

Draft

January 20, 2002

Kenneth L. & Linda P. Lay
SUMMARY BALANCE SHEET
As of: December 31, 2001

ASSETS

CURRENT ASSETS

Cash on Hand	\$	3,375.58
Checking Accounts		1,502,343.44
Money Market Accounts		720,759.08
Brokerage Accounts		5,643.31
Savings Accounts		46.47
Short-term Receivables		7,469,332.82
Notes Receivable		1,458,788.27

TOTAL CURRENT ASSETS \$ 11,160,288.97 ✓

MARKETABLE INVESTMENTS

Enron Corp.	\$	148,587.60
Common Stock-Director		4,711,400.44
Sanders Morris Mundy-Com		404,313.00
Cypress Asset Mgmt.-Com		3,055,321.71
Paine Webber Core Hold.		20,195.00
Vested Exec Stock Options		27,651.80

TOTAL MARKETABLE INVESTMENTS 8,367,469.55 ✓

LONG-TERM INVESTMENTS

Residence	\$	10,156,723.27
Real Estate Other Homes		20,356,480.10
Real Estate Active Rental		2,103,490.81
Real Estate Partnerships		4,803,378.08
Farming Interests		4,500.00
Privately-Held Stock		6,364,276.09
Corporate Bond-Convertible		120,700.00
GS 1999 Exchange Fund		5,050,514.81
Family Partnerships		2,074,815.00
Other Investments		10,110,037.58

TOTAL LONG-TERM INVESTMENTS 61,144,915.74 ✓

RETIREMENT/DEFERRED ASSETS

IRA	\$	46,437.21
IRA/Spouse		46,471.49
Retirement Plans		391,851.79
Deferred Compensat'n Plans		1,641,250.34

TOTAL RETIREMENT/DEFERRED ASSETS 2,126,010.83

PERSONAL/NON-EARNING ASSET

Automobile(s)	\$	361,525.65
Home Furnishings		3,018,435.97
Other Vehicles & Equip		143,720.88

TOTAL PERSONAL/NON-EARNING ASSET 3,523,682.50

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TOTAL ASSETS \$ 86,322,367.59

LIABILITIES

CURRENT LIABILITIES

Notes Payable \$ 8,289,871.12
Security Deposits 1,369.18
Margin Acct Liability 1,981,840.65
Other Current Liabilities 6,276,521.85

TOTAL CURRENT LIABILITIES \$ 16,549,602.80

LONG-TERM LIABILITIES

Other Real Estate Mtge \$ 14,673,679.57
Investment Liabilities 2,205,074.87
Deferred Tax Liabilities 64,804.00

TOTAL LONG-TERM LIABILITIES 16,943,558.44

BUSINESS LIABILITIES

Employer Taxes/Bus \$ 140,507.23
Accrue Social Sec Tax/Bus 43,534.37

TOTAL BUSINESS LIABILITIES 184,041.60
TOTAL LIABILITIES \$ 33,677,202.84

EQUITY

TOTAL NET WORTH

TOTAL LIABILITIES AND NET WORTH

\$ 52,645,164.75
\$ 86,322,367.59

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Kenneth L. & Linda P. Lay
BALANCE SHEET ANALYSIS
As of: December 31, 2001

	<u>Balance</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash on Hand:	
CASH ON HAND/BVLILT	1,278.60
CASH ON HAND/CHUGLI	176.78
CASH ON HAND/LEONA	381.63
CASH ON HAND/MSTURGIS	199.77
CASH ON HAND/PRAKER	219.33
CASH ON HAND/PSTOKES	779.03
CASH ON HAND/SK	340.44
Total Cash on Hand:	<u>3,375.58</u>
Checking Accounts:	
BANK OF AMER-PRAKER	3,448.20
BANK OF AMER-VAN DER	2,640.00
BANK OF AMER/LPL PROP	3,366.07
BANK OF AMER/STOKES	4,768.21
BANK OF AMERICA 0707	5,771.74
CHASE BANK CHECKING	1,481,356.42
UNITY 109-900	-133.21
VECTRA BANK	1,126.01
Total Checking Accounts:	<u>1,502,343.44</u>
Money Market Accounts:	
SOUTHWEST BANK OF TX	630,759.08
WASHINGTON DC ACCT	90,000.00
Total Money Market Accounts:	<u>720,759.08</u>
Brokerage Accounts:	
FIRST UNION MMA/FTU-26	985.50
FIRST UNION MMA/FTU-30	0.68
FIRST UNION MMA/FTU-54	3,954.72
FIRST UNION MMA/FTU-60	53.93
GOLDMAN SACHS/GS-61	627.97
JP MORGAN SEC MMA/CBT	17.51
SANDERS MORRIS MMA/SMH-JT	3.00
Total Brokerage Accounts:	<u>5,643.31</u>
Savings Accounts:	
ENRON CREDIT UNION/KLL	46.47
Total Savings Accounts:	<u>46.47</u>
Short-term Receivables:	
ACCT RECV-A. PHILLIPS	37,000.00
ACCT RECV-BJONES	105,105.02

