TOPS®

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#74109

7/3/08 —

8/5/08

RECYCLED PAPER • MEETS UNITED STATES GOVERNMENT REQUIREMENTS
PAPIER RECYCLÉ • CONFORME AUX EXIGENCES DU GOUVERNEMENT AMÉRICAIN

SECOND NATURE®

NOTEBOOK/CAHIER

1 SUBJECT • 80 SHEETS • 9 ½" x 6" • COLLEGE RULE
1 SUJET • 80 FEUILLES • 24.2 CM x 15.3 CM • REGLAGE COLLÉGIALE

Fabriqué aux États-Unis

7/3

Team Meeting

Ken is pushing to get staffing

Account Plans by 7/21/08 GS, Lehman, UBS, MS

Goals:

- YTD vs. Plan Plan was 20% over last year

- Sales Pipeline = $56 mm new sales
How does this get broken down to individuals?

- Get Jeff GFPID for [redacted] IB LLC Group.
to have complete IB picture

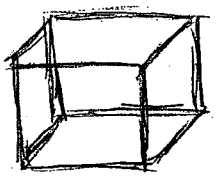
- Client Satisfaction = Tom I. has a way to measure. More details to come

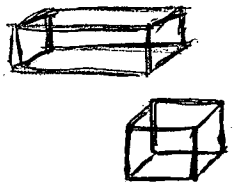
10:00am

- Specific initiatives with clients to be listed out for Ken / Tom

- Where do we need senior support?
- By Wednesday

10am	- Melissa
10:30	- Heike / Paul
10:45	- ICAP





£ $ £ $ £ $ £ $ £ $

CRM

1) Dubai thru GW - Schwab
2) Russia thru GW - Schwab
3) Brazil thru GW - Schwab
4) Lehman P-Card RFP
5) IB - CREST Payment Bank
6) IB - Covered Warrants Italy
7) IB - Inventory Financing - Italy
8) Lehman - Brazil Deale
9) Lehman - Argentina
10) Goldman - London Sweep

7/3

Lee Diamond = 723 - 4784

ICAP

Redacted for Responsiveness

7/3

Redacted for Responsiveness

7/8

Redacted for Responsiveness

7/7

EBAM:

Redacted for Responsiveness

7/7

Redacted for Responsiveness

7/7 → Goldman Sachs eBam

Redacted for Responsiveness

7/7

Goldman Sachs - eBAH discussions

Redacted for Responsiveness

7/7

Goldman Sachs

Redacted for Responsiveness

7/7

Redacted for Responsiveness

3 million 966

NKKAV = 31 mm GBP]

966 / 6DKAV = 3 mm GBP] = under existing [USD Dol] 32.4

→ Lai =
Projects
< Lehman
Goldman

Did we already agree + establish Credit line.
55 11 4009 3824

7/8

Goldman Sachs Re-Price External Call:

Redacted for Responsiveness

7/8

Goldman

Redacted for Responsiveness

1/8

Goldman Re - Price

Redacted for Responsiveness

Redacted for Responsiveness

7/8

Goldman Sachs Reprice

Redacted for Responsiveness

Redacted for Responsiveness

Redacted for Responsiveness

Redacted for Responsiveness

7/8.

Redacted for Responsiveness

Redacted for Responsiveness

7/8

UBS :

Redacted for Responsiveness

Redacted for Responsiveness

7/8
UBS

Redacted for Responsiveness

7/8

<u>Lehman</u> – Liquidity funds

+ Nick Hore runs liquidity funds

+ Rich works for Nick.

= Distribution
= good relationship w/ Trust group.

= Areas where there are good "fits" for this business
- Marcus Gustafson – Trust Group
- Mali Bartlett / John Carter – OCI

Michael will find email of who the key distribution person will be.

