



"Kelly, Martin"  
<martin.kelly@lehman.com>

08/28/2008 05:34 PM

To "Kelly, Martin" <martin.kelly@lehman.com>,  
<BostelmanJ@sullcrom.com>, "Wieseneck, Larry"  
<lwiesene@lehman.com>, "Russo, Thomas A"  
<trusso1@lehman.com>, "Walsh, Mark"  
<mawalsh@lehman.com>, "Goldfarb, David"  
<dgoldfar@lehman.com>  
cc <william.schlich@ey.com>, "Lowitt, Ian T"  
<ilowitt@lehman.com>

bcc

Subject RE: Spinco Call

History: This message has been forwarded.

I spoke with Wayne Carnall to accept their offer. Specific agreement for the record is as follows:

Initial 3 yr PFI prepared on a GAAP basis with no audit attestation  
Annually updated PFI through the initial 3 yrs with fixed end date and no audit attestation  
Non-fair value accounting basis as outlined in our letter of August 21  
Waiver on Rule 3-14 with no separate F/S required for significant properties subject to exposures being consistent with those outlined in our letter of August 21  
No historical F/S  
Initial opening audited BS at fair value  
Other portfolio stratification information as outlined in the term sheet

I think it makes sense for S&C and LEH to have a call with Wayne next week to discuss submission requirements/timing around formal waivers and/or no action letters. I will coordinate that next week.

I will communicate this agreement to the broader team later tonight.

Regards - Martin

>  
> \_\_\_\_\_  
> From: Kelly, Martin  
> Sent: Thursday, August 28, 2008 4:16 PM  
> To: Kelly, Martin; 'BostelmanJ@sullcrom.com'; Wieseneck, Larry;  
> Russo, Thomas A; Walsh, Mark; Goldfarb, David  
> Subject: RE: Spinco Call

>  
> Message in to Wayne - will let you know when we connect

>  
> \_\_\_\_\_  
> From: Naughton, Caroline On Behalf Of Kelly, Martin  
> Sent: Thursday, August 28, 2008 1:35 PM  
> To: Kelly, Martin; 'BostelmanJ@sullcrom.com'; Wieseneck, Larry;  
> Russo, Thomas A; Walsh, Mark  
> Subject: Spinco Call  
> When: Thursday, August 28, 2008 3:00 PM-4:00 PM (GMT-05:00)  
> Eastern  
> Time (US & Canada).  
> Where: Dial In Details Below  
>

EY-LE-LBHI-KEYPERS 0907577  
CONFIDENTIAL

> Dial In Details:  
> 1 866 831 2217  
> \*3743693\*

-----  
-----

This message is intended only for the personal and confidential use of the designated recipient(s) named above. If you are not the intended recipient of this message you are hereby notified that any review, dissemination, distribution or copying of this message is strictly prohibited. This communication is for information purposes only and should not be regarded as an offer to sell or as a solicitation of an offer to buy any financial product, an official confirmation of any transaction, or as an official statement of Lehman Brothers. Email transmission cannot be guaranteed to be secure or error-free. Therefore, we do not represent that this information is complete or accurate and it should not be relied upon as such. All information is subject to change without notice.

-----

IRS Circular 230 Disclosure:  
Please be advised that any discussion of U.S. tax matters contained within this communication (including any attachments) is not intended or written to be used and cannot be used for the purpose of (i) avoiding U.S. tax related penalties or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.