

From: Fontana, Thomas [CMB-RISK] [tf09146@imcnam.ssmb.com]
Sent: Friday, September 12, 2008 12:48 PM
To: Fontana, Thomas [CMB-RISK]; Evans, Richard CS [CMB-RISK]; Schwartz, Thomas [GWM-RISK]; Leach, Brian [CCC]; Obermaier, Thomas [CMB-GTS]; Kirchen, Karen [CMB-GCO]
Subject: Re: Lehman Update

Europe currently down \$500MM. We continue to hold the \$1.1B for Asian FX and trade settlements. All lines in the US are set to -0- Lehman is in dire need of the \$2B we hold in excess of the \$2B deposit. As a result, I am releasing the \$2B and we will retain the initial \$2B deposit.

Best regards,

Tom

Global Financial Institutions
Risk Management

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

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

From: Fontana, Thomas [CMB-RISK]
To: Evans, Richard CS [CMB-RISK]; Schwartz, Thomas [GWM-RISK]; Leach, Brian [CCC]; Obermaier, Thomas [CMB-GTS]
Sent: Fri Sep 12 10:57:33 2008
Subject: RE: Lehman Update

Market rumor is that Lehman has tapped the Fed for \$5B. Wouldn't surprise us as their cash is tighter today than yesterday. In our NY DDAs we were only holding \$250MM, whereas earlier in the week it was multiple billions.

Best regards,

Tom

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

From: Evans, Richard CS [CMB-RISK]
Sent: Friday, September 12, 2008 10:32 AM
To: Fontana, Thomas [CMB-RISK]; Schwartz, Thomas [GWM-RISK]; Leach, Brian [CCC]; Obermaier, Thomas [CMB-GTS]
Subject: RE: Lehman Update

Agree
Richard

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

From: Fontana, Thomas [CMB-RISK]
Sent: 12 September 2008 15:23
To: Schwartz, Thomas [GWM-RISK]; Leach, Brian [CCC]; Evans, Richard CS [CMB-RISK]; Obermaier, Thomas [CMB-GTS]
Subject: Lehman Update

Lehman has called requesting \$3B of the \$5B back. As we stand at the moment, we see \$4B utilization, including FX settlements from Asia, trade settlements and clearing usage in Europe. I advised we would not release more than \$1B and, should we do that, we would not let any more money leave our firm until funds are in. They need the \$1B. Our US

accounts are positive, but only a few hundred million. Seems like they are having a similar, if not worse, cash drain today.

I would approve the release of \$1B. Do I have your concurrence?

Best regards,

Tom

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