Private Banks = identify channels Reto did work

- Treasury fund
- Gov't. funds

- Securities lending area – Tim Douglas

7/8

Goldman Sachs Brazil Issues

Redacted for Responsiveness

7/8
Goldman Brazil

Redacted for Responsiveness

7/9

Redacted for Responsiveness

List of

- Total Securities Lines / Revenue for Securities
- Total USD cash Line / Revenue
- Total GBP / EUR / CHF Lines / Revenue
- Citivision Summary
- what businesses are supporting

Friday July 11
Monday July 14
Wed July 16
Fri July 25
Week July 28th

Timber Hill

Redacted for Responsiveness

Redacted for Responsiveness

7/9

Redacted for Responsiveness

7/9

UBS
- Sabrina from UBS
- Liz re: OFAC scan
  when / where which products
  201- 352 5317
  sabrina . carr @ubs. com

Juliana = Lai is leaving the Bank

= GS folks in meeting Juliana / Mauricio

7/10

Lehman Brothers:

$2bn deposit = this is being taking into account for Cash Capital Charge.

= Even though not formal collateral considered formal liability.

= Having $2bn is direct exposure to Citi where our exposure to Citi is rolling intraday and not one consistent exposure.

→ June 23-27 time period data collection
= Manually counted exposures across major markets
= Highest shortfall
= Plus funding payments at that time.

Trying to determine how "risky" is it? is all risk created equal.

7/10

Clearing Lines:

- Not the only exercise that Lehman is going thru. JPM is doing similar exercise focusing primarily on Tri Party.

- Comfortable w/ agreeing on numbers + how to minimize exposures.

How comfortable are we data?
Is the quality of the information

If reducing intraday lines

Japan = Intra day Loan = Unsecured Loan for liquidity for JGB clearing.

CLS - Right now debiting Lehman

Legal side =

Redacted for Privilege

7/

→ Send soft copies of calculations to Janet / Dan

→ Dead

Kelly Quintero → Timber Hill LLC
954 958 8651

Redacted for Responsiveness

Redacted for Responsiveness

Redacted for Privilege

Redacted for Privilege

Paul Salamya → 44-207

Redacted for Responsiveness

7/11

Colin = Heads up.
F/x
= Steve Byron

Peto: Lehman doc review
011 - 44 - 207-

Sean: Sally Seebode
issues w/ alc opening
Help
What do we need why needed
410 534 5140

11 diff.

→ certi incorp for each entity

Helina reviewing information provided late yesterday

→ cert. of incorporate.
→ ownership

Kate, Rich, Carlos, Juliana

→ Colin
David Naval CSM covered a/c.
Micky + Humson from SWANK who overseas funds
Mark Fordpiss CFO.

Redacted for Responsiveness

7|11

Redacted for Responsiveness

2 | 11

Redacted for Responsiveness

7/11

Redacted for Responsiveness

2935

Redacted for Responsiveness

7/11

Lehman Documentation:

Summary w / meeting w/ Carlos Pallevani

* Puzzled by position
* Annoyed by time taken for review
* Unhappy w/ Cash Deposit = risk
cost (Net Capital)

* Monitoring exercise

Need clear dialogue + understanding of what is needed

* Doc. review to strengthen our position w/ Lehman language

* Hayes
* London
* Kyle Moran.

→ Call from Citi Brazil re: credit line =

Lehman
US
52 11 4009 3824

UBS Quarterly Call

Redacted for Responsiveness

Emily requested
Cindreet for Securities
C Jones → Cindreet for Securities
Jay

7/11

Lehman - Risk

Obbermeier

Kyle Moran / Karen Kiechin - LEH legal

Michael Hauerstein

Redacted for Privilege

7/4

Goldman Brazil Tax Obligations:

→ Colin

Redacted for Responsiveness

7/11

Goldman Sachs Brazil:

