

From: Pandit, Vikram [CCC] [1001203006@citigroup.com]
Sent: Thursday, June 12, 2008 5:35 PM
To: Leach, Brian [CCC]; Shohet, Zion M [CCC]; crittendeng@citigroup.com;
kadenl@citigroup.com
Subject: Re: LEH

Keep the relationship good. Make sure we treat them with respect at every level. Make sure they know that we are with them.

Long term game. Tell them our phone line is always open 24x7.

Sent from my BlackBerry Wireless Handheld

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

From: Leach, Brian [CCC]
To: Pandit, Vikram [CCC]; Crittenden, Gary [CCC]; Kaden, Lewis [CCC]; Shohet, Zion M [CCC]
Sent: Thu Jun 12 17:29:45 2008
Subject: LEH

FINAL Agreement for today.

We asked for \$3B segregated. They sent \$2B in a call account (which is not quite segregated but it's not too bad). We have told them we will be monitoring the situation closely. Internally we will be allocating them \$3B in NY, \$1B in Asia and \$1B in Europe for a total of \$5B. This is significantly lower than our previous global clearing lines of total \$20B (they do not know the global aggregate of these lines - they only know a NY line of \$4.3B) but it should allow them to continue doing business as usual (effectively the larger line was largely unused and represents lines across multiple time zones). They are not happy with us and have expressed this from the Treasurer to the relationship manager. We have said we look forward to meeting with the Treasurer when he returns from vacation on Monday. I think this puts us at risk on \$3B which, depending on market shocks (assume down 33%), feels like a net risk of about \$1B.

We retain the ability to change our mind on all of this. This is not a commitment but rather an agreed operating style.

Redacted for Privilege Brian