

From: ERIC FELDER <efelder@lehman.com>
Sent: Sunday, March 4, 2007 9:52 PM (GMT)
To: BRIAN MAGGIO <bmaggio@lehman.com>
Subject: - Bloomberg internal message sent from ERIC FELDER <efelder@lehman.com>

MOST PRESSING TO GET TO A SHORT POSITION WILL BE ANYTHING WITH ANY MORTGAGE EXPOSURE....

Reply:

OK.....BUT WHAT'S OUR VIEW ON HIGH QUALITY BANKS THEN? WE HAVE BEEN ROLLING WITH IMPRESSION THAT DIVERSITY THERE WILL OUTWIEGH RISKS.....PLUS THE ANTICIPATION OF THESE MOODYS UPGRADES. DOES THAT CHANGE? CLEARLY AS BROKERS AND FINANCE COS LEAK, IT WILL MAKE EVEN THE TIGHT BANKS LOOK TO RICH.

I HAVE SMALL SHORTS CFC AND WM. SHORT BIGGER HSBCfin. SMALL CREDIT SHORT. STEEPENERS IN ALL.

Reply:

I THINK ITS THE END OF FINANCIALS AS A SAFE HAVEN