

Long 65
Reverse 10 / 75

58
10 / 68

Shorts 41
Repos 30

41 } 56
30 } 10

+ Long 1
+ other 1 / 78

1
1 / 68

+ Payables 1.0

Res mark -0.75

Long 2.0

By

COET

STATS

ASSETS

65 ~~58~~

7

LIABILITIES 58 share

7

Assume 2 Corp. Account

Totals by $\frac{1.25}{58\frac{1}{2}}$

(-4)

Sub Notes

NO CONSIDERATION

74 70.35 - 3.65 = 70.35

61.9

62.75 + 2.00 + 2.00 + 0.25

- 3.65

Building

Appraisal fee
1.0 less brokerage

RV

Proceeds

loss/gain

B-9 Inventory ~~65~~ 65

~~68~~ 58.75

(6.25)

Repair Reps 10

10

0

68.75

Shirts ~~56~~ 56

56

0

Reps 10

10

0

Camp payable 1.0

2.0

1

Payables 2.25

2.25

-

70.25

5.25

DR Cash

DR Camp pay 1

DR Payables 2.25

DR Shirts 56

CR Longs 65

DR loss on sale 5.75

RV

Sales

Price cost

10

8

2
2

804

8

6

754

\$3.65 →

What looked up
 How much do
 receive
Rep to Calc?

Grand

Andy

646 221 2447

Shree

Gary Ranam

Fan

15c3 look up Calc?

→ 4255 fail on both sides of fact
 > 485 breaks

What resolved, cannot take anything out of formula

Do not have comfort that did not use entire assets

Domestic - put out collateral collateral to generate funding

- Dan, Stockton

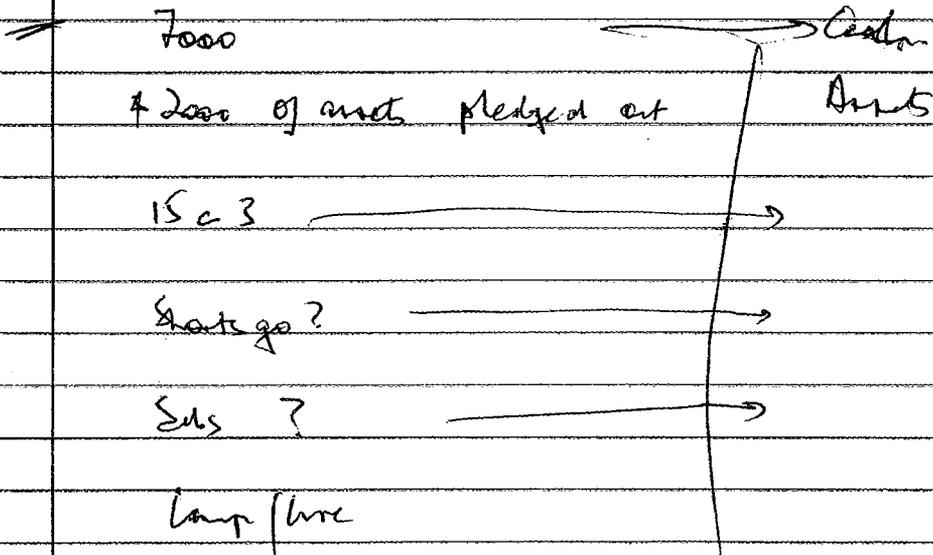
→ If Pasha report more of out than in reserve formula,

Wet

Carl 7000
 Inventory 44,846
 Dec 15c3 1000
 52846

Wells
 balance

42 b pledged to P
 0.8 Pledge B
 Fin right
 1.1 Open



Rec'd final list
 of assets

Phyllis has
 246 Dec → 540
 435 Canada → 82
 RBC
 last part
 200 Dec
 636 Box

200
 Short

Diane

Ken Vecchiene

CFO Apollo

↳ Es Citi was Diane

Reports to Leon Black

BALANCE SHEET OPEN ITEMS

Item

Status/timing

Listing of all inventory cross referenced to the box:

- Govt/agency
- CP and MM instruments
- Mortgages and ABS
- Corporate debt
- Corporate equities

Provisioned assets defⁿ

- ① Inventory and owned
- ② Owned by LBT and reversed and

Identification of encumbered collateral → Stephen

Break out of derivatives - longs and shorts

Reverse repo book - list of counterparties and collateral

Futures margin component of receivables

In Fed facility

On LBT as inventory + encumbered,

Listing of all shorts:

- Govt/agency
- Mortgages and ABS
- Corporate debt
- Corporate equities

P&L results since Monday indicating paired longs/ shorts versus outright trades

Gerry | Alex Kirk | James Walker.