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	<u>Balance</u>
ACCT RECV-BLANCA PEREIRA	26,835.00
ACCT RECV-CHAD MODAD	20,000.00
ACCT RECV-CHRISTINA EMERSON	10,000.00
ACCT RECV-D. HOBBS	66,666.00
ACCT RECV-DANIELA TERRAZAS	4,178.00
ACCT RECV-EAL	27,717.19
ACCT RECV-FREDERICA MAYO	280.50
ACCT RECV-G KINNEAR	900,000.00
ACCT RECV-HUGUES HEYMAN	44,914.35
ACCT RECV-J EMERSON	28,615.85
ACCT RECV-JANE TRAN	25,000.00
ACCT RECV-JIM EMERSON	18,000.00
ACCT RECV-KLL & LPL INVEST	4,298,500.00
ACCT RECV-MARCELO LIQUITAY	10,000.00
ACCT RECV-MISC	100,525.15
ACCT RECV-MKL	150,000.00
ACCT RECV-OSVALDO PEREIRA	39,395.00
ACCT RECV-P TERRAZAS	12,558.81
ACCT RECV-PAMELA MAYORGA	12,277.90
ACCT RECV-PAOLA TERRAZAS	724.45
ACCT RECV-PAUL STOKES	2,500.00
ACCT RECV-RENT DEP (#1000)	2,102.08
ACCT RECV-RENT DEP (#811)	1,058.33
ACCT RECV-RRH	98,980.30
ACCT RECV-RUTH VILLALOBOS	50,000.00
ACCT RECV-RV	132,771.12
ACCT RECV-S. ADARO	9,985.00
ACCT RECV-S. HOBBS	66,666.00
ACCT RECV-T. ZILBERFARB	15,000.00
ACCT RECV-TDH	593,394.04
ACCT RECV-VAN STOKES	5,500.00
ACCT RECV-VANGUARD	330,000.00
ACCT RECV-WE TRADE INVEST	223,082.73
Total Short-term Receivables:	<u>7,469,332.82</u>
Notes Receivable:	
FAM PTRNS ANNUITY-2/KLL	730,081.17
FAM PTRNS ANNUITY-2/LPL	728,707.10
Total Notes Receivable:	<u>1,458,788.27</u>
TOTAL CURRENT ASSETS	<u>11,160,288.97</u>
MARKETABLE INVESTMENTS	
Enron Corp.:	
ENRON 50000SH 7-01/NFL	30,000.00
ENRON CORP 1,859SH(S)/NFL	1,115.40

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	<u>Balance</u>
ENRON CORP 2,246SH/CBT	1,347.60
ENRON CORP 35,000/BA-INV	21,000.00
ENRON CORP 68,620SH/NFL	41,172.00
ENRON CORP 79,691SH/NFL	47,814.60
ENRON CORP 790SH(S)/NFL	474.00
ENRON CORP 9,440SH/NFL	5,664.00
Total Enron Corp.:	<u>148,587.60</u>
Common Stock-Director:	
COMPAQ COMP 11,970SH/BA	116,827.20
COMPAQ COMP 124596SH(2)/BA	1,216,056.96
COMPAQ COMP 20,000SHS/CBT	195,200.00
COMPAQ COMP 30,000/BA-INV	292,800.00
COMPAQ COMP 71,094SH/BA	693,877.44
COMPAQ COMP 83,064/BA-INV	810,704.64
ELI LILLY 100-1SH/FTU-54	7,854.00
ELI LILLY 100-2SH/FTU-54	7,854.00
ELI LILLY 200SH/FTU-54	15,708.00
ELI LILLY 330 SHS/NFL	25,918.20
ELI LILLY 5,000 SHS(1)/CBR	392,700.00
ELI LILLY 5,000 SHS(2)/CBR	392,700.00
ELI LILLY 5000SH-2/NFL	392,700.00
I2 TECHN 2000SH/FTU-60	31,600.00
I2 TECHN 500SH/FTU-60	7,900.00
TNPC 100,000SH/FTU-60	74,000.00
TNPC 25,000SH-2/FTU-60	18,500.00
TNPC 25,000SH/FTU-60	18,500.00
Total Common Stock-Director:	<u>4,711,400.44</u>
Sanders Morris Mundy-Com:	
CAP ENVIR 10,000SH/SMH-JT	41,000.00
CAP TITLE GR 37,037/SMH-JT	81,481.40
CAP TITLE GR 5,000/SMH-JT	11,000.00
TYLER TECHN INC/SMH-JT	227,500.00
WASTE CORP 16,666SH/SMH-JT	43,331.60
Total Sanders Morris Mundy-Com:	<u>404,313.00</u>
Cypress Asset Mgmt.-Com:	
ABBOTT LAB 100-1SH/FTU-54	5,575.00
ABBOTT LAB 300-2SH/FTU-54	16,725.00
AMER EXPRESS 100SH/FTU-54	10,707.00
AMER EXPRESS 150SH/FTU-54	16,060.50
AMER HOME 100SH-4/FTU-54	6,136.00
AMER HOME 150SH-1/FTU-54	9,204.00
AMER HOME 150SH-2/FTU-54	9,204.00

