

From: O'Meara, Chris M (NY) [comeara@lehman.com]
Sent: Thursday, July 17, 2008 2:08 AM (GMT)
To: Goldfarb, David [dgoldfar@lehman.com]
Subject: Re: A View on Equity Sufficiency

D - Need to get third party funding for LEH shareholders to feel comfortable. Otherwise, for those who feel RE is a long term disaster, they will be concerned about LEH staying on risk beyond 9B. What have we really done to make them comfortable? C

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

From: Goldfarb, David
To: O'Meara, Chris M (NY)
Sent: Wed Jul 16 22:04:40 2008
Subject: Fw: A View on Equity Sufficiency

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

From: Goldfarb, David
To: Azerad, Robert
Cc: Tonucci, Paolo
Sent: Wed Jul 16 21:39:45 2008
Subject: Re: A View on Equity Sufficiency

Let's look into that any other alternatives to figure a way to make this work. SpinCo could be key strategic opportunity for Bros.

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

From: Azerad, Robert
To: Goldfarb, David; Reilly, Gerard
Cc: Tonucci, Paolo
Sent: Wed Jul 16 16:14:51 2008
Subject: RE: A View on Equity Sufficiency

I just found out that the OTS does not allow look through any more. As a result, the maximum that LBB could lend to the new entity would be \$250 million. There might be a way to go around this by moving the loan(s) from LBB to LBCB first.

Robert

From: Goldfarb, David
Sent: Wednesday, July 16, 2008 4:08 PM
To: Azerad, Robert; Reilly, Gerard
Cc: Tonucci, Paolo
Subject: RE: A View on Equity Sufficiency

Good answer

From: Azerad, Robert
Sent: Wednesday, July 16, 2008 3:50 PM
To: Goldfarb, David; Reilly, Gerard
Cc: Tonucci, Paolo
Subject: RE: A View on Equity Sufficiency

Dave

LBCB and LBB could continue funding the loans which are currently on their balance sheets as long as the funding is done

through a warehouse-type facility - i.e., the banks would have recourse to the spinoff and to the specific loans. Bankhaus should be able to do it as well.

Robert

From: Goldfarb, David
Sent: Wednesday, July 16, 2008 3:33 PM
To: Reilly, Gerard; Azerad, Robert
Subject: FW: A View on Equity Sufficiency

From: O'Meara, Chris M (NY)
Sent: Wednesday, July 16, 2008 2:54 PM
To: Goldfarb, David
Subject: A View on Equity Sufficiency

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