

## TESTIMONY

The United States Senate  
Committee on Governmental Affairs  
Joseph I. Lieberman, Chairman  
Fred Thompson, Ranking Member  
**Written Statement of Richard Gross**  
February 27, 2002

Good morning. Mr. Chairman and Members of the Committee, my name is Richard Gross. I am an analyst in the Equity Research division at Lehman Brothers, Inc. Lehman is a global investment bank and securities firm that provides research, investment banking, brokerage and other services to corporations, institutions, governments and high net worth investors.

I have been an equity analyst covering the energy industry for 27 years. I have been an analyst at Lehman since 1991. Prior to joining Lehman I worked as an analyst at other firms for 16 years. I have a B.S. and M.S. in finance from the University of Illinois.

At Lehman Brothers, I cover companies in a sector called "United States, Energy/Power, Natural Gas." One of the companies I covered was Enron. As an analyst, I analyze the publicly available information about a company and its industry. Information I consider includes: information made available by the company such as SEC filings, press releases and company presentations; material made available by the rating agencies; information about competitors; general information about the industry, as well as whatever other publicly available information I can reasonably obtain. I compile the information that I gather as a framework for my analysis.

My analysis includes relative valuations arrived at by reviewing historical and current industry trends, reviewing market valuations; and comparing the company being analyzed to its peers. Based on my analysis, I develop opinions about the companies I follow. My opinions and recommendations, and the many factors on which they are based, are reflected in my research reports. My research reports are available to clients of Lehman Brothers. Lehman Brothers' business and clients are primarily institutional in nature. Lehman also provides services to high net worth individuals.

I appreciate the opportunity to answer questions the Committee might have.

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