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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Case No. 01-16034 (AJG)
: Jointly Administered
ENRON CORP., et al., :
: Debtors. :
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THE OFFICIAL COMMITTEE OF UNSECURED:
CREDITORS OF ENRON CORP., et al. :
on behalf of ENRON CORP, et al., :
Plaintiff : Adversary Proceeding
: No. 03-02075 (AJG)
-against- :
: KENNETH L. LAY AND LINDA P. LAY, :
Defendants. :
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**AMENDED COMPLAINT TO AVOID CERTAIN PRE-PETITION LOAN AND ANNUITY
TRANSACTIONS AS FRAUDULENT TRANSFERS**

Plaintiff The Official Committee of Unsecured
Creditors (the "Committee,") of Enron Corp. ("Enron"), debtor in
possession in the above captioned cases, and its affiliated
debtors and debtors in possession (collectively the "Debtors"),
by and through its undersigned counsel, hereby alleges as and
for its amended complaint (the "Complaint") against defendants
Kenneth L. Lay ("Lay"), Enron's former chief executive and

chairman of its board of directors and Linda P. Lay ("Mrs. Lay"), Lay's wife at all times relevant to the Complaint (collectively the "Lays"):

NATURE OF ACTION

1. This action seeks the recovery of transfers of over \$80 million to Lay and Mrs. Lay. Between May 3, 1999 and November 27, 2001, Lay used Enron common stock to repay over \$94 million in cash loans he received from Enron pursuant to a revolving loan facility. Over \$74 million of those repayments made by Lay in Enron common stock (the "Loan Transfers") occurred within one year of the Debtors' commencement of the Bankruptcy Cases on December 2, 2001 (the "Petition Date"). Lay continued to draw such cash loans from Enron until one week before the Petition Date. The tendering of Enron's own stock to repay loans taken in cash was not a fair exchange for Enron. Each of these purported "repayments" by Lay in Enron stock was a fraudulent transfer subject to avoidance under federal bankruptcy and state law for the benefit of the Debtors' estates.

2. In addition to the Loan Transfers, on September 21, 2001, little more than two months before the Petition Date, the Lays temporarily assigned to Enron their interest in two annuity contracts in exchange for \$10 million in cash belonging to Enron (the "Annuity Transfers"). The Annuity Transfers were

fraudulent transfers subject to avoidance for the benefit of the Debtors' estates.

3. The Loan Transfers and the Annuity Transfers the Lays received from Enron constitute transfers of property of The Debtors' estates. It is within the exclusive jurisdiction of the Bankruptcy Court to order the Lays to disgorge these illegitimate gains. Accordingly, the Committee brings this action seeking return of Enron's property to the Debtors' estates for the benefit of the Debtors' creditors.

THE PARTIES

4. The Debtors. Enron is a corporation organized under the laws of Oregon with its principal place of business at 1400 Smith Street, Houston, Texas. Commencing on the Petition Date and from time to time thereafter, the Debtors filed voluntary petitions for relief under 11 U.S.C §§ 101-1330 as amended (the "Bankruptcy Code"). The Debtors and approximately 3,500 of their direct and indirect subsidiaries employ approximately 25,000 individuals in their energy operations. The Debtors continue to operate their business and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. Creditors' Committee. On December 12, 2001, the United States Trustee appointed the Committee, which appointment was amended from time to time thereafter. The Committee

represents the interests of all of the Debtors' unsecured creditors in these bankruptcy cases. Among other things, it is statutorily authorized to investigate the Debtors' assets and liabilities and the operation of its businesses, all with the goal of maximizing recoveries for unsecured creditors.

6. Lay is a United States citizen residing at 2001 Kirby Drive, Suite 1240, Houston, Texas, 77019. From December 9, 1996 until February 1, 2001, Lay served as Enron's Chairman and Chief Executive Officer. From February 2001 until August 14, 2001, Lay served as Enron's Chairman. From August 14, 2001 until January 23, 2002, Lay again served as Enron's Chairman and Chief Executive Officer.

7. Mrs. Lay is a United States citizen residing at 2001 Kirby Drive, Suite 1240, Houston, Texas, 77019. Mrs. Lay is currently Lay's wife. Lay and Mrs. Lay were husband and wife on all dates relevant to the Complaint.

JURISDICTION AND VENUE

8. This adversary proceeding is commenced pursuant to sections 105, 544, 548 and 550 of the Bankruptcy Code, sections 270 to 281 of the N.Y. Debtor and Creditor Law and Federal Rule of Bankruptcy Procedure 7001.

9. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334 as the claims or causes of action arise under the Bankruptcy Code, or are