



To: Ricardo S. Chiavenato/JPMCHASE@JPMCHASE  
 cc: David A. Weisbrod/JPMCHASE@JPMCHASE, Diane Eshleman/JPMCHASE@JPMCHASE, Henry E Stuart/JPMCHASE@JPMCHASE, "Jeffrey Aronson" <JAronson@bear.com>, Mark G Doctoroff/JPMCHASE@JPMCHASE1, Piers Murray/JPMCHASE@JPMCHASE, Susan F Stevens/JPMCHASE@JPMCHASE1, Thomas H Mulligan/JPMCHASE@JPMCHASE1  
 Subject: Re: LB Excess Collateral Compared to GF Pricing

I communicated the price discrepancies to Craig Jones. He was going to do some immediate legwork on his end to check his pricing sources. We agreed we would regroup on Monday to compare findings.

Let me know if anyone has an issue with this approach.

Thanks,

EC.

✉ Ricardo S. Chiavenato/JPMCHASE

Ricardo S. Chiavenato/JPMCHASE

08/08/2008 05:19 PM

To: Ed Corral/JPMCHASE@JPMCHASE  
 cc: David A. Weisbrod/JPMCHASE@JPMCHASE, Diane Eshleman/JPMCHASE@JPMCHASE, Henry E Stuart/JPMCHASE@JPMCHASE, "Jeffrey Aronson" <JAronson@bear.com>, Mark G Doctoroff/JPMCHASE@JPMCHASE1, Piers Murray/JPMCHASE@JPMCHASE, Susan F Stevens/JPMCHASE@JPMCHASE1, Thomas H Mulligan/JPMCHASE@JPMCHASE1  
 Subject: Re: LB Excess Collateral Compared to GF Pricing

Ed,

As we discussed, I suggest we send Lehman these prices, the value for the CDOs using them, and the additional margin we need to meet the US\$6.5 bi to US\$7 bi risk-based margin we have calculated over the last 9 days.

Once I get the CDOs included and flagged in the BDAS extract I will adjust the risk-based margin calculation and the margin requirement will go up. This depends on BDAS changes being discussed with Mark Trivedi and Tom Russo.

For the CDOs that GF does not price I suggest a two-pronged approach:

- immediately: use a proxy price for other CDOs priced by GF with the same rating
- asap: get from Lehman the prospectuses for these CDOs and ask GF to price them

Thanks.

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 Sent from my BlackBerry Wireless Handheld

✉ Ed Corral

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

**From:** Ed Corral  
**Sent:** 08/08/2008 03:34 PM CDT  
**To:** Ricardo Chiavenato  
**Cc:** David Weisbrod; Diane Eshleman; Henry Stuart; "Jeffrey Aronson" <JAronson@bear.com>; Mark G Doctoroff/JPMCHASE@JPMCHASE1; Piers Murray; Susan F Stevens/JPMCHASE@JPMCHASE1; Thomas H Mulligan/JPMCHASE@JPMCHASE1

**Subject:** LB Excess Collateral Compared to GF Pricing

Team, here is the LB excess collateral (~\$9.8 billion) with Gifford Fong pricing (where available).

As you will see, there are major discrepancies between the LB and Gifford Fong prices (in the wrong direction, needless to say).

Let me know what you think.

Thanks,

EC.

[attachment "LB Excess Collateral Priced by GF.xls.zip" deleted by Ricardo S. Chiavenato/JPMCHASE]