

From: McGee III, Hugh E [hmcgee@lehman.com].

Sent: 8/13/2008 11:25 AM.

To: Weiss, Jeffrey L [jweiss@lehman.com]; Shafir, Mark G [mark.shafir@lehman.com]; Wieseneck, Larry [lwiesene@lehman.com].

Cc:

Bcc:

Subject: Fw: Project Green Acres Rating Agency Presentation.

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

From: Lax, Stephen

To: Tonucci, Paolo; Goldfarb, David; Lowitt, Ian T; McGee III, Hugh E; Wieseneck, Larry; Whitman, Brad; Kerstein, Daniel; Beeson, Lisa E; Lyons, Timothy G; Mosher, Christopher; Wiegenfeld, Yoav; Trock, Jason; Langer, Michael J; Surbaugh, Kelsey E

Cc: Thatcher, Kevin; Financial Planning and Analysis New York

Sent: Tue Aug 12 20:14:34 2008

Subject: RE: Project Green Acres Rating Agency Presentation

Attached is the expected presentation for Moody's, which is tomorrow at 9am.

Thanks <<Project Green Acres_Moody's_v1.pdf>>

<<Project Green Acres_Moody's_v1.pdf>>

From: Tonucci, Paolo

Sent: Tuesday, August 12, 2008 7:42 PM

To: Lax, Stephen; Goldfarb, David; Lowitt, Ian T; McGee III, Hugh E; Wieseneck, Larry; Whitman, Brad; Kerstein, Daniel; Beeson, Lisa E; Lyons, Timothy G; Mosher, Christopher; Wiegenfeld, Yoav; Trock, Jason; Langer, Michael J; Surbaugh, Kelsey E

Cc: Thatcher, Kevin; Financial Planning and Analysis New York

Subject: RE: Project Green Acres Rating Agency Presentation

The meeting with Fitch went reasonably well. They were somewhat sceptical of the value of this to equity holders, but thought that it was positive to creditors, and certainly in combination with the other reductions expected in less liquid assets. The questions were focused on:

- payoff of the senior debt and variables affecting that (cost of senior financing, and assumptions on refinancing to generate return of principal)
- selling the senior debt - ability to do so seemed important in their assessment of what had been accomplished
- capital requirement and how that compared to our current capital allocation. In other words did SpinCos capitalisation create an equity hole for Lehman
- speed at which we would return to a more acceptable capital structure. They acknowledged that our preferred and hybrids were high equity content but wanted to see a return to a more normal ratio in a couple of quarters - they are, however, willing to show some leniency around the capital structure in the short term

They will come back to us in a couple of days with further comments - so far no showstoppers raised.

Paolo

From: Lax, Stephen

Sent: 12 August 2008 16:36

To: Goldfarb, David; Lowitt, Ian T; Tonucci, Paolo; McGee III, Hugh E; Wieseneck, Larry; Whitman, Brad; Kerstein, Daniel; Beeson, Lisa E; Lyons, Timothy G; Mosher, Christopher; Wiegenfeld, Yoav; Trock, Jason; Langer, Michael J; Surbaugh, Kelsey E

Cc: Thatcher, Kevin; Financial Planning and Analysis New York

Subject: Project Green Acres Rating Agency Presentation

Attached is a PDF file for today's 5pm discussion with Fitch Ratings.

Thanks
Steve

<< File: Project Green Acres_Final.pdf >>

From: Thatcher, Kevin

Sent: Tuesday, August 12, 2008 2:53 PM

To: Goldfarb, David; Lowitt, Ian T; Tonucci, Paolo; McGee III, Hugh E; Wieseneck, Larry; Whitman, Brad; Kerstein, Daniel; Beeson, Lisa E; Lyons, Timothy G; Mosher, Christopher; Wiegenfeld, Yoav; Trock, Jason; Langer, Michael J; Surbaugh, Kelsey E

Subject: Project Green Acres Rating Agency Presentation

Attached find the latest version of the Rating Agency document for Project Green Acres.

Please provide any feedback ASAP.

Regards,

Kevin

<< File: Project Green Acres_v7.ppt >>