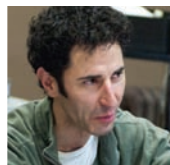


# BACKSTORY

YOUR GUIDE TO TIMELINE PRODUCTIONS

CHICAGO PREMIERE | BY LUCY PREBBLE

# ENRON



YESTERDAY'S STORIES.  
TODAY'S TOPICS.

**Timeline**  
Theatre Company

# a message

Dear Friends,

Welcome to TimeLine's 50th production!

I must say, this milestone is a bit astonishing. In many ways, it seems like just yesterday the six of us who founded TimeLine were each pitching in \$50 to get the company started. But since that auspicious beginning in 1997, TimeLine has grown exponentially, thanks largely to passionate supporters like you. Your patronage, curiosity and desire to engage in provocative theater has inspired us to make TimeLine a stronger and more dynamic organization with each passing day and production.

So, after a string of 14 seasons operating in the black, more than 50 awards for our art and management, and 49 plays that have furthered our mission of exploring history, it is perhaps ironic—and hopefully not a harbinger—that we mark our 50th production with the story of

Enron, a company with one of the greatest business free falls in our nation's history.

But those who fail to learn from history are doomed to repeat it, and Enron is a trajectory that I assure you TimeLine has no intention of following! Fifty shows, but we're just gettin' started!

And—ominous superstitions aside—I couldn't be happier to have *Enron* as our 50th production or more excited to have it be our first under the direction of the über-talented Rachel Rockwell. She has become one of the most prolific, heralded and admired artists in Chicago's theater community, for good reason.

We've presented her with Lucy Prebble's epically scaled play, which was a sensation in London and a swiftly extinguished misfire in New York. Such are the challenges we relish at TimeLine, and Rachel and her design team have created a sleek, stripped-down arena in which you will become engulfed in the



raucous, gluttonous and seductive world of money-making (and losing).

The story of Enron is one you surely know and might prefer to forget, but the appeal of Prebble's script is not merely to repeat the sensational news story or to rail at the villains involved. The theatrical roller-coaster ride the play takes us on offers fodder for much more conversation and introspection about what we asked ourselves during the collapse of (fill-in-the-blank-company) in recent years—"How exactly could that have happened!?"

About a week before we started rehearsals for *Enron* I was traveling, and it seemed everywhere I went

I saw people clutching the new biography of Steve Jobs. In airports, coffee shops, on the subway—everywhere I turned, people were probing and mourning the life of Apple's visionary. And I couldn't help but think of Jeffrey Skilling and how, at one time during his prime as Enron's chief executive officer, he and his legions of supporters imagined that he would be revered in the way that Jobs is. At Enron's height, Skilling possessed such astonishing vision,chutzpah, hubris and drive that those around him believed he would change the world—and the way that business was done.

He and the ever-shining gleam of the Enron logo were so seductive. People wanted to, needed to believe in the company's promise—and this belief is what would make it all thrive, providing the life and fortune of their dreams.

Now, with the perspective of time (and after the bottom fell out), we have a more cynical and skeptical view. In many ways, Skilling's foot soldiers at Enron were right: He did change the way business was done. But for how long? That's a trickier question.

**“Our continual search for the next pioneer surely will go on. Perhaps we’ll have wider eyes about how or if their moral compass factors into the company’s bottom line. Or perhaps not, just as long as they deliver whatever it is we want from them.”**

Skilling's obituary will be markedly different from that of Jobs, and some day people may probe his biography for vastly different reasons. And our continual search for the next pioneer surely will go on. Perhaps we'll have wider eyes about how or if their moral compass factors into the company's bottom line. Or perhaps not, just as long as they deliver whatever it is we want from them.

Over the next several months, we will hear a lot of politicians talking about deregulation. *Enron* reminds us why we need to keep asking questions. Ironically, the Enron company motto was, “Ask why.”

Indeed. Well put.

It's a question we're always happy to discuss with you, and we're glad you're here to be a part of that conversation about *Enron*.

I thank you for believing in and supporting TimeLine through our first 49 stories, and I look forward to talking with you about the 50th, 100th and beyond...

All the best,

A handwritten signature in dark ink, appearing to be 'PJ' followed by a stylized flourish.

**“It is perhaps ironic—and hopefully not a harbinger—that we mark our 50th production with the story of Enron, a company with one of the greatest business free falls in our nation’s history.”**

# the play

## Lucy Prebble

Lucy Prebble is a British playwright and screenwriter. She is the creator of the television series *Secret Diary of a Call Girl*, starring Billie Piper in the title role. *Secret Diary* is now entering its fourth season on the Showtime network. Prebble won the George Devine Award for Most Promising Playwright for her debut play, *The Sugar Syndrome*, in May 2004,

**“There is something human, something personal, even emotional, about a financial bubble. ... A marketplace is just a group of people behaving, after all. Just like a workplace, or a family.” – Lucy Prebble**

followed by the TMA Award for Best New Play.

