

From: Lowitt, Ian T [ilowitt@lehman.com].

Sent: 6/30/2008 9:11 AM.

To: McDade, Bart [bmcdade@lehman.com].

Cc:

Bcc:

Subject: RE: Otc margin.

One notch downgrade requires 1.7 bn; and 2 notch requires 3.4 bn of additional margin posting. But vast majority of the additional posting is against contracts where have a 30 day period to either assign or restructure the transactions to avoid posting of additional collateral; so not an instantaneous shock, at least contractually (may need to post for market confidence reasons) Also, as of may 31, we are liable to post 3 bn which have not been called on (unrelated to any ratings moves)  
Ian

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

From: McDade, Bart

Sent: Sunday, June 29, 2008 10:00 PM

To: Lowitt, Ian T

Subject: Otc margin

U been getting any questions regarding a leh downgrade and triggers for collateral? How much and what ratings actions cause issue?  
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