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Sent: 9/1/2008 2:52 PM.

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Subject: Fw: Dow Jones: Korea Regulator Says KDB Hasn't Submitted a Plan on a Possible Stake in an Investment Bank.

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

From: Wise, Monique

To: Judd, Angela E; Lauckhardt, Shelby; McDade, Bart; McGee III, Hugh E

Cc: Freidheim, Scott J

Sent: Mon Sep 01 14:50:08 2008

Subject: Dow Jones: Korea Regulator Says KDB Hasn't Submitted a Plan on a Possible Stake in an Investment Bank

FSC Official: KDB Hasn't Submitted Global Bank Invest Plan

DOW JONES NEWSWIRES

August 31, 2008 9:39 p.m. SEOUL (Dow Jones)--

South Korea's Financial Services Commission Vice Chairman Rhee Changyong said Monday that state-run Korea Development Bank hasn't submitted a plan to the regulatory body on a possible stake investment in a global bank.

"We are aware that KDB is reviewing a plan to invest in a global investment bank, but nothing has been decided," Rhee told Dow Jones Newswires.

He said that KDB was considering a possible investment in Lehman Brothers as well as other global banks. "If there is a decision made by KDB, it will have to seek regulatory approval on any large investment. But the government can't grant approval in just a day or two," said Rhee.

The Daily Telegraph reported, without citing sources, that Lehman is close to raising as much as \$6 billion from Korea Development Bank in exchange for a stake in the Wall Street firm.

Lehman hopes to conclude the talks with KDB this week, but it is working on alternative plans with Chinese brokerage firm Citic Securities or Middle Eastern sovereign wealth funds from Abu Dhabi and Qatar, the newspaper said Sunday on its Web site. The investment bank also plans to offload billions of dollars of real-estate loans by spinning them off in a separate unit to shareholders and outside investors, it said.

-By Jin-Young Yook, Dow Jones Newswires; 822-2198-2230; jin-young.yook@dowjones.com