*Enron*, her second play, won the TMA Award for Best New Play 2009 and was nominated for the Olivier and Evening Standard awards for Best Play.



Playwright Lucy Prebble. (Photo by Bruce Glikas, Broadway.com)

## Special Events and Resources

# the conversation

TimeLine looks forward to engaging our audience in conversations inspired by our productions. We hope you will participate in the array of additional resources and online communities available:

### SUNDAY SCHOLARS

After the show on **Sunday, Mar. 4** is Sunday Scholars, a one-hour panel discussion featuring experts talking about the play's themes and issues. **Admission is free.** Visit [timelinetheatre.com](http://timelinetheatre.com) for panelists and more.

### COMPANY MEMBER DISCUSSION

Our Company Members shape the artistic vision and choose programming for TimeLine. On **Sunday, Mar. 18**, join them for a free post-show discussion.

### POST-SHOW DISCUSSIONS

On **Sundays, Jan. 29, Feb. 5 and 12 and Mar. 11; Wednesdays, Feb. 1 and 22 and Mar. 7; and Thursdays Feb. 9 and Mar. 1 and 15**, moderated by a TimeLine Company member and featuring cast and production staff.

### STUDY GUIDE

A study guide is available at [timelinetheatre.com](http://timelinetheatre.com).

### BLOG AND MORE!

Find behind-the-scenes insight and conversation on our blog, **Behind the 'Line**, via [timelinetheatre.com](http://timelinetheatre.com).



Find us on  
**Facebook**



For the latest, “like” us on Facebook (**TimeLine Theatre Company**) and follow us on Twitter (**@timelinetheatre**)!

## Production History

*Enron* debuted at the Minerva Theatre as part of England's Chichester Festival. The production transferred to the Royal Court Theatre and later to the Noel Coward Theatre in London's West End. The play was lauded throughout England. The director, Rupert Goold, won the Evening Standard Critics' Circle Award and an Olivier Award for Best Director and Prebble was nominated for the Olivier and Evening Standard awards for Best New Play.

*Enron* opened on Broadway in April 2010 at the Broadhurst Theatre to mixed reviews, and the show closed after 22 previews and 15 regular performances. The play's regional U.S. debut was at Boston's Zeitgeist Stage Company, in September of 2010.



Poster for the Broadway production of *Enron*.

## The Players

**Kenneth Lay:** Chief executive officer (CEO).

**Jeffrey Skilling:** Chief operating officer (COO) and for a time CEO.

**Andrew Fastow:** Chief financial officer (CFO).

**Claudia Roe:** A character inspired by Rebecca Mark, CEO of Enron International.

**Arthur Andersen:** Enron's accounting firm.

**Ramsay & Hewitt:** A law firm inspired by Vinson & Elkins, Enron's law firm.

## “Enron is the one to emulate”

— Hillary Durgin, *The Financial Times*, December 8, 1999

## “The powerful lesson from Enron for me is the power of self delusion and how people rationalize and deceive themselves.”

— Bethany McLean, *Fortune* magazine reporter and author of *The Smartest Guys in the Room*, quoted in the documentary film *The Smartest Guys in the Room*

## TIMELINE: Rise and fall of Enron

### 1985

- **July** Houston Natural Gas, run by Kenneth Lay, merges with Omaha-based natural gas company InterNorth, with approximately 37,000 miles of natural gas pipeline.
- **November** Lay is named CEO of the new company, soon to be called Enron Corp. (The company name is almost Enron, but abandoned right before the announcement when it is discovered the term also refers to the intestines.)

### 1987

- **April** Enron learns that traders Louis Borget and Tom Mastroeni, in the Valhalla, N.Y., office, are trading beyond their limits and keeping two sets of books to make it appear the trading operation is making steady profits. Lay does not fire them; instead he increases their trading limits.
- **October** Borget and Mastroeni trade badly and lose Enron \$1 billion. Executive Mike Muckleroy bluffs the market and manages to reduce the loss to \$140 million, saving the company from bankruptcy. Lay says he is shocked at the actions of the traders, who are fired.

- **October 19** Black Monday. The Dow Jones drops 508 points, 22.6 percent.

### 1988

- Enron decides to shift its corporate strategy from pursuing regulated pipelines to unregulated energy trading. The gathering where this is decided becomes known as the “Come to Jesus” meeting.



# the jargon



The “crooked E” —Enron’s famous logo outside its headquarters.

## Arbitrage opportunity

This is any opportunity a company or trader has to make abnormally high profits. In California, energy traders discovered that if they bogged down certain areas of the power grid, then energy would have to be purchased from another source at exorbitant prices.

