

From: Lewis, Michael S1 [CMB-GTS] [ml39965@imcnam.ssmb.com]
Sent: Friday, September 12, 2008 4:54 PM
To: Lukas, Katherine [CMB-GTS]; Mercer-Miller, Deborah [CMB-GTS];
Cuniglio, Joseph A [CMB-GTS]; Cole, Rachel V [CMB-GTS]; Hudson,
Christina [CMB-GTS]
Cc: Hayes, Steven R [CMB-GCO]; Daigle, Robert [CMB-GTS]; Morri, Robson R
[CMB-GTS]; Sawyer, Lynne [CMB-GTS]; Obermaier, Thomas [CMB-GTS]; Dudsak,
Craig S [CMB-GTS]; Saunders, Marcia C [CMB-GTS]; Porcaro, Ken [CMB-GTS];
Mandaró, William [CMB-GBKG]; Isaac, Tom [CMB-GTS]; Fontana, Thomas
[CMB-RISK]
Subject: Re: LEHMAN

Fyi, there is no DDCA linked to this account at this time. Any cash will be uninvested overnight until it is added. We did not request a deferral for this.

Thanks,
Michael

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

From: Lukas, Katherine [CMB-GTS]
To: Mercer-Miller, Deborah [CMB-GTS]; Cuniglio, Joseph A [CMB-GTS]; Cole, Rachel V [CMB-GTS]; Hudson, Christina [CMB-GTS]
Cc: Hayes, Steven R [CMB-GCO]; Daigle, Robert [CMB-GTS]; Morri, Robson R [CMB-GTS]; Lewis, Michael S1 [CMB-GTS]; Sawyer, Lynne [CMB-GTS]; Obermaier, Thomas [CMB-GTS]; Dudsak, Craig S [CMB-GTS]; Saunders, Marcia C [CMB-GTS]; Porcaro, Ken [CMB-GTS]; Mandaró, William [CMB-GBKG]; Isaac, Tom [CMB-GTS]; Fontana, Thomas [CMB-RISK]
Sent: Thu Sep 11 17:58:15 2008
Subject: RE: LEHMAN

Apologies guys - this is a very fluid situation at the moment earlier today we were told to ensure that the account be ready just in case they would be sending us collateral (originally thought to be a corp. bond portfolio then our requirement changed that they deposit gov't sec).

As of right now they are going to continue to leave a cash deposit with Citi and will not be depositing collateral. However, the aim is to have the account ready in case this position changes and we need to quickly switch to accept securities.

Because the situation is still evolving the only information that I have now is:

- 1) Lehman will continue to leave a cash deposit with Citi today and will not be depositing securities
- 2) The collateral account needs to be opened in case the situation changes tomorrow

Your questions are all valid and should the situation change where securities will be received in we will look to get clarity on these items.

Thank you for your help today in getting this account opened on such a quick basis, it is an important contingency to have.

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

From: Mercer-Miller, Deborah [CMB-GTS]
Sent: Thursday, September 11, 2008 5:51 PM
To: Cuniglio, Joseph A [CMB-GTS]; Cole, Rachel V [CMB-GTS]; Hudson, Christina [CMB-GTS]; Lukas, Katherine [CMB-GTS]
Cc: Hayes, Steven R [CMB-GCO]; Daigle, Robert [CMB-GTS]; Morri, Robson R [CMB-GTS]; Lewis, Michael S1 [CMB-GTS]; Sawyer, Lynne [CMB-GTS]; Obermaier, Thomas [CMB-GTS]; Dudsak, Craig S [CMB-GTS]; Saunders, Marcia C [CMB-GTS]
Subject: Re: LEHMAN

Great points!

Redacted for Privilege

Katherine will ensure that this group and others are kept informed as soon as more information becomes available. We will also ensure that these points are kept in mind and addressed during the discussions..

