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Sent: Monday, June 16, 2008 11:19 AM
To: Leach, Brian [CCC]; Ryan, Patrick [CMB-RISK]
Subject: Lehman Novations

Redacted for Responsiveness

You had requested the names of the CPs which were looking to novate trades over to us. Last week there was a fair degree of activity with (15 trades), (4), (2), (2), (2) and (1). The prior week we had trades from (9). In recent weeks we have seen strong novation activity out of Lehman from , and .

Some of this is normal. June started strong, but the last few days of last week we pushed back. We are now in more of a BAU with regards to novations with Lehman. Typically we will take on \$3-4B in trade novated from others each month (200-300 trades). Most of the novated trades are CDS, typically 90% of the trades novated. We will continue to track this closely and push back for any unusual activity.

Best regards,

Tom

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