

No. 65166



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4 | 22 | 08 - 10 | 24 | 08



3 Subject / 3 Sujet / 3 Materia

NOTEBOOK

9 1/2 in. x 6 in. / 24.1cm x 15.2cm

College Rule / Réglage Collegiale / Rayado Estrecho

150 Sheets / 150 Feuilles / 150 Hojas

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4/22/08

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4/23/08

Tom

Whman Commercial mortgages

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4/23/08

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Oil \$117.51
Em. \$ 160

4/23/88

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Lehm Declaration

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4/23/08

Redacted for Responsiveness

- Tom Melina - leh

4/24/08

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4/24/08

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4/24/08

Tom Mellina

Ukman Commercial Mortgages

Fuld + Ukman to lead to Zion
to Tom Mellina

Liquidity/BS Neutral to us

B or P transaction we pledge to FHLS
doing work

Ukman gets ① ~~trust~~ ②
assets into trust issues security
Ukman buys all we finance ④

guaranteed by Ukman

bankruptcy remote

our price / 25-30% haircut

+150-200bps

Asset Based Grade

#700M Comm'l LE Tranche

13 months evergreen - rolling 12
months trail

4/28/08

Aime Clarke Wilfe

Jim Hennessey

- 6%

- Price loans to CDS!

- NO2 or friendly or Amendments!

Richards Evans -

Lesley will not be replaced until

Evans makes his objection known

360°

- Marc - Chris Fostkett

- Matthew - Greg Franzel

- Cathy Morrow - Bill Mandoo

- Tom Lerner - Tom Obermeier

- Dene Graham - Joe Martinielli

- Schorn Warkye

4/29/08

Forscott's Bi-weekly

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Lesley, John Merrill
de classify classify
Goldman's top Basic, John CRE

4/29/08

Elena's Weekly

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4/30/08

Senior Risk - Law/Bebe

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4/30/08

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5/1/08

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Stress Test
Collateral Deal

11.4B
- Base of NY 5.7
- Wh 1.6
7.3

- Email to lot / Ellen
Ly

5/2/08

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5/5/08

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5/5/08

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5/8/08
Pat Ryan, Bebe, Steve Ebert, Marcie

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5/8/08

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5/8/08

Risk Analytics to meet

Pat Weekly

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5/12/08

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5/13/08

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5/13/08

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5/14/08

- goal setting
- world has changed
- chicken soup
- Secret Link of Bees

5/14/08

- Moody's / S + P
- High Risk
 - Credit Derivatives
 -

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5/15/08

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5/15/08

Redacted for Responsiveness

5/19/08
fat

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5/20/08

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5/20/08

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5/20/08

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5/21/08

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5/22/08

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5/22/08

10m Mellina

series of deals up to ^{3B}
\$350MM - 700MM

Although we ^{make} ~~no~~ ^{ATB} ~~expect~~ ^{to} ~~that~~

Lead liquidity against CFE
capital, b5 at risk efficiency

LACERS TRM N/A - Covered Bond
Guarantee through TRS

BVP

150 - 200bps

Daily margin to maintain 125% excess
collateral

B non facility

how liquid are these assets (the notes)

what is the value of the CFE

BSP vs Repo documentation

Holtzman Company acquired by Blackstone

- 18% mtbl
- sub debt
- revolving / term debt

How long might the stay period be?

CDS 181

Ken Gray Rich Schlegel, Michael Chipale

claim on assets not as good as usual
repo

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- Ambar -
- Lehman
- Bear
-

✓
✓
✓

5/23/08

Morgan Matucci 6-1271
Tom Mellere 5-6374

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5/23/08

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an indicator of continue liquidity problems

(A)

✓ (A) Lehman Refs CRE — needs to be escalated! 12M
- 350-706 up to \$3B
- 13 months
- Stay, T&S 1252

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5/27/08

Pat's Meeting:

- Bird dogger ...
- Sniffers ...

5/27/07
Cehman CRE

Case - Sidley Aukroyter

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5/28/07

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5/28/08

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6/2/08

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6/2/08

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Lehm

all is other than ABN at we
are working thru through KDS centers
DF!

6/3/08

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6/1/08

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Richard Evans

"Team of Quads"

6/5/08 Lehman

Paolo Tonucci
Chris O'Meara

- earnings power going forward?

✓ - Free balances from PB

- raised capital in April \$4B convert \$2B into debt
- delevered \$140B ↓ BS 1.9B PS

12.1 - 12.2 times lower level ever

- biggest surplus ever

- reduced assets by \$70B and another
\$70B reduction in matched book

- sold assets at loss to achieve targeted

deleveraging

- marked book to levels when product is trading!!!

- liquidity pool \$45B up from \$34B last Q

- Cash Capital surplus \rightarrow \$14B

- more term repo ever

artificially inflate repo book

re-sep what they have at another 30%
of what they don't have by re-sep it in!
33 day average term

re-gain carry though!!!

- write down of \$4.1B is minor gain in hedging

- Stronger in almost all respects

- CFT Board up to sale

Lehman cont

- surplus liquidity is very clean
- \$4B free balances from PD vs Bear's \$42B All ring fenced!!!
- Lehman views the \$4B as unreliable
- 29000 employees down roughly 50%
- issues all around fixed income
- page 16 differences between Lehman & Bear!
- focus: IB, Equities, Commodities
- just not comparable to Bear!!
- de-risked
- de-levered
- moderate head
- really good shape very optimistic
- Capital raise \$5B - one anchor, but others

6/9/08

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6/9/08

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6/12/08 Lehman

Rec-in \$5.1B
Out \$3.9B

\$192MM CP issuance
\$4.0B DTC
\$1.0B Lehman internal transfers

Deposits + \$1.043 B
+ \$1.350 B
500mm

+ 2.2B BOA

426.7

Zion Sheet

Pat Ryan

↳ step in right direction

- senior meeting Monday or Tuesday

- meeting closely

- Africa 8.23

- EMEA 8.20 - 8.15 Africa DV

- 8.31

Depot NA - panacea

take deposits we stop trading

Leach - was names of

request sales

- can we hold it in other currencies
- do we want it to other

- laws

~~Jim Daley~~ 589-7853

6/16/08

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- GTS - ~~reus~~ pricing / risk
Lehman

Alt A - mid 70's

bulk sales could go as low as 60's

How far have the CPE & Alt As been
written down?

indicative of a secular change in risk
at regulatory oversight

- earning potential questioned ... particularly with Lehman
- capital level required for incremental write-offs
could be a challenge for strategic linkup
2, 2B raised or takeover

(\$900m)

6/16/08

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6/17/08

Lehman

Jon -

- Brian

Paulo -

- Pat

Eric -

- Chris

Dan Fleming -

- Michael

* FX activity view us

both CLS + non CLS

cash / FX / Securities

all non dollar advisers of payments and receipts are already provided

CLS payments netted against

- CP letting you roll off

term CP is better

O/N is only to convert investors into 90 day CP

sitting on so much cash are not paying CP

have had these discussions with others

* lien over the instructions coming into the account?

Intraday lien over some assets
less liquid assets

systemic issues inherent in the product!

6/20/08

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6/23/08

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6/25/08

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6/25/08

Redacted for Responsiveness

6/30/08

Redacted for Responsiveness

6/30/08

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7/1/08

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7/1/08

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7/2/08

Tomy O, Kyle Moran, Stan Hays, Alan
Michael Macerstein

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7/7/08

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- Lehman/ML etc clearly risk project
was OTS for Leach, Hamid, Evans

7/7/08

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7/8/08

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7/9/08

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- Let's / Others class exercise

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2/9/08

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Weekly meeting:

✓ - Clean Project

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8/9/08

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7/10/08

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→ Lehman

- take deposit back we will reduce limit to zero!
- prob when you reach col we will

- if we deteriorate ^{beyond their risk tolerance} we will return the collected!

[\$40B in AAs Money Market funds]

[Treasuries in key accounts held at Citibank]
Kyle

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AKK - conversations - what you say!

① Their credit folks
bring the up.
larger of risk

③ want usually to ^{pull collateral if crisis} default

7/14/08

② ~~*~~ 23A exempt with the

for to move a bulk of
assets into their bank

Lehman

was to be
completely supposed
of you

- Expect them to manage accounts

generally possible

- clock monitoring of receivables

- clock monitoring of CDS

- " " " of CP

- Right to disclose their novation to Lehman

the discuss was Lehman then

execute agreement - increased

info flow to Lehman

have to do
something about
this!

could
seem
sensible

- negotiate collateral agreement get it ready
for execution

- retain extra \$1B given on Friday
deposit up to \$3B

Citibank New York Act at Citibank

10999786

re prob page

* They do not want undue exposure to each
other. Our results this week worry them.

They are already exposed to us - maybe
we should give them cash!

