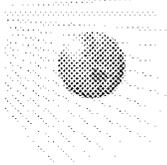


Arthur Angulo /NY/FRS  
07/14/2008 08:38 AM

To Jan Voigts/NY/FRS@FRS, William  
BRODOWS/NY/FRS@FRS  
cc  
bcc  
Subject Fw: Lehman 23A Exemption

FYI....

----- Forwarded by Arthur Angulo/NY/FRS on 07/14/2008 08:35 AM -----



William Rutledge /NY/FRS  
07/14/2008 07:57 AM

To timothy.geithner@ny.frb.org  
cc terrence.checki@ny.frb.org, william.dudley@ny.frb.org,  
thomas.baxter@ny.frb.org, arthur.angulo@ny.frb.org  
Subject Fw: Lehman 23A Exemption

Pretty consistent with what I described to you on elements of the "term sheet". They posit a 3.5 x 1 leveraging of capital with transferred assets --- with the 5% haircut from current market added to the capital, the leveraging would drop to about 3 (or a little less if I remember the calculation Art did of possible combinations). We have a call scheduled with them at 11 --- so will compare notes internally and with b/g staff prior to then.

----- Forwarded by William Rutledge/NY/FRS on 07/14/2008 07:48 AM -----

"Baer, Andrew S."  
<baera@sullcrom.com>

To <William.Rutledge@ny.frb.org>, <Michael.Schussler@ny.frb.org>, <Thomas.Baxter@ny.frb.org>,  
<Roger.Cole@frb.gov>, <Mark.VanDerWeide@frb.gov>, <Deborah.P.Bailey@frb.gov>,  
<Scott.Alvarez@frb.gov>, <Arthur.Angulo@ny.frb.org>

07/13/2008 11:22 PM

cc "Tonucci, Paolo" <paolo.tonucci@lehman.com>, "Frommer, Jackie" <jfrommer@lehman.com>, "Primiano,  
Vincent" <primiano@lehman.com>, <steven.korell@lehman.com>, "Cohen, H. Rodgin"  
<Cohenhr@sullcrom.com>, "Toumey, Donald J." <ToumeyD@sullcrom.com>

Subj Lehman 23A Exemption  
ect

All -

Please find attached a "term sheet" for the proposed 23A exemption we have been discussing, an Excel document that is an attachment to the term sheet, and a copy of the Master Forward Agreement currently in place between Lehman Brothers Commercial Bank and Lehman Commercial Paper Inc.

Regards,  
Andy

Andrew B. Baer  
Sullivan & Cromwell LLP  
1701 Pennsylvania Ave, N.W.  
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Highly Confidential New York Fed Information

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immediately. AssetSummary.xls 2007 Master Forward Agreement (8).pdf int51.DOC