## Commodities trading

This is similar to stock trading except that instead of buying shares of a company, a trader buys or sells a commodity such as wheat, oil, gold or natural gas. The price of commodities is based on supply and demand, creating risk in a market when factors like weather influence a wheat harvest or a hurricane shuts an oil platform. Investors can make money by predicting

changes in the prices of a commodity.

## Deregulation

Between 1997 and 2000, 24 states adopted some form of energy deregulation, removing government price caps to allow free-market buying and selling of energy from a variety of sources. This allowed Enron and other energy companies to move into new markets. Enron was particularly active in lobbying for deregulation spending and in making campaign contributions. During 2000, Enron gave \$1.1 million to local candidates in a variety of elections.

## Derivatives

These are contracts or securities that derive value from an underlying asset such as another security or from the value of a rate, such as an interest rate or rate of currency exchange, or from the index of an asset value, such as the stock index. Swaps and options are types of derivatives.

## Fraud

This occurs when a deception is practiced to

secure unlawful financial gain. Securities fraud is when members of a company or brokerage firm misrepresent information about a company that investors could use to make an informed financial decision. Providing false information and/or withholding information also are types of securities fraud. Wire fraud describes an attempt to defraud someone or obtain money from them using electronic or interstate communications. Bank fraud is attempting to receive funds from a financial institution or bank based on false and/or misleading information.

## Futures

These are a type of commodity trade. Contracts to buy or sell a commodity at a certain price for future delivery are called futures.

## Hedging

In commodities trading, hedging refers to buying or selling commodity futures to protect against losses that might occur due to price fluctuation.

## Insider trading

It is illegal for anyone with inside (i.e., non-public) knowledge of a company or financial situation to make a trade or tip someone off about a trade for financial benefit before the general public is made aware of the same information.

## Mark-to-market

This is an accounting system that allowed companies to count potential future profits as earnings on the day a contract was signed. This practice meant profits were very subjective and open to manipulation. For example, Enron could sign a three-year contract to supply power to a city and mark those three years as earnings. However, since energy prices fluctuate, there was no guarantee they would be earning the same profit in year three as in year one of the contract. It also took future profits as earnings for the present, essentially borrowing from the future. An internal Enron skit joked about mark-to-market accounting, calling it HFV—Hypothetical Future Value.

## Options

This is another type of commodity trading. It consists of buying the right

## “Enron is literally unbeatable at what they do.”

—David Fleischer, *Goldman Sachs securities analyst*

to buy or sell a commodity at a specific price and date.

## Securities and Exchange Commission

The SEC is the office of the federal government tasked with regulating securities and exchanges under existing laws. It is to investigate any allegations of wrongdoing in these markets and bring civil actions to prevent fraud and protect investors. The SEC was created in 1934 in response to corporate abuses that occurred surrounding the 1929 stock market crash.

## Special Purpose Entity

An SPE is a corporation, limited partnership, trust or limited liability company created for a specific legal purpose. SPEs were originally intended to isolate risk and offer a company an opportunity to secure less expensive financing. They are used to finance certain services while keeping the debt off the balance sheet of the sponsoring company.

## 1989

- Enron launches the “Gas Bank,” which allows gas producers to sell and wholesale suppliers to purchase gas at firm prices and simultaneously hedge the price risk. It also begins trading natural-gas commodities.

## 1990

- **June** Jeffrey Skilling joins the company to lead the new trading and finance operations.
- **December** Skilling hires Andrew Fastow to work for Enron Capital Trade and Resources (ECT).

- **June 11** Enron asks the Securities and Exchange Commission to approve mark-to-market accounting.

## 1992

- **January 30** The SEC approves mark-to-market accounting for Enron.

## 1993

- In a joint venture with General Electric and Bechtel, Enron signs a deal with the Indian state Maharashtra to build the massive Dabhol power plant. Costs will balloon to \$2.8 billion.

## 1994

- **June** Enron conducts its first electricity trade.

## 1996

- **December 10** Jeffrey Skilling becomes chief operating officer, beating out rival Rebecca Mark, who is CEO of Enron international.

## 1997

- **July** Rebecca Mark tries to sell 50 percent of Enron International to Shell Corp., but the deal falls through. Mark blames Skilling and Enron executive John Clifford Baxter for derailing negotiations.

## “Enron has built a reputation as one of the world’s most innovative companies by attacking and atomizing traditional industry structure.”

—David Campbell and Ron Hulme, praising Enron in a report by the McKinsey consulting firm published months before Enron’s collapse

The sponsor is also to give assets to the SPE to balance the debts that are taken off the balance sheet. For example, if a sponsor uses an SPE to finance a gas pipeline, neither the assets given by the sponsor nor the debt incurred in building the pipeline would appear on the sponsor's balance sheet. If a project undertaken by an SPE failed, the company would not be liable for the losses but it would lose the assets. The SPE also can raise assets by seeking investors.

