

From: Wieseneck, Larry [lwiesene@lehman.com].

Sent:6/11/2008 10:16 AM.

To: McGee III, Hugh E [hmcgee@lehman.com].

Cc: .

Bcc: .

Subject: Re: Lehman real estate exposure.

Kerstein proposed this 3 months ago

Combo of Goldfarb and parts of RE rejected it. I think Hash knows why it was challenging.

I believe because it required too much equity beneath it

Kerstein has to be involved as he knows that tax, etc better than anyone. Idea was a 100% spin of a REIT to shareholders. Need to have CEO/CFO etc to do this.

Erin had been quite interested and supportive at the time.

Larry

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

From: McGee III, Hugh E

To: Hash, Steven R; Beeson, Lisa E

Cc: Shafir, Mark G; Parker, Paul; Weiss, Jeffrey L; Wieseneck, Larry

Sent: Wed Jun 11 10:08:49 2008

Subject: Lehman real estate exposure

We need a solution. Can we create a vehicle(trust) to dump a bunch of this into and give it to our share holders.

They get upside and we get out of the "are we marked" correctly game. A bit like good bank/ bad bank.

I think we need some creative thinking here for the home team.

I will be convening a meeting this afternoon on this topic. Who else should we include?