

Opening Statement of Rick Caplan

Before the Senate Permanent Subcommittee on Investigations

December 11, 2002

Thank you Mr. Chairman and members of the Committee.

My name is Rick Caplan. I am a Managing Director of Citigroup's Corporate and Investment Bank and co-head of the Credit Derivatives Group. The Credit Derivatives Group is one of several business units at Citigroup that structures financings for sophisticated clients. I have worked in the derivatives business at Citibank since 1997.

I understand that the Committee is interested in discussing two transactions that Citigroup executed for Enron: Project Bacchus and Project Sundance. I appreciate the opportunity to answer questions about these transactions. While I want to make clear that I understood these transactions to be appropriate under the prevailing laws and standards, I also want to reiterate the point that Mr. Prince made in his opening remarks: under Citigroup's new structured finance policies, we will not do these transactions today unless the client agrees to provide clear, detailed disclosure to investors.

Thank you Mr. Chairman and members of the Committee, and I look forward to answering whatever questions you may have.