

**From:** Bernard, Clement [clement.bernard@lehman.com]  
**Sent:** Friday, February 29, 2008 12:52 PM (GMT)  
**To:** Cosaitis, Mark [mcosaiti@lehman.com]  
**Subject:** RE: Repo 105 balance Sheet benefit for Corporate

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it looks much better this morning. If we do what is expected I believe that we should be back around 15.2 net leverage

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

From: Cosaitis, Mark  
Sent: Friday, February 29, 2008 2:51 AM  
To: Bernard, Clement  
Subject: Re: Repo 105 balance Sheet benefit for Corporate

Absolutely. I hope we get there on the BS

Rgds  
Mark

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

From: Bernard, Clement  
To: Cosaitis, Mark  
Sent: Fri Feb 29 00:15:32 2008  
Subject: RE: Repo 105 balance Sheet benefit for Corporate

Mark

Thanks for the help. Sorry we have not met yet in person. I was in London last week but you were in NY.

Hope we can meet next time

Clement

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

From: Cosaitis, Mark  
Sent: Thursday, February 28, 2008 6:28 PM  
To: Feraca, John; McGarvey, Michael; Gavin, Mark; Jawad, Anthony C  
Cc: Allery, Stephen; Maynard, Ian; Gothard, Chaz S; Chokshi, Divyesh; Silverberg, Marc; Vallecillo, Jormen; Mitrokostas, Paul; Bernard, Clement; Stabenow, Sigrid M; Felder, Eric; Garner, Qwasi  
Subject: Re: Repo 105 balance Sheet benefit for Corporate

This was a suggestion only. Taken at 6.30pm london time. Given the grave BS position and lack of treasuries available (other than oddlots) I asked whether we could repo 105 corporate positions same day. No one came back with a negative answer but to be fair no one from the repo desk was present. It is unfortunate this fact was not checked before the work was done. Mike was going to check with mark gavin but he had left for the evening. We were just trying to do the right thing for the firm. The repo guys in london (mark, jock chaz) managed to successfully get 2bn+ off the balance sheet today which was a great effort given they had only an 1 hours notice we were told at 3pm by NY Rgds M

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

From: Feraca, John  
To: McGarvey, Michael; Gavin, Mark; Jawad, Anthony C  
Cc: Cosaitis, Mark; Allery, Stephen; Maynard, Ian; Gothard, Chaz S;  
Chokshi, Divyesh; Silverberg, Marc; Vallecillo, Jormen; Mitrokostas,  
Paul; Bernard, Clement; Stabenow, Sigrid M; Felder, Eric; Garner, Qwasi  
Sent: Thu Feb 28 23:07:35 2008  
Subject: RE: Repo 105 balance Sheet benefit for Corporate

Mark Cosaitis,  
I understand you have requested Mike in NY to put together this list of potential corporate bond assets for R105 financing tomorrow in London. Besides the late notice, the list of collateral is all DTC based for which we have no R105 liquidity available in LBIE. In the future, please try to discuss with either Mark Gavin, Steve Allery, or myself directly before making such a request as there are many other restrictions and limitations around this process.

JF

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

From: McGarvey, Michael  
Sent: Thursday, February 28, 2008 5:19 PM  
To: Gavin, Mark; Jawad, Anthony C  
Cc: Cosaitis, Mark; Allery, Stephen; Maynard, Ian; Feraca, John;  
Gothard, Chaz S; Chokshi, Divyesh; Silverberg, Marc; Vallecillo, Jormen;  
Mitrokostas, Paul; Bernard, Clement; Stabenow, Sigrid M; Felder, Eric;  
Garner, Qwasi  
Subject: Repo 105 balance Sheet benefit for Corporate

All,

Given the critical balance sheet situation we are currently in I've attached a list of corporate bonds held in NY (all above BBB and 10mm in market value) available for any additional Repo 105 capacity we can find. Please let us know what issues are sent out so we can inform the desk not to trade them for the term of the repo.

Thanks,  
Mike