

Exhibit A

WEIL, GOTSHAL & MANGES LLP
Attorneys For The Debtors
767 Fifth Avenue
New York, New York 10153
(212) 310-8000
Martin J. Bienenstock (MB 3001)
Brian S. Rosen (BR 0571)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
	:	
In re	:	Chapter 11 Case No.
	:	
ENRON CORP., <u>et al.</u>,	:	01-16034 (AJG)
	:	
	:	Jointly Administered
Debtor.	:	
-----	X	

**NOTICE OF PRESENTMENT OF ORDER PURSUANT TO
11 U.S.C. § 363 AUTHORIZING THE DEBTOR TO ENTER INTO
AN AGREEMENT TO EMPLOY STEPHEN FORBES COOPER, LLC
AS AN INDEPENDENT CONTRACTOR TO PROVIDE MANAGEMENT
SERVICES FOR THE DEBTORS *NUNC PRO TUNC* TO JANUARY 30, 2002**

PLEASE TAKE NOTICE that the undersigned will present the annexed
Order Pursuant to 11 U.S.C. § 363 Authorizing the Debtors to Enter into an Agreement to
Employ Stephen Forbes Cooper, LLC as an Independent Contractor to Provide Management
Services for the Debtors Nunc Pro Tunc to January 30, 2002 (the "Proposed Order") for
signature to the Honorable Arthur J. Gonzalez, United States Bankruptcy Judge, on March 7,
2002 at 12:00 p.m. (New York City Time) (the "Presentment Date"), in Room 523 of the
United States Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green,
New York, New York, 10004.

PLEASE TAKE FURTHER NOTICE that responses or objections, if any, to
the Proposed Order must be in writing, conform to the Federal Rules of Bankruptcy

Procedure and the Local Rules of the Bankruptcy Court, and be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (General Order M-242 and the User's Manual for the Electronic Case Filing System can be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court), by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), Wordperfect or any other Windows-based word processing format (with a hard-copy delivered directly to Chambers), and be served in accordance with General Order M-242, and upon (1) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attn: Martin J. Bienenstock, Esq. and Brian S. Rosen, Esq. (Facsimile: 212-310-8007), counsel to the Debtors, (2) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, NY 10004, Attn: Mary Elizabeth Tom, Esq., (3) Davis, Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017, Attn: Donald S. Bernstein, Esq. and Marshall S. Huebner, Esq. (Facsimile: 212-450-3800), counsel for JP Morgan Chase Bank, as Agent, (4) Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022, Attn: Douglas Bartner, Esq. and Fredric Sosnick, Esq. (Facsimile: 212-848-7179), counsel for Citicorp, as Agent, and (5) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005-1413, Attn: Luc A. Despina, Esq. (Facsimile: 212-822-5660), counsel for the statutory creditors' committee, so as to be received no later than March 4, 2002 at 5:00 p.m. (New York City Time) (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE that, in the event that an objection is timely filed and received by the parties set forth above, the Court will notify the moving and

objecting parties of the date and time of the hearing and of the moving party's obligation to notify all other parties entitled to receive notice. The moving and objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

PLEASE TAKE FURTHER NOTICE that, in the event that no objection to the Proposed Order has been properly filed and served by the Objection Deadline, the Bankruptcy Court may enter the Proposed Order without a hearing.

Dated: New York, New York
February 15, 2002

/s/ Brian Rosen
Martin J. Bienenstock (MB 3001)
Brian S. Rosen (BR 0571)
Melanie Gray
Martin A. Sosland
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	: Chapter 11
	:
ENRON CORP., <u>et al.</u>,	: Case No. 01-16034 (AJG)
	:
	: Jointly Administered
Debtor.	:
-----X	

**ORDER PURSUANT TO 11 U.S.C. § 363 AUTHORIZING THE
DEBTORS TO ENTER INTO AN AGREEMENT TO EMPLOY
STEPHEN FORBES COOPER, LLC AS AN INDEPENDENT
CONTRACTOR TO PROVIDE MANAGEMENT SERVICES FOR
THE DEBTORS *NUNC PRO TUNC* TO JANUARY 30, 2002**

