

From: Tonucci, Paolo [paolo.tonucci@lehman.com]
Sent: Friday, June 20, 2008 7:22 PM (GMT)
To: thomas.fontana@citi.com [thomas.fontana@citi.com];
christopher.m.foskett@citi.com [christopher.m.foskett@citi.com]
Cc: michael.mauerstein@citi.com [michael.mauerstein@citi.com]
Subject: Re:

That's great.

Thanks

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

From: Fontana, Thomas <thomas.fontana@citi.com>
To: Tonucci, Paolo; Foskett, Christopher M <christopher.m.foskett@citi.com>
Cc: Mauerstein, Michael <michael.mauerstein@citi.com>
Sent: Fri Jun 20 15:11:09 2008
Subject: RE:

We have been accepting novations in normal course this week. There was one novation earlier in the week which the desk held up seeking Credit approval before accepting. It might have been delayed a day, but it should not have been. I have now provided specific guidance to the desk to accept novations without pause. YTD last week, we had accepted nearly 1100 novations with an average notional per trade of just under \$10MM notional.

Best regards,

Tom

Global Financial Institutions
Risk Management

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

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

From: Tonucci, Paolo [<mailto:paolo.tonucci@lehman.com>]
Sent: Friday, June 20, 2008 2:59 PM
To: Foskett, Christopher M [CMB-GBKG]
Cc: Mauerstein, Michael [CMB-GBKG]; Fontana, Thomas [CMB-RISK]
Subject: Re:

Thanks. Safe flight.

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

From: Foskett, Christopher M <christopher.m.foskett@citi.com>

To: Tonucci, Paolo
Cc: Mauerstein, Michael <michael.mauerstein@citi.com>; Fontana, Thomas <thomas.fontana@citi.com>
Sent: Fri Jun 20 14:54:44 2008
Subject:

Paolo,

Connected with Michael, but not Tom. The novation issue was raised by Emile today and Michael addressed some specific trades. We will continue to dig into the topic, but so far it appears to be nothing out of the ordinary.

As for the process followup from this week, we are in the data collection mode and will have a better idea next week what size level we are really working at.

As noted - I am out M-W next week but reachable through my office or Blackberry.

Regards
Chris

Sent from my BlackBerry Wireless Handheld

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