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Sent: Friday, August 15, 2008 12:03 AM (GMT)
To: Tonucci, Paolo <paolo.tonucci@lehman.com>; Azerad, Robert <RAzerad@lehman.com>
Cc: Fleming, Dan (TSY) <dfleming@lehman.com>
Subject: Update

Paolo - just a quick update on a few issues:

- Mark Doctoroff called from Singapore to apologize for the issues raised when Chase requested the continuing lien acknowledging he was well aware it was only intended to be an intraday lien. He stated if he weren't in Singapore it probably would not have happened.

- Chase still has not provided any documentation for the intraday lien. I mentioned to Mark that I would have expected this would be a simple agreement. He indicated it was a simple letter agreement but mentioned it would reference three various agreements including a guaranty. I mentioned that it sounds more involved than a simple letter agreement and they should at least provide a draft to make sure we are in conceptual agreement. He stated the plan was to get the documentation to us by Friday or Monday.

- Intraday margin - we went to 100% intraday margin charge against our NFE today without any issue. Total intraday margin is ~\$5bn.

- LBI liquidity is down ~\$250MM for the day. This is largely the result of returning funds sent in error yesterday and reversal of some DTC liquidity we picked up yesterday.

Craig