

From: Umezaki, Kentaro <kumezaki@lehman.com>
Sent: Wednesday, February 21, 2007 11:32 AM (GMT)
To: Gentile, Joseph <joseph.gentile@lehman.com>
Subject: RE: Balance Sheet Issue

What's our lev ratio target for this quarter?

-----Original Message-----

From: Gentile, Joseph
Sent: 21 February 2007 10:30
To: Umezaki, Kentaro
Subject: Re: Balance Sheet Issue

Serious is a an excession of over 10 bn, while equities and prime services are at their plan.. With revenue coming in slightly short the leverage ratio is too high

----- Original Message -----

From: Umezaki, Kentaro
To: Gentile, Joseph
Sent: Wed Feb 21 02:20:41 2007
Subject: Re: Balance Sheet Issue

How much over are we expected to be by monthend? What is "serious"?

----- Original Message -----

From: Gentile, Joseph
To: Gelband, Michael
Cc: Umezaki, Kentaro; Reilly, Gerard
Sent: Tue Feb 20 21:41:20 2007
Subject: Balance Sheet Issue

Mike,

As I have mentioned to you recently, we have a serious balance sheet issue for FID coming into the end of the Quarter. All businesses with the exception of credit are running large excessions. We are in daily contact with your business leaders, but I need you to stress to them the need to manage down their excessions. I have been able to get a temp limit of 3 bn for repo 105 activity, which covers known real estate issues. We have issues in mortgages and liquid markets.

Thanks.... Joe