*Client Ags, clearing House balances
do satisfy SEC*

Rick Rudolph

*Legal clarity on trade actually
doing*

Jonathan

*→ All collateral through facilities
to ensure that is the trade*

→ Contingencies in market

SEC / JPM - Give assurance

① Identify what is in relevant Ags

SEC insisting that customer balances be booked after

↳ Let set up NWCs - Barclays get stock of NWCs

100% of to BCap and then of back what BCap do not want.

Kelly, Martin

From: Beldner, Brett
Sent: Saturday, September 20, 2008 8:40 PM
To: Kelly, Martin
Cc: Azerad, Robert; Stewart, Marie
Subject: Balance Sheet

Attachments: Opening Balance Sheet vBB.xls

Here's where we are so far before it gets forwarded to the rest of the group. While Robert focused on the asset side, I added the liabilities and equities to the form.

As you can see, Robert has tracked down the detailed information. However, there are a few open items:

- 1) There is about \$2bn of assets included in the file that may be locked up (can't be transferred) for which we may need to substitute with different collateral - so asset classification may change..
- 2) Although everyone believes it to be the case, Robert did not receive legal confirmation that the shorts did not go.
- 3) We do not have any information as to which subsidiaries went (e.g., Eagle), so the balance sheet does not include any information about these.
- 4) I have not heard back from Kristie or Rose (Heather is out on vacation) on the three foreign subs that supposedly transferred.
- 5) The \$1bn 15-C-3 receivable is an estimate from Paolo.
- 6) The comp accrual and cure payments accrual are just estimates. (Comp for a year should probably not be the full accrual and cure payments should be actual).

Robert, feel free to add any other comments as you see fit.



Opening Balance
Sheet vBB.xls ...

Kelly, Martin

From: Azerad, Robert
Sent: Saturday, September 20, 2008 11:27 PM
To: Stucchio, Anthony; Tonucci, Paolo; Kelly, Martin; Blackwell, Alastair; Lowitt, Ian T
Cc: Crepeau, Alex F; McLaughlin, Kendall J; Burke, William T; Potenciano, Joel; Fleming, Dan (TSY); Aprigliano, Sindy
Subject: RE: Update 15c3-3

Attachments: Secured Funding Cusips_091808_Firm Summary.xls

As of Thursday night, the repo situation was relatively straightforward:

- 1) We had a \$42 billion repo trade with Barclays, which was funding Firm's collateral (since it is through this repo that we transferred our positions to Barclays)
- 2) We had three other repo trades with Street counterparties: BGI (\$0.5 bn); Dresdner (\$0.6 bn) - both funding equities; and Dwight AM (\$0.3 billion) - funding corporates. Per Sindy Aprigliano's file (attached), which only shows Firm's positions, these trades were funding only Firm's positions
- 3) Chase provided us with a box loan backed with \$5.1 bn of collateral - \$5.0 bn of which being the Firm's RACERS
- 4) Chase attempted to put a HIC trade with Barclays for ~\$15 bn but was not successful because Barclays did not agree to the trade - Dan has more color about this attempted trade

As a result, I am not sure where the \$2 bn of customer collateral funded through repos are.

Robert



Secured Funding
Cusips_091808_...

PS: What do the \$642 million of unallocated repos represent?

From: Stucchio, Anthony
Sent: Saturday, September 20, 2008 11:10 PM
To: Azerad, Robert; Tonucci, Paolo; Kelly, Martin; Blackwell, Alastair; Lowitt, Ian T
Cc: Crepeau, Alex F; McLaughlin, Kendall J; Burke, William T; Potenciano, Joel; Fleming, Dan (TSY)
Subject: Update 15c3-3

As I have mentioned previously, the number of stock record breaks are overwhelming. What is complicating the issue is that several Trustee accounts were set up for the LBIE liquidation in the firm's customer range, therefore polluting regular customer and firm activity causing potentially erroneous allocations. This is what we are seeing:

- \$2 billion of Customer payables (unallocated short positions with no offsetting debits). Normally these customer shorts, which are insignificant are included in the formula because it's difficult to prove we do not have a bonafide payable to the customer. There are over 1700 items on the stock record contributing to this problem.
- The stock record currently shows that we repoed out \$2 billion of customer collateral through repo. Dan is not sure if this is valid.
- \$642 million of unallocated repo, customer impact? Can't prove it at this point.
- \$150 million unallocated Fail to receives

We will have another status call at midnight.

Alex, Kendall, Joel, Dan -please feel free to add any additional color.

Tony