

From: McGarvey, Michael <mmcgarve@lehman.com>
Sent: Thursday, August 23, 2007 10:44 AM (GMT)
To: Bismal, Anuraj <abismal@lehman.com>
Cc: Balance Sheet Group NY <balancesheetgroupny@lehman.com>; Lee, Matthew <matthew.lee@lehman.com>; Lerner, Damon <dalerner@lehman.com>
Subject: Re: AGY Repo - 3134A4ZZ0 Mizuho Replacements

Anuraj,

The desk sent 500mm in Freddie Mac subdebt as part of the collateral for this week's Repo105 (there has never been an issue with the type of bonds in the past as they are GSE issues). The counterparty in this case Mizhou rejected it and wants vanilla agency collateral. We will replace the subdebt this morning. This is just indicative of the liquidity situation in the market. In speaking to the repo desk on Friday many counterparties are refusing to even provide term liquidity on treasuries and agencies opting for overnight funding instead.

Thanks,
Mike

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

From: Bismal, Anuraj
To: McGarvey, Michael
Cc: Balance Sheet Group NY; Lee, Matthew; Lerner, Damon
Sent: Wed Aug 22 18:53:32 2007
Subject: Fw: AGY Repo - 3134A4ZZ0 Mizuho Replacements

Mike - its not clear to me what is happenning below.

It seems like something is getting rejected due to quality concerns?

Please could you elaborate a little?

Thanks
AB

AB

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

From: Silverberg, Marc
To: Gothard, Chaz S
Cc: Gavin, Mark; Basak, Alik; Bismal, Anuraj; Chen, Ying- Yi; Ho, Kenneth; Huie, Nancy; Li, Jody; Philips, Mathews; Rodriguez, Atiba; Sodesa, Mukesh; McGarvey, Michael; Gerber, Stephen; Raha, Lorraine; Kennish, Lisa; Lym, Gary
Sent: Wed Aug 22 18:45:34 2007
Subject: AGY Repo - 3134A4ZZ0 Mizuho Replacements

<<081607 AGY 105 Roll.3134A4ZZ0replacement.xls>> <<081607 AGY 105 Roll.3134A4ZZ0replacement.xls>>
Chas,

As discussed, I've attached replacement trades for the 550mm of 3134A4ZZ0 subordinated debt notes rejected by Mizuho.

Please note that the desk provided me with FNMA sub debt (31359MNU3) notes. I am waiting to hear back from them on a replacement, understanding that Mizuho will be sensitive to taking on sub debt. In the interim, please advise if you are able to have Mizuho to agree to these notes, potentially as a lesser Face (currently 100mm)?..

If not, please run with the remaining 450mm and I will get back to you as soon as possible on t <<RE: AGY Repo 105 Roll - Aug 22nd - Aug 29th>> he NU3 replacements.

Thanks a lot for the help,
Marc

<<RE: AGY Repo 105 Roll - Aug 22nd - Aug 29th>>

From: Silverberg, Marc
Sent: Friday, August 17, 2007 5:16 PM
To: Gothard, Chaz S
Cc: Gavin, Mark; Basak, Alik; Bismal, Anuraj; Chen, Ying- Yi; Ho, Kenneth; Huie, Nancy; Li, Jody; Philips, Mathews; Rodriguez, Atiba; Sodesa, Mukesh; McGarvey, Michael; Gerber, Stephen; Raha, Lorraine; Kennish, Lisa
Subject: AGY Repo 105 Roll - Aug 22nd - Aug 29th

<< File: 081607 AGY 105 Roll.xls >>
Hi Chas,

Attached, please find the Repo trades for 08/22 - 08/29. Please note the following CUSIPS are DTC settle. All others are fed wireable.

- * 038461AC3 (2)
- * 313771AA5 (2)
- * 46513EFG2 (1)

I confirm the following related to this week's repo trades:

Trade Lines: 30
Unique CUSIPs: 23
Market Value: \$5,152,864,535
Repo Value: \$4,817,928,340

Please feel free to contact me with any questions.

Have a great weekend,
Marc

Marc Silverberg
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