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Sent: Friday, February 1, 2008 11:00 PM (GMT)
To: Morton, Andrew J <amorton@lehman.com>
Cc: Tonucci, Paolo <paolo.tonucci@lehman.com>
Subject: Net leverage ratio

You asked a question the other day on net leverage ratio as you thought that the firm was moving away from that. I have talked to Paolo. You are right the firm is trying to move away from net leverage. However they cannot do that until the quality of assets improve ie we reduce our exposure to sticky assets like Mortgages and Real Estate.

Clement