

From: Fontana, Thomas [CMB-RISK] [tf09146@imcnam.ssmb.com]  
Sent: Wednesday, June 18, 2008 9:39 AM  
To: Mauerstein, Michael [CMB-GBKG]; Foskett, Christopher M [CMB-GBKG]  
Cc: Torres, Melissa J [CMB-RISK]  
Subject: RE: Lehman

Lets not loose sight of Paulo offering some to put liens on assets for us. The deposits are great and essentially have them self funding their shortfalls...that should be a product requirement or the fees should be higher. That though does not mitigate the risk.

Best regards,

Tom

Global Financial Institutions  
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-----Original Message-----

From: Mauerstein, Michael [CMB-GBKG]  
Sent: Tuesday, June 17, 2008 9:17 PM  
To: Foskett, Christopher M [CMB-GBKG]; Fontana, Thomas [CMB-RISK]  
Cc: Torres, Melissa J [CMB-RISK]  
Subject: Re: Lehman

Need to work on that. We didn't discuss it.

We also need to consider returning the clearing limits to BAU and reconsidering the Calssification 1A. We should discuss this tomorrow and agree on how to proceed.

Michael Mauerstein  
Managing Director  
Financial Institutions - Broker Dealers  
388 Greenwich - 24 Floor  
212 816-3431

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

From: Foskett, Christopher M [CMB-GBKG]  
To: Mauerstein, Michael [CMB-GBKG]; Fontana, Thomas [CMB-RISK]  
Cc: Torres, Melissa J [CMB-RISK]  
Sent: Tue Jun 17 21:13:11 2008  
Subject: Re: Lehman

Thats great news...but are we structuring it with some recourse/offset to an overdraft ?

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Sent from my BlackBerry Wireless Handheld

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

From: Mauerstein, Michael [CMB-GBKG]  
To: Foskett, Christopher M [CMB-GBKG]; Fontana, Thomas [CMB-RISK]  
Cc: Torres, Melissa J [CMB-RISK]  
Sent: Tue Jun 17 21:10:15 2008  
Subject: Lehman

After the meeting, I spent some time with Emil. He later phoned to say that they will deposit additional funds with us on an overnight basis.

We must have impressed them as reasonable in our approach.

Emil asked us to consider higher yielding alternatives to the Nassau sweep where our Funds desk places their deposit. The sweep pays about 20-30 bps below what they earn from money market funds (losing 20+ bps on \$2B is significant).

Michael Mauerstein  
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