

From: Isaacs, Jeremy [jisaacs@lehman.com].

Sent: 1/11/2008 1:35 PM.

To: Fuld, Dick [lbexec1@lehman.com]; Gregory, Joe [jgregory@lehman.com]; Goldfarb, David [dgoldfar@lehman.com]; Callan, Erin [ecallan@lehman.com].

Cc: .

Bcc: .

Subject: KIA.

> I spoke to the guy at KIA, he was entirely single minded in his
> interest and only wanted to talk about how he could acquire Lehman
> shares. He was open and encouraging around our broader partnership
> and wanted to discuss those issues at another time. He explained that
> he had been communicating with Bader about his enthusiasm re his
> investment in LB, then proceeded to try to pin me down re where he
> could participate. I explained that we were very enthusiastic re the
> broader partnership with them and had great respect for their
> organisation but that we were in a different position to many of our
> competitors, we have a strong balance sheet and did not need capital
> and at these levels we had no interest in selling shares. He
> persisted to ask where we would have an interest, I responded by
> saying not below \$65 and even then we would be reluctant sellers.
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> He thanked me for being so candid and open with him. We agreed that
> he and I should meet at a later date. He was clearly disappointed but
> understood the message loud and clear.
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> Jeremy
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