Redacted for Responsiveness

7/6

Redacted for Responsiveness

7/15

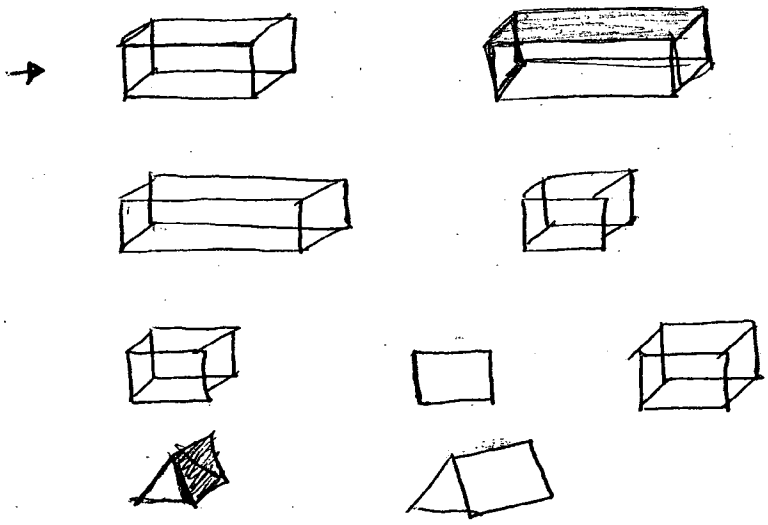
name: Interactive Brokers LLC

Redacted for Responsiveness

7/15

Jackie
- Argentina
- Peru
- Chile
- Citidirect

Bill H. ✓ L/C Pricing Methodology
Not goldman specific
Methodology for Bank Products



7/15

~~Marilyn = 816-8279~~

~~Mizuku = navigate Mexico / Tampa team~~

CLABE
002 301 782 028
72million MXN pymt
1446

~~Ken = Sellinger~~

Janet

= Businesses supported by Nostro accounts

US ?
London ?
Japan ?
Mexico ?

Tommy =

Leo Liy =

Tommy = 617-716-4127
Charles Steeling Group

7/16

Alex from Banamex
55 - 22 -

Reto Lehman

Go back to Lehman
→ Are they working on reviewing flows? Time frame? Need lead time? which lines? which products? What is included?

Collateral from Reto.
2 docs
= one for US
= one for Europe

Tom Isaac pushing on collateral to be securities

Documentation

LBIE = new [redacted] DCSA

Repo = repo N6
Memorandum of Understanding

7/16

To put this in place with all major clients

- USD Clearing Bank
- Hedge Fund

Tom Isaac

Vivek - Project Nile - Documentation - Lehman

London Legal
London Coverage
Vivek

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7/16

Redacted for Privilege

7/16

Project Nile

Redacted for Privilege

7/16

Redacted for Privilege

7/16

UBS - DTC

Redacted for Responsiveness

7/16

Goldman

Redacted for Responsiveness

7/16

Goldman Service Call

Redacted for Responsiveness

Redacted for Responsiveness

7/16

Lehman

~~1) Msg to Dan, Janet re: monitoring~~
~~2) AC Plan~~
~~3) Fixed Income deal in CRM~~
4) Documentation - next steps

Lehman Account Plan

New Deals:

Implement:

* Brazil Back office Outsourcing deal for Private Bank (1.8mm). Implementation underway will be dependent on Lehman's license in market. [1-3P5DU9]

* Implement Fixed Income business - move 26689 business from BNP and start local funds business when license granted (350K) 1-4U11HN

* Accounts being opened in Argentina, Chile, Peru to support local gov't bond trading and NPL business ($90m)

New Deals:

* Global Procurement Card RFP expected in next two weeks - Rev. size TBD

Clearing

* Continue to support existing cash clearing business : USD, GBP, EUR, CHF, JPY, ILR, MXN
  * This includes
    - technology development requests for SWIFT reporting
    - any developments necessary to support Lehman GCCH system roll-out (ex. sub accounts structure)
* Continue to establish structures to support their NPL business

CLS

Continue to support existing USER Member structure while working with Network, Treasury, FX and FX operations to get them to convert from user member participation to 3rd party.

* Cleaner Operations
* Better new of liquidity requirements
* Additional revenue opportunities through 4th party offering (Jonathan Williams Head of FX very interested in this as would allow this group to deal w/ wider range of counterparties.
  The benefits of CLS would mitigate the credit limits they have.

