

From: Cohen, Kerrie [kacohen@lehman.com].

Sent: 4/8/2008 4:23 PM.

To: Callan, Erin [ecallan@lehman.com].

Cc: Forte, Marisa [marisa.forte@lehman.com]; Whitestone, Randall B [randall.whitestone@lehman.com].

Bcc:

Subject: FW: Freedom CLO info for Dick Fuld.

Erin,

Following are the bullet points Jason Schechner put together for the shareholder meeting. Given that the press has not focused (yet) on the Fed window in relation to the CLO, I'd suggest deleting the reference in the summary below. Press will be in attendance at the shareholder meeting and my concern is that volunteering this information would result in a story.

Please let me know if you agree/disagree.

Thanks.

Kerrie

- > _____
- > _____
- > _____
- > _____
- > Here is a brief summary of the Freedom CCS 2008-1:
- >
- > * The Freedom transaction is a \$2.825 Bln securitization
- > consisting of just over \$3.1Bn of high-yield and investment grade
- > loans from Lehman's balance sheet (all part of Lehman's unencumbered
- > collateral)
- >
- > * Freedom consists of 2 tranches: \$2.26 Bln of investment-grade
- > Senior Notes (A2/A by Moody's / S&P) that are able to be pledged to
- > the Fed window, and \$565MM of unrated, first-loss equity.
- >
- > * Most of the loans purchased by Freedom were loans originally
- > extended to corporate customers and private equity sponsors where
- > Lehman Brothers was part of the loan syndicate
- >
- > * The Freedom vehicle represents a class of corporate credit
- > securitizations that was structured to allow Lehman the flexibility to
- > buy assets back out of the trust and then sell them in the market (ie
- > "freely movable" assets, hence the name Freedom).
- >
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