\$2.5B exposure to us - deposit /
we need to post collateral to us

① - segregated collateral for us
- give us the deposit
send letter over, will review it quickly

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7/14/08
Cehm

John Fornero

Citibank → DB ← Cehm

Leaky + cuts

BBB surprise mortgage index

7/14/08 Weekly - Tom Schwartz

- IndyMac
- Lehman
- MLC
- H9F

NDAC - net income after COA of credit/capital

*Mitinsky Report - send out to team

CDS was Lehman Freddie / FIMA

Merrill Lynch - we need to reduce
time similar to Lehman

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7/16/08

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7/16/08

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Lehman - Tom D'Acce

- call Obermaier
-

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7/18/08

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*NA FIG Team
*GCC NA FS

7/18/08

Karen Kriken, Forrest, Obermaier,
SLR

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7/21/08

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7/21/08

TS

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7/24/08

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Lehman

- Left to us to do what we think is
best

- Night Committee can gather & leave

- Board Meeting

- Commitment of time

- We can't easily mitigate

- working to collaborate

To speak with Tom O. He spoke with
Brian Leaver yesterday

- Spoke with Paolo

- diversified pool of collateral
all \$6

-
Get Decent to Dan Fleming

7/25/08

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7/25/08

Working Groups
FD's O

"Blocking + Tackling"

"CAW" get back
=

- system limitations
- served trades
- risk aggregation
- credit is market risk
- clearing risk tracking completely inadequate



add ons ... Eduardo's input

- infrastructure rule reviews
onboarding opposing trades without KYC
different for bank at broker ... once in broker you
can get to the bank

- Documents — ISDA, CSA, CoA Agents,
GCAs, DDAs, CC's, Confirms
owners ... key terms

upstream pollution

ident. Root of the issues

- Staffing
- some factors for illiquids or for liquids

7/27/08

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SCO	M							SCO
SCO	K	3	✓	SVP	K	3	SVP	SCO
SCO	S	3	✓	SVP	B	3	SVP	SCO
	L	3			P	2	SVP	SCO
SCO	So	2	✓		UB	2	SVP	SCO
	A	2	✓		Y	2		
	Ac				M	2		

AN
Admin

MT

SB

LD

AA

~~SK~~ 11

~~Del~~ - 8 offices

Steban - 2 cubos

- RF 1 Director

~~PH~~ 8

- Windsor

7/28/08 TS Weekly

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7/29/08

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7/29/08

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Johnnie O'Donell

7/30/08

Pat, Melissa,

- Intracompany - connecting the pipes for Bonnamet

7/30/08

- SFS - looking out matched book for lines
- Can -
- Mentoring - new head count
- Escalation process - now to record

7/31/08

- Cheryl Rathburn
- Henry Wayne

7/31/08

Lehman

A-Listed CDOs

7/31/08

Working Groups

- Counterparty Letter
- Traders Meeting

- Adjustment process

8/1/08

"Concerning but not yet classified"

Tom S, JL, DD, SP, JM

if more good than 1 (current)

~~SP/TF~~

to develop alternative approach to
classified, but low risk ... then below
SCM's hurdle

~~SP/TF~~



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Broker Dealer Capital And Liquidity Model \$-Millions	Retail Broker				Diversified		Institutional				Infrastructure							
	3/31/07	9/30/07	9/30/07	12/31/07	9/28/07	11/30/07	11/30/07	11/30/07	9/30/07	11/30/07	3/31/07	9/30/07	3/31/07	3/31/07	3/31/07	3/31/07		
	TDAmrtrade	E*Trade	R James	Schwab	Merrill	MorgStn	Bear Stearns	Goldman	Jefferies	Lehman	InteractiveB	Cantor	Man Finan	NYSE	CME	NASDAQ	CBOT	
Asset Leverage																		
1 Total Assets	18,532	60,136	16,254	42,284	1,097,188	1,045,409	395,342	1,119,796	31,602	691,063	32,249	27,453		3,764	4,887	3,767	648	
Total Assets Prior Fiscal Year End	16,558	53,739	11,517	48,992	841,299	1,121,792	350,433	838,201	17,825	503,545	32,061	52,754		3,466	4,307	3,716	564	
2 Equity	1,848	4,351	1,758	3,732	38,626	31,267	11,793	42,800	1,831	22,490	2,996	561		1,669	1,625	1,442	763	
3 x Total Assets to Equity	10	14	9	11	28	33	34	26	17	31	11	49	#DIV/0!	2	3	3	1	
4 x Total Assets to Total Capital	6	10	6	9	4	5	5	5	8	5	10	29	#DIV/0!	2	3	1	1	
5 Net Adjusted Assets					686,695	565,585	213,443	747,300	11,640	372,959								
Capital																		
6 Cash and Cash Equivalents (Non-Segregated)	648	1,195	645	6,764	48,850	25,598	21,406	11,882	521	7,286	608	160		244	1,140	493	181	
7 Commercial Paper			0	0	11,237	22,590	4,600	4,343	0	3,101								
8 Current Portion of Long Term Debt			0	0	56,613	30,808	9,586	22,740	0	16,801								
9 Long Term Debt	1,691	1,843	112	899	270,034	190,624	68,538	164,171	1,890	123,150	156	380		0	0	1,890	0	
10 Equity	1,211	4,351	1,758	3,732	38,626	31,269	11,793	42,800	1,831	22,490	2,966	561		1,669	1,626	1,442	763	
11 Total Capital	2,902	6,194	1,870	4,631	308,660	221,893	80,331	206,971	3,720	145,640	3,121	941	0	1,669	1,626	2,932	763	
12 Less Non-Current Assets	2,944	5,107	569	1,922	15,728	21,818	10,027	24,067	1,653	13,394	152	564	0	2,080	284	1,508	227	
13 Adjusted Capital After Funding Non-Current Assets	(42)	1,087	1,311	2,639	292,932	200,075	70,304	182,904	2,067	132,246	2,969	377	0	(411)	1,341	1,424	526	
14 Adjusted Capital as % of Current Assets	0.3%	2.0%	8.4%	6.5%	27.1%	19.5%	16.2%	16.7%	8.7%	19.5%	9.2%	1.4%	#DIV/0!	24.4%	29.1%	63.0%	128.1%	
15 % of Equity Absorbed by "Other" Assets	243%	117%	32%	53%	41%	70%	85%	56%	58%	60%	5%	100%	#DIV/0!	125%	17%	105%	31%	
16 % of Total Capital Absorbed by "Other" Assets	101%	82%	30%	43%	5%	10%	12%	12%	28%	9%	5%	60%	#DIV/0!	125%	17%	51%	31%	
17 Avg Daily Value At Risk (VAR reported by company) \$-Millions					76	92	33	138	8	91								
18 Prior Fiscal Year End Average Daily VAR \$-Millions					50	67	29	101	6	42								
19 Long Term Debt % Total Capital	58%	30%	6%	19%	87%	86%	85%	79%	51%	85%	0%	40%	#DIV/0!	0%	0%	51%	0%	
20 Equity % Total Capital	42%	70%	94%	81%	13%	14%	15%	21%	49%	15%	95%	60%	#DIV/0!	100%	100%	49%	100%	
21 x Long Term Debt to Equity	1.40	0.42	0.06	0.24	6.99	6.10	5.81	3.84	1.03	5.48	0.05	0.68	#DIV/0!	0.00	0.00	1.03	0.00	
Short Term Debt Coverage Ratio																		
22 Cash and Cash Equivalents	548	1,195	645	6,764	48,850	25,598	21,406	11,882	521	7,286	608	160		244	1,140	493	181	
23 Committed Working Capital Credit Facilities	300	250	200	800	22,750	11,500	13,000	0	0	5,880	300	0	0	0	0	0	75	0
24 Designated Parent Liquidity Portfolio of Unpledged/Ava	38	0	0	0	73,000	62,000	11,400	60,563	0	35,000	0	0	0	0	0	0	0	362
25 Liquidity Sources	885	1,445	845	7,564	142,600	99,098	45,806	72,445	521	48,166	908	160		244	1,140	568	543	
26 CP and Other Short-Term Borrowings	0	0	8	0	20,076	34,495	13,013	48,817	400	11,265	1,051	226		0	0	0	0	
27 Current Portion of Long Term Debt	0	0	3	20	56,613	30,808	9,586	22,740	0	16,801	0	0	0	0	0	0	15	0
28 Letters of Credit	0	0	100	1,100	5,770	16,042	2,742	8,750	259	1,690	0	0	0	0	82	0	0	0
29 Short Term Obligations	0	0	110	1,120	82,461	81,352	25,348	80,307	658	29,756	1,051	226		0	82	15	0	
30 Coverage	885	1,445	735	6,444	60,139	17,746	20,458	-7,882	-137	18,410	-144	-66		244	1,058	563	543	
31 Coverage Ratio	#DIV/0!	0%	755%	675%	173%	122%	181%	90%	79%	162%	86%	71%	#DIV/0!	#DIV/0!	1390%	3780%	#DIV/0!	
CPLTD % of LTD	0%	0%	2%	2%	21%	16%	14%	14%	0%	14%	0%	0%	#DIV/0!	#DIV/0!	#DIV/0!	1%	#DIV/0!	
32 Loans Receivable From Parent	12																	
33 Loans Payable to Parent & Affiliates	12																	
34 Commitment to Purchase or to Extend Credit (excluding hedges)					93,521	86,578	7,219	82,747	195	38,059								
35 Brokerage Customer Payables	4,880	4,312	5,676	20,290	62,942	203,453	83,204	310,118	1,084	61,206	4,891	0		0	0	0	0	
36 Customer Brokerage Receivables	7,564	6,948	1,704	12,314	61,400	76,362	41,116	129,106	761	29,622	1,082	0		0	0	0	0	
37 Segregated Funds	315	411	4,128	8,803	20,032	61,608	2,890	119,939	614	12,743	1,428	124		0	0	0	0	
38 Banking Customer Deposits		26,257	5,585	13,822	94,977	31,179		15,370		29,363								
39 Banking Customer Receivables		26,672	4,664	3,443	94,185													
Returns For Quarters Reported Number of Quarters																		
40 Total Net Revenues	2	1	4	4	3	4	4	4	3	4	1	3		1	1	1	1	
41 Prior Period Net Revenues	1,040	645	2,610	4,994	20,025	28,026	5,945	45,987	1,219	19,257	331	1,354		702	332	562	188	
42 Revenue Increase	774	598	2,349	4,309	25,849	29,839	9,227	37,665	1,083	17,583	329	1,161		455	252	396	140	
43 Net Income For Quarter(s) Reported	37%	8%	11%	15%	-23%	-6%	-36%	27%	12%	10%	1%	7%	#DIV/0!	54%	32%	42%	34%	
44 Return on Net Revenues For Quarters Reported	287	169	250	2,407	2,056	3,209	233	11,599	169	4,192	184	92		68	130	18	55	
45 Return on Ending Equity - Annualized	27%	26%	10%	48%	10%	11%	4%	26%	14%	22%	56%	7%	#DIV/0!	10%	39%	3%	30%	
46 Total Net Revenues / Ending Equity - Annualized	31%	16%	14%	64%	7%	10%	2%	27%	12%	19%	25%	22%	#DIV/0!	16%	32%	5%	29%	
	1.75	0.59	4.05	0.74	0.69	0.90	0.50	1.07	0.89	0.86	0.45	3.22	#DIV/0!	1.68	0.82	1.56	0.98	
Public Debt Ratings																		
47 Senior Debt Ratings S&P	no rating	no rating	BBB	A-	A-	AA-	A	AA-	BBB+	A-	BBB	no rating		no rating	no rating	BB	no rating	
48 Moody's	no rating	no rating	no rating	A2	A1	Aa3	A2	Aa3	Baa1	A1	no rating	no rating		no rating	no rating	no rating	no rating	
49 CP/Short Ratings S&P	no rating	no rating	A-2	A-2	A-1	A-1+	A-1	A-1+	no rating	A-1	no rating	no rating		no rating	no rating	no rating	no rating	
50 Moody's	no rating	no rating	no rating	P-1	P-1	P-1	P-1	P-1	no rating	P-1	no rating	no rating		no rating	no rating	no rating	no rating	
Stock Metrics																		
51 Market Cap \$-Billions	\$12,082	\$9,930	\$3,928	\$27,088	\$61,250	\$54,633	\$10,815	\$77,618	\$3,457	\$33,240	\$1,000	private		\$19,983	\$20,053	\$3,509	\$11,836	
52 Recent Stock Price	\$19.75	\$22.65	\$33.89	\$22.29	\$73.63	\$49.29	\$90.00	\$197.80	\$28.25	\$65.25	\$24.42	private		\$78.31	\$570.82	\$31.94	\$222.82	
53 52 Week Stock Price High	\$21.31 (6/07)	\$26.08 (1/07)	\$36.00 (9/07)	\$23.02 (6/07)	\$98.68 (1/07)	\$76.04 (6/07)	\$170.23 (2/07)	\$260.70 (10/07)	\$33.80 (5/07)	\$86.18 (2/07)	\$31.30 (5/07)	private		\$112 (11/06)	\$596 (1/07)	\$42.37 (11/06)	\$226 (7/07)	
54 53 Week Stock Price Low	\$13.30 (7/06)	\$20.11 (7/06)	\$27.38 (3/07)	\$16.34 (10/06)	\$66.94 (8/07)	\$42.57 (1/06)	\$68.18 (1/06)	\$157.38 (8/07)	\$22.40 (8/07)	\$49.06 (8/07)	\$24.42 (7/07)	private		\$56 (8/06)	\$426 (8/06)	\$25.33 (7/06)	\$109 (8/06)	
55 Price/Book	6.0	6.0	2.5	6.0	1.6	2.0	0.9	2.1	2.4	2.1	2.8	private		31.6	12.3	16.0	15.6	
56 P/E	21.0	17.0	16.3	31.2	9.4	20.9	36.2	7.9	20.1	8.6	18.8	private		48.C	50.0	33.0	68.0	
57 Dividend	\$0.00	\$0.00	\$0.40	\$0.20	\$1.40	\$1.06	\$1.28	\$1.40	\$0.52	\$0.60	\$0.00	private		\$0.00	\$0.88	\$0.00	\$0.00	
58 Dividend Yield	0.00%	0.00%	1.18%	0.90%	1.90%	2.19%	1.42%	0.71%	1.84%	0.95%	0.00%	private		0.00%	0.15%	0.00%	0.00%	
Relationship Revenue \$000																		
58 2007 FY Relationship Revenue												0	ProForma	NYSE	CME	NASDAQ	CBOT	
59 2006 FY Relationship Revenue																		
60 2005 FY Relationship Revenue																		
61 2006 RORC																		
61 2006 FY GTS Product Revenue Only																		
62 2005 FY GTS Product Revenue Only																		
Employees																		

