

**From:** McDaniel, James R. <jmcdaniel@sidley.com>  
**Sent:** Sunday, September 21, 2008 4:03 PM  
**To:** Edward J ROSEN <erosen@cgsh.com>  
**Cc:** giddens@hugheshubbard.com; kobak@hugheshubbard.com; Stephen P. Harbeck <sharbeck@sipc.org>; Michael A MAZZUCHI <mmazzuchi@cgsh.com>; wnavin@theocc.com; jcawley@theocc.com; Borrelli, Mark <mborrelli@sidley.com>; Rovira, Alex R. <ARovira@Sidley.com>  
**Subject:** Understandings relating to the transfer of LBI's accounts at OCC  
**Attach:** Untitled.pdf

---

Ed:

Realizing that you have your hands full, we nevertheless need to communicate OCC's position to you:

1) OCC's willingness to transfer the LBI accounts to Barclays is conditioned upon obtaining Barclay's signature on the "Transfer and Assumption Agreement" among OCC, the Trustee and Barclays. The Trustee and OCC have signed the document, and the Trustee has consented to the use of the signature page for certain hand marked changes that were prepared by Barclays. Those changes were subsequently incorporated into the document in substantially the same form with no material changes. We subsequently received a copy of the document from Michael Mazzuchi of Cleary that added a paragraph 1(c) and then a later version from Michael that deleted the same paragraph at Alex Rovira's request. That paragraph is unacceptable to OCC, and it is OCC's understanding that Barclays is in agreement that it will not be included in the document. For the elimination of doubt, I have attached a copy of the document in pdf form that is acceptable to OCC. OCC's willingness to transfer the LBI accounts at OCC to Barclays is conditioned upon the execution of this agreement by Barclays.

2) Having heard nothing further from you with respect to cash held by OCC in respect of the LBI accounts, and in accordance with the terms of the Transfer and Purchase Agreement, all such cash in the accounts will be transferred to Barclays assuming that the transaction closes this evening.

3) If the transaction does not close tonight, OCC would need to immediately liquidate and close out the LBI accounts and is preparing to do so. These preparations are as a precautionary measure that OCC does not expect to have to use.

I am available at my office to discuss anything that you need to discuss. We would very much like to know what the plan is for execution of documents and when we might expect to have OCC's Transfer and Assumption Agreement executed by Barclays.

Thanks,  
Jim  
<<Untitled.pdf>>

James R. McDaniel  
Sidley Austin LLP  
One South Dearborn Street  
Chicago, IL 60603

(312)853-2665  
Fax: (312)853-7036

James R. McDaniel  
Sidley Austin LLP  
One South Dearborn Street  
Chicago, IL 60603  
(312)853-2665  
Fax: (312)853-7036  
- Untitled.pdf