

From: Umezaki, Kentaro <komezaki@lehman.com>
Sent: Monday, April 16, 2007 2:41 PM (GMT)
To: Lowitt, Ian T <ilowitt@lehman.com>
Subject: FW: 2nd Q'07 Balance Sheet Limit
Attach: 2nd Q'06 Target allocation final.xls

Hi:

Giving out targets for Q2 as we speak. Numbers attached. Did a lot of meetings/work last week to get here. All biz's are aware of it's importance now.

Gerry has us working with a 195 net balance sheet target now fyi. He informed me we had a meeting last week re. raising preferred to get us to 15x net leverage by end of May. This 195 is doable. Main risks of getting there are in Mtgs (FAS 140) and RE (due to an unusual number of deals in the pipeline).

Also, rolling out a balance sheet management policy to the mgt group on Thursday. Penalties for overage + new oddlot policy for sure. Gonna discuss redefining aging policy as well as the accounting dilemma we have.

So, I think we're good for now. Just need your help to raise the pref, I guess. Gerry, Sigrid and the team in general did an excellent job fyi.

Later,

Ken

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> From: Umezaki, Kentaro
> Sent: Friday, April 13, 2007 12:36 PM
> To: Gelband, Michael
> Cc: Stabenow, Sigrid M; Reilly, Gerard
> Subject: 2nd Q'07 Balance Sheet Limit
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> Here is what we are going out with. We will be telling businesses
> this afternoon what their target is. Ken
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> From: McGarvey, Michael
> Sent: Friday, April 13, 2007 12:23 PM
> To: Umezaki, Kentaro
> Cc: Reilly, Gerard; Stabenow, Sigrid M
> Subject: RE: 2nd Q'06 Target allocation rev (2).xls
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> <<2nd Q'06 Target allocation final.xls>>
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> From: Umezaki, Kentaro
> Sent: Friday, April 13, 2007 12:00 PM
> To: McGarvey, Michael; Reilly, Gerard; Stabenow, Sigrid M
> Subject: RE: 2nd Q'06 Target allocation rev (2).xls
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