



**Jane
Buyers-
Russo**

To: Kevin T. Murphy/JPMCHASE@JPMCHASE1, Henry E
Steuart/JPMCHASE@JPMCHASE, Donna Dellosso/JPMCHASE@JPMCHASE
cc: Christopher D. Carlin/JPMCHASE@JPMCHASE, Frederic
Vagnini/JPMCHASE@JPMCHASE, Sushil C Patel/JPMCHASE@JPMCHASE
Subject: Re: Lehman exchange settlements payable on Sept. 14

09/15/2008
05:05 AM

We're working on our stance at the top of the house. Standby. Thanks.

Jane Buyers Russo, MD
JPMorgan Investment Bank
ACB/FIG Broker Dealer
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NY NY 10179
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----- Original Message -----

From: Kevin T. Murphy
Sent: 09/15/2008 02:29 AM AST
To: Henry Steuart; Donna Dellosso
Cc: Christopher Carlin; Frederic Vagnini; Sushil Patel; Jane Buyers-Russo
Subject: Re: Lehman exchange settlements payable on Sept. 14

If this is going to be our official stance, I think we are going to need to call all of the clearing houses for which we act as a settlement bank for Lehman and tell them that we intend to relinquish our role as settlement bank. This could trigger a series of defaults. Is this the message our senior management wants us to send?

From: Kevin T. Murphy
To: Henry E Steuart
Cc: Christopher D. Carlin; Frederic Vagnini; Sushil C Patel; Jane Buyers-Russo
Sent: Mon Sep 15 02:04:10 2008
Subject: Re: Lehman exchange settlements payable on Sept. 14

So our stance will be that we are not going to facilitate an orderly unwind but that we are rather going to potentially put Lehman in default of its obligations to the various clearing houses?

From: Henry E Steuart
To: Kevin T. Murphy
Cc: Christopher D. Carlin; Frederic Vagnini; Sushil C Patel
Sent: Mon Sep 15 00:58:51 2008
Subject: Re: Lehman exchange settlements payable on Sept. 14

Donna has informed me that we are not sending payments out. She can be contacted if necessary.

☞ Kevin T. Murphy/JPMCHASE

Kevin T. Murphy/JPMCHASE
09/14/2008 10:09 PM

Frederic Vagnini/JPMCHASE
To
Christopher D. Carlin/JPMCHASE, Henry E
ccSteuart/JPMCHASE, Sushil C Patel/JPMCHASE
Re: Lehman exchange settlements payable on Sept. 14
Subject

No. Left it to Henry to try vet this with Donna et al.

From: Frederic Vagnini
To: Kevin T. Murphy
Cc: Christopher D. Carlin; Henry E Steuart; Sushil C Patel
Sent: Sun Sep 14 21:58:50 2008
Subject: Re: Lehman exchange settlements payable on Sept. 14

After our conf. call, did you discuss the morning CME and TCC settlements with IB Credit senior mgt. ?

☞ Kevin T. Murphy/JPMCHASE

Kevin T. Murphy/JPMCHASE
09/14/2008 09:50 PM

Frederic Vagnini/JPMCHASE,
ToHenry E Steuart/JPMCHASE
Sushil C Patel/JPMCHASE
cc

Re: Lehman exchange
Subjectsettlements payable on Sept. 14

ICE just called me, despite the fact that Lehman is collecting funds, and asked me what our stance will be in decisioning these payments. I told them that we will be doing it on a case by case basis as the settlements are presented to us.

Bottom line: we need a view here. If we decide that we are not going to process or commit to any of these settlements, we will need guidance as to what to say to the respective clearing houses and who within senior management to direct them to should they decide to escalate.

From: Frederic Vagnini
To: Henry E Steuart
Cc: Kevin T. Murphy; Sushil C Patel
Sent: Sun Sep 14 21:30:03 2008
Subject: Lehman exchange settlements payable on Sept. 14

Henry,

As discussed this evening below is high level summary of the Lehman exchange settlement numbers.

OCC - lehman receives \$42.6MM, lehman pays \$10.9MM

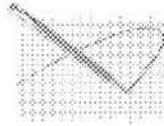
CME - lehman receives \$134mm, lehman pays \$34MM

NYMEX - lehman receives \$21mm, lehman pays \$14MM

TCC - lehman receives \$1.4mm, lehman pays \$0.4MM

ICE - lehman receives \$5mm

If you need a more detailed break down of house and customer settlements, we can work on it tomorrow.



I already sent you the LCH settlements for London from Bryn.

