

July 2001

Managed Accounts Consulting

UBS PAINEWEBBER INC.
109 NORTH POST OAK LANE
SUITE 150
HOUSTON, TX 77024
EZ4G010616-X16 0701 - HM -

Page 1 of 6

Value on June 29 \$ 1,348,489.35
Value on July 31 \$ 1,329,226.64
Debit balance in 07/31 value \$ -1,658,580.59

UBS PaineWebberSM
Resource Management Account*

H

Account Number [REDACTED] C1

EZ4G010616-X16
4533366 - 000019

Your Financial Advisor
RATHJEN, ROBERT C. 713-957-7000

KENNETH L LAY AND
LINDA P LAY TIC
FAYEZ MNGD
[REDACTED] TX
[REDACTED]

Earnings summary

Earnings below are classified as taxable or non-taxable based on the tax status for the specific security on which the earnings are received and does not attempt to reflect your account's tax status or reporting requirements. Use only official tax reporting documents (e.g. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax reporting document provided by the issuer.

	Current period	Year-to-date
Taxable		
Dividends	\$ 3,554.50	\$ 25,123.86
Total taxable security earnings	\$ 3,554.50	\$ 25,123.86
Total current year security earnings	\$ 3,554.50	\$ 25,123.86
Net security earnings	\$ 3,554.50	\$ 25,123.86

Loan summary

Loan balance June 22	\$ 1,656,686	Average loan interest rate	4.270 %
Loan balance July 21	\$ 1,653,916	Loan interest charged this period	\$ 5,890.09
Average loan balance	\$ 1,655,150	Year-to-date loan interest	\$ 48,750.48
Closing account balance July 21	\$ -1,653,916	Prior year(s) loan interest adj.	\$ -28,499.04
Number of loan (debit) days	30		
Loan interest period	06/22 - 07/21		

Account instructions
Your account is managed by FAYEZ SAROFIM & CO.
Statement copies are sent to 1 Interested party.

Bulletin Board
RESOURCELINE 1-800-RMA-1000; ACCOUNT #: 068140144
VISIT OUR WEB SITE AT WWW.UBSPAINWEBBER.COM.

Asset summary

Refer to the disclosure on the back of the first page for information on assets excluded from this summary.

	% of portfolio	Value
Equities	100.00	2,987,807.23
Less debit balance		-1,658,580.59
Value on July 31		\$ 1,329,226.64

July 01/ [REDACTED] C1



CONFIDENTIAL TREATMENT
REQUESTED
GPW-5404

ETF-0443F-002025

**UBS PaineWebberSM
Resource Management Account***

EZAG010617-X16
4533366 - 000020

Investment objectives

The following return objective and risk profile describe overall goals for this account. For each account held, you choose one return objective and primary and, if applicable, secondary risk profile. A full description of the alternatives is included on the back of the first page. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor or Branch Manager at your branch office to update your account objectives.

Return objective: Capital appreciation
Risk profile: Primary: Aggressive/Speculative Secondary: Moderate

Activity highlights

	Current period	Year-to-date
Withdrawals	\$.00	\$ -9,285.00
Loan/Late payment interest charged	\$ -5,890.09	\$ -20,251.44
Net change from activity listed above	\$ -5,890.09	\$ -29,536.44

Portfolio summary

	Current period	Year-to-date
Opening value	\$ 1,348,489.35	\$ 1,654,029.60
Net change from Activity Highlights	-5,890.09	-29,536.44
Net security earnings	3,554.50	25,123.86
Change in value of investments	-16,927.12	-320,390.38
Value on July 31	\$ 1,329,226.64	\$ 1,329,226.64

Asset portfolio

When available, prices, income and current values may be approximately and thus gains/losses may not be accurately reflected. Refer to the disclosure on the back of the first page. An asterisk (*) indicates a change in the original transaction data from the prior month or the display of new data input at your branch office. Gains/losses are not calculated for zero coupon investments.

Equities

Common stock

Total shares	Description	Price	Current value	Est. annual income/ Current yield	Trade date	Shares purchased	Purchase price	Cost basis	Unrealized Gain/loss
1,400	ABBOTT LABS SYMBOL: ABT EXCHANGE: NYSE	53.590	75,026.00	1.176 / 1.57 %	01/13/99	800.000	47.650	38,120	4,752
228	AGILENT TECHNOLOGIES INC SYMBOL: A EXCHANGE: NYSE	28.610	6,523.08		02/19/99	400.000	45.780	18,312	3,124
900	AMER EXPRESS CO SYMBOL: AXP EXCHANGE: NYSE	40.330	36,297.00	288 / .79 %	02/22/99	200.000	46.960	9,393	1,325
					01/13/99	228.000	41.404	9,440	-2,916
					05/27/99	900.000	39.696	35,727	570

