

From: O'Meara, Chris M (NY) <comeara@lehman.com>
Sent: Sunday, August 5, 2007 9:49 PM (GMT)
To: Felder, Eric <efelder@lehman.com>
Subject: Re: Lehman positions

Thanks, C

Sent from my BlackBerry Wireless Handheld

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

From: Felder, Eric
To: Kirk, Alex (FID); Nagioff, Roger; O'Meara, Chris M (NY); Tonucci, Paolo; Merli, James; Humphrey, Thomas P
Sent: Sun Aug 05 16:26:08 2007
Subject: Re: Lehman positions

Just got some more bear info (from a very good source). Over the weekend they borrowed 2 billion from the bank of china and 2 billion from bnp. They are going to print a 2 billion 5 year deal tomorrow with 6 accounts at around t + 275-300. I have a few more calls tonight with accounts and will keep everyone posted if I get more information. Not sure if the mkt will like this or not given they focused on how liquid they said they were on the call on friday but then they raise 6 billion in 2 days

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

From: Kirk, Alex (FID)
To: Felder, Eric; Nagioff, Roger; O'Meara, Chris M (NY); Tonucci, Paolo; Merli, James
Sent: Sun Aug 05 14:29:09 2007
Subject: Re: Lehman positions

Great ideas set up a call for this group early tomorrow

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

From: Felder, Eric
To: Kirk, Alex (FID)
Sent: Sun Aug 05 14:02:31 2007
Subject: Lehman positions

I think there is a legitimate risk that the markets try to push bear as close to the brink as possible this week. If bear spreads widen significantly I would also expect we will see pressure on lehman spreads and considerable selling of cash paper. As we approach quarter end we should have a gameplan around how much lehman paper we are willing to own given that its 100 percent cash cap and we are already balance sheet constrained to begin with. How we approach the markets in the next 2 weeks will be very important. We have to operate from a position of strength with everyone speaking from the same script around the strength of lehman in particular compared to bear. I think it makes sense to

1. Have a sheet of talking points which we can have the salesforce/traders armed with
2. Have a meeting to determine the gameplan around managing lehman risk (particularly cash bonds)
3. Continue having one on one meetings with investors (debt and equity) on a proactive basis so lehman gets the marginal available dollar of capital in the debt/equity markets allocated to us versus mwd/bsc/gs etc

Let me know if you have any other thoughts/ideas.
