



Brian Peters /NY/FRS
03/19/2008 10:01 AM

To Arthur Angulo/NY/FRS@NY, Sarah Dahlgren/NY/FRS@NY
cc
bcc
Subject Fw: Meeting with Lehman Treasurer

----- Forwarded by Brian Peters/NY/FRS on 03/19/2008 09:57 AM -----



Brian Peters /NY/FRS
03/19/2008 10:00 AM

To Steven J Manzari/NY/FRS
cc Chris McCurdy/NY/FRS@FRS, Michael Silva/NY/FRS@FRS, Patricia Mosser/NY/FRS@FRS, Sarah Dahlgren/NY/FRS@FRS, Terrence Checki/NY/FRS@FRS, William Dudley/NY/FRS@FRS, William Rutledge/NY/FRS@FRS
Subject Re: Meeting with Lehman Treasurer

I quietly called Dianne Hinton at S&P. When I indicated that we had picked up a rumor that usage of the PDCF might cause firms outlook shift to negative, her reply was "not at all." They will be issuing a release later this morning on liquidity conditions following Bear's problems, but overall consider our implementation of the PDCF a positive, and that it is positive that firms have access to the facility.

Steven J Manzari/NY/FRS



Steven J Manzari /NY/FRS
03/18/2008 04:08 PM

To Brian Peters/NY/FRS@FRS, William Dudley/NY/FRS@FRS, William Rutledge/NY/FRS@FRS, Patricia Mosser/NY/FRS@FRS, Sarah Dahlgren/NY/FRS@FRS, Terrence Checki/NY/FRS@FRS, Michael Silva/NY/FRS@FRS, Chris McCurdy/NY/FRS@FRS
cc
Subject Meeting with Lehman Treasurer

We met with Lehman's global treasurer Paolo Tonucci (paolo.tonucci@lehman.com 212 526 3813) to discuss our information needs and he asked me to relay the following information:

- 1) S&P has indicated to him that usage of the PDCF would prompt them to change the firm's outlook from stable to negative. This is not specific to Lehman but applies to all the broker / dealers.
- 2) Lehman's treasurer suggested that in order to reduce the stigma of using the PDCF, an effort amongst all the broker dealers be organized to use the facility en masse. They would like to use the facility today (~\$3bn - munis and ABCP backed by Lloyds) but fear that their investors would view it negatively.
- 3) He also mentioned that another potential issue is that if they have to reduce their matched book as repo borrowings fall, reduced lending to customers may be viewed as confirmation that Lehman is in a liquidity crisis.
- 4) JPMC's increase in calculated margin will result in a need for an additional \$4bn of funding.

I can be reached at x6777 or the numbers below.

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