

From: Mauerstein, Michael [CMB-GBKG] [0000109211@citigroup.com]
Sent: Thursday, May 29, 2008 7:32 PM
To: Foscett, Christopher M [CMB-GBKG]
Subject: Re: Lehman

I explained to Emil that our risk people expected to approve a deal against a portfolio of commercial real estate assets, and the deal presented by our Finance desk was against a single asset (Hilton); that this was not about Lehman risk (understanding that there would be a Lehman guaranty).

I will pick up the conversation with Lehman.

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

From: Foscett, Christopher M [CMB-GBKG]
To: Ryan, Patrick [CMB-RISK]; Mellina, Thomas [CMB-FICC]
Cc: Mauerstein, Michael [CMB-GBKG]; Shohet, Zion M [CCC]; Fontana, Thomas [CMB-RISK]
Sent: Thu May 29 18:17:49 2008
Subject: Lehman

Got a call from Paulo Tonnucci, Treasurer of Lehman, who basically said they were extremely disappointed in the message that the denial of the Repo trade was sending them. I am not clear on all the specifics of how/why it was turned down or how the message was delivered, but it has really left them with a "bad taste" as he put it. He advised that Dick Fuld would likely be calling Vikram, as this is where the idea was originally conceived.

Paolo suggested he would like to work with our Risk team to dispel any concerns we might have with Lehman's earnings profile, liquidity, risk mgt processes etc. He asked me to arrange time next week where he could present to our Risk team. They have just finished a round a rating agency presentations and feel a discussion would be valuable for us.

Tom Fontana - I will connect wit you to see how you want to proceed.

Regards
Chris