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	<u>Balance</u>
AMER HOME 150SH/FTU-54	9,204.00
AMER HOME 300SH-2/FTU-54	18,408.00
AMER HOME 400SH/FTU-54	24,544.00
AMER INTL GRP 100-2/FTU-54	11,910.00
AMER INTL GRP 100SH/FTU-54	14,847.80
AMER INTL GRP 256SH/FTU-54	38,112.00
AMER INTL GRP 64SH/FTU-54	9,528.00
AMER INTL GRP 75SH/FTU-54	8,972.20
AMER INTL GRP 80SH/FTU-54	11,910.00
AMER INTL GRP 868SH/FTU-54	68,919.20
ANADARK PET 200SH-1/FTU-54	11,370.00
ANADARK PET 200SH-2/FTU-54	11,370.00
ANADARK PET 500SH/FTU-54	28,425.00
ANALOG DEV 200SH-1/FTU-54	17,756.00
ANALOG DEV 200SH-2/FTU-54	13,317.00
ANALOG DEV 500SH/FTU-54	31,073.00
AOL TIME 100 S-1/FTU-54	4,782.90
AOL TIME 100 S-2/FTU-54	4,782.90
AOL TIME 100 S-3/FTU-54	4,782.90
AOL TIME 100 S-4/FTU-54	4,782.90
AOL TIME 100 S-5/FTU-54	4,782.90
AOL TIME 200 S/FTU-54	9,790.50
AOL TIME 300 SHS/FTU-54	14,348.70
AOL TIME 400 S/FTU-54	19,356.30
APPLIED MAT 150SH/FTU-54	6,015.00
APPLIED MAT 250SH/FTU-54	10,025.00
APPLIED MAT 700SH/FTU-54	12,030.00
BANK OF NY 100SH/FTU-54	4,080.00
BANK OF NY 200SH-2/FTU-54	8,160.00
BANK OF NY 200SH-3/FTU-54	8,160.00
BANK OF NY 200SH-4/FTU-54	8,160.00
BANK OF NY 200SH/FTU-54	8,160.00
BANK OF NY 300SH/FTU-54	12,240.00
BANK OF NY 500SH-1/FTU-54	20,400.00
BANK OF NY 500SH-2/FTU-54	20,400.00
BERKSHIRE HATH 14/FTU-54	35,350.00
BERKSHIRE HATH 3/FTU-54	7,575.00
BERKSHIRE HATH 4/FTU-54	10,100.00
BERKSHIRE HATH B3/FTU-54	7,575.00
BERKSHIRE HATH 2S/FTU-54	5,050.00
BERKSHIRE HATH 1S/FTU-54	2,525.00
BRISTOL-MYERS 600SH/FTU-54	30,600.00
BURLING RES 200SH-1/FTU-54	7,508.00
BURLING RES 200SH-2/FTU-54	7,508.00
BURLINGTON 100SH/FTU-54	3,754.00

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	<u>Balance</u>
BURLINGTON 300SH/FTU-54	11,262.00
BURLINGTON 600SH/FTU-54	22,524.00
CISCO SYST 150SH/FTU-54	10,866.00
CISCO SYST 205SH/FTU-54	7,425.10
CISCO SYST 290SH/FTU-54	5,251.90
CISCO SYST 500SH/FTU-54	9,055.00
CISCO SYST 50SH-1/FTU-54	3,622.00
CISCO SYST 50SH-2/FTU-54	3,622.00
CISCO SYST 800SH/FTU-54	14,488.00
CITIGROUP 100SH-1/FTU-54	9,490.24
CITIGROUP 100SH-2/FTU-54	5,048.00
CITIGROUP 150-1SH/FTU-54	14,487.76
CITIGROUP 150-2SH/FTU-54	14,487.76
CITIGROUP 200SH-1/FTU-54	13,528.64
CITIGROUP 200SH-2/FTU-54	10,096.00
CITIGROUP 225SH/FTU-54	20,797.76
CITIGROUP 450SH/FTU-54	41,595.52
CITIGROUP 234SH/FTU-54	11,812.32
CHEVRONTX 53SH/FTU-54	4,749.33
COCA COLA 100SH/FTU-54	4,715.00
COCA COLA 150-1SH/FTU-54	7,072.50
COCA COLA 150-2SH/FTU-54	7,072.50
COCA COLA 150-3SH/FTU-54	7,072.50
COCA COLA 150-4SH/FTU-54	7,072.50
COCA COLA 200SH/FTU-54	9,430.00
COCA COLA 300SH/FTU-54	14,145.00
COSTCO CO 100-2SH/FTU-54	8,876.00
COSTCO CO 100-3SH/FTU-54	8,876.00
COSTCO CO 100-1SH/FTU-54	8,876.00
COSTCO CO 200SH/FTU-54	17,752.00
DELL COMP 200SH/FTU-54	5,436.00
DELL COMP 300SH/FTU-54	8,154.00
DELL COMP 500SH/FTU-54	13,590.00
DELL COMP 700SH/FTU-54	19,026.00
DISNEY WALT 100-2SH/FTU-54	2,072.00
DISNEY WALT 200-1SH/FTU-54	4,144.00
DISNEY WALT 200-2SH/FTU-54	4,144.00
DISNEY WALT 300-1SH/FTU-54	6,216.00
DISNEY WALT 300-2SH/FTU-54	6,216.00
DISNEY WALT 300-3SH/FTU-54	6,216.00
DISNEY WALT 600SH/FTU-54	12,432.00
FANNIE MAE 200SH/FTU-54	15,900.00
FANNIE MAE 300SH/FTU-54	23,850.00
GENERAL ELECT 100-1/FTU-54	12,024.00
GENERAL ELECT 100-2/FTU-54	12,024.00

