

From: Nazimowitz, Lawrence D <lawrence.nazimowitz@lehman.com>
Sent: Monday, March 3, 2008 4:45 PM (GMT)
To: Jawad, Anthony C <ajawad@lehman.com>
Cc: Su, Jeffrey <jeffrey.su@lehman.com>; Leonardelli, Andrea <andrea.leonardelli@lehman.com>; Burke, William T <wburke@lehman.com>; Burke, Terry <tpburke@lehman.com>; Stucchio, Anthony <astucchi@lehman.com>; Bowen, Gareth <gbowen@lehman.com>; Cheung, Irene <irene.cheung@lehman.com>; Wu, Richard <rwu@lehman.com>; Lerner, Damon <dalerne@lehman.com>; Fleming, Dan (TSY) <dfleming@lehman.com>; Jones, Craig L <cljones@lehman.com>
Subject: FW: Ledger Transfers for LBI/LBIE for td 2/29

Anthony,

Just wanted to clarify the Repo 105 over quarter end as it has a large impact on LBI's intercompany with LBIE:

* Just to verify, the Repo 105 was booked as a Repo from LBIE to LBI, effectively cancelling the \$950mm matched book to book financing (Ledger 0730049D) between LBI and LBIE on the DBR 7/12 trade. This leaves the entire 1,160 long inventory trade with no intercompany financing.

* Has the Repo 105 trade been cancelled after quarter end (i.e. T/D 3/3) and the \$950mm of matched book to book financing put back on between LBI and LBIE.

* Is the 950mm real world (street) financing on the 7/12 inventory long still on for quarter end? Andrea mentioned part of the street financing was with Deutsche Bank and part you financed, terming 3/10.

* Just to understand the Repo 105, which group gave the "orders from above" just so I can explain further to our Finance Mgmt (Tony Stucchio).

If you have a few minutes, it would be very helpful to have a quick call so we are collectively on the same page.

Thanks,
Larry

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> _____
> From: Jawad, Anthony C
> Sent: Friday, February 29, 2008 11:00 AM
> To: Leonardelli, Andrea
> Subject: RE: Ledger Transfers for LBI/LBIE for td 2/29

>
> Yes, but the firm has a function called repo 105 whereby you can repo
> a position for a week and it is regarded as a true sale to get rid
> of net balance sheet. I was made to sell all Jon's DBR 7/12. Thus he
> is short 950mm because he has already lent me 950mm. This was orders
> from above and so the 950mm he has already lent me becomes a short for
> a week

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> _____
> From: Leonardelli, Andrea
> Sent: Friday, February 29, 2008 3:58 PM

> To: Jawad, Anthony C
> Subject: RE: Ledger Transfers for LBI/LBIE for td 2/29
>
> Sorry, I am a bit confused. When you say made to repo 105 the whole
> positions what do you mean?
>
> Are you saying there is a new trade?
>
> Right now I see on 7/12:
>
> Long 1,160 (Cash ledger 73-0049C)
> Repo 950 (Repo ledger 730049D)
> -----
> Long 210
>
> Thank you very much.
>

> From: Jawad, Anthony C
> Sent: Friday, February 29, 2008 10:44 AM
> To: Leonardelli, Andrea
> Subject: RE: Ledger Transfers for LBI/LBIE for td 2/29
>
> I will do them but I believe the positions are wrong. Jon is long
> 210mm 7/12 + 950mm that he has lent me for term. We were made to repo
> 105 the whole position which means that he is now short 950mm of the
> 7/12.
>
>

> From: Leonardelli, Andrea
> Sent: Friday, February 29, 2008 3:17 PM
> To: Jawad, Anthony C
> Cc: Wu, Richard; Konheim, Seth L; Blum, Brian; Su, Jeffrey; Logan,
> Donahue
> Subject: Ledger Transfers for LBI/LBIE for td 2/29
>
> Jock,
>
> Can you kindly book the below Ledger Transfer for trade date 2/29?
>
> Jon is Long 210 DBR 5% jul12s (needs to repo)
> Jon is short 420mm DBR 4 jul16s (needs to reverse repo)
>
> John financing ledger = 730049D
>
> Thank you very much for your help and time,
> Andrea
>