Securities Clearing

* Continue to pursue discussions around expanding Global Windows to NY operations to accomodate. [contact Sean Lawrence + Network]

* Continue to grow volumes + support new businesses in existing markets

Strategy

~~Alex from Banamex~~

UBS Investment Bank

Redacted for Responsiveness

Redacted for Responsiveness

7/17

Lehman

= Need to:

1) Agree on what we are tracking
2) Include Long Balance: to be shown

Agree with Michael / Tom that as (Kate / Paul) to lead this.

Conclusion = lehman.

- Paul + I should propose to Lehman what should be tracked.

- for the last go around -
*there were several groups internally involved.

→ Coordinated by Vivek's team

Lehman DOL Monitoring:

Paul + I to take the lead
Need to:

1) Define what we are tracking.
   - counterparties
   - positions (including long balances + as)
2) Agree with Lehman what we are tracking
3) Paul to speak to Catherine Devlin / He to speak with Michael

7/17

Goldman Sachs -

Redacted for Responsiveness

7/17

Lehman Brothers

Gary Buchman SVP
Jenny Wong VP

want to do transaction
+ need tran

$220 million investments

ales would be used

Davis Polk →

Lux

US -
Entity that has been formed that
Lehman has no involvement

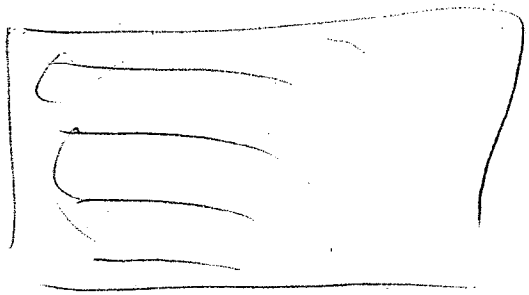
→ Entity is formed
→ Lehman has no ownership @ moment.
→ Lehman + McCrory Bank
→ Lehman = will be 100% owned
→ Ownership structure.
1st week in August possibly on 30/31st

→ Formation Docs.
→ Ownership Structure
→ Attorneys w

Delaware Joint Investment Inc.

→ Cash would be in + out on same day.

→ Compliance



Release form? to activate the switch
As control get shifted what can they show

Luxembourg

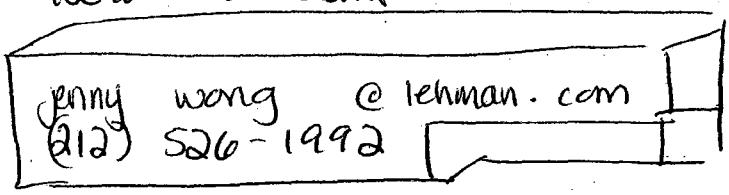
100%

↳ ~~Existing entity~~

- New Entity being formed
- Need Bank a/c for Capital injection
- Have ownership

→ 5 deep

100% ownership



Bank a/c in

Delaware Joint Investment

- Established Entity
- Lehman has minimal participation
- Lehman will become 100% owner

Call Capital = Passive Sweep

= Citibank N.A obligation
Nassau Sweep.

→ Sweep Agreement

$3,000 = $ 5000

117292591 →

117292591 →

Frank Ota
212- 357-

Dr. Auth.

9-11

12-2

3-5

7/03

Feyburg Leonel
Camargo Martin
Deukmedjian Agostino

Dr. Avery Schreiner
212 - 879 - 6614

Libby Buscemi
212 - 879 - 6614

↳ Vivian from Tom's office

Lunch w/ GS :
011 - 44 - 207 -
UBS meeting
ML :
Lehman =
BONY Mellon -
Lehman Lunch

Lehman = Esther + Emily
Emily is saying we told her we could do reports
Problem is communication b/w Emily + Esther.
not able to post collateral
Report w/ borrow / lenders of all of their positions

7/23

LEHMAN BRAZIL REPORTS

1) As clearing member
- Send report of positions at BMOF
- Daily [redacted] adjustments will do F/X

2) - Esther wants to move collateral either via Citi direct or SWIFT we can not do this on their behalf.