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	<u>Balance</u>
GENERAL ELECT 100-3/FTU-54	12,024.00
GENERAL ELECT 100-4/FTU-54	12,024.00
GENERAL ELECT 200-1/FTU-54	24,048.00
GENERAL ELECT 200-2/FTU-54	24,048.00
GENERAL ELECT 200-3/FTU-54	8,016.00
GENERAL ELECT 200-4/FTU-54	8,016.00
HONEYWELL 1100SH/FTU-54	33,830.00
HONEYWELL 250SH/FTU-54	8,457.50
IBM 100 SHS-1/FTU-54	24,192.00
IBM 100 SHS-2/FTU-54	12,096.00
IBM 150SH/FTU-54	18,144.00
IBM 50 SHS/FTU-54	12,096.00
IBM 75-1SH/FTU-54	18,144.00
IBM 75-2SH/FTU-54	18,144.00
IBM 75-3SH/FTU-54	18,144.00
INTEL CORP 200SH/FTU-54	6,290.00
INTEL CORP 300SH/FTU-54	16,102.40
INTEL CORP 344SH/FTU-54	21,637.60
JP MORG CHASE 500SH/FTU-54	18,175.00
JP MORG CHASE 100SH/FTU-54	3,635.00
JOHN & JOHN 100SH-2/FTU-54	11,820.00
JOHN & JOHN 100SH-3/FTU-54	11,820.00
JOHN & JOHN 100SH-4/FTU-54	11,820.00
JOHN & JOHN 100SH-5/FTU-54	11,820.00
JOHN & JOHN 150SH-1/FTU-54	17,730.00
JOHN & JOHN 150SH-2/FTU-54	17,730.00
JOHN & JOHN 175SH/FTU-54	20,685.00
JOHN & JOHN 50SH/FTU-54	5,910.00
JOHN & JOHN 75SH/FTU-54	8,865.00
LINEAR TECHN 300SH/FTU-54	11,712.00
LINEAR TECHN 400SH/FTU-54	27,328.00
LOCKHEED MART 400SH/FTU-54	18,668.00
LOCKHEED MART 100SH/FTU-54	4,667.00
MARSH & MCLEN 250SH/FTU-54	26,862.50
MARSH & MC 50SH-1/FTU-54	5,372.50
MARSH & MC 50SH-2/FTU-54	5,372.50
MEDTRONIC 300SH/FTU-54	15,363.00
MEDTRONIC 700SH/FTU-54	35,847.00
MELLON FIN 1250SH/FTU-54	47,025.00
MERCK 100-1SH/FTU-54	11,760.00
MERCK 100-2SH/FTU-54	11,760.00
MERCK 100-3SH/FTU-54	11,760.00
MERCK 100-4SH/FTU-54	5,880.00
MERCK 100-5SH/FTU-54	5,880.00
MERCK 50 SHS/FTU-54	5,880.00

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	<u>Balance</u>
MERRILL LYNCH 100-1/FTU-54	10,424.00
MERRILL LYNCH 100-2/FTU-54	5,212.00
MERRILL LYNCH 300SH/FTU-54	31,272.00
MERRILL LYNCH 50-1/FTU-54	5,212.00
MICROSFT 100SH-4/FTU-54	6,625.00
MICROSFT 100SH-5/FTU-54	6,625.00
MICROSFT 100SH-6/FTU-54	6,625.00
MICROSFT 100SH-7/FTU-54	6,625.00
MICROSFT 125SH/FTU-54	8,281.25
MICROSFT 500SH/FTU-54	33,125.00
MICROSFT 75SH/FTU-54	4,968.75
MOLEX INC 200SH/FTU-54	6,762.50
MOLEX INC 300-1SH/FTU-54	10,143.75
MOLEX INC 300-2SH/FTU-54	10,143.75
MOLEX INC 600-1SH/FTU-54	20,287.50
MOLEX INC 600-2SH/FTU-54	20,287.50
MORGAN STANL 100-1/FTU-54	11,188.00
MORGAN STANL 100-2/FTU-54	11,188.00
MORGAN STANL 100-3/FTU-54	11,188.00
MORGAN STANL 200SH/FTU-54	22,376.00
NOKIA CORP 200SH-1/FTU-54	4,906.00
NOKIA CORP 200SH-2/FTU-54	4,906.00
NOKIA CORP 300SH-1/FTU-54	7,359.00
NOKIA CORP 300SH-2/FTU-54	7,359.00
NOKIA CORP 325SH/FTU-54	31,889.00
PEPISCO 150 SHS-1/FTU-54	7,303.50
PEPISCO 150 SHS-2/FTU-54	7,303.50
PEPISCO 200SH-2/FTU-54	9,738.00
PEPISCO 200SH-3/FTU-54	9,738.00
PEPISCO 200SH-4/FTU-54	9,738.00
PEPISCO 300SH-2/FTU-54	14,607.00
PEPISCO 500SH/FTU-54	24,345.00
PEPSICO 200 SHS/FTU-54	9,738.00
PEPSICO 300 SH-1/FTU-54	14,607.00
PFIZER 100SH-2/FTU-54	10,958.75
PFIZER 4125SH/FTU-54	164,381.25
PROCT & GAM 100SH-1/FTU-54	7,913.00
PROCT & GAM 100SH-2/FTU-54	7,913.00
PROCT & GAM 100SH-3/FTU-54	7,913.00
PROCT & GAM 100SH-4/FTU-54	7,913.00
PROCT & GAM 150SH/FTU-54	11,869.50
PROCT & GAM 200SH/FTU-54	15,826.00
PROCT & GAMB 50SH/FTU-54	3,956.50
ROYAL DUTCH 100SH-1/FTU-54	4,902.00
ROYAL DUTCH 100SH-2/FTU-54	4,902.00

