

From: McDade, Bart [bmcdade@lehman.com].

Sent:9/3/2008 4:21 PM.

To: Wise, Monique [monique.wise@lehman.com].

Cc: .

Bcc: .

Subject: Re: FOR YOUR REVIEW: KDB press response.

I would like to chat w u about it

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

From: Wise, Monique

To: McDade, Bart

Cc: Freidheim, Scott J; McGee III, Hugh E; Wieseneck, Larry

Sent: Wed Sep 03 16:04:26 2008

Subject: FOR YOUR REVIEW: KDB press response

After discussion with Skip McGee, Mark Shafir, Larry Wieseneck and Brad Whitman, we are proposing to say the following on background *only* (not for attribution to the Firm or a Lehman spokesperson) in the likely event reporters call about KDB talks ending:

There was never a bonified proposal, nothing that made sense for our shareholders.

We would not comment beyond that. The purpose is to manage the "Lehman was asking too high a price" angle.

However, we would underscore off the record that strategic partnerships take time, they are complicated. That is to begin to prep the market for no strategic partner by Q3 since it now seems to expect one.