

From: Ong, Kathy EI [CMB-GTS] [ko71703@imcap.ap.smb.com]  
Sent: Monday, September 08, 2008 11:35 AM  
To: Mauerstein, Michael [CMB-GBKG]; Torres, Melissa J [CMB-RISK]; Egan, Paul [CMB-GTS]  
Subject: Re: Lehman - Changes in Classification

Michael

You will be aware that we are working with Lehman on a Philippines loan of USD35MM (3 month tenor). The lines are already in place, they are just adding obligors to the guarantee.

Citi Manila is having difficulty getting country RAP approvals and with this downgrade I am not sure if they will come through. Please can you give Emil a heads up that it may not go through. Either way they need to know soon if they are to look for funding elsewhere but I don't want to string them along much longer and then have to say no. If you have any suggestions about getting this through we would be happy to raise this to seniors.

Thanks and regards  
Kathy

----- Original Message -----

From: Mauerstein, Michael [CMB-GBKG]  
To: Lukas, Katherine [CMB-GTS]; Faber, Reto [CMB-GTS]; Torres, Melissa J [CMB-RISK]; Fontana, Thomas [CMB-RISK]; Salariya, Paul [CMB-GTS]; Egan, Paul [CMB-GTS]; Ong, Kathy EI [CMB-GTS]  
Cc: Devlin, Catherine [CMB-GTS]; Silbiger, Julius [CMB-GTS]; Isaac, Tom [CMB-GTS]; Chesakis, Joseph [CMB-GTS]  
Sent: Mon Sep 08 21:32:33 2008  
Subject: RE: Lehman - Changes in Classification

Nothing. Classification is strictly an internal Citi matter. We are not changing operations with Lehman at this time.

I am meeting with Lehman's Treasurer today along with Chris Foskett and Tom Fontana to get an update on their business and financial condition.

-----Original Message-----

From: Lukas, Katherine [CMB-GTS]  
Sent: Monday, September 08, 2008 9:31 AM  
To: Faber, Reto [CMB-GTS]; Mauerstein, Michael [CMB-GBKG]; Torres, Melissa J [CMB-RISK]; Fontana, Thomas [CMB-RISK]; Salariya, Paul [CMB-GTS]; Egan, Paul [CMB-GTS]; Ong, Kathy EI [CMB-GTS]  
Cc: Devlin, Catherine [CMB-GTS]; Silbiger, Julius [CMB-GTS]; Isaac, Tom [CMB-GTS]; Chesakis, Joseph [CMB-GTS]  
Subject: RE: Lehman - Changes in Classification

What, if anything, are we communicating to Lehman at this stage?

-----Original Message-----

From: Faber, Reto [CMB-GTS]  
Sent: Monday, September 08, 2008 8:52 AM  
To: Mauerstein, Michael [CMB-GBKG]; Torres, Melissa J [CMB-RISK]; Fontana, Thomas [CMB-RISK]; Lukas, Katherine [CMB-GTS]; Salariya, Paul [CMB-GTS]; Egan, Paul [CMB-GTS]; Ong, Kathy EI [CMB-GTS]  
Cc: Devlin, Catherine [CMB-GTS]; Silbiger, Julius [CMB-GTS]; Isaac, Tom [CMB-GTS]  
Subject: FW: Lehman - Changes in Classification  
Importance: High

FYI - in response to the downward classification of Lehman, we have started to increase monitoring of Lehman's activity. The CLS line has been reduced to \$960mm (from \$1.5bn) ufn, and a manual release process has been reintroduced. We also will collate daily exposure downloads for the \$2.2bn Cash DOL line covering the majority of Lehman's EMEA Cash exposure.

We await instructions from GCC later this afternoon if any further control measures should be introduced.

rgds

Reto

-----Original Message-----

From: Devlin, Catherine [CMB-GTS]

Sent: 08 September 2008 08:54

To: Dehaan, Peter [CMB-GTS]; Bolesta, Agnieszka [CMB-OPS]; Cottrell, Shane [CMB-GTS]

Cc: Faber, Reto [CMB-GTS]; Salariya, Paul [CMB-GTS]; Silbiger, Julius [CMB-GTS]; Beard, Mark Lindsay [CMB-GTS]; Mehta, Rajesh [CMB-GTS]

Subject: Lehman - Changes in Classification

Importance: High

Peter,

Please begin manually managing your exposure to Lehmans, and please work within a USD 950 mm DOL until further notice. \$950 mm was the level agreed with NY when we had the last fire drill re Lehmans, so it would be prudent to work within that lower limit again.

What is your anticipated DOL need for today?

Also, are we soon going to have another quarterly event where CLS activity will be very high?

Thanks,  
Catherine

-----Original Message-----

From: Devlin, Catherine [CMB-GTS]

Sent: 08 September 2008 08:15

To: Dehaan, Peter [CMB-GTS]; Bolesta, Agnieszka [CMB-OPS]; Cottrell, Shane [CMB-GTS]

Subject: RE: WAMU & Lehman - Changes in Classification

I have not received advice that DOLs have been decreased. I'll be checking today and will revert.

-----Original Message-----

From: Dehaan, Peter [CMB-GTS]

Sent: 08 September 2008 07:50

To: Devlin, Catherine [CMB-GTS]; Bolesta, Agnieszka [CMB-OPS]; Cottrell, Shane [CMB-GTS]

Subject: RE: WAMU & Lehman - Changes in Classification

Catherine

Do we need to zero the DOL ?

Thanks  
Peter

-----Original Message-----

From: Devlin, Catherine [CMB-GTS]

Sent: 08 September 2008 07:31

To: Bolesta, Agnieszka [CMB-OPS]; Cottrell, Shane [CMB-GTS]; Dehaan, Peter [CMB-GTS]

Subject: Fw: WAMU & Lehman - Changes in Classification

Fyi

----- Original Message -----

From: Torres, Melissa J [CMB-RISK]

To: Foley, John J [CMB-GTS]; Maher, William R [CMB-GTS]; Devlin, Catherine [CMB-GTS]; Silbiger, Julius [CMB-GTS]

Cc: Anemone, Andrew A [CMB-RISK]; Forsyth, Ray [CMB-RISK]

Sent: Sat Sep 06 17:17:41 2008

Subject: WAMU & Lehman - Changes in Classification

The classification for Washington Mutual and Lehman Brothers has been changed to II from 1A.

With that policy requires all the ORR's and FRR's be a 7+.

All of these changes were made in RAPID on Friday.

Regards

Melissa J. Torres