In May 2000, Enron, under CFO Andrew Fastow, created several SPEs designed to hedge assets worth billions of dollars and avoid reporting the mark-to-market losses on Enron's books. Since they were backed mostly by Enron stock, they were risky vehicles. Fastow called some of them "raptors," after the velociraptor dinosaurs in the movie *Jurassic Park*. Another was called JEDI, which stood for Joint Energy Development Investments but also was a nod to Fastow's love of the *Star Wars* movies.

### Security

This is a type of investment instrument that can be used

to minimize risk or raise capital. For example, a bank might bundle together a number of loans and sell that debt to a group of investors, who would buy the debt because of the financial incentive to make profits as the loans are repaid with interest. Turning loans into an investment is a process called securitization. If the loans go into default, the investors risk financial losses. Enron's SPEs functioned similarly, as a means for raising capital by making debt into an investment opportunity. Debt, equity and derivative contracts are all securities.

### Stock options

These give an employee of a company the option to buy a specific number of shares in the company's stock at a time and price set by the company. It is usually less than the stock's current market price, giving an employee the possibility of owning stock in the company at a discounted price. After a given period of time, an employee could sell the stock, making a profit from the difference between the option price

and the market price, or hold the stock to see if the price of a share went up further. They often make up part of an employee's compensation package.

### Structured finance

This is a highly complicated financial transaction offered to companies by large financial institutions in cases where basic financial transactions, such as loans, do not meet the company's financing needs. The SPEs are a type of structured finance.

### Take-or-pay

This refers to a type of contract in the natural-gas industry in which a buyer agrees to take the set amount of natural gas determined by the contract or pay a fee to not take the gas. This shields the supplier from price fluctuations and allows the buyer to negotiate lower prices. This caused Enron financial losses in certain large contracts with suppliers when they agreed to a take-or-pay arrangement: Gas prices fell, and it had to pay the higher prices previously negotiated.

**"Enron Corporation: The industry standard for excellence"** —*The title of a 2000 report by Edward Tirello, Deutsche Bank Analyst*



Jeffrey Skilling on a break during his appearance before the Senate Commerce Committee in February 2002. (Robert Trippett, Sipa Press)

The impact of the fall of Enron rippled through a variety of communities. Not only were many Enron executives tried and found guilty of crimes related to keeping company stock prices high, many individuals were directly impacted. People who had investments or retirement funds that included Enron stock saw the value of those funds disappear. The American public's faith in the financial reporting made by major corporations also was severely shaken.

The majority of Enron's employees were not involved in the financial practices that led to the company's collapse. But 20,000 employees lost their jobs and medical insurance—the average severance pay was \$4,500. In 2001, Enron

employees lost \$1.2 billion in retirement funds, and retirees lost \$2 billion in pension funds.

Also in 2001, top Enron executives cashed in \$116 million in stock and were paid \$55 million in bonuses.

Arthur Andersen, one of the largest and most respected accounting firms in the United States, could not recover from the scandal. In 2001, the firm received \$1 million a week from Enron. By Aug. 31, 2002, it had lost the right to practice accounting in the U.S., and 85,000 people had lost their jobs.

The impact in California, where Enron had influenced the market, was even greater. Gov. Gray Davis was recalled amid the public outcry over the

▪ **August** Enron trades its first weather derivative.

1998

▪ **March** Andrew Fastow becomes chief financial officer.

▪ **July** Enron forms Azurix, a separate water company, which will be run by Rebecca Mark.

1999

▪ **March** Enron's Dabhol plant in India opens.

▪ **April** Enron begins commercial operation of its fiber network for high bandwidth uses.

▪ **May 24** Tim Belden, head of the company's West Coast trading, experiments with the newly deregulated California energy market. In the "Silverpeak Incident," he increases congestion on power lines, causing prices to rise and costing California \$7 million in higher electricity prices.

▪ **June 28** Having the CFO run a private equity fund is a conflict of interest, so Enron's board of directors exempts Fastow from the company's code of ethics so he can run a Special Purpose Entity that will raise money for and do deals with Enron. It is named LJM, for Fastow's wife, Lea, and their two sons, Jeffrey and Michael.

▪ **October** Enron launches EnronOnline for its wholesale commodity-trading business.

▪ **October 12** Enron's board again exempts Fastow from its code of ethics so he can run a second Special Purpose Entity, the private equity fund LJM2.

