

From: Felder, Eric [efelder@lehman.com]
Sent: Saturday, July 5, 2008 9:20 PM (GMT)
To: Lowitt, Ian T [ilowitt@lehman.com]
Subject: Re:

Can we get in front of the agencies ahead of quarter end to figure out what their tolerance levels are and sell the story?

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

From: Lowitt, Ian T
To: Felder, Eric
Sent: Sat Jul 05 16:39:10 2008
Subject: Re:

Depends on this q's earnings and how we explain them. Already restructuring our derivatives with our own structured entities which represent the majority of the collateral posting. Somehow need to get into market that ok to have another poor q. Ian

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

From: Felder, Eric
To: Lowitt, Ian T
Sent: Sat Jul 05 16:17:06 2008
Subject: Re:

I think we need to do everything we can ahead of time to prepare in case this happens as it seems like a significant non zero probability to me

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

From: Lowitt, Ian T
To: Felder, Eric
Sent: Sat Jul 05 16:02:52 2008
Subject: Re:

Its 0.7 bn of immediate collateral posting and potentially another 3 to 4 bn with a 30 day cure period. But will affect lines and willingness of counterparties to fund secured. We have operated at BBB+ before but suspect its the end as an independent company if lose with both moodys and s and p. Ian

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

From: Felder, Eric
To: Tonucci, Paolo; Lowitt, Ian T
Sent: Sat Jul 05 14:55:10 2008
Subject:

How much incremental collateral do we have to post if we go to a2/a-? Are there any other implications of getting downgraded?
