

**To:** Wong, Kristie[Kristie.Wong@lehman.com]; Burke, William T[wburke@lehman.com]; Rivera, Joselito[joselito.rivera@lehman.com]; Financial Planning and Analysis New York[FinancialPlanningandAnalysisNY@lehman.com]; Shek, Ada[ada.shek@lehman.com]; Stucchio, Anthony[astucchio@lehman.com]; Abedeen, Aysha[aysha.abedeen@lehman.com]; Nazimowitz, Lawrence D[lawrence.nazimowitz@lehman.com]; Montella, Michael[michael.montella@lehman.com]  
**Cc:** Tanaka, Tracy C[tracy.tanaka@lehman.com]; Gambardella, Lisa[lisa.gambardella@lehman.com]; Shafer, Tamir[tamir.shafer@lehman.com]; Chu, Helen[helen.chu@lehman.com]  
**From:** Jacob, Anu  
**Sent:** Thur 8/28/2008 8:39:40 PM  
**Importance:** Low  
**Subject:** RE: Capital Infusion Request  
**Categories:** urn:content-classes:message

08.29.08 LBHI \$900mm Equity via LBI to LCPI.pdf  
08.29.08 LBHI \$200mm via LBI to LB 1 Group.pdf  
08.29.08 LBHI \$250mm Equity to ALI.pdf  
08.29.08 LBHI \$420mm Equity to PAMI.pdf

All,

Please see below the authorizations for the 4 equity capital injection requests (dated 8/29/08):

LCPI \$900mm  
<<08.29.08 LBHI \$900mm Equity via LBI to LCPI.pdf>>  
LB1 Group \$200mm  
<<08.29.08 LBHI \$200mm via LBI to LB 1 Group.pdf>>  
ALI \$250mm  
<<08.29.08 LBHI \$250mm Equity to ALI.pdf>>  
PAMI \$420mm  
<<08.29.08 LBHI \$420mm Equity to PAMI.pdf>>

Let me know if there are any questions.

Regards,  
Anu

Anu Jacob | LEHMAN BROTHERS | 1301 Avenue of the Americas, 6th Floor |  
New York, NY 10019 | Voice: 212-320-4964 | Fax: 646-758-3532 |  
anu.jacob@lehman.com

>  
> \_\_\_\_\_  
> From: Wong, Kristie  
> Sent: Thursday, August 28, 2008 9:18 AM  
> To: Burke, William T; Rivera, Joselito; Financial Planning and  
> Analysis New York; Shek, Ada; Stucchio, Anthony; Abedeen, Aysha;  
> Nazimowitz, Lawrence D; Montella, Michael  
> Cc: Thatcher, Kevin  
> Subject: FW: Capital Infusion Request  
>  
> We have Paolo's approval. Please coordinate the wire transfers/journal  
> entries so that this can be done today.  
>  
> Thanks,

> Kristie

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> From: Tonucci, Paolo  
> Sent: Thursday, August 28, 2008 9:14 AM  
> To: Wong, Kristie  
> Cc: Thatcher, Kevin  
> Subject: RE: Capital Infusion Request

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> No need. I am good with this.

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> From: Wong, Kristie  
> Sent: 28 August 2008 09:11  
> To: Tonucci, Paolo  
> Cc: Thatcher, Kevin  
> Subject: FW: Capital Infusion Request

>

> Paolo,

>

> Would you like me to set up a meeting to discuss further? Please  
> advise.

>

> Thanks,

> Kristie

>

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> From: Azerad, Robert  
> Sent: Wednesday, August 27, 2008 7:12 PM  
> To: Tonucci, Paolo; Wong, Kristie  
> Cc: Stucchio, Anthony; Nazimowitz, Lawrence D; Thatcher, Kevin;  
> Financial Planning and Analysis New York; Kelly, Martin; Kanamori,  
> Yasumichi  
> Subject: RE: Capital Infusion Request

>

> It should be neutral from a liquidity standpoint.

>

> Robert

>

>

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> From: Tonucci, Paolo  
> Sent: Wednesday, August 27, 2008 7:11 PM  
> To: Wong, Kristie  
> Cc: Stucchio, Anthony; Nazimowitz, Lawrence D; Thatcher, Kevin;  
> Financial Planning and Analysis New York; Kelly, Martin; Azerad,  
> Robert  
> Subject: RE: Capital Infusion Request

>

> I understand the need for this. We certainly need to address these.

>

> I believe the liquidity consequences of this would be neutral but  
> Robert will confirm. Before concluding we should ensure that this is  
> not going to cause a liquidity reporting issue.

>

> Paolo

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> \_\_\_\_\_  
> From: Wong, Kristie  
> Sent: 27 August 2008 19:03  
> To: Tonucci, Paolo  
> Cc: Stucchio, Anthony; Nazimowitz, Lawrence D; Thatcher, Kevin;  
> Financial Planning and Analysis New York; Kelly, Martin  
> Subject: Capital Infusion Request  
>  
> Paolo,  
>  
> There are four Lehman entities which are capital deficient and need an  
> infusion before this Friday, our August qtr end.  
>  
> Similar to the last capital infusion request, two of them (LCPI and  
> LB1Group) are subsidiaries of LBI, regulated by FINRA/SEC:  
>  
> LCPI - commercial loan, bridge funding, and securitization  
> businesses. Losses primarily driven by write-downs in mortgage  
> residual positions. Other drivers include write-down in Hawaiian  
> Telecom and possible write-down for FRL. Portions of SunCal are also  
> held in this entity. We are requesting a capital infusion of \$900mm  
>  
> LB 1 Group - Private equity investments and GTS business. The primary  
> driver is a \$75mm loss on LB Offshore. We are requesting a capital  
> infusion of \$200mm  
>  
> As indicated in the prior capital infusion request e-mail, FINRA  
> expressed grave concern over LBI's funding of the negative equity in  
> subsidiaries with it's own capital. These entities are not guaranteed  
> subsidiaries and deficits must be funded by Holdings. Given that we  
> are targeted to move LBSF and LCPI out of the LBI chain in September,  
> we should not have capital infusion requests for either LBSF or LCPI  
> going forward.  
>  
> The other two entities (ALI and PAMI) are subs of Holdings and are not  
> regulated. The bulk of the global real estate business is conducted  
> through these two entities. Although unregulated, the unaudited  
> financials of these entities are produced on a monthly basis and  
> provided to our lenders to satisfy debt covenant requirements. The  
> main drivers of losses in these entities are SunCal and Archstone. We  
> are requesting a capital infusion of \$250 for ALI and \$420 for PAMI.  
>  
> Please let me know if you have any questions so that you may approve  
> these necessary capital infusions as soon as possible.  
>  
> Thanks,  
> Kristie  
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>  
> Kristie Wong  
> Lehman Brothers  
> Ph: 212-320-7968  
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