Value Date	Borrower	Investor	Borrowing Type	Global Amount	Lehman Share	Date Received	
9/10/2008	SEALED AIR(02)	LEHMAN COMMERCIAL PAPER	Prime	22,000,000.00	1,232,000.00	9/10/2008	
9/12/2008	ALENCO(05)	LEHMAN BROTHERS	Libor	30,000,000.00	1,750,000.00	9/12/2008	
9/12/2008	EMBARQ(01)	LEHMAN BROTHERS BANK, FSB	Libor	30,000,000.00	967,741.94	9/12/2008	
9/15/2008	ALENCO(05)	LEHMAN COMMERCIAL PAPER	Libor	245,000,000.00	14,291,666.67		not funding
9/15/2008	EMBARQ(01)	LEHMAN BROTHERS BANK, FSB	Libor	60,000,000.00	1,935,483.88		Lehman confirmed they will not be funding
9/15/2008	EPCO HOLDINGS PERM RC	LEHMAN COMMERCIAL PAPER	Libor	5,000,000.00	285,714.29		
9/15/2008	TXU RC	LEHMAN COMMERCIAL PAPER	Swingline	300,000,000.00	34,380,000.00		Citi is Lender
9/15/2008	SEALED AIR(02)	LEHMAN COMMERCIAL PAPER	Libor	15,000,000.00	840,000.00		
9/15/2008	NORTHEAST UTIL.(04)	LEHMAN BROTHERS COMMERCIAL BA	Prime	5,000,000.00	477,272.73		
9/15/2008	CENTERPOINT ENERGY RC	LEHMAN BROTHERS BANK, FSB	Prime	108,000,000.00	3,967,346.94		
9/15/2008	AAA INVESTMENTS RC	LEHMAN COMMERCIAL PAPER	Prime	292,000,000.00	16,222,222.22		
9/16/2008	ALENCO(05)	LEHMAN COMMERCIAL PAPER	Libor	25,000,000.00	1,458,333.33		
9/16/2008	CAPMARK(05)	LEHMAN BROTHERS HOLDINGS, INC	Libor	150,000,000.00	6,250,000.00		
9/16/2008	FIRST ENERGY REVOLVER	LEHMAN COMMERCIAL PAPER	Libor	100,000,000.00	3,636,363.64		
9/16/2008	FIRST ENERGY REVOLVER	LEHMAN COMMERCIAL PAPER	Libor	150,000,000.00	5,454,545.46		
9/17/2008	ALENCO(05)	LEHMAN COMMERCIAL PAPER	Libor	30,000,000.00	1,750,000.00		

Possible Swingline Borrow - not confirmed.

