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Sent:6/4/2008 8:08 AM.

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Subject: FED THOUGHTS.

I still believe all of this negative press on liquidity can be averted if the Fed and SEC come together - as interestingly and unfortunately - it takes a crisis for people to react and revisit vs. being proactive and preventing it.

The SEC has recently stated publically that more disclosures on liquidity and capital will be needed going forward, obviously in response to BSC.

But...

The Fed will likely never disclose the borrowers of the TAF and PDCF as the policy of confidentiality has been a long standing principle at the discount window for a good reason: should the Fed disclose the borrowers, it would likely further damage confidence in the institutions that tapped the facilities.

But...

The Fed and the banks have said that there should be no stigma attached to borrowing.

However...

LEH now has to quell rumors and bad press.

While...

The Fed - which initiated new programs to help liquidity and calm market fears - sits back and stays mum??

So...

What have we accomplished and learned from the BSC situation?

Thanks  
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