Upon consideration of the motion, dated February 15, 2002 (the “Motion”), filed by Enron Corp. (“Enron”) and its affiliated debtor entities, as debtors and debtors in possession (collectively, the “Debtors”), for an order, pursuant to section 363 of title 11 of the United States Code (the “Bankruptcy Code”), authorizing the Debtors to employ Stephen Cooper, LLC (“SFCooper, LLC”) in accordance with the terms and conditions of that certain Agreement, as amended (the “Agreement”), dated January 30, 2002, a copy of which is annexed as Exhibit “A” to the Motion; and upon the affidavit of Stephen Cooper in support of the Motion, a copy of which is annexed as Exhibit “B” to the Motion; and it appearing that the Court has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and due notice of the Motion and the hearing to be held thereon having been served to all parties entitled thereto in accordance with the Federal Rules of Bankruptcy Procedure, and no other or further notice need be given; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors; and upon the

Motion and all of the proceedings held before the Court; after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted.
2. Enron is authorized to enter into the Agreement and to employ SFCooper, LLC as an independent contractor to provide management services to the Debtors on the terms and conditions set forth in the Agreement, nunc pro tunc to January 30, 2002.
3. SF Cooper, LLC is authorized to provide Stephen Cooper as the Acting Chief Executive Officer and Chief Restructuring Officer of Enron on the terms and conditions set forth in the Agreement, nunc pro tunc to January 30, 2002.
4. SFCooper, LLC is authorized to assign the Full-Time Equivalent (defined as 160 worked hours per month) of fifteen individuals in addition to Stephen Cooper, to work for the Debtors on the terms and conditions set forth in the Agreement, nunc pro tunc to January 30, 2002. SFCooper, LLC shall not be required to apply to the Court for payment of any compensation or reimbursement of any expenses under the Agreement.
5. All compensation and reimbursement due to, and other rights of, SFCooper, LLC under the Agreement shall be treated in the Debtors' chapter 11 cases as allowed administrative expenses in accordance with section 503 of the Bankruptcy Code.
6. The Court shall retain jurisdiction over any and all disputes arising under or otherwise relating to the construction, performance and enforcement of the terms and conditions of the Agreement.

7. The Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment or supplement has no material adverse effect on the Debtors' estates or their creditors.

8. The requirement pursuant to Local Bankruptcy Rule for the Southern District of New York 9013-1(b) that the Debtors file a memorandum of law in support of the Motion is hereby waived.

Dated: New York, New York
February __, 2002

UNITED STATES BANKRUPTCY JUDGE

WEIL, GOTSHAL & MANGES LLP
Attorneys for the Debtors
767 Fifth Avenue
New York, New York 10153
(212) 310-8000
Martin J. Bienenstock (MB 3001)
Brian S. Rosen (BR 0571)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----	X	
	:	
In re	:	Chapter 11
	:	
ENRON CORP., <u>et al.</u> ,	:	Case No. 01-16034 (AJG)
	:	
	:	Jointly Administered
Debtors.	:	
-----	X	

MOTION PURSUANT TO 11 U.S.C. § 363 FOR ENTRY OF
AN ORDER AUTHORIZING THE DEBTORS TO ENTER
INTO AN AGREEMENT TO EMPLOY STEPHEN FORBES
COOPER, LLC AS AN INDEPENDENT CONTRACTOR
TO PROVIDE MANAGEMENT SERVICES FOR THE
DEBTORS NUNC PRO TUNC TO JANUARY 30, 2002

TO THE HONORABLE ARTHUR J. GONZALEZ,
UNITED STATES BANKRUPTCY JUDGE:

Enron Corp. ("Enron") and its affiliated debtor entities, as debtors and
debtors in possession, as and for their motion (the "Motion"), respectfully represents:

JURISDICTION

1. This Court has jurisdiction to consider this Motion and the relief
requested herein pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core
proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to
28 U.S.C. §§ 1408 and 1409.