Continued on page 3

July 01/ [REDACTED] C1

ETF-0443F-002026

**UBS PaineWebberSM
Resource Management Account**

Your Financial Advisor
RATHJEN, ROBERT C.
713-957-7000

EZ4G010618-X16
4533366 - 000021

Common stock - continued

Total shares	Description	Price	Current value	Est. annual income/ Current yield	Trade date	Shares purchased	Purchase price	Cost basis	Unrealized Gain/loss
1,500	BELLSOUTH CORP SYMBOL: BLS EXCHANGE: NYSE	40.700	61,050.00	1,140 / 1.87 %	01/13/99	600,000	47.710	28,628	-4,208
					02/02/99	400,000	43.590	17,436	-1,156
					02/19/99	200,000	45.650	9,130	-990
					02/22/99	300,000	47.280	14,184	-1,974
					01/13/99	1,000	63,200.000	63,200	6,000
1	BERKSHIRE HATHAWAY INC CL A SYMBOL: BRKA EXCHANGE: NYSE	59.140	59,140.00	1,100 / 1.86 %	01/14/99	700,000	61.700	43,190	-1,792
1,000	BRISTOL MYERS SQUIBB CO SYMBOL: BMY EXCHANGE: NYSE	19.220	49,972.00		02/19/99	300,000	62.510	18,754	-1,012
2,600	CISCO SYS INC SYMBOL: CSCO EXCHANGE: OTC	50.210	120,504.00	1,536 / 1.27 %	02/24/99	800,000	25.985	43,959	-9,363
2,400	CITIGROUP INC SYMBOL: C EXCHANGE: NYSE	44.600	111,500.00	1,800 / 1.61 %	01/13/99	2,400,000	27.667	20,788	-5,412
2,500	COCA COLA CO COM SYMBOL: KO EXCHANGE: NYSE	54.200	65,040.00	756 / 1.16 %	02/02/99	1,500,000	64.840	97,260	-30,360
					02/02/99	300,000	64.090	19,227	-5,847
					02/19/99	400,000	65.030	26,012	-8,172
					02/24/99	300,000	63.900	19,170	-5,790
1,200	COLGATE PALMOLIVE CO SYMBOL: CL EXCHANGE: NYSE	19.630	30,662.06	200 / .65 %	02/02/99	800,000	40.790	32,635	10,725
1,562	DOLLAR GENL CORP SYMBOL: DG EXCHANGE: NYSE	19.720	11,832.00		02/19/99	400,000	43.480	17,393	4,287
600	EMC CORP MASS SYMBOL: EMC EXCHANGE: NYSE	57.360	40,152.00	1,071 / 2.67 %	02/07/00	1,562,000	19.222	30,025	637
700	EMERSON ELECTRIC CO SYMBOL: EMR EXCHANGE: NYSE	41.760	158,688.00	1,748 / 1.10 %	01/13/99	600,000	53.000	31,853	-20,021
3,800	EXXON MOBIL CORP SYMBOL: XOM EXCHANGE: NYSE	83.250	99,900.00	1,440 / 1.44 %	01/13/99	500,000	62.400	31,200	-2,520
1,200	FANNIE MAE SYMBOL: FNM EXCHANGE: NYSE	68.440	61,596.00	720 / 1.17 %	01/14/99	200,000	57.990	11,599	-127
					02/22/99	3,000,000	41.156	123,468	1,812
900	FEDERAL HOME LN MTGE COM SYMBOL: FRE EXCHANGE: NYSE	25.470	53,410.59	2,516 / 4.71 %	06/07/01	800,000	44.775	35,820	-2,412
2,097	FORD MOTOR CO COM NEW SYMBOL: F EXCHANGE: NYSE				01/13/99	700,000	70.090	49,063	9,212
					01/14/99	100,000	69.460	6,946	1,379
					02/22/99	400,000	72.900	29,160	4,140
					01/11/01	900,000	63.375	57,037	4,559
					01/13/99	1,398,000	33.650	47,045	-11,437
					02/19/99	699,000	32.622	22,803	-4,999

