

From: Bujno, Stephen J [CMB-RISK] [23373@citigroup.com]
Sent: Wednesday, September 03, 2008 12:02 PM
To: Quay, Kenneth [CMB-RISK]
Subject: FW: Lehman Transaction and CMAC

Attachments: Lehman CRE Repo (94.7 KB)

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

From: Fontana, Thomas [CMB-RISK]
Sent: Tuesday, August 26, 2008 1:41 PM
To: Kim, Nancy [CMB-RISK]
Cc: Bujno, Stephen J [CMB-RISK]; Gupta, Ramesh [CMB-RISK]
Subject: RE: Lehman Transaction and CMAC

See attached. This is what I sent out to Pat. His approval is not required.

Best regards,

Tom

Global Financial Institutions
Risk Management

Office: (212) 816-4986
Cell: (908) 577-2039
Home: (908) 665-0694

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

From: Kim, Nancy [CMB-RISK]
Sent: Tuesday, August 26, 2008 11:22 AM
To: Fontana, Thomas [CMB-RISK]
Cc: Bujno, Stephen J [CMB-RISK]; Gupta, Ramesh [CMB-RISK]
Subject: FW: Lehman Transaction and CMAC

Tom,

Have you had a chance to discuss this transaction with Pat Ryan? I understand from Legal that Lehman is pushing hard to close this transaction by September 3rd.

Any update would be helpful for us to better gauge the timing for the CMAC review.

Thanks,

Nancy

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

From: Bujno, Stephen J [CMB-RISK]
Sent: Wednesday, August 20, 2008 4:41 PM
To: Fontana, Thomas [CMB-RISK]; Kim, Nancy [CMB-RISK]; Mellina, Thomas [CMB-FICC]
Cc: Gupta, Ramesh [CMB-RISK]; Schlenger, Richard [CMB-GFICC]; Quay, Kenneth [CMB-RISK]; Hales, Shannon J [CMB-GCO]
Subject: RE: Lehman Transaction and CMAC

Tom

Given Pat was involved in the prior transaction and turned it down, plus the franchise element, we would think that Pat should be consulted again.

Steve

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

From: Fontana, Thomas [CMB-RISK]
Sent: Wednesday, August 20, 2008 10:26 AM
To: Kim, Nancy [CMB-RISK]; Mellina, Thomas [CMB-FICC]
Cc: Bujno, Stephen J [CMB-RISK]; Gupta, Ramesh [CMB-RISK]; Schlenger, Richard [CMB-GFICC]; Fontana, Thomas [CMB-RISK]; Quay, Kenneth [CMB-RISK]; Hales, Shannon J [CMB-GCO]
Subject: Re: Lehman Transaction and CMAC

Nancy,

I have updated Pat on this, but is his approval necessary? It is not all that large of a transaction and has relatively conservative terms.....all assuming the stay risk is addressed.

Best regards,

Tom

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Home: (908) 665-0694

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

From: Kim, Nancy [CMB-RISK]
To: Mellina, Thomas [CMB-FICC]
Cc: Bujno, Stephen J [CMB-RISK]; Gupta, Ramesh [CMB-RISK]; Schlenger, Richard [CMB-GFICC]; Fontana, Thomas [CMB-RISK]; Quay, Kenneth [CMB-RISK]; Hales, Shannon J [CMB-GCO]
Sent: Wed Aug 20 09:40:07 2008
Subject: RE: Lehman Transaction and CMAC

Tom,

As discussed with the CMAC chairs this morning, we will require an AH CMAC review for the revised Lehman proposal.

CMAC will require approvals from the following:

1. Sr. Legal approval (Scott Flood) on the legal analysis of the potential stay risk in bankruptcy.
2. Sr. Credit Risk (Pat Ryan)
3. Sr. Management (Forese/Havens)

Rgds,

Nancy

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

From: Mellina, Thomas [CMB-FICC]
Sent: Wednesday, August 20, 2008 6:56 AM
To: Kim, Nancy [CMB-RISK]
Cc: Schlenger, Richard [CMB-GFICC]; Fontana, Thomas [CMB-RISK]; Quay, Kenneth [CMB-RISK]; Hales, Shannon J [CMB-GCO]
Subject: Lehman Transaction and CMAC

Nancy,

Regarding the Lehman transaction that was discussed in CMAC on May 22nd (attached is the CMAC doc), the structure has been modified to provide protections against bankruptcy stay risk (the biggest concern with the previous structure). The main difference is how the assets are transferred from Lehman Holdings into the Trust (they used to be transferred via a

sale and TRS structure, now they will be transferred via a repo). Additionally, we will receive various legal opinions (non-consolidation opinions and security contract opinions) from Lehman's counsel. However, the trades between Lehman Broker Dealer and Citi will remain the same.

If we add a Legal sign-off requirement dealing with the stay risk associated with the transaction, can I assume that the CMAC Conclusions and Follows (attached) are still valid? Or do you think we need to have another CMAC meeting?

Thank you,
Tom