Regards
Debbie

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

From: Cuniglio, Joseph A [CMB-GTS]
To: Mercer-Miller, Deborah [CMB-GTS]; Cole, Rachel V [CMB-GTS]; Hudson, Christina [CMB-GTS]
Cc: Hayes, Steven R [CMB-GCO]; Daigle, Robert [CMB-GTS]; Morri, Robson R [CMB-GTS]; Lewis, Michael S1 [CMB-GTS];
Sawyer, Lynne [CMB-GTS]; Obermaier, Thomas [CMB-GTS]; Dudsak, Craig S [CMB-GTS]; Saunders, Marcia C [CMB-GTS]
Sent: Thu Sep 11 15:50:00 2008
Subject: RE: LEHMAN

Deb,

Understood.

Who is working on linking this INTRAM acct to CCMP right now?

When can we see the collateral list to ensure all cusips are set up?

When can we expect the securities to arrive?

Through what means will the RF's be set up?

Who is ensuring that , through whatever means , that DF's, DP's cannot be instructed out to the street? Is the mechanism inherent in the buy and hold acct set up sufficient to encumber?

How will Front End receive "transfer and delivery" instructions? Is there MIFT documentation that needs to be put in place?

I believe that once the arrangements tbd are somewhat crystallized , a meeting would be wise.

Pls count on Operations full support.

Rgds,

jc

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

From: Mercer-Miller, Deborah [CMB-GTS]
Sent: Thursday, September 11, 2008 4:32 PM
To: Cole, Rachel V [CMB-GTS]; Cuniglio, Joseph A [CMB-GTS]; Hudson, Christina [CMB-GTS]
Cc: Hayes, Steven R [CMB-GCO]; Daigle, Robert [CMB-GTS]; Morri, Robson R [CMB-GTS]; Lewis, Michael S1 [CMB-GTS];
Sawyer, Lynne [CMB-GTS]; Obermaier, Thomas [CMB-GTS]; Dudsak, Craig S [CMB-GTS]; Mercer-Miller, Deborah [CMB-GTS]
Subject: Re: LEHMAN

Joe and Christine,

Please review the terms we agreed to for account 203489 very carefully. Please confirm that you understand this clearly and if you have any questions, please forward it to me immediately.

1. The securities will be received free into the account
2. The account will be subject to oversight and control by GTS Risk under arrangements to be determined

EXTREMELY IMPORTANT

3. Until completed custody documentation is received and final control arrangements and Lehman instruction arrangements have been documented and verified, no transfer or delivery from the account will be permitted except on the

instruction by Tom Obermaier with verification by either GTS Legal or by Mary Fenoglio or Craig Dudsak as head of US Custody Product Management.

I will schedule a meeting for us to discuss if needed. Please confirm if I need to schedule a meeting

Regards,
Debbie

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

From: Lewis, Michael S1 [CMB-GTS]
To: Cole, Rachel V [CMB-GTS]; Sawyer, Lynne [CMB-GTS]
Cc: Hayes, Steven R [CMB-GCO]; Daigle, Robert [CMB-GTS]; Mercer-Miller, Deborah [CMB-GTS]; Morri, Robson R [CMB-GTS]; Hudson, Christina [CMB-GTS]
Sent: Thu Sep 11 15:20:09 2008
Subject: RE: LEHMAN

Hi Rachel /Christina,

FYI, no ACA but an Internal Citi Control Agreement..... Sorry.

Thanks,
Michael

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

From: Cole, Rachel V [CMB-GTS]
Sent: Thursday, September 11, 2008 4:07 PM
To: Lewis, Michael S1 [CMB-GTS]; Sawyer, Lynne [CMB-GTS]
Cc: Hayes, Steven R [CMB-GCO]; Daigle, Robert [CMB-GTS]; Mercer-Miller, Deborah [CMB-GTS]; Morri, Robson R [CMB-GTS]; Hudson, Christina [CMB-GTS]
Subject: RE: LEHMAN

Christina Hudson's team.

Christina- can you respond with a CSO name. Thx

Regards,
Rachel V Cole
Section Manager - Mutual Funds Team
Securities Services- NA
Global Transaction Services, Client Delivery
Phone: (813) 604-1452
Fax: (813) 604-1710
Email: Rachel.V.Cole@citi.com

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

From: Lewis, Michael S1 [CMB-GTS]
Sent: Thursday, September 11, 2008 3:39 PM
To: Cole, Rachel V [CMB-GTS]; Sawyer, Lynne [CMB-GTS]
Cc: Hayes, Steven R [CMB-GCO]; Daigle, Robert [CMB-GTS]; Mercer-Miller, Deborah [CMB-GTS]; Morri, Robson R [CMB-GTS]
Subject: RE: LEHMAN

Rachel,

It should be a receive free and hold account with an ACA agreement in place..

