

From: Foskett, Christopher M [CMB-GBKG] [0000109147@citigroup.com]
Sent: Tuesday, September 09, 2008 2:12 PM
To: Frenzel, Gregory [CMB-RISK]; Dorans, John [CMB-RISK]; Mauerstein, Michael [CMB-GBKG]; Fontana, Thomas [CMB-RISK]; Kirchen, Karen [CMB-GCO]; Obermaier, Thomas [CMB-GTS]; Isaac, Tom [CMB-GTS]
Cc: Lynn, Lesley [CMB-RISK]
Subject: Re: Lehman

S&P now put them on negative watch due to share drop...this could unravel quickly....

Sent from my BlackBerry Wireless Handheld

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

From: Frenzel, Gregory [CMB-RISK]
To: Dorans, John [CMB-RISK]
Cc: Lynn, Lesley [CMB-RISK]; Foskett, Christopher M [CMB-GBKG]
Sent: Tue Sep 09 14:02:19 2008
Subject: RE: Lehman

Confirmed. The RM and Chris Foskett are calling Lehman to tell them the following:

1. We need Lehman to sign the parent guarantee.
2. Clearing lines worldwide are being reduced to whatever level deposit Lehman posts with us. The current deposit is \$2.0B, of which \$1.6B will be chewed up by Asia tomorrow morning. That means Lehman needs to post a larger deposit or prefund everything.

Current marching orders are no unsecured exposure. Schwartz's team is pulling together all the trade data so we can decide where we would be willing to novate and where we wouldn't. That will take some time.

Chris Foskett is in London, Lesley, so you may want to touch base with him directly. I've copied him on this email.

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

From: Dorans, John [CMB-RISK]
Sent: Tuesday, September 09, 2008 1:47 PM
To: Frenzel, Gregory [CMB-RISK]
Cc: Lynn, Lesley [CMB-RISK]
Subject: Lehman

Greg, keep Lesley in the loop -- especially if there is something she and her team should be doing today/tonight. If nothing, which I believe is the case, then confirm this via em.