

From: Feldkamp, Geoffrey F [feldkamp@lehman.com]
Sent: Tuesday, June 10, 2008 11:44 AM (GMT)
To: Hash, Steven R [shash@lehman.com]; Erickson, David [derickso@lehman.com]; Kerstein, Daniel [daniel.kerstein@lehman.com]
Subject: Re: Carve/spin of leh cml "reit"

Consistent with the discussion we had earlier on the topic. Haven't all recent capital raises in mort reit sector come for pleadgable agency collateral?

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

From: Hash, Steven R
To: Erickson, David; Kerstein, Daniel
Cc: Feldkamp, Geoffrey F
Sent: Tue Jun 10 19:11:59 2008
Subject: RE: Carve/spin of leh cml "reit"

The problem is financing and the assets that greg owns. If there is really no independent financing for these assets in the market today. No financing means no actual business plan. And just dumping problem assets to shareholders is a bad idea, in my humble opinion. Also, most of the assets are floaters which means in this environment, you get negative fin leverage and can not hit reasonable ROE targets.

Did I miss anything? I'm certainly open to discussion

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

From: Erickson, David
Sent: Tuesday, June 10, 2008 6:59 AM
To: Hash, Steven R; Kerstein, Daniel
Cc: Feldkamp, Geoffrey F
Subject: Carve/spin of leh cml "reit"

Was there a "show stopper" when we looked at it before? If so, what was it? If not, think we should update the analysis or think creatively about other possibilities.
