

**From:** Mahoney, sara [sarajane.mahoney@lehman.com]  
**Sent:** Wednesday, September 10, 2008 4:19 PM (GMT)  
**To:** Birney, Janet [jbirney@lehman.com]  
**Subject:** RE: Account Bank Agreement

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Huw is.  
Looks like we will be paying in only \$50mil now - call at 6 with BNY to confirm.

\* Network Management  
\* Lehman Brothers  
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\* +44 207 102 3088  
\* sarajane.mahoney@lehman.com

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

From: Birney, Janet  
Sent: 10 September 2008 17:17  
To: Mahoney, sara  
Subject: RE: Account Bank Agreement

Sara-

Appreciate your sharing. I very much agree with Grahams points. Who on your side is co-ordianting with legal?

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

From: Mahoney, sara  
Sent: Wednesday, September 10, 2008 10:55 AM  
To: Birney, Janet  
Subject: FW: Account Bank Agreement

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

From: Kettle, Graham  
Sent: 10 September 2008 15:17  
To: Cornejo, Emil; Rees, Huw; Igoe, Joseph; Fielding, Stirling; Goldband, Craig  
Cc: Mahoncy, sara  
Subject: RE: Account Bank Agreement

Huw

I have reviewed and clarified with David Bell at BONY some finer details on the operation of this

He confirmed that the collateral account is in fact the funds we will be paying into BONY money funds - this account will be linked to all the entities that BONY provide IPA services for us.

The only occasion that funds will be moved out of the money account is when after investigation and discussions with us we were not going to pay. i.e default.

As far as the agreement documentation my points are as follows

- Eligible investments - We are intending to invest in their on-shore funds - doc say's off-shore
- Required Collateral - Whilst BONY state USD 500mm or other such as determined by BONY - they intend that the USD 500mm is the core amount required and that. I think we need to add some flexibility that Lehman have the ability to withdraw funds if the requirement reduces after discussion with BONY.
- 5.2 Fixed Charge - Does this have any implication for us ?

Whilst the determination date for calculating the intraday exposure is S-2 and shortfall in the money fund is expected to be paid on S, however due to changes and the fact we trade ECP on a sameday basis actual final figure in USD terms will have to be calculated on S so we can arrange with NY treasury to increase investment using the BONY portal.

Other point to note at this present time our requirement is actually less than the USD 500mm due to ECP roll-off.

Regards

Graham

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

From: Cornejo, Emil  
Sent: Tuesday, September 09, 2008 4:58 PM  
To: Rees, Huw; Igoe, Joseph; Kettle, Graham  
Subject: FW: Account Bank Agreement

Huw, Joe,

This is an English law document, so you should pass it by your legal. Andrew Yeung in the US has already reviewed. Thanks

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

From: gerry.barber@bnymellon.com [<mailto:gerry.barber@bnymellon.com>]  
Sent: Tuesday, September 09, 2008 10:20 AM  
To: Igoe, Joseph  
Cc: Goldband, Craig; Cornejo, Emil; Kettle, Graham; Rees, Huw; natalie.wallder@bnymellon.com; Engel, Steven J; david.s.bell@bnymellon.com

Subject: Account Bank Agreement

Joe/Graham,

Thank you for your time yesterday. As promised please find attached the Account Bank Agreement. I am happy to discuss with your legal when required. This agreement is established with the Bank of New York Mellon London Branch under English Law. The rationale is that the exposure is with the same bank and thus it is simpler to keep this all in one legal entity.

(See attached file: #7438188v1\_Legal\_ - Account Bank Agreement - Lehman.DOC)

Could you please confirm the share class of the Dreyfus funds that you wish to invest into. I have also looked at how the investment is best executed and the simplest and most efficient way is to sell the holdings to be moved with the cash proceeds to deposited in the cash account established under this agreement. We will then based on your instruction reinvest that cash in the appropriate funds as instructed.

Regards

Gerry Barber, Vice President \* The Bank of New York Mellon

(International) Limited

Global Corporate Trust - Investment Management Group (IMG) \* Tel

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[gerry.barber@bnymellon.com](mailto:gerry.barber@bnymellon.com)

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