

From: Wang, Hui [hui.wang@lehman.com].

Sent: 8/28/2008 12:57 PM.

To: Chu, Helen [helen.chu@lehman.com]; Bale Carmody, Jennifer [jbale@lehman.com]; Hiller, Arthur [ahiller@lehman.com]; Blake, Sharon F [sharon.blake@lehman.com]; Lane, Andrew [andrew.lane@lehman.com]; Staritsina, Anna [anna.staritsina@lehman.com]; Gambardella, Lisa [lisa.gambardella@lehman.com]; Lozano, Rosa [rosa.lozano@lehman.com].

Cc: [-] Montella, Michael [michael.montella@lehman.com]; Shafer, Tamir [tamir.shafer@lehman.com]; Financial Planning and Analysis New York [FinancialPlanningandAnalysisNY@lehman.com]; Nazimowitz, Lawrence D [lawrence.nazimowitz@lehman.com]; Abedeen, Aysha [aysha.abedeen@lehman.com]; Shek, Ada [ada.shek@lehman.com]; Cash Management LBI/LBHI [cashmanagementlbi/lbhi@lehman.com]; Fleming, Dan (TSY) [dfleming@lehman.com]; Jones, Craig L [cljones@lehman.com]; Tanaka, Tracy C [tracy.tanaka@lehman.com]; Stucchio, Anthony [astucchi@lehman.com]; Wong, Kristie [Kristie.Wong@lehman.com]; Tonucci, Paolo [paolo.tonucci@lehman.com]; Azerad, Robert [RAzerad@lehman.com]; Kelly, Martin [martin.kelly@lehman.com]; Jones, Craig L [cljones@lehman.com]; Burke, William T [wburke@lehman.com]; Ingulli, Charles [charles.ingulli@lehman.com]; NY Liquidity Forecasting [ny_liq_4cast@lehman.com]; Hauzenberg, Rose [rhauzenb@lehman.com]; Rivera, Joselito [joselito.rivera@lehman.com]; Pepe, Salvatore [spepe@lehman.com]; Thatcher, Kevin [kevin.thatcher@lehman.com].

Bcc:

Subject: FW: Capital Infusion Request.

Lisa / Rosa -

As discussed and agreed by senior management, LBI is requesting a paydown from LBHI of \$1.1 bln USD, value date Today, August 28, 2008, to provide a capital infusion into various subs in which LBI will have a negative investment. The funds which are received into LBI will be subsequently paid down to the entities as follows: \$900mm LCPI (Co 45) and \$200mm LB1 Group (Co 299) value date Today, August 28, 2008. However, since none of these entities have a bank account, LBHI will receive these funds on their behalf (offset vs. I/C). Please see below for journal entry flow.

LBHI reg will post the following entries below for each of the LEs:

1) Capital Infusion from LBHI to LBI (payment to LBI)

LE Description DBS Acct AMOUNT (USD)

LBI (0000)

Dr Cash / Bridge Bridge 1.1 bln

Cr ADDL PAID IN CAPITAL 30020-00002 1.1 bln

LBHI (0099) Helen Chu will post this entry in TWS

Dr INVEST IN CONSOL SUBS SLB INC. 13010-00000 1.1 bln

Cr Cash / Bridge Bridge 1.1 bln

2) Capital Infusion from LBI to LCPI and LB1 Group (payment to LBHI)

LE Description DBS Acct AMOUNT (USD)

LBI (0000)

Dr INVEST IN CONSOL SUBS LEH COMM PAPE 13010-00045 900mm

Dr INVEST IN CONSOL SUBS EFH GROUP 13010-00299 200mm

Cr Cash / Bridge Bridge 1.1 bln

LBHI (0099)

Dr Cash / Bridge Bridge 1.1 bln

Cr I/C LEHMAN COMMERCIAL PAPER INC. PC 12620-00045 900mm

Cr I/C LB I GROUP INC. PCO 12620-00299 200mm

LCPI (0045)

Dr I/C LB HOLDINGS INC PC 12620-00099 900mm

Cr ADDL PAID IN CAPITAL 30020-00002 900mm

LB1 Group (0299)

Dr I/C LB HOLDINGS INC PC 12620-00099 200mm

Cr ADDL PAID IN CAPITAL 30020-00002 200mm

Arthur / Sharon -

1) Please expect to receive \$1.1 bln USD into LBI, value date Today, 08/28/08. Please use ADP 012-00413. Thanks.