9/15/2008	MARRIOTT INTERNATIONAL	LEHMAN COMMERCIAL PAPER	Swingline	200,000,000.00	7,680,000.00		Lenders are BOA, Suntrust, Wachovia, BNY, JPM.
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Broker Dealer Capital And Liquidity Model \$-Millions	Retail Brokers				Diversified		Institutional				Infrastructure					
	3/31/07	3/31/07	12/31/07	12/31/07	12/28/07	2/29/08	2/29/08	2/29/08	12/31/07	2/29/08	12/31/07	12/31/07	12/31/07	12/31/07	12/31/07	
Asset Liabilities	TD Ameritrade	E*Trade	R James	Schwab	Merrill	MorgStan	Bear Stearns	Goldman	Jefferies	Lehman	InteractiveB	Centor	MF Global	NYSE	CME	NASDAQ
1 Total Assets	18,532	60,135	15,044	42,286	1,020,050	1,090,896	388,995	1,189,006	29,794	786,035	34,542	29,470	67,369	16,618	20,306	2,979
2 Total Assets Prior Fiscal Year End	16,558	53,739	14,267	46,992	841,299	1,045,406	385,362	1,115,798	17,825	691,053	32,081	52,754	51,670	3,465	4,307	3,716
3 Equity	1,846	4,351	1,806	3,732	11,932	33,280	11,896	42,629	1,762	24,632	3,574	533	1,294	5,384	12,306	2,208
4 x Total Assets to Equity	10	14	8	11	32	33	34	28	17	32	10	55	52	2	2	1
5 Net Adjusted Assets	6	10	8	9	642,252	636,892	220,053	788,746	11,999	396,673	9	32	62	2	2	1
Capital	TD Ameritrade	E*Trade	R James	Schwab	Merrill	MorgStan	Bear Stearns	Goldman	Jefferies	Lehman	InteractiveB	Centor	MF Global	NYSE	CME	NASDAQ
6 Cash and Cash Equivalents (Non-Segregated)	548	1,195	680	6,764	41,346	20,985	20,786	12,715	698	7,286	522	450	1,940	964	845	1,325
7 Commercial Paper	0	0	0	0	12,908	16,829	3,900	4,284	0	7,751	0	0	0	0	2,157	0
8 Current Portion of Long Term Debt	0	0	0	0	56,813	30,808	9,586	23,315	0	18,510	0	0	0	0	0	0
9 Long Term Debt	1,691	1,843	112	699	286,127	200,316	71,753	179,475	1,689	128,265	460	380	0	521	76	118
10 Equity	1,211	4,351	1,806	3,732	31,332	33,280	11,896	42,629	1,762	24,632	3,574	533	1,294	9,384	12,306	2,208
11 Total Capital	2,902	6,194	1,917	4,631	298,059	233,596	83,649	222,104	3,651	153,117	4,034	913	1,294	9,905	12,382	2,327
12 Less Non-Current Assets	2,844	5,107	942	1,982	111,553	20,401	9,470	26,770	1,000	14,164	547	726	803	14,340	15,319	1,297
13 Adjusted Capital After Funding Non-Current Assets	157	1,087	975	2,659	186,406	210,195	74,179	195,334	2,650	138,953	3,487	187	490	(4,435)	(2,937)	1,029
14 Adjusted Capital as % of Current Assets	0.3%	2.0%	6.9%	6.5%	20.5%	19.7%	19.0%	16.9%	9.7%	18.0%	10.3%	0.7%	0.7%	-194.7%	-58.9%	61.2%
15 % of Equity Absorbed by "Other" Assets	243%	117%	52%	53%	350%	70%	80%	69%	57%	57%	15%	136%	62%	153%	124%	59%
16 % of Total Capital Absorbed by "Other" Assets	101%	62%	49%	43%	37%	10%	11%	12%	27%	9%	14%	79%	62%	145%	124%	56%
17 Avg Daily Value At Risk (VAR) reported by company \$-Millions	0	0	1	1	65	107	62	157	8	91	0	0	0	MLA	MLA	0
18 Prior Fiscal Year End Average Daily VAR \$-Millions	0	0	0	0	52	83	69	127	5	42	0	0	0	0	0	0
19 Long Term Debt % Total Capital	58%	30%	6%	19%	89%	86%	86%	81%	52%	84%	11%	42%	0%	5%	1%	5%
20 Equity % Total Capital	42%	70%	94%	81%	11%	14%	14%	19%	48%	16%	89%	58%	100%	95%	99%	95%
21 x Long Term Debt to Equity	1.40	0.42	0.06	0.24	8.33	6.02	6.03	4.21	1.07	5.17	0.13	0.71	0.00	0.06	0.01	0.05
Short Term Debt Coverage Ratio	TD Ameritrade	E*Trade	R James	Schwab	Merrill	MorgStan	Bear Stearns	Goldman	Jefferies	Lehman	InteractiveB	Centor	MF Global	NYSE	CME	NASDAQ
22 Cash and Cash Equivalents	548	1,195	680	6,764	41,346	20,985	20,786	12,715	698	7,286	522	450	1,940	964	845	1,325
23 Committed Working Capital Credit Facilities	300	250	200	900	22,750	11,500	13,000	0	0	5,880	0	0	1,500	3,438	750	75
24 Designated Parent Liquidity Portfolio of Unpledged/Available	38	0	0	0	78,000	70,000	11,400	61,182	0	34,000	0	0	0	0	0	0
25 Liquidity Sources	885	1,445	880	7,564	143,096	102,465	45,186	73,897	698	47,166	522	450	3,440	4,402	1,595	1,400
26 CP and Other Short-Term Borrowings	0	0	12	0	24,914	25,952	8,538	49,474	280	16,014	1,416	42	1,874	2,192	164	0
27 Current Portion of Long Term Debt	0	0	0	20	65,040	35,396	9,586	23,315	0	18,510	0	0	0	0	0	0
28 Letters of Credit	0	0	147	1,100	45,177	11,731	1,710	8,750	308	1,690	0	0	0	0	92	0
29 Short Term Obligations	0	0	158	1,120	135,131	73,059	19,834	81,539	588	36,214	1,416	42	1,874	2,192	246	0
30 Coverage	885	1,445	721	6,444	7,955	29,396	25,352	7,642	309	10,952	494	408	1,566	2,210	1,349	1,400
31 Coverage Ratio	#DIV/0!	#DIV/0!	555%	675%	106%	140%	228%	91%	153%	130%	37%	103%	164%	201%	947%	#DIV/0!
CPLTD % of LTD	0%	0%	0%	2%	24%	18%	13%	13%	0%	14%	0%	0%	#DIV/0!	0%	0%	0%
32 Loans Receivable From Parent	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33 Loans Payable To Parent & Affiliates	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34 Commitment to Purchase or to Extend Credit (excluding hedges)	0	0	495	0	78,232	61,530	6,136	74,943	499	36,700	0	0	0	0	0	0
35 Brokerage Customer Payables	4,890	6,312	6,173	20,290	63,682	249,711	91,832	336,763	1,416	72,835	7,631	19,499	0	0	0	0
36 Customer Brokerage Receivables	7,264	6,948	1,817	12,314	70,719	67,793	41,960	113,911	765	37,298	1,916	0	1,522	0	0	0
37 Segregated Funds	915	411	4,541	9,603	23,989	90,854	14,310	104,496	659	16,569	5,239	124	5,847	0	0	0
38 Banking Customer Deposits	26,257	6,209	13,622	35,687	103,987	35,687	26,961	26,961	0	0	0	0	0	0	0	0
39 Banking Customer Receivables	29,672	5,654	3,443	0	94,992	0	0	0	0	0	0	0	0	0	0	0
Returns For Quarters Reported	TD Ameritrade	E*Trade	R James	Schwab	Merrill	MorgStan	Bear Stearns	Goldman	Jefferies	Lehman	InteractiveB	Centor	MF Global	NYSE	CME	NASDAQ
40 Total Net Revenues	1,060	645	686	4,994	11,250	8,322	1,479	8,335	1,568	3,507	1,468	1,775	1,228	4,158	1,756	812
41 Prior Period Net Revenues	774	596	604	4,309	33,781	9,994	2,482	12,730	1,458	5,047	1,252	1,002	2,376	1,090	687	687
42 Revenue Increase	37%	8%	14%	16%	-67%	-17%	-40%	-35%	8%	-31%	17%	73%	23%	75%	61%	18%
43 Net Income For Quarter(s) Reported	287	169	56	2,407	-7,777	1,551	115	1,467	145	489	300	95	14	643	659	516
44 Return on Net Revenues For Quarters Reported	27%	26%	8%	48%	-69%	19%	8%	19%	9%	14%	20%	5%	1%	15%	37%	64%
45 Return on Ending Equity - Annualized	31%	16%	12%	94%	-24%	19%	4%	14%	8%	8%	9%	18%	1%	7%	5%	23%
46 Total Net Revenues / Ending Equity - Annualized	1.75	0.58	4.04	0.74	0.35	1.00	0.50	0.78	0.89	0.58	0.41	3.33	1.27	0.44	0.14	0.37
Public Debt Ratings	TD Ameritrade	E*Trade	R James	Schwab	Merrill	MorgStan	Bear Stearns	Goldman	Jefferies	Lehman	InteractiveB	Centor	MF Global	NYSE	CME	NASDAQ
47 Senior Debt Ratings S&P	no rating	no rating	BBB	A-	A+	AA-	AA-	AA-	BBB+	A+	BBB	no rating	no rating	no rating	no rating	BB
48 Moody's	no rating	no rating	no rating	A2	A1	AA3	Baa1	Aa3	Baa1	A1	no rating	no rating	no rating	no rating	no rating	no rating
49 CP/Short Ratings S&P	no rating	no rating	A-2	A-2	A-1	A-1+	A-1+	A-1	no rating	A-1	no rating	no rating	no rating	no rating	no rating	no rating
50 Moody's	no rating	no rating	no rating	P-1	P-1	P-1	P-2	P-1	no rating	P-1	no rating	no rating	no rating	no rating	no rating	no rating
Stock Metrics	AMTD.OQ	ETFC.OQ	RJ.F.OQ	SCHW.OQ	MERR	MORG	BSC.N	GS.N	JEF.N	LEH.N	IBKR	Centor	MF.N	NYSE	CME.N	NDAQ.OQ
51 Market Cap \$-Billions	77,897	77,967	47,298	47,298	429,088	429,088	429,088	429,088	429,088	429,088	429,088	429,088	429,088	429,088	429,088	429,088
52 Recent Stock Price	\$19.75	\$22.65	\$28.30	\$22.00	\$49.00	\$55.25	\$10.64	\$188.63	\$18.63	\$46.50	\$31.20	private	\$11.825	\$12.825	\$25.806	\$7.371
53 52 Week Stock Price High	\$21.31 (6/07)	\$26.08 (1/07)	\$37.60 (1/07)	\$25.72 (12/07)	\$85.00 (6/07)	\$90.74 (6/07)	\$157.77 (5/07)	\$250.70 (1/07)	\$33.80 (5/07)	\$82.05 (6/07)	\$35.69 (2/08)	private	\$32.20 (1/07)	\$5.25 (10/07)	\$71.41 (2/07)	\$50.47 (11/07)
54 53 Week Stock Price Low	\$13.30 (7/06)	\$20.11 (2/06)	\$19.38 (3/08)	\$17.41 (6/07)	\$37.25 (3/06)	\$33.56 (3/06)	\$24.84 (2/08)	\$140.27 (3/06)	\$13.69 (3/06)	\$20.55 (3/06)	\$20.26 (3/06)	private	\$3.68 (3/06)	\$5.12 (3/07)	\$401 (3/07)	\$28.50 (6/07)
55 Price/Book	0.0	6.0	2.0	7.9	1.9	1.9	0.1	2.0	1.3	1.3	2.8	private	1.5	23.1	31.5	7.3
56 P/E	21.0	17.0	14.2	24.1	21.1	21.1	4.2	8.0	19.6	7.8	8.7	private	23.1	23.1	31.5	11.1
57 Dividend	\$0.00	\$0.00	\$0.44	\$0.20	\$1.40	\$1.06	\$1.28	\$1.47	\$0.52	\$0.69	\$0.00	private	\$0.00	\$2.00	\$0.00	\$0.00
58 Dividend Yield	0.00%	0.00%	1.50%	0.91%	2.86%	2.20%	12.03%	0.74%	2.79%	1.46%	0.00%	private	0.00%	2.99%	0.00%	0.00%
Relationship Revenue \$000	TD Ameritrade	E*Trade	R James	Schwab	Merrill	MorgStan	Bear Stearns	Goldman	Jefferies	Lehman	InteractiveB	Centor	ProForma	NYSE	CME	NASDAQ
59 2007 FY Relationship Revenue																
60 2006 FY Relationship Revenue																
61 2005 FY Relationship Revenue																

