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Sent: Sat, 13 Sep 2008 23:12:03 GMT
To: 'frits.seegers@barclays.com'
Subject: Long island

Frits

Long day!

Made real progress and seemed to be getting into the driving seat with the us authorities. But we then hit a big obstacle: you remember that at the board we described how we would put in place a guarantee for a period between sunday night and deal close (when we would get the capital in the businesses), the effect of which would be to make the street comfortable in continuing to trade with longisland. The view of the uk listing authority, by whose decisions we are bound, is that this would need shareholder consent.

Clearly we can't get that by tomorrow evening, and at the moment unless the state is prepared to issue the guarantee for a period of time (and hank thinks they can't), we have no way round this issue. It emerged late this afternoon after the board from the further technical work we indicated to the board we needed to get done.

So I haven't burdoned you with an exco meeting because we've been trying and as yet failing to find a way through. Meanwhile time is driving hank to move to pursuing the other options he has been developing in parallel (eg lifeboat).

Will circ some further papers to the board tomorrow am before we meet by telephone at 0930.
John