

## **Dynegy Merger: October and November 2001**

... The same day, the SEC subpoenaed Arthur Andersen. Duncan halted the massive shredding activities that had been going on for two weeks. Truckloads of paper records had been shredded. In addition, 30,000 emails and computer files were destroyed. Enron's stock price declined to \$8.40 a share. Enron was losing \$2 billion a week. Lawsuits from employees and creditors began piling up.<sup>1</sup>

**DECISION CHOICE.** *If you were on Dynegy's secret negotiating team would you:*

*(1) continue negotiating but reduce the amount of money you were willing to pay for Enron, or*

*(2) end negotiations before a public announcement might damage Dynegy's own stock? Why?*

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<sup>1</sup> Smith and Emshwiller, *24 Days*, 201; Swartz and Watkins, *Power Failure*, 329-332.