Thanks,
Michael

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

From: Cole, Rachel V [CMB-GTS]
Sent: Thursday, September 11, 2008 3:38 PM
To: Lewis, Michael S1 [CMB-GTS]; Sawyer, Lynne [CMB-GTS]
Cc: Hayes, Steven R [CMB-GCO]; Daigle, Robert [CMB-GTS]; Mercer-Miller, Deborah [CMB-GTS]; Morri, Robson R [CMB-GTS]
Subject: RE: LEHMAN

Hello, will this be a buy and hold account?

Regards,
Rachel V Cole
Section Manager - Mutual Funds Team
Securities Services- NA
Global Transaction Services, Client Delivery
Phone: (813) 604-1452
Fax: (813) 604-1710
Email: Rachel.V.Cole@citi.com

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

From: Lewis, Michael S1 [CMB-GTS]
Sent: Thursday, September 11, 2008 3:21 PM
To: Sawyer, Lynne [CMB-GTS]
Cc: Hayes, Steven R [CMB-GCO]; Daigle, Robert [CMB-GTS]; Cole, Rachel V [CMB-GTS]; Mercer-Miller, Deborah [CMB-GTS]; Morri, Robson R [CMB-GTS]
Subject: RE: LEHMAN

Hi Lynne,

Any thoughts on a CSO for this very urgent deal? Collateral account monitored by Citi.

Account Name: LEHMAN BROTHERS HOLDINGS INC., PLEDGE TO CITIBANK

Thanks,
Michael

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

From: Mercer-Miller, Deborah [CMB-GTS]
Sent: Thursday, September 11, 2008 3:19 PM
To: Lewis, Michael S1 [CMB-GTS]; Morri, Robson R [CMB-GTS]
Cc: Hayes, Steven R [CMB-GCO]; Daigle, Robert [CMB-GTS]; Cole, Rachel V [CMB-GTS]
Subject: Re: LEHMAN

We don't know as yet when securities will be sent to us.

CSO - Rob who is or will be the CSO for Lehman?

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

From: Lewis, Michael S1 [CMB-GTS]
To: Mercer-Miller, Deborah [CMB-GTS]; Morri, Robson R [CMB-GTS]
Cc: Hayes, Steven R [CMB-GCO]; Daigle, Robert [CMB-GTS]; Cole, Rachel V [CMB-GTS]
Sent: Thu Sep 11 14:03:26 2008
Subject: RE: LEHMAN

When are we going to get assets. Is there a CSO?

Robson,

I think the CADD is OK. Can you confirm?

Thanks,
Michael

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

From: Mercer-Miller, Deborah [CMB-GTS]
Sent: Thursday, September 11, 2008 2:58 PM
To: Lewis, Michael S1 [CMB-GTS]; Morri, Robson R [CMB-GTS]
Cc: Hayes, Steven R [CMB-GCO]
Subject: Re: LEHMAN

Michael or Robson,

Please confirm if we are okay with CAD

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

From: Lafalce, Catherine [CMB-CMPL]
To: Mercer-Miller, Deborah [CMB-GTS]; Fabian, David M [CMB-GTS]
Cc: Hayes, Steven R [CMB-GCO]
Sent: Thu Sep 11 12:20:52 2008
Subject: RE: LEHMAN

Deborah

The only documentation exceptions that AML Compliance reviews are requests to open accounts without the required KYC documentation being in place, i.e., either a CADD or PLS schedule depending on the entity. So as long as the Lehman entity named on the account is covered by existing CADD, there is no need to obtain our approval. If you do need an approval on this front, please send your request to the "CADD" mailbox and provide as much info as you have so that the request may be reviewed

Thanks for checking.

