



Scott Sandler To: "Ed Corral" <ED.CORRAL@jpmorgan.com>, "Anthony Tufano" <Anthony.Tufano@jpmorgan.com>, "Brian Goldman" <Brian.Goldman@jpmorgan.com>
cc:
09/15/2008 Subject: Fw: Lehman as client: Custody and Outsourcing Trades to Be Cancelled Details - Urgent
10:06 AM

What is going on here? Why were trades cancelled? Who authorized cancellation of valid DVP trades?

Scott

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

✉ Jane Buyers-Russo

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

From: Jane Buyers-Russo
Sent: 09/15/2008 07:57 AM CDT
To: Barry Zubrow; David Weisbrod; Scott Sandler
Cc: Ed Corral; Karen May Sharf; Anthony Tufano
Subject: Fw: Lehman as client: Custody and Outsourcing Trades to Be Cancelled Details - Urgent

We need to get this squared away. Thought we agreed that for the us broker dealer, dtc and fed wire we are ok settling trades. DTC is continuing to act and so are we.

Scott--need your help navigating the operational end of this.

Jane Buyers Russo, MD
JPMorgan Investment Bank
ACB/FIG Broker Dealer
383 Madison Ave, 35th Fl
NY NY 10179
212-622-8628
917-679-2680

✉ Karen May Sharf

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

From: Karen May Sharf
Sent: 09/15/2008 07:52 AM CDT
To: Jane Buyers-Russo; Ed Corral; Anthony Tufano
Subject: Fw: Lehman as client: Custody and Outsourcing Trades to Be Cancelled Details - Urgent

Ed or Jane - OK for Tony to do his normal biz with Lehman?

Karen May Sharf, CFA

Global
Clearance
Risk Management

karen.may.sharf@jpmorgan.com

212 623-9073 office

917 873 9181 cell

✉ Karen May Sharf

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

From: Karen May Sharf
Sent: 09/15/2008 07:45 AM CDT
To: Ricardo Chiavenato; Christopher Carlin; Frederic Vagnini; Edward Scherling; Simon Griffiths; Jim Estill
Subject: Fw: Lehman as client: Custody and Outsourcing Trades to Be Cancelled Details - Urgent

For Agent Bank Clearing, we need to commence clearing activities from titian custody accounts. Clearing has been told its BAU for unfiled subs including the broker dealer. Simon Griffiths says his marching orders are different. We need urgent guidance.

Karen May Sharf, CFA

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✉ Anthony Tufano

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

From: Anthony Tufano
Sent: 09/15/2008 08:39 AM EDT
To: Marie Gallicchio; Jennifer John; Charles Rossotto; Robert Bagley
Cc: Ed Corral; Karen May Sharf
Subject: Fw: Lehman as client: Custody and Outsourcing Trades to Be Cancelled Details

Guys,

Marching orders for Lehman accounts, WE ARE PRESENTLY IN LOCK DOWN MODE. PLEASE WAIT FOR ADVISEMENT.

IN ADDITION, I HAVE ASKED RISK TO INCLUDE ALL OF YOU ON FUTURE MAILING.

Anthony J. Tufano
Executive Director

JPMorgan
Agent Bank Clearing
4 New York Plaza
11th. floor
New York, New York 10004
212-623-1557 telephone
212-623-2724 fax

----- Forwarded by Anthony Tufano/JPMCHASE on 09/15/2008 08:34 AM -----

**Simon
Griffiths/JPMCHASE**

09/15/2008 08:27 AM

ToEdward M. Scherling/JPMCHASE@JPMCHASE
ccBrian Goldman/JPMCHASE@JPMCHASE, Anthony
Tufano/JPMCHASE@JPMCHASE

SubjectFw: Lehman as client: Custody and Outsourcing Trades to Be
Cancelled Details

Ed

Per the attached. Trades where Lehman were client were cancelled last night by Tony Tufano.

This morning we have received a notice from DTCC that, at present, Lehman brokerage remain in good standing and will be settling transactions (see attached).



Lehman Comfort Notice.doc NSCC --lehman -- remains in good standing.doc

We need urgent guidance regarding the re-instatement of the cancelled trades. Please communicate any decision to Tony and copy me.

Thanks for your continued support.

Simon Griffiths
Executive Director

JPMorgan Chase
Worldwide Securities Services
United States Securities Operations

Tel: 469 477 2012

----- Forwarded by Simon Griffiths/JPMCHASE on 09/15/2008 07:24 AM -----

**Simon
Griffiths/JPMCHASE**

09/14/2008 06:11 PM

Toanthony tufano, Piers Murray/JPMCHASE@JPMCHASE, Henry E
Steuart/JPMCHASE@JPMCHASE, David A.
Weisbrod/JPMCHASE@JPMCHASE, Christopher D.
Carlin/JPMCHASE@JPMCHASE, Edward J.
Neeck/JPMCHASE@JPMCHASE, Edward M.
Scherling/JPMCHASE@JPMCHASE, Frederic
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Estill/JPMCHASE@JPMCHASE, Paul J.
Robilotto/JPMCHASE@JPMCHASE, ray stancil, karen scharf,
james p wessels
ccWendell Phillips/JPMCHASE@JPMCHASE, Christopher
Sifain/JPMCHASE@JPMCHASE, Randy
Moore/JPMCHASE@JPMCHASE

SubjectLehman as client: Custody and Outsourcing Trades to Be Cancelled

Details

We have checked all Lehman accounts for trading as client, based on the account list received from credit and Tony Tufano. The details are in the attached workbook.

Approximately 60 trades need to be taken down.

There were zero trades outstanding for Lehman as a custody client. All outstanding trades were for Lehman's relationship with the outsourcing team. Tony Tufano and team (outsourcing) will be cancelling these trades this evening. Please contact Tony if you wish to re-instate any of these trades from a credit perspective.

Tony, please confirm to this distribution list when the trades have been taken down.

I have received confirmation that the sensitive flag will be set for all active accounts contained in the attached workbook tomorrow.

We will pull another report tomorrow to ensure there are no additional trades, although based on the current environment, highly unlikely we will receive further settlement instructions for these accounts.

Please call me at 972 322 2897 if you have any questions.



Lehman SS.xls.zip

Lastly, a big THANKS to Wendell Phillips, Randy Moore and Chris Sifain from USSO for their support with getting the analysis completed this afternoon.

Regards

Simon Griffiths
Executive Director

JPMorgan Chase
Worldwide Securities Services
United States Securities Operations

Tel: 469 477 2012