2000

▪ **January 20** Enron stock rises to a new high of \$67.25 a share (up 26 percent) after the annual analyst meeting, where the Enron Broadband unit is announced.

rolling blackouts and energy crisis. On May 29, 2001, President George W. Bush met with Davis, who urged the president to enact federally mandated price caps on energy prices. Davis accused Enron of manipulating energy prices. Bush told Davis he would have to solve the crisis himself and could not expect any federal support. Before he was recalled, Davis proposed legislation to create a state-run energy company to prevent the state's energy markets from being manipulated. Davis was replaced as governor by Arnold Schwarzenegger, who met with Ken Lay, former Los Angeles Mayor Richard Riordan and junk-bond king Michael Milken on May 24, 2001, in a closed door meeting at the

Peninsula Hotel in Beverly Hills, to discuss a solution to the state's energy crisis. The content of that meeting has never been publicly discussed.

In the wake of the Enron crisis, Congress passed the Sarbanes Oxley Act of 2002, and President George W. Bush signed it into law. The legislation imposed strict rules on corporations, requiring chief executive officers and chief financial officers to certify under

oath their financial statements are accurate and that they have established an effective set of internal controls to ensure all relevant information reaches investors. Knowingly signing a false statement is a criminal offense punishable with up to five years in prison.

To date, Sarbanes Oxley has not been used to prosecute any executives in the recent banking and mortgage-loan crises.

**“Enron still stands out, because, of course, Enron was first. Up until that point, we believed in the permanence of big companies. They had their gleaming skyscrapers and their multibillion-dollar balance sheets. Surely, the solidity conveyed by such things was real, and thousands of jobs and billions in savings couldn't vanish almost overnight.”**

—*Bethany McLean, Fortune magazine reporter and author of The Smartest Guys in the Room; quoted on NPR's “Marketplace” in 2011 on the 10th anniversary of the collapse of Enron*

Director Rachel Rockwell

## the interview

**Early during rehearsals for *Enron*, TimeLine Artistic Director PJ Powers (PJP) talked with director Rachel Rockwell (RR), making her TimeLine debut.**

**(PJP)** How did you get your start as a director?

**(RR)** My parents were in the business. I was a performer, and then became a choreographer. When I was 22, I was to choreograph an Equity production of *Tintypes* at the New Harmony Theatre in Indiana, and the director

bailed at the last minute. The artistic director asked if I could direct it, too, and I said I could. I knew what I wanted to do, but no idea how to do it. I need to find those actors and apologize! I would like to think I've grown a little ...



**(PJP)** What attracted you to directing?

**(RR)** I love collaborating with intelligent, passionate people. It's a daily exercise in trust. I also love watching actors exceed their own expectations. A gratifying artistic experience can be life-changing, and each new project has that potential.

**(PJP)** What was your initial reaction to *Enron*?

**(RR)** The script is really smart and darkly funny. The crisis is seen through the relationships of key players and young punk traders who thought they were invincible. What's disturbing about it is how little the public knew (or wanted to know). I think the audience will be shocked by the hubris that was Enron. The conflict is so large it is almost operatic in scale, so we will incorporate elements of music and fantasy.

**(PJP)** *Enron* was heralded in London and a huge hit. Then it moved to Broadway and flopped. We have a great opportunity to wipe the slate clean and start fresh. What has that meant to you?

**(RR)** I think *Enron* had an identity crisis. It was caught between the worlds of play and musical. And it was over-produced on Broadway. I think what's on the page is really amazing, without a bunch of stuff heaped on top.

**(PJP)** How do you begin that process?

**(RR)** The physical environment is really key to me. I want to create the most focused, interesting vantage point for the audience to view the relationships of the play. Then you take away anything that detracts from those relationships.

**(PJP)** Talk about the production design and how you're configuring the space and the audience.

**(RR)** We decided to stage it in the round. I find it the most natural way to view something. I think backs can be really interesting and looking through and around things gives you very interesting visual

▪ **May** Fastow creates Enron's first “Raptor” Special Purpose Entity modeled on the LJM funds. The Raptors are designed to hedge investments, but they are risky vehicles as they are backed primarily by Enron stock.

▪ **May 5** Enron trader John Forney, in an email to colleagues, announces “Death Star,” a new strategy that takes advantage of the flaws in California's newly deregulated energy market to make enormous profits.

▪ **May 22** The California Independent System Operator, the organization in charge of the state's electricity supply and demand, declares a Stage One Emergency, warning of low power reserves.

▪ **July** The company announces its broadband unit has joined with Blockbuster to supply video on demand. The deal is terminated eight months later.

▪ **August** As Azurix's stock prices drop, Rebecca Mark resigns as its CEO.

▪ **August 23** Enron stock hits a high of \$90 a share and a market valuation of \$70 billion. The Federal Energy Regulatory Commission orders an investigation into the strategies designed to drive electricity prices up in California.