BACKGROUND

2. Commencing on December 2, 2001 (the “Petition Date”), Enron and certain of its affiliates, (collectively, the “Debtors”) each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. The Debtors and their approximately 3,500 other direct and indirect subsidiaries (collectively, the “Enron Companies”), building upon knowledge gained in over 70 years of experience in the energy business, had grown into a worldwide leader in products and services related to the sale and delivery of natural gas, electricity and communications to wholesale and retail customers. As of the Petition Date, the Enron Companies employed approximately 25,000 individuals throughout the world and were recently ranked seventh on the Fortune 500 list of the largest U.S. corporations.

4. The Enron Companies divide their business operations into four primary business units: Enron Wholesale Services, Enron Retail Services, Enron Transportation Services, and Enron Global Services. These business units historically provided the following services:

- (a) Enron Wholesale Services encompasses the global wholesale businesses related to natural gas, power, metals, coal, crude and liquids, weather, forest products and steel. This business unit also includes EnronOnlineTM, the world’s largest e-commerce site for global commodity transactions.
- (b) Enron Retail Services extends Enron’s energy expertise and capabilities to end-use retail customers in the industrial and commercial business sectors to manage their energy requirements and reduce their total energy costs.

- (c) Enron Transportation Services operates one of the largest gas transmission systems in the United States spanning approximately 25,000 miles with a peak capacity of 10.1 billion cubic feet per day.
- (d) Enron Global Services includes energy-related assets throughout the world that are not included in the Wholesale, Retail and Transportation business units, including, but not limited to, assets in the United States, Brazil, Europe, and India.

5. On December 12, 2001, in accordance with section 1102 of the Bankruptcy Code, the United States Trustee for the Southern District of New York appointed a statutory committee of unsecured creditors in the Debtors' chapter 11 cases (the "Creditors' Committee"). The Creditors' Committee has retained Milbank, Tweed, Hadley & McCloy LLP, as counsel, and has requested Bankruptcy Court approval to retain (a) Ernst & Young LLP, as restructuring accountants, and (b) Houlihan Lokey Howard & Zukin, as financial advisors.

RELIEF REQUESTED

6. Pursuant to this Motion, the Debtors seek authority to enter into an agreement with Stephen Forbes Cooper, LLC ("SFCooper, LLC") to provide management services pursuant to section 363 of the Bankruptcy Code.

7. On January 23, 2002, the Debtors announced that Kenneth L. Lay had resigned as Chief Executive Officer of Enron. As a result of Mr. Lay's resignation, Enron's Board of Directors (the "Board") began a search to find a new Chief Executive Officer to provide management expertise and restructuring experience to assist the Debtors in the reorganization process and these chapter 11 cases.

8. After a review of various candidates, on January 30, 2002, Enron entered into an agreement with SFCooper, LLC, as amended (the "Agreement"), to

provide management services for the Debtors. The Agreement, a copy of which is annexed hereto as Exhibit "A", provides, among other things, that SF Cooper, LLC shall provide Stephen Cooper and up to the Full-Time Equivalent ("FTE") (defined as 160 worked hours per month) of fifteen additional individuals (the "Associate Directors of Restructuring") to work for the Debtors. Stephen Cooper shall be employed as Acting Chief Executive Officer and Chief Restructuring Officer of Enron.

BASIS FOR RELIEF

9. Stephen Cooper has substantial knowledge and experience serving as a senior officer in large companies and in assisting troubled companies with stabilizing their financial condition, analyzing their operations and developing an appropriate business plan to accomplish the necessary restructuring of their operations and finances. For example, Stephen Cooper has served as a senior officer of, or an advisor to, Federated Department Stores, Sunbeam Corporation, Laidlaw, Inc., Washington Group International, Inc., Polaroid Corporation, Pegasus Gold, Inc., Nationsrent, and ICG Communications, Inc. Further, Stephen Cooper is a founding member of Zolfo Cooper, LLC, which has provided crisis management and restructuring services to troubled companies since 1982. Stephen Cooper has served as a turnaround consultant for a number of companies in a variety of industries. The Debtors submit that Mr. Cooper is highly qualified to serve as Acting Chief Executive Officer and Chief Restructuring Officer of Enron.