September 22, 2008

Citigroup Global Markets Inc.
388 Greenwich St.
New York, NY 10013

Re: Trades by Neuberger Berman LLC, Neuberger Berman
Management LLC and Lehman Brothers Asset Management LLC

Dear Citigroup Global Markets Inc.:

Each of the undersigned hereby inform you that, until further notice, it will not instruct you to clear or custody trades with any of Lehman Brothers Holdings Inc., Lehman Brothers Inc., LB 745 LLC, or any affiliate of the foregoing that is the subject of a bankruptcy or insolvency case (each, a "Bankrupt Entity").

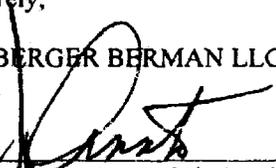
Moreover, in the event you are instructed to clear or custody a trade with any of the Bankrupt Entities by one of the undersigned, you may break that trade at its expense.

The terms and conditions of this letter agreement (the "Agreement") shall be binding on each of the parties hereto, and their respective successors and assigns, until termination by mutual written agreement among the parties. The Agreement may be waived, modified or amended only by the written agreement of all parties hereto.

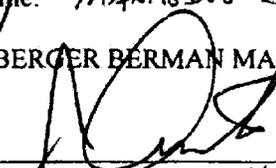
This Agreement shall be governed by and construed under the laws of the State of New York.

Sincerely,

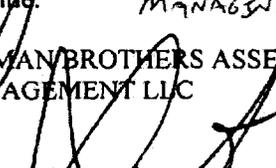
NEUBERGER BERMAN LLC

By: 
Name: JOSEPH AMATO
Title: MANAGING DIRECTOR

NEUBERGER BERMAN MANAGEMENT LLC

By: 
Name: JOSEPH AMATO
Title: MANAGING DIRECTOR

LEHMAN BROTHERS ASSET
MANAGEMENT LLC

By: 
Name: JOSEPH AMATO
Title: MANAGING DIRECTOR

Accepted by:

CITIGROUP GLOBAL MARKETS INC.

By: _____

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NY2\1918715\02\154HN02\DOC\99980.0001

Fontana, Thomas [CMB-RISK]

To: Matrullo, Elena T [CMB-RISK]
Subject: Account Transfers

For further discussion:

Accounts which arguably could be transferred with limited disruption:

- 1) Financial Guarantors and DPCs - Ambac, MBIA, FGIC, SCA, AGO, FSA, CIFG, Cournot, Primus and Koch - Dave could pick these up as he is an insurance guy. Would fit with Francois as he knows this space.
- 2) Mortgage Bankers - Capital Source, ACS Funding Trust I, Bayview, Bimini, Home Capital, Macquarie Countrywide Trust, Nationstar, Rock, Sunfish, Taylor Bean & Whitaker, Countrywide, and Xceed. All of these names were managed by Hamida and Phil up through 2006.
- 3) Quasi HFs - Bridgewater, Cerberus, Citigroup Alternative Investments, and Sankaty - easily fit in Steve's world.

Other Sectors which we could consider:

Private Equity - 17 accounts - not sure where these fit best, but as Nic had one time worked in Lev Fin Risk Management so he probably knows many of them.

BDCs - 3 accounts - mostly owned by PE firms

I don't think the Finance Companies make sense to move. The portfolio includes American Express, Capital One, Discover, SLM, Nelnet, Visa, CIT and Capmark.

Best regards,

Tom

Global Financial Institutions
Risk Management

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

Leverage test

Portfolio Review
one page for each name

8/7/08

Redacted for Responsiveness

Redacted for Responsiveness

7/25/08

Redacted for Responsiveness

Redacted for Responsiveness

7/3/08

Redacted for Responsiveness

Redacted for Responsiveness

6/26/09

Redacted for Responsiveness

Redacted for Responsiveness

6/18/08

Redacted for Responsiveness

5/30/08

Redacted for Responsiveness

4/25/08

Redacted for Responsiveness

4/17/08

Redacted for Responsiveness

Redacted for Responsiveness

Redacted for Responsiveness

ny	
Specials (Treasuries) netting (Mostly GSCC)	71 X \rightarrow 27 B
Corps	-44
EM	7 <u>less loans as agents</u>
ABS/CDO	4.4
Canada Galt	1.5
Loans JV	1 X
GC Structured	3
GC Core	32
GC TRS	32
Banking (O/N & Prop)	1
I/C intracompany	8.7 Dealers
Long covering short	-11
MTM Repos	-13
Other Inventory	1.7 X
Other	1 X
	4 X
Total	100.3

2.2 B Dealers

70556

Bein, Baker's
Intra company

20 B lead

71102

Excluded Dealers & Sec Lenders
Excluded Treasuries

count will
rule in favor of
the Fed's constituents
(government)

high risk / CPS & Assets

Focus Money Classification

3

14

45 - VP
40 B
1.00 for mg 30⁺

Redacted for Responsiveness

9/16/2008

Tom Melina - 723-6374

Lehman/Racers Transaction:

Redacted for Privilege

Redacted for Privilege

Redacted for Responsiveness

Redacted for Responsiveness

8/1/08

Redacted for Responsiveness

8/1/08

Redacted for Responsiveness

8/11/08

Redacted for Responsiveness

Redacted for Responsiveness

8/12/08

Redacted for Responsiveness

Redacted for Responsiveness

8/13/08

Redacted for Responsiveness

8/14/08

Redacted for Responsiveness

8/14/08

Redacted for Privilege

CONFIDENTIAL

- Doug George 855 5720

- John Reynolds ^{Rubens Award}

JC Flowers

351-2021

4:30

Ed Grebow

confirm # BS4 PJE

↓ Gini
351-2021

- Richard Polaszka

- Matt Nichols

Doug 12:00 - 1:00

Chris Foreest

8/1/08

Weekly Meeting

Redacted for Responsiveness

8/26/

High Risk

Redacted for Responsiveness

8/26/08 Vivek

Project Nile update:

Redacted for Privilege

②

* need paper docs before we can utilize CEFs

③

* Netty / aggregator buys and sells - on exchanges vs off exchanges
Netty out the "matchbook"

Redacted for Responsiveness

Redacted for Responsiveness

- Maurer Mowery - AAA, KPE
5679F
- Maurer Young 6-8850

8/27/08

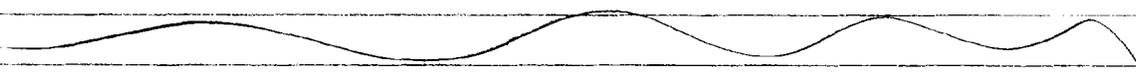
Melissa / Rae
Agency See Lending

Approval methodologies for rating:

