

From: Felder, Eric [efelder@lehman.com]
Sent: Thursday, August 28, 2008 3:10 PM (GMT)
To: Gelband, Michael [mgelband@lehman.com]; Morton, Andrew J [amorton@lehman.com]
Subject: Fw: Vz

Will keep you posted on this as it develops over the next day. We are not inclined to participate given the deal dynamics and economics but expect push back from banking

----- Original Message -----
From: O'Connor, Claire
To: Winchenbaugh, Chris; Wieseneck, Larry; Valenti, Joe
Cc: Felder, Eric; Merli, James
Sent: Thu Aug 28 11:00:55 2008
Subject: RE: Vz

From the financing perspective, we would very much like to be in the deal and the flow of this business, but the economics, and the role we would have as one of 10-12 institutions, are not compelling given the size of our required capital commitment and anticipated funding size.

Jack just called - he's willing to go back to the client to: a) determine from their perspective what the ramifications are for not participating at all, and b) trying to commit to the bridge only and not to the term loan. Before he does that however, he wants to have a follow up conversation with the group on our appetite to commit to the bridge at \$1-1.4 bn.

I will send a separate dial-in for a call at 12:15 pm today to discuss.

-----Original Message-----
From: Winchenbaugh, Chris
Sent: Thursday, August 28, 2008 10:36 AM
To: Wieseneck, Larry; Valenti, Joe; O'Connor, Claire
Subject: Re: Vz

Claire, joe, jimmy, eric and I just talked...I am boarding a plane now so perhaps joe or claire can send a summary of our call...if not, I can call when I land at noon

Chris Winchenbaugh
Lehman Brothers
(212) 526-0041
(917) 626-6245

----- Original Message -----
From: Wieseneck, Larry
To: Valenti, Joe; Winchenbaugh, Chris; O'Connor, Claire
Sent: Thu Aug 28 10:32:02 2008
Subject: FW: Vz

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

From: Callaway, Jack
Sent: Thursday, August 28, 2008 9:33 AM
To: Wieseneck, Larry
Subject: FW: Vz

Larry,

Fyi,

I sent this to Ros and thought you would appreciate it as well.

Jack

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

From: Callaway, Jack
Sent: Thursday, August 28, 2008 8:05 AM
To: Stephenson, Ros
Subject: Re: Vz

I believe it would very negatively impact our ability to win large \$5 bill + type mandates such as:

- 1) the \$10 bill access line sale we have been positioning ourselves for next year,
- 2) an acquisition of telus or bce (30 -40 bill)
- 3) Bloomberg (30 bill)
- 4) Bt (50 bill)

The finance team and doreen will have a say in all of those large deals and not being a part of their alltel financing will leave a lasting impression which would be too bad since we have been successful in meaningfully improving our relationship with doreen over the last year. I would add that with bear stearns gone (vz's best historical relationship), we have a real shot at these large mandates.

On smaller deals like an acquisition of a 500 mill - 2 bill emerging cos like a savvis, we could probably market through it as the vz m and a group (diercksen and others) who like us a lot, would call the shots on those mandates and the finance group wouldn't weigh in as much.

I would add that diercksen as been an active supporter of ours and has been pushing to help get us into this financing, so he will wonder why he had him push if we now back out.

Jack
Jack Callaway
Managing Director
Lehman Brothers
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jack.callaway@lehman.com

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

From: Stephenson, Ros

To: Callaway, Jack
Sent: Thu Aug 28 07:11:38 2008
Subject: Re: Vz

If we were not to do this what would impact be on the m+a relationship?

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

From: Callaway, Jack
To: Wieseneck, Larry; Stephenson, Ros
Sent: Wed Aug 27 20:40:53 2008
Subject: Re: Vz

Got it.

Jack Callaway
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----- Original Message -----

From: Wieseneck, Larry
To: Callaway, Jack; Stephenson, Ros
Sent: Wed Aug 27 20:33:51 2008
Subject: RE: Vz

No

I agreed with Valenti that he would speak first with Felder, along with Winch, to see what the value of participating in these financings are to FID and gauge the Credit Business' appetite.

If Credit trading does not see value above and beyond the economics it may prove difficult to participate since we would need to do both the term and the bridge and the overall economics for the capital we would be committing is not particularly enticing.

I do think that the credit business very likely will see value to participating in all the takeout financing and that will be helpful in getting to a yes decision.

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

From: Callaway, Jack
Sent: Wednesday, August 27, 2008 8:30 PM
To: Wieseneck, Larry; Stephenson, Ros
Subject: Vz

Larry,

Did you ever speak to gelband? Any thoughts?

Jack
Jack Callaway

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