

**From:** Stabenow, Sigrid M <sstabeno@lehman.com>  
**Sent:** Friday, October 12, 2007 6:15 PM (GMT)  
**To:** Paek, Sarah <sarah.paek@lehman.com>; Umezaki, Kentaro <kumezaki@lehman.com>; McGarvey, Michael <mmcgarve@lehman.com>  
**Subject:** RE: Q4 Balance Sheet

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Fyi...something that should be added to the math on this...Real Estate last night let me know that they expect to be at 64 rather than Q3 target of 57.5 primarily for Archstone. Should we really give 2.5bn to SP Eur?

> \_\_\_\_\_  
> From: Paek, Sarah  
> Sent: Friday, October 12, 2007 1:41 PM  
> To: Umezaki, Kentaro; McGarvey, Michael; Stabenow, Sigrid M  
> Subject: RE: Q4 Balance Sheet

>  
> Ken -  
>  
> I just wanted to confirm that the \$10bn should be broken out to the  
> following:

- > 1. \$5bn HY Americas
- > 2. \$2.5bn RE Americas
- > 3. \$2.5bn SP Europe

>  
> Thanks!  
> Sarah

>  
> Sarah J. Paek  
> Lehman Brothers  
> 1301 Avenue of the Americas, 12th Floor  
> New York, NY 10019  
> Tel: (212) 320-2871  
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> \_\_\_\_\_  
> From: Umezaki, Kentaro  
> Sent: Thursday, October 11, 2007 4:12 PM  
> To: Paek, Sarah; McGarvey, Michael; Stabenow, Sigrid M  
> Subject: FW: Q4 Balance Sheet

>  
> Please note this change. I'm still waiting on a few more inputs.

> \_\_\_\_\_  
> From: Morton, Andrew J  
> Sent: Thursday, October 11, 2007 3:40 AM  
> To: Umezaki, Kentaro  
> Subject: RE: Q4 Balance Sheet

>  
> in europe move 2.5bn limit to sec prod from real estate  
>  
> sec prod has much less control over their bal sheet than r.e., the  
> latter has explicitly done  
> deals , i.e. created their own mess to a certain extent  
>

>  
> From: Umezaki, Kentaro  
> Sent: Wednesday, October 10, 2007 11:35 PM  
> To: Nagioff, Roger; Morton, Andrew J; Kirk, Alex (FID)  
> Cc: Umezaki, Kentaro  
> Subject: Q4 Balance Sheet  
>  
> Here's the sheet: global and regional tabs by business. Our limit  
> for Q4 is \$220bln, which is \$10bln more than Q3's limit (we were over  
> by \$2bln + in Q3). Ignore the \$10bln placeholder in HY Americas.  
> That is just a plug to get to the new limit.  
>  
> The 2 businesses that need balance sheet:  
>  
> A. Real Estate: Archstone + slowdown in syndications. I'm meeting  
> with GRE on Friday to review.  
> B. HY: Funding of commitments now hitting our balance sheet. Totally  
> moving target.  
>  
> My suggestion is to add \$5bln each to those 2 businesses each, and do  
> any other tweaking to net to zero.  
>  
> So:  
>  
> 1. Please let me know what changes you want to make. You can email me  
> and I'll collate if you'd like.  
> 2. We need to decide if you want to do penalties for overage this  
> quarter?  
> 3. We should designate someone to work on this with finance away from  
> me going forward. Gary? Paul? Someone else?  
>  
> Domo,  
>  
> Ken  
>  
>  
> << File: 4Q allocation spreadsheet.xls >>