- ① Agent
- ② Lender

Team -

- Where are we talking about



8/28/08

Add Debra & Sheila

- Goldman
- ML
-

9/2/08

Redacted for Responsiveness

9/2/08

Weekly Meeting - Tom Schwartz

- Greg Chen
- Darryl Castro

- EM Board - depends how they act.
the more complex the more they
are out

9/3

Redacted for Privilege

9/3/08

Redacted for Responsiveness

9/4/08

Redacted for Responsiveness

9/5/08

Tom S Classified Reviews

Redacted for Responsiveness

- Lahn to IA to II
move to II clearly defined problems
CF, TO, MM

* alert Richard - alert team
change

- move depart to actual collateral
- get Lien language to them immediately
- Alt A / CRE

Redacted for Responsiveness

Redacted for Responsiveness

9/5/08

Redacted for Privilege

9/5/08

Redacted for Responsiveness

- Jay Newberry - 347-648-2138 ✓
- Frenzel - 7501 ✓
- Doug George - 855 5756 TonyAnne
- Tom Melina - 723-6374
- Christian FX sales desk Asset Manager
723 6553
- Tom Escoe - MF Global ✓
- Chris Fostett - Ambac ✓
- Mike McCloughlin (212) 723-4096
Cleary CDS trades
- Bruce Hall - 646 267 9307
- Jay Newberry - 347 648 2138

9/8/08

Lehman

Major Changes - mostly Europe

Jeremy happy to be next CEO

Jeremy resigned

other changes were appropriate given accountability
to the issues the firm is facing

De-risking

Large reduction in Resv - 12B - was 38B

- Commit will be spun off
have SEC approval

Marked down

AAAs - 80 - 60

Sub bonds DG - Marked 9¢

Quarter here - lot of pain

"amazed if anyone ^{in the world} has marked down more
conservatively than them"

need 80-90 defaults for the net to get
100% principal back

Fannie / Freddie

knows where the loans are trading.

Capital ratios still good

Net Leverage < 11%

gross loan > 21%

HE on 11% +

Liquidity 84% down from 45

86 a share loss for the quarter all about
wily down risk's

* 5B write down

* 1.5B CNE

* 700mm principal A assets

without chargeoffs:

* 3.3B Revenue

* 400mm pre tax

Level 3 Assets * 43B

Spinoff - 10% of net

- Loan to provide 75% of financing

- 25% out of the capital

Not good look had bank this
public company will be unable needed to be

looking to raise capital to complete spinoff

so for SEC approval

- Core Lehman

net 300

gross 600

11-12 Tier 1

16-17? total capital

Leverage 11-12 maybe 13

won't attempt to call the bottom... but will
have much less risk going forward

2009 will not be a banner year although

2010 will reflect normalized

Seeing some pressure on fees but not
a lot

will be more more repo, derivatives at
core leading out of the bank

Gen Bover creditly 30 ²⁰⁰⁸ 40-50 ²⁰⁰⁹ net

total 6.5 going to 15B by YE 2009

Wednesday & Thursday after the close

Weekman 4/20/15 Optim Arms

will be more aggressive in deposits

"Commitment to de-risk"

not of the size where someone can't just buy them
particularly if stock drops below \$10 p.s.

8/18/08

Redacted for Privilege

Redacted for Privilege

Redacted for Privilege

Redacted for Privilege

Fordett (917) 860-5791

Redacted for Privilege

9/10/08

Trecker with Lehman - Steve Matokian 5-6380

Rick asked

GSEC? - how is Lehman doing?

lots of Treasurers, may bleed?

* All Cle - like to be run through Carey

Jules

917 642 7018

- could only role \$20mm of CF held
planned or \$300. \$1.1B to be
reserved!

- need to w/dem deposit

646 321
6446

9/10/08
Cehm

- OK to take \$1.1B now and possibly

- CLS Candace \$2.7B payment to
the ——— - short Mex Fund

- Mexico Cehm owes us \$130MM
working on BOA

Mike Hines - Allianz Day Value Fund
56895

Redacted for Responsiveness

- Grey/Steve
- Fred Davis - 692 2253

10:15 - conf call

Novakovic - 4A 0.25mm

04.83

- Some Repo's not rolling
- Fed needs to give a put !!

Indrunkat 04.7B

Scott Flood

Redacted for Privilege

middle office

Adam Mesh

Patrick Lukins

9/11/08

Lehman 10:15 call

- \$4.7B Sec lending - third party
cart or Treasuries

Europe Clearing

- \$2.1B payments in the queue
- CLS, \$1.5B short
1.0B securities
500MM cash
\$250MM Korea

Redacted for Privilege

- EFTA documents - must be signed today!

Market Visible Events:

- CLS
- Settling Agent
- Payments gridlock

- Novation protocol - T+1 don't think
it will work - ^{funds} to Deriv Ops

Novation and persons

~~XXXX~~

9/11/08

Redacted for Responsiveness

9/11/08

11:30 Celine

long \$3.2B

\$5.5B in queue

friday CLS

* \$1.8B party cut off
pre-fund

Europe - 1.9B Euro long

\$1.5B USD

US

+ 3.6B

7.0B in queue

Rajesh - DTC email all govt all
net payment settling today!

everything due to collateral

FX settlement

- need to know all FX settlements

- reps

* they expect our settlement will be to
exceed \$2B per day.

Day to Day Car Lease

- Repo
- Collateral calls

- Rajesh Navalkha 6159915 (pre-prints)
 - Fran Wilton
 - Repo - Steve Malekin - 61588042
 - Anthony Vazquez 716 730 6016
- Net under legal entity basis

Default Notices ||||| just in case

Den Flery

201 499 5006

- Corey Lathrop 723 6074
- Roger Cheng 723 6035 - swap
- Tom Coracki 312 876 8724
- Golden
- Nic Farrell

- Penner 20mm 20/30 year swaps
- Chase 13mm 10
- FX overnight

Double leverage

50
Mark Pagnano
Gres Chen
Bran Archer
David Weiss
50

9/11/08
Cohn Update

Paulo - not happy that we are taking this position
putting yourself in preferential position -

Liquidity \$35B - down from \$42B

- Prefund CLS
- Prefund Varate - Ma
- net through GCCC (IRAXX Report)
- \$4B sale

✓ Seni Amathra 212 723 6495

✓ Melisa

- Carey
- Kate Goldstein
- Henry Michaels Adm. to Webster
6 9825

✓ Jeff Feig 723 7618
\$200MM borrow PEN
pay in dollars

9/11/08

Lehman

Percent Long $\$1.3 + 2B$ - Of Account $2.8B +$
 $\sqrt{B/D}$ Short $- \$1.1B$

$\$600$ Japan

$\$150$ Australia

$\$200$ Korea

$\$200$ YEN/ $\$$ Swap we pay YEN

① $\$1,150$

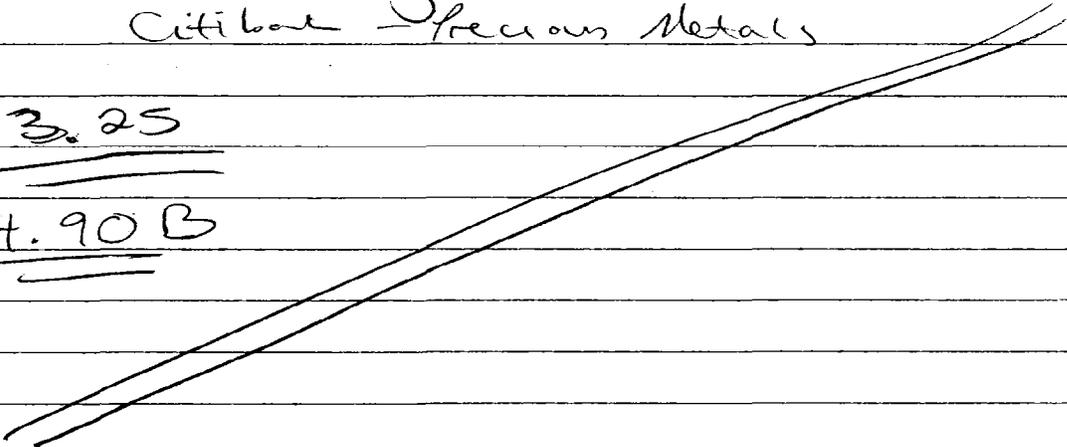
② $\$500$ Settlement

Commodities Trading with Citibank?

