

From: Marano, Tom - Fixed Income
Sent: Tuesday, February 12, 2008 8:57 PM
To: Schwartz, Alan (Exchange); Metrick, Richie (Exchange)
Subject: Cerberus

We need to be careful. Everybody is communicating back to Cerberus we will not fund them on anything at a rate better than L+300. This is based on our 5 year offering. While I think we should push for higher rates I think we need to be careful because it's not clear this is really the right cost of funds and we could be transmitting an indication of how distressed we are as a firm which could spill in to market and make our problems turn in to a death spiral.

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

From: Offen, Michael (Exchange)
Sent: Tuesday, February 12, 2008 5:48 PM
To: Marano, Tom - Fixed Income; Khedouri, Frederick (Exchange)
Subject: FW: Chrysler

Fyi we are being consistent with other parts of the firm on good collateral -----Original Message-----

From: Offen, Michael (Exchange)
Sent: Tuesday, February 12, 2008 5:47 PM
To: Lipman, Steve (Exchange); Barnish, Keith (Exchange); Savarie, Andrew (Exchange); Lefkowitz, David (Exchange); Marsh, Patrick S. - Strategic Finance (Exchange)

Subject: RE: Chrysler

I am telling them on rescap renewal 300-350 plus 1 pt up front

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

From: Lipman, Steve (Exchange)
Sent: Tuesday, February 12, 2008 8:35 AM
To: Barnish, Keith (Exchange); Savarie, Andrew (Exchange); Lefkowitz, David (Exchange); Marsh, Patrick S. - Strategic Finance (Exchange); Offen, Michael (Exchange)

Subject: Fw: Chrysler

FYI. Message delivered

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

From: Lipman, Steve (Exchange)
To: 'Robert Warden' <rwarden@cerberuscapital.com>
CC: Ruisanchez, Carlos (Exchange)
Sent: Mon Feb 11 08:08:46 2008
Subject: RE:

It is not really urgent. I actually spoke to Lenard on another situation and brought up what I was calling you about.
Chrysler Finco -

As you may know, the loan as structured today is pretty painful for us. It came as part of a bigger transaction that, taken as whole pre-credit market crunch, was good. Post crunch, to be frank, we are getting killed on the loan as (i) spreads have widened on our funding side and the mark on what we hold (ii) we have no conduit (iii) overall lack of excitement for whole loans. Our preference would be to get this off our books (or said differently, not renew). I tried to figure out where we would need to be so we are no longer losing money on this (that is different than making money) and the answer is in the L+300 range. I know you are speaking with the conduit banks this week and I am happy to hear what you guys come back with, but wanted to let you know that this is not viewed as an efficient use of capital here. Happy to discuss further.

From: Robert Warden [<mailto:rwarden@cerberuscapital.com>]
Sent: Saturday, February 09, 2008 8:31 AM
To: Lipman, Steve (Exchange)
Subject:

Steve, sorry we missed yesterday. I'm free any time after 2pm today and all day tomorrow any time at 917 656 8451

This e-mail message and any attachment to this e-mail message contains confidential information that may be legally privileged and/or deemed to be material non-public information. The recipient may not reproduce, copy or forward (whether electronically or otherwise) any of the information or materials contained herein to any other person, except to the receiver's professional advisors. If you are not the intended recipient, you must not review, retransmit, convert to hard copy, copy, use or disseminate this e-mail or any attachments to it. If you have received this e-mail in error, please immediately notify us by return e-mail and delete this message. E-mail transmissions cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this message which arise as a result of e-mail transmission. If this e-mail contains a forwarded message or is a reply to a prior message, the sender may not have produced some or all of the contents of this message or any attachments. If verification is required, please request a hard-copy version. This message is provided for informational purposes and should not be construed as a solicitation or offer to buy or sell any securities or related financial instruments.