10. Pursuant to the Agreement SF Cooper, LLC will provide the following services to the Debtors:¹
- (a) Stephen Cooper shall serve as the Acting Chief Executive Officer and Chief Restructuring Officer of Enron.
 - (b) SFCooper, LLC will assign Associate Directors of Restructuring to serve in various capacities with the Debtors.
 - (c) Stephen Cooper shall be authorized to make decisions with respect to all aspects of the management and operations of the Debtors' business, subject to appropriate governance by the Board and in accordance with the Debtors' Bylaws and applicable state law. Stephen Cooper and the Associate Directors of Restructuring shall not have authority or make decisions other than for activities in the ordinary course of business or otherwise approved by the Board or the Executive Committee of the Board (the "Executive Committee") and, if required, the Bankruptcy Court.
 - (d) All of Stephen Cooper's material decisions shall be discussed with one or more members of the Executive Committee, as appropriate, and with the Debtors' Chief Executive Officer ("CEO"), if a non-interim CEO is appointed by the Board. Any dispute between the Executive Committee and Stephen Cooper regarding the implementation of such decisions shall be resolved definitively by the non-interim CEO, if any, and in the absence of a non-interim CEO, by the Board.
 - (e) SFCooper, LLC shall cause Stephen Cooper to furnish such hours of service as necessary to perform his duties on behalf of SFCooper, LLC; provided, however, that Stephen Cooper shall provide a minimum of twenty (20) hours of service per week.
11. Other principal and salient terms of the Agreement:
- (a) Term. Retention shall commence on January 30, 2002 and shall continue on a month-to-month basis until terminated by either party upon ten (10) days' prior written notice to the other party. In

¹ This summary is qualified in its entirety by reference to the provisions of the Agreement. Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Agreement.

the event of termination prior to the end of a calendar month, the Debtors shall pay SF Cooper, LLC for the entire calendar month.

(b) Compensation

- (i) For the services of Stephen Cooper an annual payment of \$1,320,000, payable monthly in the amount of \$110,000.
- (ii) For the services of each Associate Director of Restructuring an annual payment of \$1,200,000, payable monthly in the amount of \$100,000.
- (iii) A fee in an amount to be mutually agreed upon between the Debtors and SFCooper, LLC in the event that Enron succeeds in obtaining: (i) a consensual non-liquidating restructuring of a significant portion of the Debtors' business or (ii) a final judicial order approving a plan of reorganization under chapter 11 of the Bankruptcy Code (other than a liquidation plan); provided, however, that such fee shall be in a minimum amount of \$5,000,000 (any amounts in excess of \$5,000,000 are subject to approval of the Creditors' Committee. In the event that the Debtors fail to succeed in obtaining the results described in clauses (i) or (ii) above, the Debtors and SFCooper, LLC shall mutually agree on an appropriate fee (subject to approval of the Creditors' Committee).
- (iv) SF Cooper, LLC shall be reimbursed for its reasonable out-of-pocket expenses.

(c) Indemnification

- (i) The Debtors shall indemnify and hold harmless SFCooper, LLC and its principals, employees, representative or agents (including counsel) (collectively, the "SFCooper, LLC Indemnitees") for any indemnifiable loss ("Indemnifiable Loss"), arising out of or in connection with this engagement or the services provided by SFCooper, LLC, unless there is a final non-appealable order issued by a trial court finding the SFCooper, LLC Indemnitees directly liable for gross negligence or willful misconduct.
- (ii) If any SFCooper, LLC Indemnitee is required to testify at any time after the expiration or termination of the Agreement at any administrative or judicial proceeding relating to any services provided by SFCooper, LLC

pursuant to the Agreement, then SFCooper, LLC shall be entitled to be compensated by the Debtors for SFCooper, LLC's associated time charges at the regular hourly rates in effect at the time and to be reimbursed for reasonable out-of-pocket expenses.

