

From: ARTHUR BRUHMULLER/IB/LAZARD
Sent: 9/17/2008 9:59:29 PM
To: "FLORES, DANIEL" <DANIEL.FLORES@LEHMAN.COM>
CC: DAVID DESCOTEAUX/IB/LAZARD@LAZARD NYC
Subject: Re: Fw: Diligence Items

We are trying to get a sense for how marks have evolved since Friday.

I think the first priority would be to see the inventory of what's being sold,
how the marks have evolved and info on the buyer "discount".

Arthur M. Bruhmuller
Director
Lazard
30 Rockefeller Plaza
New York, New York 10112
212-632-6304 (TEL)
212-830-3613 (FAX)

"Flores, Daniel" <Daniel.Flores@lehman.com>
Sep 17 2008 05:44 PM

To
Arthur Bruhmuller/IB/Lazard@Lazard NYC
cc

Subject
Fw: Diligence Items

What are your thoughts on this?

----- Original Message -----
From: Reilly, Gerard
To: Kelly, Martin; Flores, Daniel
Cc: Taylor, Austin L
Sent: Wed Sep 17 17:27:55 2008
Subject: RE: Diligence Items

The first question is very difficult. My understanding of the deal is that they will purchase our assets that remain in LBI on the closing date which will

not be the same as the assets on the 12th. That purchase will be at a fixed discount on the assets that remain to reflect the bulk size of the purchase. We can track our pl by assets category which give some indication of how much we have moved the marks. We can also provide assets as of the 16th with marks so they can get some perspective.

Let me know what we need. If I am off base and the expectation is to track sales, cash, marks of the portfolio from the 12th to the close that will be extremely difficult.

Gerry

From: Kelly, Martin
Sent: Wednesday, September 17, 2008 4:52 PM
To: Flores, Daniel
Cc: Taylor, Austin L; Reilly, Gerard
Subject: RE: Diligence Items

#1 is Gerry (cc'd). #2 is me - we are working on that now

From: Flores, Daniel
Sent: Wednesday, September 17, 2008 3:47 PM
To: Kelly, Martin
Cc: Taylor, Austin L
Subject: Diligence Items

Hi Martin,

Just left you a vmail. Wanted to follow up on some of the items Lazard has requested that George Mack and I discussed with you yesterday. These are:

1. Price variance report for trading books going with deal to reflect changes between Friday 9/12 close and Monday 9/15 close
2. The balance sheet of what's being sold as well as what is remaining behind

If you aren't the right person, please let me know who else I should contact.

Regards,
Daniel

Daniel E. Flores

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