▪ **November 1** The commission's investigation exonerates Enron of any wrongdoing in California.

▪ **December 13** Enron announces that president and COO Jeffrey Skilling will replace Kenneth Lay as chief executive officer in February 2001. Lay remains chairman.

▪ **Late 2000** Enron uses “aggressive” accounting to declare \$53 million in earnings



perspective. Something that moves as fast as this almost demands it. We tried to neutralize the space and let video screens frame it.

I think we have created a lot of spectacle out of very little. Multi-functionality is important in a show that switches locales as much as this one does. I would always rather see one thing become many things, than many things that only serve one purpose.

**(PJP)** This play has been done in a larger space, and you've directed many shows in spaces larger than TimeLine's. How do you tell this near-epic story in a very intimate setting?

**(RR)** So much of this play is closed-door, two-person conversations. Being this intimate allows us to keep these conversations natural and somewhat still, which makes the stakes of the dialogue seem even higher. I think a huge space probably demanded that this show be larger than it needed to be. The intimacy of the space at TimeLine actually really helps with the focus. With 13 people in that tiny rectangle, I have to be crystal clear about where you are supposed to look!

## "Trust is healthy, faith is good, but if something seems too good to be true, it generally is."

**(PJP)** I know you've done a ton of research—every time I've seen you lately you've been on fire with some new, enraging fact. Is research always part of your process?

**(RR)** Always. Research is one of the best parts. I can't imagine leading the charge without fully understanding everything the text is based on. Whether it's Dickensian England, the Vietnam War or what happens when you slit a carotid artery with a straight razor, I want to know everything I can about it! I'm sure I am on some FBI watch list for all the grotesque, violent, political things I research on my computer.

Dramaturg Maren Robinson has been a godsend. So many mathematical concepts, such as a foreign world, so many layers to this corruption—I really needed help putting it into a language we could grasp, and Maren did that.

**(PJP)** Any mention of Enron elicits such passion, and the audience may show up with a fair amount of information and emotion. Why do you think it's important—and

also theatrically exciting—to go inside the story in 2012?

**(RR)** At the very least, we need to start questioning our own accountability. Trust is healthy, faith is good, but if something seems too good to be true, it generally is. If a person gets a questionable report from a doctor, they get a second opinion or ask for clarification of things they don't understand. And we believe that doctors have our best interests at heart. Yet, with financial institutions, we very often won't question anything. And I am pretty certain that they don't have our best interests at heart ...

**(PJP)** Have there been any surprises so far?

**(RR)** It has become clear how stylistically diverse this show is. Now I am dealing with how much to unify it or emphasize the differences of the various vocabularies. One thing that surprised us all was how we liked these characters despite the despicable things they do and say. The characters are almost Greek in scale.

for its broadband unit—on a collapsing deal that hasn't earned a penny in profit.

### 2001

- **January** Tim Belden's West Coast power desk has its most profitable month ever: \$254 million in gross profits.
- **January 17** Rolling blackouts occur in northern California.
- **February 5-14** Senior partners at Arthur Andersen, Enron's Chicago-based accounting firm, meet to discuss whether to retain Enron as a client. They call the use of mark-to-market accounting "intelligent gambling."
- **February 14** Writer Bethany McLean interviews Skilling for *Fortune* magazine.
- **February 15** CFO Fastow and Mark Palmer, head of publicity, go to *Fortune* to answer questions. Fastow to McLean: "I don't care what you say about the company. Just don't make me look bad."
- **February 19** The *Fortune* article is published. It is titled "Is Enron Overpriced?"
- **March** Enron transfers large portions of its Enron Energy Services (EES) business into its wholesale commodity-trading operations to hide EES losses. Arthur Andersen takes auditor Carl Bass off the Enron account because he continues to question its accounting practices.
- **April 17** The quarterly conference call is held. During the call, now legendary on Wall Street, an analyst questions CEO Skilling on why he hasn't produced Enron's balance sheet. Skilling dismisses the analyst as an "asshole."
- **June** The Federal Energy Regulatory Commission finally

institutes price caps across the western states. The California energy crisis ends.