3)

IB DCSA

Need:
1) Cash Terms Addendum? = Special Addendum
2) Global MTA?

GS REPRICING

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7/23

Goldman

Redacted for Responsiveness

7/23

Goldman Sachs:

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Lehman

Collateral A/c = will move forward, but being worked out as to what collateral we should take - Tsys? other items?

NSCI - 1st Bank that they ~~asked~~ said we offer investment options not advice = They want advice
$100 - $200MM = no one will want to do separately managed a/c for this levels
Probably not going to happen

212 320-3560

7/23

Lehman BM+F Call *

Nex (from Hau) Broker
Esther -
John McKissik -
Emily -
Bob key Lehman Equities
Sandea.
Johnas - Equity Mid office

Feed Leonel -
Rich Makras
[illegible]

* Learning Curve but things keep happening.

* Make sure all parties understand process

John + Bobb.

From Citi:
- What needs to be instructed?
- Right now we have standing instructions for BM+F adjustments
- Need instruction either via SWIFT or Citidirect to move collateral

Citi = fixed Inc/cash we need instructions by 3pm Brazil time (f/x or pure cash payment, BM+F adjustment)
= if settling equity transaction need cash or F/x confirm by 12pm EST which is 1pm Brazil

1/23

Lehman BMF

What if trade at 3pm NY time?

1pm cut off is for equity transactions
3pm Brazil for BMF transactions.

Futures on BMF all settle on T+1

Anything they book today will settle tomorrow
so have until 1pm Brazil tomorrow
to get funding.

LPN / FX / BMF on value date
by settlement date.

Esther

Hall not being able to see cash b/c
* being sent CHIPS vs Fed.

= what USD a/c #? 40601037
= example?
= Avg. size? → [redacted] $61,000 Fed/CHIPS
= can mark /PRIMREE/

must see USD in Hall a/c by 4pm
Brazil time so they can send BRL to
Citi
Citi
Needs instruction by 3pm to settle

7/23

Lehman BM+F

↳ Citidirect w/ Lehman

LOF = f/x inflow to taxable a/c.

= Angelina = Meeting re: market changes
each the
203 - 719 - 0123

=

CHILE = tomorrow & or Friday
to talk about flow

= Carina = 1pm.

Rich

7/24 Colin =

→ high volume.

Monitoring of Lehman? what is the next step?

Vivek 201 - 763 - 3243

7/24

Goldman Sachs

Redacted for Responsiveness

7/04

Goldman Sachs CBM.

Redacted for Responsiveness

Call:

Ranjit
Michael Hosley = 646 - 458 - 2286
Fran Argento = re: Debit Authority

Equities Trading in latam

Prop + Agency
want to confirm flows in Chile

Daisy = e/ics ID

With Agency trading = if it goes into Lehman a/c then tax implications

Agency Trading = Not possible in mkt.

If have inst. client who wants to purchase chilean ordinary they would go to local broker + execute.

Everything has to be registered under the final beneficial owner on the day of the execution. Unlike Brazil can't register under Lehman + then change to final Bene after the fact

Need final Bene tax ID at execution to be able to operate.

7/24

Lehman - CHILE

Tax IDs are assigned by sub-custodian so local Brokers call Agent (Citi) to validate tax ID and name.

This info is kept with custodian not Tax authority

Matching = T + 2
we Prematch b/w 11 - 12:30 of T+2 depending on how do funding

Corporate Action: In Chile regulation states that announcement of Corp. Action must occur 15 days prior to event.