Continued on page 4

July 01/ [REDACTED] C1

UBS PaineWebberSM
Resource Management Account*

EZ4G010619-X16
4533366 - 000022

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Common stock - continued

Total shares	Description	Price	Current value	Est. annual income/ Current yield	Trade date	Shares purchased	Purchase price	Cost basis	Unrealized Gain/loss
1,500	FOX ENTERTAINMENT GROUP INC CLA	27.250	40,875.00		04/08/99	1,500.000	28.590	42,885	-2,010
3,300	SYMBOL: FOX EXCHANGE: NYSE GENL ELECTRIC CO	43.500	143,550.00	2,112 / 1.47 %	01/13/99	2,100.000	32.510	68,271	23,079
	SYMBOL: GE EXCHANGE: NYSE				02/22/99	900.000	34.216	30,795	8,355
1,200	GOLDMAN SACHS GROUP INC	83.160	99,792.00	576 / .58 %	05/13/99	300.000	37.030	11,109	1,941
	SYMBOL: GS EXCHANGE: NYSE				05/03/99	1,200.000	53.000	63,600	36,192
1,200	HEWLETT PACKARD CO	24.660	29,592.00	384 / 1.30 %	01/13/99	1,200.000	27.994	33,593	-4,001
1,000	SYMBOL: HWP EXCHANGE: NYSE HONEYWELL INTL INC	36.870	36,870.00	750 / 2.03 %	01/13/99	700.000	42.030	29,421	-3,612
	SYMBOL: HON EXCHANGE: NYSE				02/19/99	300.000	42.340	12,702	-1,641
5,200	INTEL CORP	29.810	155,012.00	416 / .27 %	01/13/99	2,400.000	34.795	83,513	-11,969
	SYMBOL: INTC EXCHANGE: OTC				01/14/99	400.000	33.905	13,563	-1,639
					02/02/99	400.000	33.440	13,376	-1,452
					02/19/99	1,600.000	32.345	51,752	-4,056
					02/22/99	400.000	32.345	12,938	-1,014
550	INTL BUSINESS MACH	105.210	57,865.50	308 / .53 %	02/07/00	250.000	115.812	29,007	-2,704
	SYMBOL: IBM EXCHANGE: NYSE				06/30/00	300.000	112.812	33,898	-2,335
1,500	J P MORGAN CHASE & CO	43.300	64,950.00	2,040 / 3.14 %	02/22/99	1,500.000	52.893	79,340	-14,390
	SYMBOL: JPM EXCHANGE: NYSE								
2,200	JOHNSON & JOHNSON COM	54.100	119,020.00	1,584 / 1.33 %	01/13/99	1,600.000	39.450	63,120	23,440
	SYMBOL: JNJ EXCHANGE: NYSE				02/19/99	600.000	43.295	25,977	6,483
800	MARSH & MCLENNAN COS INC	100.400	80,320.00	1,696 / 2.11 %	01/14/99	500.000	58.960	29,481	20,719
	SYMBOL: MMC EXCHANGE: NYSE				02/22/99	300.000	68.960	20,689	9,431
1,200	MCDONALDS CORP	29.140	34,968.00	258 / .74 %	01/13/99	800.000	37.540	30,035	-6,723
	SYMBOL: MCD EXCHANGE: NYSE				02/19/99	200.000	42.360	8,472	-2,644
					05/13/99	200.000	41.710	8,343	-2,515
1,000	MCGRAW HILL COMPANIES INC	61.370	61,370.00	980 / 1.60 %	01/14/99	600.000	50.510	30,308	6,514
	SYMBOL: MHP EXCHANGE: NYSE				02/19/99	200.000	53.950	10,790	1,484
					05/13/99	200.000	55.400	11,080	1,194
1,300	MERCK & CO	67.980	88,374.00	1,820 / 2.06 %	01/13/99	1,000.000	73.330	73,330	-5,350
	SYMBOL: MRK EXCHANGE: NYSE				02/19/99	300.000	78.030	23,409	-3,015

