead Counsel to achieve the maximum possible recovery and is thus extremely beneficial to the Class.

6. The Regents’ objective in negotiating the fee agreement was to maximize the benefit to the Class. To achieve that overriding objective, The Regents adhered to several principles. First, The Regents sought to negotiate fee percentages that would be substantially lower than those commonly agreed to or awarded. Second, The Regents recognized that the Enron lawsuit would be complex, and that the fee agreement had to provide a sufficient fee to create an adequate incentive for counsel to commit the necessary resources to litigate the case. Finally, The Regents recognized that given Enron’s bankruptcy, substantial recovery would be difficult. Thus, the small increase in the marginal fee percentage as the recovery increases provides counsel an incentive to pursue additional sources of recovery. The fee agreement The Regents executed meets these criteria and created the proper incentives for Lead Counsel to maximize the Class recovery.

7. In addition, The Regents required that Lead Counsel provide all funds (without a limit) for the expenditures necessary to vigorously prosecute this litigation. The Regents also required that the firm agree the expenses will be “netted” from recoveries before applying the fee percentages for award to Lead Counsel.

8. The fee agreement The Regents negotiated is as follows:

0-\$1 billion 8%;

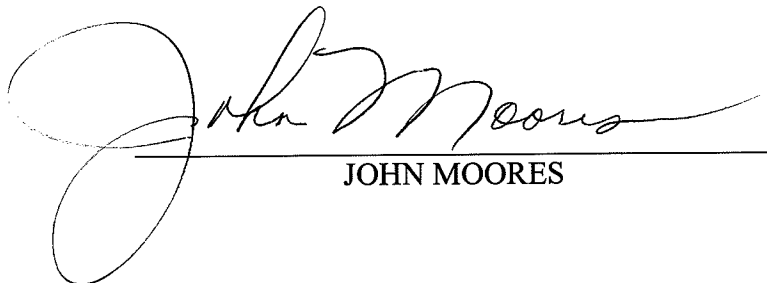
\$1-2 billion, 9%;

\$ 2+ billion, 10%.

The higher percentages apply only to the marginal amounts, that is, the amount in excess of the cap on the next lower recovery category.

9. Although I, among others, initially was opposed to the selection of Milberg Weiss, now Coughlin Stoia as Lead Counsel, it is obvious that The Regents’ confidence in this firm and in the negotiated fee arrangement was justified based on the outstanding results that were produced on behalf of the Class. The fee agreement has worked just like it was designed to and has benefited the Class. It should be honored.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 12 day of December, 2007, at San Diego, California.

  
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JOHN MOORES

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing [DECLARATION OF JOHN MOORES IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEY FEES](#) document has been served by sending a copy via electronic mail to [serve@ESL3624.com](mailto:serve@ESL3624.com) on [January 4, 2008](#).

I also certify that a copy of the above-mentioned document has been served via U.S. MAIL on the parties listed on the attached "Additional Service List" on this 4th day of January, 2008.

*Deborah S. Granger*

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[DEBORAH S. GRANGER](#)

**ADDITIONAL SERVICE LIST**

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