

9/15 - Monday

Sam	Sean	Rose
u \$1B fair value	mrb	Santa
Oldest cp rolls off mid-late Oct	Billm	Kate
\$250m March 09	BillV	Bruce
	Ron	Frank

- Choice whether dispose of security or hold it since not in best interest of fund
- Rose - this is a decision of the entire board under 2a-7 cannot delegate

SEC notification

since more than 1/2 of 10% of fund's assets need to notify SEC (phone Sam) tell them face amount due to insolvency event.

Primary is 1.80%

@ action we are going to take

positions  
Len. balance sheet

660m secured debt  
42b in cash + marketable Sec.  
35.3b in short term debt

If we fair value disclose in NQ + audited financials

entire Board needs to approve fair value + whether to keep or dispose

Manag. make recommendation of fair value Board approve



10 AM 9/15

Patrick - marketplace all over the place  
no actual trades yet, bids all  
over 45-85

money ep + mid term not - senior unsecured  
debt rec: to fair value

Stuart - Board has obligation to come up  
w/ a price don't think you can disregard  
bids you are receiving

Roi - our job is to weigh rec. of manag.

S.S - ultimate respon of Board to  
determine value under the circumstance

MAN - be more conservative, can't think this  
is worth par.

1/2 of 1% - event of insolvency

Mr Best - rec 80 ultraconservative

not  
public  
notify  
other persons  
fax, email

Sean factor in what you would pay - as  
market participants

Mont to Mr. B you would buy @ par

indications 40, 90

we would buy @ 80

we want sell @ 80 + not buy @ par

Board concluded we don't have to disprop

Letter for Int'l Lig, Y.P. Pinner  
Terms, disclosure Fund w/pe. Bnon

SEC website

no action letter

② credit support

② buy securities out

③ line of credit to support position

Monday @ 11am fear value strike

9/15  
1:00

Shirley Bill M  
mrb Kate BZ  
Ed me Bill V  
Jocelyn Stuart

Do whatever we need to do to  
Support Primary YP

Credit backstop from adviser

750 m Primary  
300 m YP  
motion passed

call Bob Plaze Associate Dir of Division

Reserve experience heavy reds to  
maintain back enter ~~credit~~ credit  
Support agreement

Draft w/ request for no action letter

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9/16 8:00 AM

Joel, Rose, Kate, Mr B, Bruce, Bob,  
Doug, Buddy, Bohance

7 days to pay, ? freeze red

Moody + S&P may drop ratings  
extreme veds

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Rose - could set threshold over X\$  
that we hold money for 7 days

if pricing @ under \$1 all new  
money in @ that price so  
suspend prebids

cancel all purchases received today

? Leh. @ 50  
manag. fees go into PZ

9/1/0 10am

Bruce Arthur Ron Ed  
Mr B Santa Ed Joel  
Bill Mont Frank Shark  
Semmie Scarlett me Pat F  
Patrick L

Mr. B

Spoke to SEC about freezing red suggested  
going w/ 7 day red

seeking a partner or buyer to protect \$1  
suggest Len 50¢

Mont - confirm SEC notified of 1/2 of 1%  
Board decided not to sell  
so red accelerated + Len becoming  
a bigger %?

Joel - we have a right to pay out in  
7 days

Mont - so pricing is the issue not the reds  
looking for someone to take the  
fund + maintain \$1

Ron

what changed your opinion of Len  
could raise cash, illiquid,  
stunt - need rational, more prudent  
thing to do prices all over, no trans 40-60  
does SEC know we will break the dollar?

Ron why not zero?

Mr B we haven't heard zero, Barclays etc

Ron discussion of notes we hold + which  
entity bankrupt  
trying to justify 30%?

Board needs to approve  
resolution ① 7 day delay (just Primary now) ✓

② Board valuation @ 50

resolution ② Suspend sales

③ red in kind (establish  
franchise) ✓

any red over \$100m may  
red in kind & no cash

④ honor checks + debit cards as  
usual up to \$10,000 ✓

if approved for all funds then need  
to disclose so just do Primary  
then maybe Mr. B & one other trustee  
can approve others as needed

9/16 @ 12

Mr B Arthur Mark Joel Frank Kate  
Bruce Sean Bill Rose Patt me  
Pat L Scarlett

SEC call - no development  
ICI possibility of buying Leh -  
having conversations - didn't sound good

ment - price - sell the Leh paper as much as  
they can anything left zero value  
+ disclose on website / <sup>no exposure</sup> or written paper ~~do~~  
down to zero.

Pat L - what the payout will be 40-60

Joel - don't want to pay to law, b/c not paying  
enough, if you think there is some value up there

Sean - Liquidation basis accounting, not fair  
value under 40 Act

Stuart need to ensure we have the \$ to pay  
people for reds, so we don't want to  
undervalue or overvalue

Sean Interactive data heard by rumor  
second hand @ 40

Mark down to zero + ask Fed to back up  
(or bank facility) so don't break the buck

Board approved <sup>rec. go to fed to get \$</sup> ~~write down to zero~~ +  
based on board potential approval of Leh @ zero

Kate - suspension of sales, 7 days, if Fed  
comes back w/ no good news write down Leh to zero

From 20  
me



Oliver - discussion of going to Fed

↳ discard facility for <sup>dealer</sup> indiv

they would have to take new action for mutual funds.

B2 called head of NY Fed but he hasn't returned calls.

Timothy Gietner → called <sup>message</sup> passed on that we would break the back - well call back if he needs to

Joel @ 2<sup>00</sup> tell the Board we are going to drop Len @ price the rec.

Issue 7 day red notification language full 7 day red on primary purchases are suspended and announce new NAV.

Rose @ Board meeting need to make decision of value of A/B

9/16

2:45pm

Kate Mr B Joel  
Pat F Patrice Stuart  
me Bill V Arthur

Call from SEC asked what is happening.  
write Leh down to zero + break the  
back @ 2:50pm although not covered in Stone

Pat F price of zero of Lehman + factoring in current  
#974 reds.

↳ suggestion calculate one day NAV  
for all funds (get rid of multi NAV)

motion  
@ end  
of  
meeting  
Sam NAV  
pricing  
Primary  
Fund  
only.

Mr B

TDI - priced AIG paper @ 100%  
13B repo (whole loan) AIG - primary  
total 2.1 (CP, interm notes)  
Mont - AIG downgraded

Mr  
Stuart

Federal Reserve - pred call 2:05  
Steven Friedman, Patrick Oryer  
explained scenario, heavy redemptions, zero for Leh.  
↳ would not be optimistic about them getting  
back to us @ 3, but will escalate.  
Mr. B emphasized the size of the market  
(212) 720-1936 - Fed Res.

2:50  
2:50

Mont - we still haven't changed the NAV \$1

Pat Stuart - exploring every effort to support the  
fund, and the Fed may get back to us  
w/ resolution,

Joel think it might be worth 80% of  
the chance that the Fed must step up.

Stray Pricing motion passed.

9/11/16  
3:45  
Joel Bruce Santa Mr B Rose  
Ed Kate Ron Stuart  
Mont Pat P Billy Mc

Joel - Fed called for more info but  
muddy, when we advised SEC ~~the~~ out  
word to ICI + then to industry  
- @ have to explain

✓ Have to have the Board to adjust Leh  
debt @ zero as of 4pm pricing.

9/11/16  
4:20

Sticker fund? NAV time, etc.

Discussion of AIG, and valuation.

Agree to accept purchase, press release.

Stuart/Joel don't feel they need press release  
for Yield Plus.

4pm Board meeting.