- **July 13** Skilling tells Lay he wants to resign. Lay asks him to take the weekend to think it over. According to Lay, he tries to talk Skilling out of resigning. Skilling says Lay doesn't seem to care that he wants to resign and notes he has offered to stay on for six months. Lay, though, claims Skilling wants an immediate out.
- **August 3** Skilling makes a bullish speech on EES. That afternoon, he lays off 300 Enron employees.
- **August 13** All Special Purpose Entities created to isolate financial risk crash. That evening, in a board-only session, Skilling, who is in tears, resigns as CEO.
- **August 14** Skilling's resignation is announced to the public. Lay is named CEO. That evening, during an analyst and investor conference call, Skilling says, "The company is in great shape," and Lay says the "company is in the strongest shape that it's ever been in."
- **September** Skilling sells \$15.5 million of Enron stock. This brings the total value of the shares he has sold since May 2000 to more than \$70 million.
- **September 26** At an employee meeting, Lay calls Enron stock an "incredible bargain," and says the "third quarter is looking great."
- **October 16** Enron reports a third-quarter loss of \$638 million and a \$1.01-billion non-recurring charge against its balance sheet, partly related to "structured finance" operations run by CFO Fastow. In an
- **October 17** A *Wall Street Journal* article, written by John Emshwiller and Rebecca Smith, appears. The article reveals, for the first time, the details of Fastow's Special Purpose Entities and shows the precarious nature of Enron's business.
- **October 22** Enron acknowledges there is an SEC inquiry into a possible conflict of interest related to the company's use of Special Purpose Entities.
- **October 23** Lay professes support for Fastow, saying that he has the "highest regard" for his character.
- **October 23** In a massive shredding operation, Arthur Andersen destroys one ton of Enron documents.
- **October 24** Fastow is ousted.
- **October 31** The company announces the SEC inquiry has been upgraded to a formal investigation.
- **November 8** Enron files documents with the SEC revising its financial statements for the last five years to account for \$586 million in losses.
- **November 28** Enron shares plunge below \$1 and its bonds are downgraded to "junk" status.
- **December 2** Enron files for Chapter 11 bankruptcy protection. With \$62 billion in assets, it is the largest-ever corporate bankruptcy at the time.
- **December 3** Enron lays off approximately 4,000 U.S. workers, the first of many layoffs.

## The History Makers Society and Donor Play Reading

During the first half of the 2011-12 season TimeLine was pleased to welcome donors to two special events.

Donors of \$1,000 and more gathered in October at the trendy Sub51 lounge of Hub51 for the History Makers Celebration. Guests dined on delicious food and sipped sumptuous cocktails as they mingled with TimeLine artists and fellow History Makers. The highlight of the evening was a conversation with John Conroy, playwright of the upcoming world premiere *My Kind of Town*, and TimeLine's Artistic Director PJ Powers and Associate Artistic Director Nick Bowling. John is recognized as one of the most prominent voices bringing the Chicago police torture scandal to light and keeping it there, and the trio discussed John's process of telling this complex story both as a reporter, and now as a playwright.

In December, donors of \$750 and more got a peek into TimeLine's play selection process when



they joined us for a special edition of TimeLine's TimePieces play reading series. This donor event features a reading of a play under consideration for production. This time the play was *Concerning Strange Devices from the Distant West* by Naomi Iizuka, directed by Lisa Portes. The play is about an invention that changed the world—the camera—which allowed people to see images of exotic places they never dreamt they would be able



to see. Shifting between Japan and the United States and between the 1880s and the present, *Concerning Strange Devices ...* is a sexy and mysterious puzzle that explores the intersection of art and authenticity. Guests also enjoyed a reception and post-show discussion with TimeLine artists.



(Pictured above from left): Artistic Director PJ Powers, playwright John Conroy, History Makers Bruce and Mary Feay and Associate Artistic Director Nick Bowling; TimeLine's most generous donors gathered for the History Makers Celebration at Sub51 in October; Director Lisa Portes and actors Lindsay Leopold, David Parkes, Cliff Chamberlain, Rebecca Spence, Rio Shegeta and Tiffany Villarin with Powers during the Donor Play Reading post-show discussion.

# STEP INTO TIME

# 1962

MARCH 16, 2012

Last season more than 200 TimeLine enthusiasts gathered for our biggest party of the year—*Step Into Time*.

This annual fundraiser is a unique celebration of TimeLine's mission of exploring history, and it raises funds vital to fulfilling that mission.

This season we mark our 15th Anniversary by stepping back five decades to the year 1962. It was a world about to change, and this glitzy night will bring to life the culture, fashion, politics and entertainment

of this pivotal year with TimeLine's hallmark style.

It's going to be something else! Guests will dine on a delicious gourmet dinner, shop live and silent auctions and try their luck at our Grand Prize Raffle.

All net proceeds from this gala benefit support the mission and programs of TimeLine Theatre.

We hope to see you at The Intercontinental Chicago, 505 N. Michigan, on Friday, March 16, 2012. To learn more, visit [timelinetheatre.com/step\\_into\\_time](http://timelinetheatre.com/step_into_time) or call Lydia at 773.281.8463 x26.