Citibank - Precious Metals

③ $\$3.25$

$\$4.90B$



See Lundy

Narrations:

5 Lehman entity

- CGML
- Citibank

Asia FX Settlements	\$568mm	✓
London	3,500	
Trade Settlements	500	

9/12/08
FS Meeting

Sohail

- Classifications:

IA potential weakness

II clearly defined weakness (7+) ✓

- change in risk appetite ✓

- resources - insurance - funds/RE ✓

- Credit Corporations ✓

Mendora
0852

9/12/08

Redacted for Responsiveness

~~500 Settlement
600 FX~~

9/12/08

Leh Update

2 B
2.8 B
4.8

Euroa — 1.5 B
— 600 + 500
(2.6 B)

1
564
46
610

pay & tenure || 46MM || Russia

9/12/08

Paul Gallant - Brokers

✓ Leh

✓ All target "5.8 B"

Gold

Morgan

loans lines down to - 0 -

- not paid to take the risk

- need to protect shareholders! protect

- Next to examine each of every
product

460 MM CLS
- 13 MM

4,000 B

16

500 Trade Settlements
600 FX Settlements
500 Europe
340 CP
1,940 B

Long Treasuries taking Agency/Agency Mtg
only 7 cps
ZAF

- Greg Fenwick ✓
- Jeff Feig 57618 ✓
- Joe Walsh — 3:30
- Vic 2701502

Self Feig
HP

2-3 monthly

8 1.5B

8 60 mm

Redacted for Responsiveness

Redacted for Privilege

201 763
 4812
 763
 3823

Bill

Scott 793 2267

Cash

Cheq Monday

CP 434 —
 MTN Int 84 —
518

518

300 Mexico

500 trade refert

119 Japan / Korea

HC \$1,403B 40615202

penalty 857 to 30630257 Pty

730 to Calyer

not
 996 MM
 670 JPM rejected
 2

- 883 to Chem

- 880

- 670 to amr acct.

~~XXXXX~~

9/12/08

Lehman - need to be available at 9:00 at Fed

610 vs 490

497 vs 390

51 LCs

\$2B deposit

\$966 MM WDDA

Concepts

- being looked at target by a couple of Banks

- 2 paths ^{all firms together to keep the}

- ① ^{alive} structure to subsidize the
- ③ wind down

② Liquidation Mode

- Need to be completed by Sunday evening

- working group sessions starting at 9:00

two bidders BOA / Barclays
must have Fed Assistance

words - #1B even without high net assets

Two Teams

① Admin #40B

② Ops, Mkt, Finance, Trading

Pre-pack bankruptcy with a DIP:

- wipe out equity or preferred
and provide DIP financing
SEC/SIPC

forced to stay with your repo on current terms... Fed will have to stay in or well.

4 People ✓ Flexner ✓
Leach, Shedlin, N. Krain Ed Green
Mkt Legal Finance

- Work streams - Real Estate
- Liquidation
- DIP
- What do we do if they can't open

liquidity Drexel style
of
LTCM style

800 severance

4.3B PTE work 750

Clear break cost 1.8B

non compete

Funds Held:

Depont	2,000
US	966
Korea	\$300MM

	Mon		Tues
✓	300	US for Monday	
✓	518	MTN CP	296
✓	500	Normal Settlements	
✓	119	Japan/Korea	

~~1437~~
~~164~~
1601

Dorans 845 247 9154

Vanderlice

- Bankruptcy real possibility
- need industry agreement for settlement on derivatives

\$3 B et had bank stuff
need \$20 B

* how much debt of LEH and other
insured do we have?

* CDS

(A)

~~Use New set of~~
~~to SPAN~~
~~of~~
~~plan D photo~~
~~then seg~~
~~in a~~
~~def act~~
~~1- CBHA~~
~~name~~

- OGA Option Price
- Consortium pays risk premium

- behind senior debt
- but ahead of sub debt
- plus fed

2
 856 MM
 43 MM
 17.3
 483
 164 MM

Lehman Brothers Finance AG
 Zurich Account
 CBHS NY
 CBHS UK
 CB Zurich Admin Ltd
 plain / TOD

164 MM TOD / Accounts
 500 Settlement
 518 MTN / CP
 300 CLS 6:00 PM Sunday
 119 Japan / Korea
 81.601 B
 14 M

Daryl Castro -

- CLS Bank - 2:30 today call
what will we do?

- Fed Meeting

Australia 3:00 PM
- 0 - credit line
accounts not frozen!!
need 11:00

LBIE Seed \$173MM
CB Bank Seed \$145MM

Havens 9:00 - 9:30

Forster, Dauder

Australian SE wants our ports by
6:00 PM today really 7:00
we have \$103MM of matched trades

CSFB

PMTs will go forward if matched small
Not freezing accounts (after) big will
be escalated

JPM BAC
 ↙ ↘
 Universal tri-party

Boillat Pascal

9/14/08

9:45 - LEH

- AIG
- ML
- WAMU

EMEA:

Cash for SFS -

Asia:

Mexico:

- no credit lines, trade by trade bank
settled clearing - CLS
EOD balance & 3M

Allow CLS to settle

10:00 9/14/08

Forecast:

- Looks like deal is off!
- Prepare for meltdown!
- Spend the day getting ready for what our role would be
- liquidity will be tight
- we need to bring exposures down
- secondary CPE WAMU, AIG, MK
- we are making payments on Lehman behalf
- Australia & New Zealand will open and we will operate

until otherwise this is our plan !!

- Confiner
- GWR
- DCC

Deutsche / JPM - FX exposures are huge
Attempt to set up a net down
process.

— 5:30 PM Met GTS Arac
Call

Schwartz 9178605329

Paulo —

Redacted for Responsiveness

Shedlin

- Deal almost over
- Chapter 11 at the

Group of firms 12-13 firms

GS, CSFP, MS, WBS, BNP, BANC, JPM
RBS, Barclays,

* Joint agreement \$100B liquidity pool
another layer of liquidity for anyone
administered by JPM or Cit.

- equities
- foreign debt

Cap for equities! Flood, Heron Heron

- ML will have troubles
- ALG will have troubles

Michelle
Sciara

only practical CLS

- CLS decision
- PDB no debates
- Repo Plan

All PDB now FD,
threshold

Special Two Hour Truly session
today - 2-4
Risk Reduct only

- Charles Schunko
- Golary Seals
- Fidelity
- MS
- Fayal Jones
- Carter

group of 15 all
rps amongst 42
one expected

Repo

* 7B even 15 firms

\$105

- No one more than a 1/3
- borrowing secured at appropriate HCs
- equities

"Prime Dealer Credit Facility"
Normal Repo "PDCF", Discount Window

- listed equities at now US Equities

Fed would take a rate secured by equities

1 year facility

daily trading volumes

Equity Repo backstop

- min BS
- min discount
- max daily trade volume
- reset 5000

866 548 4717 / Tom
486688 / 471
312848

394156

LCs
50 mm
275 Asia family

283 / 164
ODS / 164

518

MTN / CP

164

TODS / Placements Europe/Asia

500

DX / FX margin
calls / settlements

300

Open Austral BAH

✓ 119

Japan / Korea TODS

16.01

1.2B CLS

1.2B

82B Deposit

1.4B long in Accounts - 8996 NY

300 Korea P 200 mm Australia

Notations must be paid for - CDs spread
charge!

MC

Goldman BSA MS

CSFB UBS

BNP FBS Barclay

BNY DIB

9/18/08

Redacted for Responsiveness

fed

① expand PDCF to all trading eligible

② ZBA-

VT doesn't know what ZBA is?

Base still remains reasonably capitalized
Harrington will be conservative but not
distressed

PDCF to clarify what Trading Regs

- NIG Corporates

-

-

-

-

Equity Rep Backstop Facility
12 banks @ 7B

15 Banks at 7B

We didn't ask you! You did this on your own!

UBS, BNP, BOR, DB, UBS
Barclays

H SBC? Wachovia? Wells?

IN

GS JPM MS CKB BOR Citi
ML BOA UBS

- About as how the will be a thing!
- Underlying strength is this group!
- public speech is amazing
truly patriotic!!!

- work out when our period of weeks?
- SEC Head said above!

Chris Cox

Tim Gartner

Industry led effort to help stabilize
comprehension will reduce

- A group of interests including
- a substantial

Hank Paulson

Funes bearing the buck ... when Fails
feel will take of Lehman's stuff

extraordinary time!

- CPS
- Green
 - Red
 - Amber/Yellow

GTS vs Trading

NO LIST

Protocols



\$1.300 billion provided
EMEA consumer

Principal list

Redacted for Responsiveness

BONT DB BNP ABS Barclay

9 already in

still deciding

~~WBS only~~ 7
other as 7

Red - Crisis Mgmt ... or "cheer"

SoK - (but we provide

Green - OK

lines to Bunn will work

within

normal rep (possible tiger haircut)

yellow threshold needs to be set

per CP all may need 20-25

Regard June (risk is five

Lehman 9/15/08

Asia Update:

- CBIE to file at 6:00 AM UK
- US BOK Open - no word down node
- CBIE to file chapter 11

Australia

done clearing and settling Lehman
trades

8.45

Roger Chang	723 6035	✓
Corey Lathrop	723 6074	✓
Ben Algie	527 1038	✓

- \$ 300mm CLS - \$ 500 pre funded

LEH

manually releasing against good funds

CP payments - do we make them

Set off

* 275 Asia facility

* 164 ODs

* 500s + misc other

* 512mm Set off

— see page A 9 pages

Brad Gans, Roger Miller

Martin Wong

Redacted for Privilege

Redacted for Privilege

#13813

TBA Mortgage 45-90 interest

Kengo/Glen

212 593 0018



9/15/08

Called church // Steve Malekian
zero hours ~~Emergency meeting board~~ —
723-20380 — Tom Schwartz

