

From: Yu, Anna [anna.yu@lehman.com]
Sent: Wednesday, October 03, 2007 3:39:36 PM
Subject: FW: August 31 LBHI CSE Filing - CFO - LBHI - Regulatory Review

Paolo

Not sure if Kim has already sent you the calendar but per discussion with Ed this afternoon, he's requesting your presence at the meeting with Chris tomorrow to discuss the current and forecasted CSE ratios.

Due to a huge increase in Reg Y charges this month, the total capital ratio is currently at 10.3% for Aug 31, and there's a concern that it could further drop to 10% or below in the next few months. I've included a few sensitivity scenarios to illustrate the remediation options.

Thanks

Anna