

**From:** Nagioff, Roger <rnagioff@lehman.com>  
**Sent:** Friday, June 29, 2007 12:23 PM (GMT)  
**To:** Goldfarb, David <dgoldfar@lehman.com>  
**Subject:** Re: Dollar general

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This is a far superior trade...lowish leverage lots of flex...this is what we should be doing not the horseshit we saw the other day

----- Original Message -----  
From: Goldfarb, David  
To: Nagioff, Roger  
Sent: Fri Jun 29 12:55:49 2007  
Subject: Re: Dollar general

You OK with Cerberus trade?

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Sent from my Comstar Wireless Handheld (www.comstarinteractive.com)

----- Original Message -----  
From: Nagioff, Roger  
To: Goldfarb, David  
Sent: Thu Jun 28 21:14:41 2007  
Subject: Re: Dollar general

Going to the one and only at Christman

----- Original Message -----  
From: Goldfarb, David  
To: Nagioff, Roger  
Sent: Fri Jun 29 02:00:40 2007  
Subject: Re: Dollar general

Las Ventanas, phenominal place-even for your taste!!!

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Sent from my Comstar Wireless Handheld (www.comstarinteractive.com)

----- Original Message -----  
From: Nagioff, Roger  
To: Goldfarb, David  
Sent: Thu Jun 28 20:52:44 2007  
Subject: Re: Dollar general

Home Depot and CDW are a worry as well .....enjoy Cabos...where you staying

----- Original Message -----  
From: Goldfarb, David  
To: Nagioff, Roger  
Sent: Fri Jun 29 01:49:06 2007

Subject: Re: Dollar general

Most concerned about Dollar General, but to your point, time will tell and hopefully silliness will not turn to painfulness!!!

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Sent from my Comstar Wireless Handheld (www.comstarinteractive.com)

----- Original Message -----  
From: Nagioff, Roger  
To: Goldfarb, David  
Sent: Thu Jun 28 20:44:58 2007  
Subject: Re: Dollar general

There are 5 deals that have covt. Lite and three with bridge equity and several with Pik toggles...0\_300 down is my guess

----- Original Message -----  
From: Goldfarb, David  
To: Nagioff, Roger  
Sent: Fri Jun 29 01:37:13 2007  
Subject: Re: Dollar general

I think we will be fine, its only the last phase of insanity which will bite and we are only in 1 of those. Other will loosen but I think hang together. You are already making a big difference my friend!

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Sent from my Comstar Wireless Handheld (www.comstarinteractive.com)

----- Original Message -----  
From: Nagioff, Roger  
To: Goldfarb, David  
Sent: Thu Jun 28 19:26:59 2007  
Subject: Re: Dollar general

I now have the thing under control ....Skip Ros. Joe all there ...now about how.....if I had the job 6 months earlier we would not be where we are ...let's hope it is only scratches

----- Original Message -----  
From: Goldfarb, David  
To: Nagioff, Roger  
Sent: Thu Jun 28 23:59:23 2007  
Subject: Fw: Dollar general

As you predicted!

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Sent from my Comstar Wireless Handheld (www.comstarinteractive.com)

----- Original Message -----  
From: Antonicic, Madelyn  
To: Goldfarb, David  
Sent: Thu Jun 28 18:57:22 2007  
Subject: Fw: Dollar general

More to come.

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

From: Li, Joe  
To: Antoncic, Madelyn; Shotton, Paul; Goodman, Jeffrey  
Sent: Thu Jun 28 18:50:32 2007  
Subject: RE: Dollar general

This is not final, but I want to get this to you sooner. We will know more tomorrow.

Looks like the loss would be 5-6mm on loans, 8mm in senior bonds.

Potential marks on the hold PIK toggle could be as low as 70s - 80s (?)

Net net we could be break-even given 30mm or so M&A fee

We will have the PIK toggle (15% of 725mm) on the book. Senior bond could be traded in the secondary market, and some might come back to our flow desk, giving more price transparency.

Further mark-down could be possible if market continues to be soft

Thanks  
Joe

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From: Li, Joe  
Sent: Thursday, June 28, 2007 5:55 PM  
To: Antoncic, Madelyn; Shotton, Paul; Goodman, Jeffrey  
Subject: Dollar general

Senior bonds are placed.

Sub PIK toggle is not placed but funded. Underwriters hold their shares. We hold 15% of \$725mm.

Thanks  
Joe