2) Upon receipt of funds, please fund back to LBHI (receiving on behalf of LCPI and LB1 Group) \$1.1 bln USD, value date Today, 08/28/08. LBHI bank instructions/Sigs are below. Please use ADP 012-00413. Thanks

Wire Instructions:

Bank: Citibank N.A.

Routing Number: 021-000-089

Account Number : 4061-5202

Account Name: Lehman Brothers Holdings, Inc.

Bank address:

Citibank

111 Wall Street,

New York, NY 10005

SWIFT CODE: SLHIUS3H

Andrew L / Anna -

1) Please have LBHI fund LBI \$1.1 bln USD, value date Today, 08/28/08.

LBI bank instructions are below. Sigs are attached. Please note that Helen will post it in TWS.

2) Please expect to receive \$1.1 bln USD into LBHI (receiving on behalf of LCPI and LB1 Group) value date Today, 08/28/08. Please clear to Holdings Bridge.

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Bank Instructions for someone sending USD to LBI

LBI USD

Bank: Chase Manhattan Bank

A/C: Lehman Brothers Inc

A/C no: 066-010373

ABA: 021-000021

REF: 012-00413-14 (ADP Account)

Thanks,
Lucy

>
> _____
> From: Wong, Kristie
> Sent: Wednesday, August 27, 2008 5:05 PM
> To: Thatcher, Kevin; Financial Planning and Analysis New York
> Cc: Nazimowitz, Lawrence D; Stucchio, Anthony; Rivera, Joselito;
> Shek, Ada; Montella, Michael; Abedeen, Aysha; Burke, William T
> Subject: Capital Infusion Request
>
> Kevin,
>
> As mentioned last Friday, we are looking to infuse capital to the
> following entities. Please advise as to next steps. We can set up a
> meeting to discuss if helpful. We need to get this completed by Friday
> at the latest.
>
> Thanks,
> Kristie
>
>
> Capital Infusion Projection as of August 27, 2008 (in millions)
>
>
>
> LCPI ALI PAMI LB1 Group
> Total
> Total Capital Request as of 8/26/08 900
> 250 420 200
> 1,770
>
>
>
>
>
>
> LCPI ALI PAMI LB1 Group
> Total
>
>
> Stockholders' Equity as of 7/31/08 (161)
> 245 328 100
> 512
>
>
> Estimated 3rd Qtr Losses (Net of Tax) (533) A

- > (202) B (548) C (140) D
- > (1,422)
- >
- >
- > Estimated Equity at 8/31/08 before Capital Infusion (694)
- > 44 (220) (40)
- > (910)
- >
- >
- > Estimated Capital Request as of 8/27/08 900
- > 250 420 200
- > 1,770
- >
- >
- > Estimated Equity after Capital Infusion 206
- > 294 200 160
- > 860
- >
- >
- >
- >
- > 3rd Party Minimum Capital Requirement -
- > 100 100 -
- >
- >
- >
- > Projected Capital after Minimum Requirement 206
- > 194 100 160
- >
- >
- >
- > A - \$83 High Yield/High Grade Credit; \$144 Real Estate; \$190
- > Securitized Products on LPTSI (an LCPI subsidiary); \$115 Real Estate
- > on LCPI-UK (UK Branch)
- >
- > B - \$29 Principal Transactions Group; \$173 Related to SunCal
- > investment
- >
- > C - \$533 Real Estate (\$447 relates to Principal Transactions and Real
- > Estate Americas incl Archstone writedown; \$85 relates to Real Estate
- > Europe); \$14 monthly Operating Loss per Real Estate
- >
- > D - \$75 Private Equity on LB Offshore (an LB1 Group subsidiary); \$24
- > Private Equity; \$16 Securitized Products; \$13 High Yield; \$9 Global
- > Transaction Services
- >
- >
- >
- > Kristie Wong
- > Lehman Brothers
- > Ph: 212-320-7968

