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**Sent:** Friday, June 29, 2007 8:35 PM (GMT)  
**To:** Antoncic, Madelyn <mantonci@lehman.com>  
**Subject:** Firm-wide Risk Drivers - July 2nd 2007  
**Attach:** Firm-wide Risk Drivers - July 2nd 2007.doc

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This is most updated version. Its possible the Dollar General numbers move around, but can adjust Monday am if necessary. BCE went to Exec I believe for approval so you can take off if you don't want them to see it. Applebee's was supposed to be posted to Exec but I don't know when or if that ever happened so since Sherr wanted to discuss, I left it on.

<<Firm-wide Risk Drivers - July 2nd 2007.doc>>

BTW I spoke at length with Paul Hughson about the GREG risk limits (walsh is out until July 9th), think he feels a bit trapped in that Roger and other senior folks want them to keep growing the biz and hitting p/l budgets but on the other hand they are over b/s limits and risk limits. He is out next week as well but I told him he should try to talk to Roger or at least get him a message but that he can not keep adding deals without a plan to reduce the risk somehow. He says they are continuing to syndicate down positions as they said they would but is at somewhat of a loss as what to do next. We won't actually commit to the canadian deal until Walsh is back july 9th earliest but german deal bid is due before then. Seems like needs to be a discussion with Roger as to can he cut risk in other areas (HY?) to free up some room or has to be willing to sit out some opportunities but right now the biz is not getting that message from him

FYI more funds in subprime land have been shutting down, including one public one run by Marty F. and Bob Cramer, no real exposures for us but repo desk is working 24/7 keeping positions updated and on track.