Regards
Cathy

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

From: Mercer-Miller, Deborah [CMB-GTS]
Sent: Thursday, September 11, 2008 1:13 PM
To: Fabian, David M [CMB-GTS]; Lafalce, Catherine [CMB-CMPL]
Cc: Hayes, Steven R [CMB-GCO]
Subject: Re: LEHMAN

Hi Cathy,

Product and Product risk approved the document deferral to open a custody account for Lehman. The terms etc are noted

below.

Do you need to approve also or just be made aware? If you need to approve, please review and forward your approval urgently or feedback.

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

From: Fabian, David M [CMB-GTS]
To: Mercer-Miller, Deborah [CMB-GTS]
Sent: Thu Sep 11 11:51:01 2008
Subject: RE: LEHMAN

Debbie,

SFS Product Risk understands the circumstances and approves.

You may want to touch base with Cathy Lafalce of AML Compliance to confirm whether or not her approval is required for a deferral of account documentation.

Regards,

David Fabian
SFS Product Risk Management
212-816-7272

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

From: Mercer-Miller, Deborah [CMB-GTS]
Sent: Thursday, September 11, 2008 12:03 PM
To: Fabian, David M [CMB-GTS]
Cc: Hayes, Steven R [CMB-GCO]; Dudsak, Craig S [CMB-GTS]
Subject: RE: LEHMAN
Importance: High

Could you please review and approve the below. Also advise who else would need to sign off. I will then need to request Neeraj's approval.

Regards
Debbie

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

From: Dudsak, Craig S [CMB-GTS]
Sent: Thursday, September 11, 2008 11:37 AM
To: Mercer-Miller, Deborah [CMB-GTS]; Fenoglio, Mary [CMB-GTS]
Cc: Fontana, Thomas [CMB-RISK]; Hayes, Steven R [CMB-GCO]; Mauerstein, Michael [CMB-GBKG]; Lukas, Katherine [CMB-GTS]; Lewis, Michael S1 [CMB-GTS]; Carey, June [CMB-CMPL]; La Rosa, Joseph [CMB-CMPL]; Barkemeyer, Michael [CMB-GTS]; Morri, Robson R [CMB-GTS]; Porcaro, Ken [CMB-GTS]
Subject: Re: LEHMAN

Approved

Sent from my BlackBerry Wireless Handheld

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

From: Mercer-Miller, Deborah [CMB-GTS]
To: Dudsak, Craig S [CMB-GTS]; Fenoglio, Mary [CMB-GTS]
Cc: Fontana, Thomas [CMB-RISK]; Hayes, Steven R [CMB-GCO]; Mauerstein, Michael [CMB-GBKG]; Lukas, Katherine [CMB-GTS]; Lewis, Michael S1 [CMB-GTS]; Carey, June [CMB-CMPL]; La Rosa, Joseph [CMB-CMPL]; Barkemeyer, Michael [CMB-GTS]; Morri, Robson R [CMB-GTS]; Porcaro, Ken [CMB-GTS]
Sent: Thu Sep 11 10:30:17 2008

Subject: LEHMAN

Mary or Craig,

In conjunction with the proposed pledge of securities by Lehman Brothers Holdings, Inc. ("Lehman") to Citigroup and its affiliates, Lehman needs to have a US securities custody account and cash account opened and maintained by GTS SFS within Citibank, N.A., New York Offices. This account has already been reserved.

However it is probable that the account will need to be available to receive securities to be subject to the pledge arrangements before Citibank receives from Lehman a signed GCSA and other account opening documentation.

I would like your approval to open the account and accept the receipt of securities to be held as collateral for Citigroup and affiliates under the following conditions:

1. The securities will be received free into the account
2. The account will be subject to oversight and control by GTS Risk under arrangements to be determined
3. Until completed custody documentation is received and final control arrangements and Lehman instruction arrangements have been documented and verified, no transfer or delivery from the account will be permitted except on the instruction by Tom Obermaier with verification by either GTS Legal or by Mary Fenoglio or Craig Dudsak as head of US Custody Product Management.

Please confirm that you have no objections to these arrangements and document deferrals so that the account can be open immediately.

Debbie Mercer-Miller
Vice President
Global Custody
388 Greenwich St. 14th Flr.
New York, NY 10013
Telephone: 212 816-6861
Email: deborah.mercermiller@Citigroup.com

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