- (d) Independent Contractor. The parties intend that SFCooper, LLC and each of its representatives shall render services as an independent contractor.
- (e) Conflicts. SFCooper, LLC confirms that none of the principals or staff members of SFCooper, LLC or of its affiliates has any financial or business connection with the Debtors, and SFCooper, LLC is aware of no conflicts in connection with the Agreement.

**CONSUMMATION OF THE
AGREEMENT SHOULD BE APPROVED**

12. The Debtors believe that because Stephen Cooper will be serving as Acting Chief Executive Officer and Chief Restructuring Officer of Enron and making decisions with respect to the utilization of Associate Directors of Restructuring, subject to the supervision of the Board, the services to be provided by SFCooper, LLC are not professional services under the Bankruptcy Code and approval of the Agreement is not required under section 327 of the Bankruptcy Code. Nevertheless, because the Agreement can be viewed as outside the ordinary course, the Debtors seek approval of the Agreement pursuant to section 363 of the Bankruptcy Code, nunc pro tunc to January 30, 2002. Furthermore, although the Debtors submit that the retention of SFCooper, LLC is not governed by section 327 of the Bankruptcy Code, the Debtors attach hereto as Exhibit "B" an affidavit of Stephen Cooper (the "Cooper Affidavit") in support of this Motion. The Cooper Affidavit discloses, among other things, any "connection" that SFCooper, LLC has with the Debtors, their creditors and other parties in interest.

13. Section 363 of the Bankruptcy Code provides that transactions not in the ordinary course of business must be approved by court order. Courts within the Second Circuit routinely have held that transactions should be approved under section 363 of the Bankruptcy Code when they are supported by the sound business judgment of management. See, e.g., Comm. of Equity Security Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063 (2d. Cir. 1983) (outlining requirements for the sale of assets under section 363(b)). Indeed, bankruptcy courts in this District and the District of Delaware have authorized the employment by a debtor of a chief restructuring officer pursuant to section 363 of the Bankruptcy Code. See In re Iridium Operating LLC, et al., Case Nos. 99-45005 CB and 99-45006 CB; In re Bill's Dollar Stores, Inc., Case No. 01-0435 (PJW).

14. The employment of SFCooper LLC is a sound exercise of the Debtors' business judgment. On January 30, 2002, the Board elected Stephen Cooper as the Acting Chief Executive Officer and Chief Restructuring Officer of Enron. As set forth above, Stephen Cooper has extensive experience as a senior officer and restructuring consultant for several large companies. Further, Mr. Cooper is a seasoned turnaround and restructuring expert. The Debtors' believe that the services to be provided by Stephen Cooper and the Associate Directors of Restructuring to be assigned by SFCooper, LLC, will benefit the Debtors' estates, their creditors and all parties in interest.

NOTICE

15. Notice of this Motion has been served via first class mail to the Office of the United States Trustee, the Creditors' Committee, SFCooper, LLC, the

Debtors' postpetition lenders and all parties in interest that have filed a notice of appearance in these chapter 11 cases pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure. The Debtors submit that no other notice need be given.

16. Pursuant to Local Bankruptcy Rule for the Southern District of New York 9013-1(b), because there are no novel issues of law presented herein, Enron respectfully requests that the Court waive the requirement that Enron file a memorandum of law in support of this Motion.

17. No previous motion for the relief sought herein has been made to this or any other Court.

WHEREFORE the Debtors respectfully request that the Court enter an order granting the relief requested herein and such other and further relief as is just.

Dated: New York, New York
February 15, 2002

By: /s/ Brian Rosen
Martin J. Bienenstock (MB 3001)
Brian S. Rosen (BR 0571)
Melanie Gray
Martin A. Sosland
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

ATTORNEYS FOR DEBTORS
AND DEBTORS IN POSSESSION