## Win 7 nights in Maui for as little as \$25!

Step Into Time Raffle tickets are on sale and **you could win 7 nights in a beautiful one-bedroom condo in Hawaii, plus \$1,000 good toward the purchase of airfare.** Cost is just \$25 for one raffle ticket or \$100 for five raffle tickets. Winner will be drawn at TimeLine's Step Into Time benefit on March 16, 2012.

Winner need not be present at the time of the drawing! To learn more and to purchase raffle tickets, visit [timelinetheatre.com/raffle](http://timelinetheatre.com/raffle).



## BACKSTORY: THE CREDITS

*Dramaturgy @ Historical Research by Maren Robinson*

*Written by Maren Robinson, PJ Powers, Lydia Swift and Lara Goetsch*

*Edited by Karen A. Callaway & Lara Goetsch*

*Photography by Lara Goetsch*

*Graphic Design by Lara Goetsch*

*Enron Photo Illustration by Ryan Robinson*

*Backstory is published four times each season.*

*Pictured on front cover (from left): Actor Bret Tuomi; actor Mark D. Hines; director Rachel Rockwell; cast and production team gather at first rehearsal; actor Sean Fortunato; and actor Amy Matheny.*

*Pictured on back cover (from left): Artistic Director PJ Powers and actor Terry Hamilton; stage manager Cheney Tardio; costume designer Elizabeth Flauto; actor Demetria Thomas; actors Christopher Allen and Matt Holzfeind; and actor Sean Patrick Fawcett.*

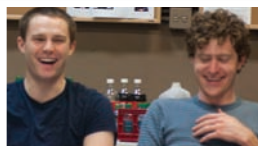
## Our Mission:

TimeLine Theatre presents stories **inspired by history** that connect with today's social and political issues.

Our collaborative artistic team produces provocative theatre and educational programs that engage, entertain and enlighten.



## the production



January 17 - April 15, 2012

by **LUCY PREBBLE** | directed by **RACHEL ROCKWELL, SDC**

One of the most infamous scandals in financial history becomes Chicago's newest theatrical event. Crafted as sprawling tragedy mixed with savage comedy, *Enron* follows a group of ambitious men and women through the breathtaking rush of greed and fraud that led to a legendary financial collapse. Along the way we gain disturbing insight into the backroom secrets of big business and confront a world where appearance has little relation to reality.

#### Cast

Sean Fortunato\*\*  
Bret Tuomi\*\*

Christopher Allen  
Bear Bellinger  
Elizabeth Dowling  
Sean Patrick Fawcett  
Terry Hamilton  
Mark D. Hines  
Matt Holzfeind  
Amy Matheny  
Barbara Roeder Harris  
Benjamin Sprunger  
Demetria Thomas

#### Production Team

Kevin Depinet, U.S.A.:  
*Scenic Designer*  
Nick Sieben:  
*Co-Scenic Designer*  
Elizabeth Flauto, U.S.A.:  
*Costume Designer*  
Jesse Klug, U.S.A.:  
*Lighting Designer*

Kevin O'Donnell:  
*Sound Designer/Original Music*  
Julia Eberhardt:  
*Properties Designer*  
Mike Tutaj: *Projections Designer*  
Dina Spoerl: *Lobby Designer*  
Maren Robinson: *Dramaturg*  
Eva Breneman: *Dialects*  
Cheney Tardio\*\*: *Stage Manager*  
John Kearns: *Production Manager*

*The director is a member of the Stage Directors and Choreographers Society, a national theatrical labor union.*

*\*\*Member of Actors' Equity Association, the union of professional actors and stage managers.*

*Those designers and scenic artists identified by U.S.A. are members of United Scenic Artists, IATSE Local 829, AFL-CIO*

#### JANUARY 2012

SU	M	T	W	TH	F	SA
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

#### FEBRUARY 2012

SU	M	T	W	TH	F	SA
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29			

#### MARCH 2012

SU	M	T	W	TH	F	SA
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

#### APRIL 2012

SU	M	T	W	TH	F	SA
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15						

- Regular Performance**
- Preview Performance**
- Opening Night *Sold Out***
- Post-Show Discussion** with cast & production crew **Free**
- Sunday Scholars** a one-hour post-show panel discussion with experts on the themes and issues of the play **Free**
- Company Member Discussion** a conversation with TimeLine's Company members **Free**

#### SHOW TIMES

PREVIEWS 8 PM  
(Except 2 pm & 7 pm on 1/22)  
OPENING NIGHT 7:30 PM  
WEDNESDAYS & THURSDAYS 7:30 PM  
(Except 8:30 pm on 4/5)  
FRIDAYS 8 PM  
SATURDAYS 4 PM & 8 PM  
SUNDAYS 2 PM

**LOCATION** TimeLine Theatre, 615 W. Wellington Avenue, Chicago. Directions, parking and dining information at [timelinetheatre.com](http://timelinetheatre.com).