

From: Fontana, Thomas [CMB-RISK] [tf09146@imcnam.ssmb.com]
Sent: Wednesday, September 10, 2008 6:43 AM
To: Foskett, Christopher M [CMB-GBKG]
Subject: RE: APAC Lehman Brothers Status

Yes. Yesterday's document added the clearing side which was not previously expressly covered in our existing guarantees. We are fine, but the teams will struggle as we are working a huge client through a manually intensive process.

Best regards,

Tom

Global Financial Institutions
Risk Management

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

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

From: Foskett, Christopher M [CMB-GBKG]
Sent: Wednesday, September 10, 2008 6:41 AM
To: Fontana, Thomas [CMB-RISK]
Subject: Re: APAC Lehman Brothers Status

Also illustrates that the "bunker" mentality in LEH's approach to dealing with capital needs is a failure. Competitors or not, they should have been more open to our capabilities....ML is the same.....

Is the "cash collateral" account completely secure for us and any exposures ?

Sent from my BlackBerry Wireless Handheld

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

From: Fontana, Thomas [CMB-RISK]
To: Foskett, Christopher M [CMB-GBKG]
Sent: Wed Sep 10 06:36:09 2008
Subject: RE: APAC Lehman Brothers Status

If nothing else, the situation here is just further confirmation of just how quickly a strong firm can be pushed to the brink. It also suggest we need a greater sense of urgency on shoring up our exposures than we have had. We spent two months working on a collateral arrangement. We should have had that completed long ago, instead we had to have yesterday's fire drill and put the client at risk.

Best regards,

Tom

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

From: Foskett, Christopher M [CMB-GBKG]
Sent: Wednesday, September 10, 2008 6:32 AM
To: Fontana, Thomas [CMB-RISK]
Subject: Re: APAC Lehman Brothers Status

I don't even want to think how ugly this can get.....

Sent from my BlackBerry Wireless Handheld

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

From: Fontana, Thomas [CMB-RISK]
To: Foskett, Christopher M [CMB-GBKG]
Sent: Wed Sep 10 06:28:49 2008
Subject: RE: APAC Lehman Brothers Status

Bloomberg repost consensus per share loss of \$2.8....we know it to be \$6. It could be a terrible day.

Best regards,

Tom

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Risk Management

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

From: Foskett, Christopher M [CMB-GBKG]
Sent: Wednesday, September 10, 2008 6:26 AM
To: Egan, Paul [CMB-GTS]; *CMB AP GTS BCMC; Banga, Ajaypal S [RGN-ASIA]; Mak, Alvin [CMB]; Faruqui, Farhan [CMB-GBKG]; Anderson, Ian C [CMB-RISK]; Butcher, Andrew [CMB-OPS]; Twentyman, Craig [CMB-GTS]; Francis, David C [CMB-RISK]; Kim, Young-Sun [CMB-GBKG]; Mauerstein, Michael [CMB-GBKG]; Fontana, Thomas [CMB-RISK]; Torres, Melissa J [CMB-RISK]; Obermaier, Thomas [CMB-GTS]; *CMB AP GTS-Asia Country Hds
Cc: Heidinger, Peter [CMB-GBKG]; Ong, Kathy El [CMB-GTS]; *GTS Asia Intermediaries; Jandu, Kamal [CMB-GBKG]; Cheng, Joy [CMB-GBKG]; Hu, Brad [CMB-RISK]
Subject: Re: APAC Lehman Brothers Status

Great teamwork. Today may be an even bigger challenge. Ongoing communication is critical !! Let's stay focused.
Thanks for the leadership !!

Regards

Sent from my BlackBerry Wireless Handheld

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

From: Egan, Paul [CMB-GTS]
To: *CMB AP GTS BCMC; Banga, Ajaypal S [RGN-ASIA]; Mak, Alvin [CMB]; Faruqui, Farhan [CMB-GBKG]; Anderson, Ian C [CMB-RISK]; Butcher, Andrew [CMB-OPS]; Twentyman, Craig [CMB-GTS]; Francis, David C [CMB-RISK]; Kim, Young-Sun [CMB-GBKG]; Mauerstein, Michael [CMB-GBKG]; Fontana, Thomas [CMB-RISK]; Torres, Melissa J [CMB-RISK]; Obermaier, Thomas [CMB-GTS]; *CMB AP GTS-Asia Country Hds
Cc: Heidinger, Peter [CMB-GBKG]; Ong, Kathy El [CMB-GTS]; *GTS Asia Intermediaries; Jandu, Kamal [CMB-GBKG]; Cheng, Joy [CMB-GBKG]; Jandu, Kamal [CMB-GBKG]; Hu, Brad [CMB-RISK]; Foskett, Christopher M [CMB-GBKG]
Sent: Wed Sep 10 06:06:56 2008
Subject: APAC Lehman Brothers Status

Asia successfully passed on the baton to EMEA today with all countries being positive in local currency cash to the tune of over USD200MM and with expectation of USD covering payments coming in for the Korean USD accounts of LB Bank Seoul.

In keeping with the guidance provided by Brian Leach, we pared back the clearing lines (GTS) in order to monitor flows however kept FX trading available (which support Lehman's broking business in emerging markets).
We await the announcement of Lehman 07:30am EST soon and will be in caontact with NY overnight for guidance.

Coverage co-ordination for tomorrow will be spearheaded by Kathy Ong and Kamal Jandu has kindly offered his experience and guidance in my absence (en route to UK overnight) so please could I ask everyone to continue to use this channel as the central communication channel for Lehman in-region.

Contact details are:

Kathy Ong - +852 28688023, mobile +852 97277371 Kamal Jandu - +852 28687725, mobile +852 66864238

thanks

Paul