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	<u>Balance</u>
ROYAL DUTCH 125SH/FTU-54	6,127.50
ROYAL DUTCH 150SH/FTU-54	7,353.00
ROYAL DUTCH 500SH/FTU-54	23,284.50
ROYAL DUTCH 50SH/FTU-54	2,451.00
SBC COMM 101SH/FTU-54	39.17
SBC COMM 999SH/FTU-54	39,130.83
TARGET CORP 100SH/FTU-54	8,210.00
TARGET CORP 200SH-2/FTU-54	16,420.00
TARGET CORP 200SH/FTU-54	16,420.00
TARGET CORP 400SH/FTU-54	32,840.00
TEXACO 100 SHS-1/FTU-54	6,899.97
TEXACO 100 SHS-2/FTU-54	6,899.97
TEXACO 100 SHS-3/FTU-54	6,899.97
TEXACO 100 SHS-4/FTU-54	6,899.97
TEXACO 150SH/FTU-54	10,349.96
TEXACO 200 SHS/FTU-54	13,799.94
TEXACO 300 SHS/FTU-54	20,699.91
TEXACO 50SH/FTU-54	3,449.99
TX INSTR 100SH-1/FTU-54	11,200.00
TX INSTR 100SH-2/FTU-54	5,600.00
TX INSTR 150SH-1/FTU-54	8,400.00
TX INSTR 150SH-2/FTU-54	4,200.00
TX INSTR 300SH-1/FTU-54	8,400.00
TX INSTR 300SH-2/FTU-54	8,400.00
TX INSTR 50SH-1/FTU-54	5,600.00
TX INSTR 50SH-2/FTU-54	5,600.00
TX INSTR 50SH-3/FTU-54	5,600.00
TX INSTR 75SH/FTU-54	4,200.00
VERIZON COM 122SH-1/FTU-54	5,790.12
VERIZON COM 122SH-2/FTU-54	5,790.12
VERIZON COM 122SH-3/FTU-54	5,790.12
VERIZON COM 129SH/FTU-54	6,122.34
VERIZON COM 305SH/FTU-54	14,475.30
VERIZON COMM 100SH/FTU-54	4,746.00
VIACOM INC 300SH/FTU-54	13,245.00
VIACOM INC 700SH-1/FTU-54	30,905.00
VIACOM INC 700SH-2/FTU-54	30,905.00
WALMART 100 SHS/FTU-54	5,755.00
WALMART 150 SHS-1/FTU-54	17,265.00
WALMART 150 SHS-2/FTU-54	8,632.50
WALMART 150 SHS-3/FTU-54	8,632.50
WALMART 200 SHS-1/FTU-54	11,510.00
WALMART 200 SHS-2/FTU-54	11,510.00
XILINX 200 SHS-1/FTU-54	31,240.00
XILINX 50 SHS/FTU-54	7,810.00

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As of: December 31, 2001

	<u>Balance</u>
Total Cypress Asset Mgmt.-Com:	3,055,321.71
Paine Webber Core Hold.:	
CELESTICA 500SH/FTU-60	20,195.00
Total Paine Webber Core Hold.:	<u>20,195.00</u>
Vested Exec Stock Options:	
CPQ ESO 4-97 4370SH	7,603.80
LLY ESO 4-00 2,800 SHS	7,280.00
LLY ESO 2-01 2,800 SHS	12,768.00
Total Vested Exec Stock Options:	<u>27,651.80</u>
TOTAL MARKETABLE INVESTMENTS	<u>8,367,469.55</u>
LONG-TERM INVESTMENTS	
Residence:	
REAL ESTATE/HUNTINGDON	10,156,723.27
Total Residence:	<u>10,156,723.27</u>
Real Estate Other Homes:	
PIRATES' COVE LOTS	299,742.66
REAL ESTATE/2514 AVALON	288,433.94
REAL ESTATE/ASPEN1	2,871,953.52
REAL ESTATE/ASPEN2	5,671,227.72
REAL ESTATE/ASPEN3	6,258,170.66
REAL ESTATE/ASPEN4	1,778,082.52
REAL ESTATE/B-3429	770,503.39
REAL ESTATE/B-3431	759,970.73
REAL ESTATE/B-3433	880,881.97
REAL ESTATE/REBA	492,639.61
REAL ESTATE/WESTGATE	284,873.38 *
Total Real Estate Other Homes:	<u>20,356,480.10</u>
Real Estate Active Rental:	
REAL ESTATE/1741SR	147,309.00
REAL ESTATE/1852MAR	104,044.97
REAL ESTATE/1856MAR	173,048.67
REAL ESTATE/1918SR	243,875.17
REAL ESTATE/2403AVALON	944,179.00
REAL ESTATE/KINGS	190,000.00 **
REAL ESTATE/MEXICO MO	240,026.00
REAL ESTATE/VIKING	61,008.00
Total Real Estate Active Rental:	<u>2,103,490.81</u>
Real Estate Partnerships:	
BLENHEIM APARTS, LTD.	175,412.00

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*Sold on 1/02/02-\$415,000; cash proceeds from sale after payment of mortgage, closing costs and 2001 property taxes-\$197,511.01