Paul Wilson - Correlate ~~Dem~~

— K. Wegon
Golden Leave

ILM

— Dave Bushnell and Kirk is except
for GL

— in early 04 role became eligible
— any one hired after early 04

VPs or hired

John Denny, Nagesh Kumar

Resigned as CLS Agent -

SEC and others will lose their mind

✓ 275 LB Conrail Corp Area Ltd
✓ 164 ODS Placements
est. 73 + LCS Misc MTM
512

512
-275
237 MM

LB HS

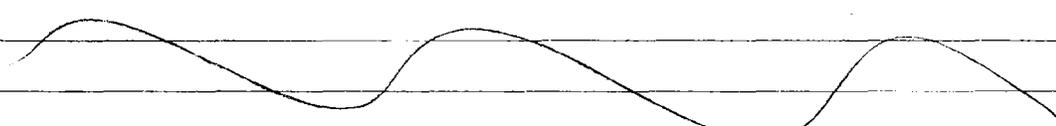
LB BE

LBCC Area

LBCC

2008 - 237 =

1763



- Payment vs Payment
Fed Acct at Central Bank | E4B

- Newberger Be

Mark Ruffalo

9/18/08
Protocol Do not take risk IIII

Bona

we can offer help to do collateral
send people

US

300mm op Acct
700mm JPM

FX with Gen

Jeff King -

* Always find CDS trader where
we may have potential protection

Letters submitted this morning

(646) 321-0446

Tom O - Jean Marie

Tom F

We have rescinded it!

if rescinded

CLS
3.0 B 113 M

Entracing Fault

Dev Court
526-3013

LBCE / LBHT

201 763 3823 Cheratus

888 315 2140

316 792 9110

82B going out - to Fed

83B queue - CLS cover

JPM JPM
Stack Street

- LBHT -

730 -
745 ~~ATM~~

✓ = 8688 mm Chun
✓ - 8908 mm

83B CLS

1.5B JPM
478 JPM
218 ABN
144 Hypo

1.4B
478 JPM 4 pieces

218 ABN
144 Hypo
94 CSPB

617 AS fed out

2,522

4.5B
2.0B short

- Susan John - MB Lehman PB
558 7239

- Ken Alzies

Redacted for Responsiveness

Paulo - Tomorrow ?

CASH - DVP
DX - Kestle Fedex only
Clean \$2B deposit
FX - next way SAFE only
hope

SSO -

9/16/08

CGMD

DMM Settlement

put in CLS obligations

Joe Walsh

John Ingram

ALG, ML, Lehman

Newberger Berman
DTC, yetland
435mm -

4:00 Loh

Christian

Richard Evans

Amber

Redacted for Responsiveness

Feed

ALG

Lehman

Don't want junior people

- ✓ - Not stop traders
 - ✓ - Continue to deal with - banks
 - ✓ - trade de-leveraging
 - not price aggressively
 - banks themselves to deal with volatility
 - market risk
 - net of exposure
 - can do trade which suit our exposure
- not take record P/X

MOFO 888 315 2140
316 792 9110

- Daryl
- Tom
- Greg
- Amel
- Didier

- Amor Bindra
- Ito
- Togo Manika

* Send out invite to Anca Team

Dave Francis

Richard

BAU up to 2 years
under like funding

Navigation must support don't price aggressively

Fenzel

- France

Mallon - 8/13 Oct settlement

Paul Green - BWA

Coalweldaker - Treaty side

9/17/08
✓ Larry Sweet - CLS

#15B Shot

8511 mm potentia less true #15mm
agent #

✓ Obermire - Leach

Redacted for Responsiveness

9/17/08

- Russia
- Taiwan
- GTS ~~business~~ - Clay Blum
- CLS
- UK
- Deletric
- Irish
- Germany

- 5:00 Feed

- FTB Team Mexico
 - AIG 885 B
 - Lehman
 - Morgan Stanley
 - ML

Redacted for Responsiveness

793 3250

Leh

Gerard Carroche - 2125262689

Barclays

- rebook some
- you more collateral / guaranty

WE LOSE NO MONEY!!!
Brian's order

Barclays - will do whatever they
code to drb

Citibank ABA Acct# 36204099
021 0000 89

#700mm

- ① CBT up to
- ② pledge of security agreement

Redacted for Responsiveness

- Extra \$700m from Barclays
for Citi

9/18/08

NY Opening:

CLS:

Running short \$16B

operational cut off time 4:00

London ... 11:00 NY

①

AIG

ML

LEH

②

Liquidity Risk

③

P&L cost - FX risk

LBIE

Forum around the globe hand off

Walds/HBOS

Walds/Morgan Stanley

LBHI

CP exposures closely centralized
in NY under Sandeep

~~#~~ Berdys NOT sugar trading accounts ✓
CBS - bankruptcy this week
President of clearing house

- NY Board of Trade (ICE)

cotton

proprietary futures
trades

indemnity or
against loss

sugar account

take on the Lehman positions

cease the oil invoice

energy positions

in-hand

Dodo Klein

Mike Schaefer

5-5555

(Linda)

Larry Sweet -

720 6876

FedEx to Helz

Diana asked for

8:00

9/18/08

1.5B 010
Sterling

Colman

- 600 days
- cherry pick
- SIPC take on Friday
- Commodities business

Bankruptcy Court Hearing

Gordon Tanner - collecting records

Poland Bank Hedberg

- SIPC take over Friday

Give all names with exposure

CB Bank FSB

TS 4460

late feeds -

NYFX notes on one day

Redacted for Responsiveness

- Poland
- Korea
- Romania

* ~~extra~~ closed face → needs
owed an amount

490
275

813 + 0.75MM not extend

Redacted for Responsiveness

Patricia Braganza — 816-0885

Bran — 793-3250

Euroseal 0703 SPV

↳
LBSF

44207477

2477

code 545545

Citi?

815 face 700mm AAA
RMBS

trustee will liquidate box
at 102
European RMBS

6 series of Euroseal bonds to CCC

FB owned by storm no
longer ECB eligible

Redacted for Responsiveness

GECC ALG, Lehman
Merrill, Warburton, Morgan
Wachovia Goldman Sachs
Hartford Genworth

Redacted for Responsiveness

9/9/08

Redacted for Responsiveness

Redacted for Privilege

Redacted for Privilege

De Noone - Franky Leh. 6-8672
Richard

- timing of
- Hanna call

Tim Douglas -

9/19/08 CELL

- Offset at 1:15 PM
- Bro - 1:00

- Spoke with Gerard Carroche
advised him of set off

- We will not be there during
agent in CLS

- formal notice

Deryck Palmer 5045557 Cadwalader

filed SIC Lehman 1:57

Redacted for Privilege

2:07

9/19/08

Steve Bert - 783 2794

WGen - Gwon - 861197

TOP was never
extra 415mm

Carey Gething 723 6074



Vikram

Celebrate the week

Redacted for Privilege

CIT

9/22/08

Redacted for Responsiveness

Cohn HF

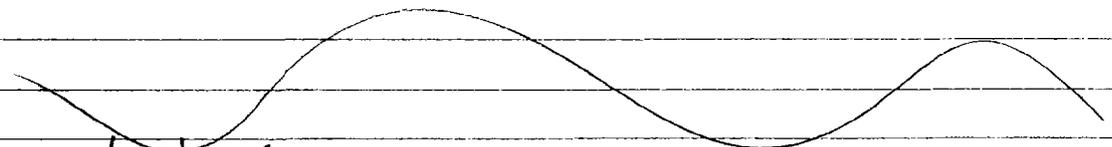
OTI ... AFS vs HFS

✓ Conroy Leahap 723-6074
✓ Kahan Kinzelka - Avia give up to Gdan
56307
- ✓ Greg Miller 55149 Esunter
- JC 617 346 9310

CSERS, USS, Macquarie

Weil —
Richard
Richard . Kra^{SNOW} ~~saw~~ @weil.com

9/22/08



Redacted for Responsiveness

7/20
3:00

Eross Bechid -
Gordon Turner

* Mike Mauer -
Marty Mollow - NB
discuss w/td
Lehm BAA

- ML-BAA

- Lehm

Allocate
- first to Barclays

- JC — 781 929 5400

Macquarie 866 270 2980 8:30
Cost code 612 8225

Around 12:30 - 1:0
5:00 - 5:30

9/23/08

Redacted for Privilege

9/23/08
Morgan

Redacted for Responsiveness

9/23/08

"Rules of the Road"

Classification of "Rules of the Road"

9/23/08

Redacted for Responsiveness

9/23/08
Set off

This message is sent to advise you that we are ~~back~~ business as usual into regular once again

to trade Newberg Berman LLC,
Newberg ~~best~~ Markets LLC and Lehman Brothers
Aml more LLC. for it third
party clients. Trades into any Lehman
entity subject to a bankruptcy or insolvency
are prohibited. The investment advisers
have agreed to ~~back~~ any trade prohibited at their
expense. ("the investment advisers")

9/23/08

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9/24/08

Redacted for Privilege

9/25/08

John

DTEC work with Citi to
covered their exposures ... no risk to
Citi.

9/25

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① 10/6/08

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10/4/08

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Redacted for Responsiveness

10/8/08

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Redacted for Responsiveness

10/8/08 Scott Esler

Redacted for Responsiveness



10/2/08

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