July 01/ [REDACTED] C1

Continued on page 5

**UBS PaineWebberSM
Resource Management Account***

EZ4G010620-X16
4533366 - 000023

Common stock - continued

Total shares	Description	Price	Current value	Est. annual income/ Current yield	Trade date	Shares purchased	Purchase price	Cost basis	Unrealized Gain/Loss
1,300	MICROSOFT CORP SYMBOL: MSFT EXCHANGE: OTC	66.190	86,047.00		01/13/99	900,000	71,000	63,900	-4,329
1,500	NORFOLK SOUTHERN CORP SYMBOL: NSC EXCHANGE: NYSE	20.120	30,180.00	360 / 1.19 %	02/24/99 04/08/99	400,000 1,500,000	77,980 26,400	31,152 39,600	-4,676 -9,420
1,800	PEPSICO INC SYMBOL: PEP EXCHANGE: NYSE	46.630	83,934.00	1,044 / 1.24 %	01/13/99	1,000,000	39,840	39,840	6,790
3,900	PFIZER INC SYMBOL: PFE EXCHANGE: NYSE	41.220	160,758.00	1,716 / 1.07 %	02/19/99 05/13/99	500,000 300,000	39,400 35,780	19,700 10,734	3,615 3,255
2,300	PHILIP MORRIS COS INC SYMBOL: MO EXCHANGE: NYSE	45.500	104,650.00	4,876 / 4.66 %	01/13/99	3,000,000	38,300	114,900	8,760
700	PROCTER & GAMBLE CO SYMBOL: PG EXCHANGE: NYSE	71.020	49,714.00	1,064 / 2.14 %	02/02/99	900,000	43,030	38,727	-1,629
1,200	ROCKWELL COLLINS INC SYMBOL: COL EXCHANGE: NYSE	20.700	24,840.00	432 / 1.74 %	02/02/99	1,000,000	54,280	97,704	-15,804
1,200	ROCKWELL INTL CORP NEW SYMBOL: ROK EXCHANGE: NYSE	16.050	19,260.00	792 / 4.11 %	02/02/99	200,000	27,207	27,207	-3,952
1,500	SBC COMMUNICATIONS INC SYMBOL: SBC EXCHANGE: NYSE	45.030	67,545.00	1,538 / 2.28 %	01/13/99	500,000	45,780	22,890	-140
1,000	SUNTRUST BANKS INC SYMBOL: STI EXCHANGE: NYSE	69.250	69,250.00	1,600 / 2.31 %	02/19/99	500,000	88,500	44,250	-8,740
600	UNITED PARCEL SERVICE INC CL B SYMBOL: UPS EXCHANGE: NYSE	56.830	34,098.00	456 / 1.34 %	02/19/99	200,000	90,780	18,156	-3,952
1,200	WAL MART STORES INC SYMBOL: WMT EXCHANGE: NYSE	55.900	67,080.00	336 / .50 %	02/19/99	200,000	27,321	5,464	-6,507
2,000	WALGREEN CO SYMBOL: WAG EXCHANGE: NYSE	33.700	67,400.00	280 / .42 %	02/02/99	1,000,000	17,958	17,882	-1,324
	Total		\$ 2,987,807.23	42,909					-381

Monthly activity

Cash flow Date	Activity	Description	Amount
06/29		Balance forward	\$ -1,656,245.00

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July 01/ [REDACTED] C1

CONFIDENTIAL TREATMENT
REQUESTED
GPW-5408

**UBS PaineWebberSM
Resource Management Account***

EZ4G010621-X16
4533366 - 000024

Cash flow - continued

Date	Activity	Description	Amount
07/02	DIVIDEND	COCA COLA CO COM PAID ON 2500	450.00
07/02	DIVIDEND	AS OF 07/01/01 MERC & CO	442.00
07/09	DIVIDEND	PAID ON 1300 WAL MART STORES INC	84.00
07/10	DIVIDEND	PAID ON 1200 PHILIP MORRIS COS INC	1,219.00
07/11	DIVIDEND	PAID ON 2300 EXXON MOBIL CORP	38.00
07/11	DIVIDEND	PAID ON 1900 HEWLETT PACKARD CO	96.00
07/11	DIVIDEND	PAID ON 1200	

Date	Activity	Description	Amount
07/23	LOAN CHARGE	LOAN INTEREST CHARGED AS OF 07/22/01	-5,890.09
07/25	DIVIDEND	GENL ELECTRIC CO PAID ON 3300	528.00
07/25	DIVIDEND	HONEYWELL INTL INC PAID ON 1000	187.50
07/30	DIVIDEND	J P MORGAN CHASE & CO PAID ON 1500	510.00
07/31		Closing balance	\$ -1,658,580.59

Security transactions

Refer to the disclosure on the back of the first page regarding the Price/Value presented for restricted securities.

Date	Activity	Description	Quantity	Price / Value	Amount
07/02	SPIN OFF	ROCKWELL COLLINS INC	1,200,000		
07/19	DIVIDEND	EXXON MOBIL CORP PAID ON	1,900,000	1900	

Loan interest reconciliation

Date	Number of days	Average debit balance	Rate	Loan interest charged
06/22	3	\$ 1,656,686	4.240 %	585.36
06/25	1	1,656,686	4.210 %	193.74
06/26	2	1,656,686	4.200 %	386.56
06/28	1	1,656,245	4.201 %	193.28
06/29	1	1,656,245	4.285 %	197.13
06/30	2	1,656,020	4.312 %	396.75
07/02	1	1,655,353	4.310 %	198.18
07/03	3	\$ 1,655,353	4.300 %	593.17
07/06	3	1,655,353	4.295 %	592.54
07/09	1	1,655,269	4.281 %	196.85
07/10	3	1,653,960	4.280 %	589.91
07/13	6	1,653,916	4.278 %	1,179.48
07/19	3	1,653,916	4.260 %	587.14
Total	30			\$ 5,890.09

Year-to-date realized capital gain/loss totals

Year-to-date realized capital gain/loss totals	Amount
Long-term gains/losses held more than one year:	\$ 47,749.79