**Sold on 1/08/02-\$390,000; cash proceeds from sale after closing costs and 2001 property taxes net to \$378,980.97

January 20, 2002

Kenneth L. & Linda P. Lay
BALANCE SHEET ANALYSIS
As of: December 31, 2001

	<u>Balance</u>
CREEKSTONE SOUTH RICE PTRS	266,115.00
CREEKSTONE WALNUT LP	748,409.00
DYMAXION APARTMENTS, LTD	21,943.00
HAINES APARTMENTS, LTD.	100,000.00
J.T.FAM,SR. INVEST., LTD.	558,330.00
JESTER APTS PARTNERS,LTD	652,654.00
LAKE CHARLES APTS., LTD.	176,023.00
MILAND INVESTMENTS LLC	571,928.08
NOLANA, LTD.	186,000.00
RESACA DE LAS PALMAS	240,000.00
SAJG KIRBY BRAESWOOD	180,000.00
TRAILSIDE APTS, LTD.	486,208.00
W.A.REHAUSENLOT INV LTD	123,578.00
W.E. TRADE INVESTMENTS LTD	316,778.00
Total Real Estate Partnerships:	<u>4,803,378.08</u>
 Farming Interests:	
11 ACRES ILLINOIS	4,500.00
Total Farming Interests:	<u>4,500.00</u>
 Privately-Held Stock:	
ACOUSTIC TECH 100,000 SH-B	210,000.00
AMER EQ LIFE 2500/SMH-JT	39,975.00
AMER EQ LIFE HLDG/SMH-JT	199,875.00
COUNTRYWATCH.COM	250,000.00
DR RED DUKE INC 52,632 SHS	100,000.80
ECOUTLOOK COM SERIES B	200,000.00
ECOUTLOOK COM SERIES C	299,999.57
ETERNITY, INC. 1,500 SH-A	150,000.00
ETERNITY, INC. NOTE	37,500.00
EVELOCITY CORP 1000000 P-B	500,000.00
EVELOCITY CORP 150,000 P-B	75,000.00
EVELOCITY CORP 18345.2 P-B	18,345.20
EVELOCITY CORP 300,000 P-B	300,000.00
EVELOCITY CORP 850,000 P-B	850,000.00
FLASHFIND CORP 150,000 P-B	112,500.00
FLASHFIND CORP NOTE 3/01	75,000.00
FLASHFIND CORP NOTE 5/01	75,000.00
FLASHFIND CORPORATION	250,000.00
HOSTCENTRIC 54,347 SH-B	249,996.20
INDX SOFTWARE 18588/SMH-JT	50,001.72
LOMBARDI SOFT 7500S/SMH-JT	75,000.00
MRS. FIELDS HOLDING CO.	81,000.00
NETVERSANT 125,000/SMH-JT	500,000.00
OLD BALDY CORP 250 SHS	28,360.00

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January 20, 2002

Kenneth L. & Linda P. Lay
BALANCE SHEET ANALYSIS
As of: December 31, 2001

	<u>Balance</u>
OLD BALDY CORP 33 SHS	12,000.00
PHOTOFETE.COM CONVERT NOTE	123,103.12
QUESTIA MEDIA 12,295SH	6,981.10
QUESTIA MEDIA 12,821SH	7,279.76
QUESTIA MEDIA 1294297SH-B	734,901.84
QUESTIA MEDIA 558,306 SH-A	317,006.15
QUESTIA MEDIA 647,148SH-C	367,450.63
SMH AGENCY 20-A/SMH-JT	68,000.00
Total Privately-Held Stock:	<u>6,364,276.09</u>
Corporate Bond-Convertible	
EARTHCARE CO 1534SH/SMH-JT	1,534.00
EARTHCARE CO 1SH-2/SMH-JT	1.00
EARTHCARE CO 1SH/SMH-JT	1.00
EARTHCARE CO 1SH-3/SMH-JT	1.00
EARTHCARE CO 2531SH/SMH-JT	2,531.00
EARTHCARE CO 2594SH/SMH-JT	2,594.00
EARTHCARE CO 2688SH/SMH-JT	2,688.00
EARTHCARE CO 2756SH/SMH-JT	2,756.00
EARTHCARE CO 2794SH/SMH-JT	2,794.00
EARTHCARE CO 2833/SMH-JT	2,833.00
EARTHCARE CO 2967/SMH-JT	2,967.00
EARTHCARE CO DEB/SMH-JT	100,000.00
Total Corporate Bond-Convertible	<u>120,700.00</u>
GS 1999 Exchange Fund:	
GS 1999 EXCH FND/GS-61	5,050,514.81
Total GS 1999 Exchange Fund:	<u>5,050,514.81</u>
Family Partnerships:	
KLL & LPL FAMILY PTRNS	318,389.00
KLL & LPL INVESTMENT PTRNS	1,756,426.00
Total Family Partnerships:	<u>2,074,815.00</u>
Other Investments:	
BBT PARTNERS, L.P.	255,696.76
BROADWING, LLC	162,331.00
CAPRICORN INVESTORS II LP	510,441.00
CAPRICORN INVESTORS III	378,855.00
CARSON PRIV CAP EUROPE LP	1,254,212.00
CHAMPION L.L.C/SMH-JT	96,812.00
CORPORATE OPPT FUND/SMH-JT	497,250.00
CPC YELL, L.P.	250,000.00
ENVIR OPP 500,000SH/SMH-JT	213,000.00
ENVIRON OPP FUND II/SMH-JT	125,200.00

