

From: Mauerstein, Michael [CMB-GBKG] [0000109211@citigroup.com]  
Sent: Thursday, June 12, 2008 9:30 PM  
To: Foskett, Christopher M [CMB-GBKG]; Fontana, Thomas [CMB-RISK]  
Subject: Re: LEH

As Tom noted, Bear left cash on deposit with us, as Lehman is now doing. Difference is that Bear was borrowing from us, and we had them sign a promissory note with 'right of offset' language. Lehman is not borrowing, and they indicated that they will not encumber the deposit.

Michael Mauerstein  
Managing Director  
Financial Institutions - Broker Dealers  
388 Greenwich - 24 Floor  
212 816-3431

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

From: Foskett, Christopher M [CMB-GBKG]  
To: Fontana, Thomas [CMB-RISK]; Mauerstein, Michael [CMB-GBKG]  
Sent: Thu Jun 12 21:26:10 2008  
Subject: Re: LEH

Lets get it there as we did with Bear. - i spoke with both of them tonight and tried to explain this wasnt us but rather a move to head off issues with our senior mgt. Thanks for your leadership.

Regards

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Sent from my BlackBerry Wireless Handheld

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

From: Fontana, Thomas [CMB-RISK]  
To: Foskett, Christopher M [CMB-GBKG]; Mauerstein, Michael [CMB-GBKG]  
Sent: Thu Jun 12 21:11:37 2008  
Subject: Re: LEH

We are trying to set up senior meeting next Tuesday or Wednesday in their offices. The message got a little lost as Michael and I asked for \$5B and they thought you have been OK with \$500MM. Ultimately we got a deposits which doesn't provide much support as we don't control the deposit nor do with have a clean right of offset. This is not as good as what we had with Bear against their borrowing.

Best regards,

Tom

Global Financial Institutions  
Risk Management

Office: (212) 816-4986  
Cell: (908) 577-2039  
Home: (908) 665-0694

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

From: Foskett, Christopher M [CMB-GBKG]  
To: Fontana, Thomas [CMB-RISK]; Mauerstein, Michael [CMB-GBKG]  
Sent: Thu Jun 12 19:33:30 2008  
Subject: LEH

Seems like all is under control except for a grumpy client. Will reach out to them unless you think it unnecessary ?

Regards

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Sent from my BlackBerry Wireless Handheld