Auto f/x done when trades are pre-matched typically on morning of T + 2

As soon as see USD in US account Chile will send CCP to local broker

7/24

Charles Schwab - Brazil

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Michael -

Maddy = Work until ei
4076 5091 for
MS setting as
stand alone.
716- 730-6412

7/25 (1AM) Meeting Haven't forwarded
soft copies

forward to Ron Adm

1-

7/25

Goldman Sachs Global Price

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7/25

Redacted for Responsiveness

9/25

GS
2007

Redacted for Responsiveness

1/25

Redacted for Responsiveness

7/25

Glueb = 212-816-6519

Redacted for Responsiveness

7/25

Dates taken
6/27
7/18
7/21
7/22
8/15
8/18
8/21

7

22	vacation days remain
7	used thru Sept
15	days remaining
7	to carry over 2009
8	remaining

Sept
Oct
Nov
Dec.

Isabelle → Paul Salamuja

Lehman's position

212 920 5359

Hale Freybug

Roberto Serwaczak

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7/28

Redacted for Responsiveness

Redacted for Responsiveness

7/28

Goldman Re-Price

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7/28

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Redacted for Responsiveness

7/20

Redacted for Responsiveness

LEHMAN = Collateral

Don't want to stop clearing + cause operational risk + impact Lehman in market

What is best way to ensure we feel protected

= Initially felt covered by Cash Deposit (not pledge) at Parent level

= Would negotiate Pledge Agreement to have if needed.

= Can Lehman operate using virtually no Daylight.

= Requested 2bn, Pledge Agreement, + operate w/no DOL (Michael + Tom requested this of Paolo)

→ Paolo says has overnight exposure to Citi + Citi only has intraday

Paolo agreed to Deposit + to look at Pledge Agreement.

7/28

Lehman

Then during week of 7/14 = internal Citi conversations around comfort level.

Redacted for Privilege

- Obermeier wanted "hard" pledge = this discussion was not including Michael

7/17 Michael was ordered to get Treasuries as collateral and could take back deposit = Obermeier said speaking to Lehman (most likely not)

Michael said not doing anything until he ~~an~~ is instructed thru risk not thru product.

Cheisf/Michael started introducing concept @ Lehman.

7/21 = Do whatever Richard Evans (ICG Risk) says

- Emil has pledge versions for Cash + Tsys. for info only

7/28

LEHMAN

7/22 - Obermeier soup spoke w/ Brian + Richard
+ they said do whatever right thing
is needed to do
- collateral (anything)
- Pledge in place

London was saying Lehman wants to
leave sec. not cash.

7/02 Mike spoke to Paolo. Paolo
said would pull investment
grade portfolio together that they
would leave with Citi

7/23 : Emil came back, we are
still awaiting sample portfolio
that they would leave.

when we agree then open
collateral a/c.

Collateral a/c

* mark to market once a week
or as reasonable
* No charge on a/c
* If want to substitute would let
them substitute.
* They are not classified, this is only
a precaution in case of market disruption

7/28

Lehman Brothers Holding Inc. = Depends on what we have obligation to.

= Awaiting Portfolio
= Awaiting Pledge.

Monitoring of Balances will be determined by Dan Fleming's needs.

= Thursday
11 am
12 -

Franklised Mexico City
verify GS 52 55 1226 2626

1-4T72SV GS& Co DCC Reprice

Brazil

Redacted for Responsiveness

7/28

Redacted for Responsiveness

7/28

Redacted for Responsiveness

7/29 Goldman Meeting

Redacted for Responsiveness

7/29

Redacted for Responsiveness

7/29

Goldman Sachs - Lunch - Talking Points

Redacted for Responsiveness

7/29

Goldman Sachs Lunch

Redacted for Responsiveness

7/09

GS Lunch Con't

Redacted for Responsiveness

7/29

UBS - 3pm Meeting

Contact Christian 646-671-2203

- European Updates
- Citi Organization = Lee White appointment

GB

Redacted for Responsiveness

Redacted for Responsiveness

r/2a

Redacted for Responsiveness

7/29

Redacted for Responsiveness

7/29

UBS Meeting

Redacted for Responsiveness

2/29

Redacted for Responsiveness

7/09

Cash Re-Pricing

Redacted for Responsiveness

7/29

Redacted for Responsiveness

7/27

Redacted for Responsiveness

Redacted for Responsiveness

2/29

Redacted for Responsiveness

7/09

LWBS

Redacted for Responsiveness

UBS

Redacted for Responsiveness

Redacted for Responsiveness

7/30

Until 12pm * Steven is free

Redacted for Responsiveness

Redacted for Responsiveness

7/30

20 days
− 7 carryover
13 days
− 1 8/15
12
− 1 8/18
11
− 1 8/21
10 → remaining for 2008