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January 20, 2002

Kenneth L. & Linda P. Lay
BALANCE SHEET ANALYSIS
As of: December 31, 2001

	Balance
HOUSTON NFL HOLDINGS 2.5%	3,993,705.00
LOMBARDI LLC/SMH-JT	40,832.50
MURPHREE VENTURE PTRS LP	120,610.00
MV PARTNERS	250,000.00
MV PTRNS-CYBER DIALOGUE	346,478.00
SANDERS OPPORT FUND/SMH-JT	940,744.87
SMH CERI, LLC/SMH	72,450.00
SMH INDX LLC/SMH-JT	10,928.60
SMH LIFE SCIENCES/SMH-JT	125,000.00
STERLING GROUP I LP	415,015.85
WESTTX ASSOCIATES, LP	50,475.00
Total Other Investments:	10,110,037.58
TOTAL LONG-TERM INVESTMENTS	61,144,915.74
RETIREMENT/DEFERRED ASSETS	
IRA:	
FIRST UNION-IRA/KLL-FTU	46,437.21
Total IRA:	46,437.21
IRA/Spouse:	
FIRST UNION-IRA/LPL-FTU	46,471.49
Total IRA/Spouse:	46,471.49
Retirement Plans:	
ENRON RO-IRA/FTU-56	48,970.20
ENRON ESOP	72.80
ENRON SAV RO MMA/FTU-56	85,470.95
ENRON SAVINGS 401K	OK 12,202.26
ENRON-RETIREMENT	***
FID GROWTH CO 401(K)/KLL	OK 19,090.07 *****
FID MAGELLAN 401(K)/KLL	OK 55,589.77 *****
FID OTC 401(K)/KLL	OK 10,548.96 *****
FID OVERSEAS 401(K)/KLL	OK 20,043.62 *****
KEOGH MMA/PW-18	2,351.79
KEOGH MUNDER TECH/PW-18	137,511.36
Total Retirement Plans:	391,851.79
	330,625.53
Deferred Compensat'n Plans	
ELI LILLY DEFERRED COMP	1,523,900.86
ENRON DEFERRED COMP-85	***
ENRON DEFERRED COMP-94	***
ENRON PHANTOM STOCK DEF	***
HNG PLAN-85	83,604.00
TCW DEFERRED COMP	33,745.45
Total Deferred Compensat'n Plans	1,641,250.34
	1,557,646.34

Expected to be lost due to Enron bankruptcy

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***Information unavailable at this time.
****Number of shares has not been updated since 10/01; however, NAV is as of 12/31/01.

January 20, 2002

Kenneth L. & Linda P. Lay
BALANCE SHEET ANALYSIS
As of: December 31, 2001

	<u>Balance</u>
TOTAL RETIREMENT/DEFERRED ASSETS	2,126,016.83 1,981,161.57 1,888,252.87
PERSONAL/NON-EARNING ASSET	
Automobile(s):	
00 MERCEDES G500 LWB	149,176.18
00 MERCEDES ML55	73,348.19
00 RED JEEP WRANGLER	20,400.00
00 YELLOW JEEP WRANGLER	20,400.00
01 GRAND CHEROKEE	37,801.28
92 4WD JEEP CHEROKEE	7,400.00
93 MERCEDES 600SL	40,000.00
95 LT SUBURBAN CHEVY	13,000.00
Total Automobile(s):	<u>361,525.65</u>
Home Furnishings:	
HOME FURNISH/2514AVALON	1,536.28
HOME FURNISHINGS/ASPEN1	138,984.11
HOME FURNISHINGS/ASPEN2	264,641.69
HOME FURNISHINGS/ASPEN3	553.86
HOME FURNISHINGS/B-3429	80,833.15
HOME FURNISHINGS/B-3431	196,815.63
HOME FURNISHINGS/B-3433	106,522.74
HOME FURNISHINGS/HUNT	2,228,548.51
Total Home Furnishings:	<u>3,018,435.97</u>
Other Vehicles & Equip:	
BW 21' OUTRAGE BOAT	49,327.00
DUFFY 18'-I	19,098.00
DUFFY 18'-II	19,098.00
HURRICANE 19'	22,695.14
SUPER SPORT BOAT 1997	33,502.74
Total Other Vehicles & Equip:	<u>143,720.88</u>
TOTAL PERSONAL/NON-EARNING ASSET	<u>3,523,682.50</u>
TOTAL ASSETS	<u>86,322,367.59</u>

LIABILITIES

CURRENT LIABILITIES

Notes Payable:

COMPASS BANK LOC	789,871.12
ENRON CORP. LOAN	7,500,000.00
Total Notes Payable:	<u>8,289,871.12</u>

Security Deposits:

SEC DEPOSIT/Z-1856MAR	125.00
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January 20, 2002

Kenneth L. & Linda P. Lay
BALANCE SHEET ANALYSIS
As of: December 31, 2001

	<u>Balance</u>
SEC DEPOSIT/Z-1918SR	850.20
SEC DEPOSIT/Z-MCDUF	393.98
Total Security Deposits:	<u>1,369.18</u>
Margin Acct Liability:	
FIRST UNION MARGIN/FTU-52	1,981,840.65
Total Margin Acct Liability:	<u>1,981,840.65</u>
Other Current Liabilities:	
2001 PERSON PROP TAX LIAB	278,371.85
EST 2001 INCOME TAX LIAB	5,910,000.00
EST 01 MILAND PROP TX LIAB	88,150.00
Total Other Current Liabilities:	<u>6,276,521.85</u>
TOTAL CURRENT LIABILITIES	<u>16,549,602.80</u>
LONG-TERM LIABILITIES	
Other Real Estate Mtge:	
BANK OF AM/ASPEN2	4,235,297.47
BANK OF AM/ASPEN3	5,459,132.25
BANK OF AMER/2403 AVALON	832,930.44
BANK OF AMER/2514 AVALON	225,000.00
BANK OF AMER/ASPEN1	1,486,519.54
BANK OF AMER/ASPEN4	1,200,000.00
BANK OF AMER/B-3429	234,107.11
BANK OF AMER/B-3433	519,120.72
BANK OF AMER/REBA	314,868.97
CITICORP MORTGAGE/B-3431	166,703.07
Total Other Real Estate Mtge:	<u>14,673,679.57</u>
Investment Liabilities:	
BANK OF AMER/GALV LOTS	88,824.87
BANK OF AMER/WESTGATE LOT	191,250.00
BK OF AM/CREDIT FACILITY	1,925,000.00
Total Investment Liabilities:	<u>2,205,074.87</u>
Deferred Tax Liabilities:	
DEF TAX LIAB-STK OPT ONLY	64,804.00
Total Deferred Tax Liabilities:	<u>64,804.00</u>
TOTAL LONG-TERM LIABILITIES	<u>16,943,558.44</u>
BUSINESS LIABILITIES	
Employer Taxes/Bus:	
FIT WITHHELD-EE (TX)	90,071.86
FIT WITHHELD-LPL EE(TX)	5,643.00
MEDIC WITHHELD-LPL EE(TX)	631.37

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January 20, 2002

Kenneth L. & Linda P. Lay
BALANCE SHEET ANALYSIS
As of: December 31, 2001

	<u>Balance</u>
MEDIC WITHHELD-EE (TX)	10,356.01
SIT WITHHELD-EE (HH-CO)	1,258.00
SOC SEC WITHHELD-EE (TX)	29,847.47
SOC SEC WITHHELD-LPL (EE)	2,699.52
Total Employer Taxes/Bus:	<u>140,507.23</u>
Accrue Social Sec Tax/Bus:	
MEDIC PAYABLE-ER (TX)	10,356.01
MEDIC PAYABLE-LPL ER(TX)	631.37
SOC SEC PAYABLE-ER (TX)	29,847.47
SOC SEC PAYABLE-LPL ER(TX)	2,699.52
Total Accrue Social Sec Tax/Bus:	<u>43,534.37</u>
TOTAL BUSINESS LIABILITIES	<u>184,041.60</u>
TOTAL LIABILITIES	<u>33,677,202.84</u>
<u>NET WORTH</u>	
TOTAL NET WORTH	<u>52,645,164.75</u>
TOTAL LIABILITIES AND NET WORTH	<u>86,322,367.59</u>

Ken and Linda Lay
Schedule of Contingent Liabilities
December 31, 2001

CONTINGENT LIABILITIES:

Ken and Linda have guaranteed a mortgage in the amount of \$900,000 maturing on January 1, 2014 with an interest rate of 6.88% at Bank of America for their daughter, Robyn Vermeil. This loan is collateralized by property valued at \$1,500,000+.

Ken has guaranteed three secured notes for his sister, Sharon Lay. The notes in the name of Sharon Lay Productions, Inc. are as follows, \$275,000 that matured on October 23, 2001, \$275,000 maturing on February 14, 2002 and a construction loan in the amount of \$1,230,000 maturing on January 17, 2003. These loans all have an interest rate of 30-Day LIBOR + 1.5% and are collateralized by residential real estate. He has also guaranteed two unsecured notes, one in the amount of \$50,000 for Sharon Lay Productions, Inc. that matures February 21, 2002 and one in the amount of \$100,000 for Sharon S. Lay which matures September 25, 2002.

Linda has guaranteed a note secured by a 2000 Toyota Avalon in the amount of \$26,949 and a note secured by a 2001 Toyota in the amount of \$19,381.

Linda has guaranteed a note in the amount of \$130,000 maturing November 28, 2005 with an interest rate of 8.15% for Randy Gray. This loan is secured by residential real estate in Galveston.

Ken and Linda have guaranteed an unsecured \$5,000,000 line of credit for MILAND Investments, L.L.C. at Bank of America. The line of credit matures on April 5, 2002 with a floating interest rate of 30-Day LIBOR plus 1.25%. The amount currently funded on the line of credit is \$4,936,750.

On September 1, 2001, Ken and Linda have guaranteed an unsecured \$1,000,000 line of credit for KLL & LPL Investments, Ltd. at Bank of America. The line of credit matures on September 1, 2002 with a floating interest rate of 30-Day LIBOR plus 1.25%. The amount currently funded is \$0.

Kenneth L. Lay, a preferred limited partner, executed certain indemnification agreements with the general partners of the following partnerships: Haines Apartments, Ltd., Nolana, Ltd., Resaca De Las Palmas, Ltd. and SAJG Kirby Braeswood, Ltd. The amount of the contingent liability, if any, has not been determined.

Ken Lay has been named as a party defendant in several shareholder derivative actions against Enron Corp. and others.

The outstanding commitments for various investments total \$ 3,506,689.

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List of Outstanding Commitments
As of December 31, 2001

PERSONAL	Total Commitment	Total Invested	Outstanding Commitment	
Broadwing, LLC	96,000	48,000	48,000	
Capricorn Investors II LP	500,000	500,000	-	
Capricorn Investors III LP	750,000	402,811	347,189	
Carson Private European Fund	1,625,000	1,300,000	325,000	
Corporate Opportunities Funds	750,000	525,000	225,000	12/07-\$125,000
Environmental Opportunities Fund	500,000	475,000	25,000	
Environmental Opportunities II Fund	400,000	216,000	184,000	
Genesis Park LP	500,000	144,758		Abandoned 12/01
Jester Apartments-Slidell, LA	350,000	180,000	170,000	
Lazard Technology Partners II LP	1,000,000	389,365		Abandoned 12/01
Murphree Venture Ptners (10/24-Rev)	125,000	130,000	(5,000)	
SMH LifeSciences Opportunity Fund	250,000	125,000	125,000	
Sterling Group Partners I, L.P.	2,500,000	437,500	2,062,500	
Westbridge Ventures, L.P.	1,000,000	273,830		Abandoned 12/01
WestTx Associates, L.P.(revised 12/19)	50,475	50,475		
SUBTOTAL	\$ 10,396,475	\$ 5,197,739	\$ 3,506,689	
List of Scheduled Commitments:				
Houston NFL Holdings (10/31-Revised)	5,000,000	5,000,000	-	
TOTAL	\$ 15,396,475	\$ 10,197,739	\$ 3,506,689	

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