Redacted for Responsiveness

Redacted for Responsiveness

Lehman

→ Collateral

3/09

This reflects our view that there a significant contribution on our part to building + growing the relationship.

Lehman Brothers

Dan Fleming
Janet Birney
Emil Cornejo

① Collateral / Pledge

②

Pledge Agreement = Lehman working on agreement

= Working on moving to Lehman custody a/c at Citi = Lehman owns but we have access in case of event.

Collateral Portfolio = Being worked on by Dan.
- issue of substitution/trails becomes significant if put in ~~[illegible]~~ trading portfolio
- who is on the other side of tri party repo

What is available that ISN't actively traded A1 / P1 liquidity note = 1 CUSIP 2bn called Fenwan/

① multi-entity conduit ⑤

- ② CDO's A- tranch = Fed eligible collateral
  = single A- rated
  = multiple CDO

This afternoon should be able to share

Should be able to pledge for a period of a month bef. have to pull back for restructuring.

PDCF eligible Primary Dealer Credit Facility (can pledge to window)

Eligible to fed, counting as part of liquidity pool.

Have access to Citidirect + familiarizing with info

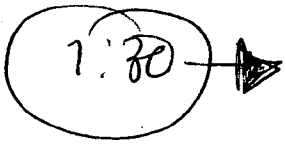
In 2 week period should be able to working to identifying flows.

① Aqui what # is
② Aqui what can be done to mitigate the number.

Amount of credit on non $ a/c and the fact that Citi manages the queue - not Lehman.

What was the issue to day w/ payment b/w LBIE + LBCC = what caused the holdups + what can be done if we are able to ~~get~~ guarantees across legal entities = could this help reduce exposure.

- ~~Robert~~ :
- Dad
- Paul Selaniya



Meeting on Tuesday infrastructures market

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Redacted for Responsiveness

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Redacted for Responsiveness

8/1

Lehman =

Lehman working on
* Collateral
* Pledge Agreement

Lehman Brothers Holdings Inc. =
1. GCSA
2. Pledge Agreement
3. W9
4. Signed Patriot Act Form
5. SDF

Approved Pledge Process
Denise Mercer Miller

1. GCSA
2. Patriot Act form
3. W9
4. SDF

Anthony

Brazil

UBS

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Goldman
Brazil
* BRCT Project

Redacted for Responsiveness

Goldman

Redacted for Responsiveness

3/4

Redacted for Responsiveness

8/5

· Lehman - Project Sunset - Europe

Execution versions on Lehman Bros Int'l Europe (LBIE)
↳ who will reach out to Lehman on this? s/b Paul?
This is specific to Europe

↳ Spent time on Friday / Monday looking through the numbers

(*) → They agree
→ Proper governance
(*) → Set-up a meeting by beginning of week.

⇒ Father John McGovern

→ MF Financial (*) —
→ Convergix (*) —
→ E-Trade (*) 140,000 100
→ Basis Point
→ Zeronis Shuler

Due Aug 6th

MF Global Limited =
1006043417
-28%

Convergex Holdings
1005847709
-88%

Lehman Bros
443859
-2%

E Trade Financial
1002388134
-37%

Charles Schwab
534803
cash = -14%
total GTS -7%

Schwab = wells

Basis Point Global
1002384228
-100%

Italy
BNP

Equiserve LP
1002018183
-111%

IT Platform switch - why pay

no longer receive
copies of returned checks