

From: Stewart, Marie <marie.stewart@lehman.com>
Sent: Monday, January 7, 2008 4:27 PM (GMT)
To: Wiener, Todd <todd.wiener@lehman.com>; Giblin, Simon <sgiblin@lehman.com>; Homer, Clare <clare.homer@lehman.com>
Cc: Beldner, Brett <brett.beldner@lehman.com>; Sear, Margaret <margaret.sear@lehman.com>
Subject: FW: Repo 108

>
> _____
> From: Stewart, Marie
> Sent: Thursday, July 13, 2006 11:20 AM
> To: McEwan, Christopher; Feraca, John; Barton, Roger
> Cc: Bismal, Anuraj; Sear, Margaret; Learner, Mark; Lee, Matthew;
> Burke, Terry; Chokshi, Divyesh; Neller, Mark; Jones, Tom; Nicholson,
> Brian
> Subject: RE: Repo 108

>
> Correction to my email and my humble apologies to Mr. Feraca.
>
> John correctly reminded me last night that back in May we had agreed
> that it was OK to do Repo 108 at 107. (I'm old and I forget things
> easily.)
>
> I have re-cleared 107 with Ed Grieb and he is fine, so the West LB
> trades are fine.
>
> Please note, however, that 107 is the minimum level we are OK with so
> you should only see deals at 107 or higher.
>
> Margaret: please ensure the Policy stays that Repo 108 can be done at
> 107. Thx.

> _____
> From: Stewart, Marie
> Sent: Wednesday, July 12, 2006 6:34 PM
> To: McEwan, Christopher; Feraca, John; Barton, Roger
> Cc: Bismal, Anuraj; Sear, Margaret; Learner, Mark; Lee, Matthew;
> Burke, Terry; Chokshi, Divyesh; Neller, Mark; Jones, Tom; Nicholson,
> Brian
> Subject: RE: Repo 108

>
> Repo 108 is so called because it is required to be done at 108. The
> agreement we reached with Feraca was 108 only. It is completely
> unacceptable if these trades are being done at a level lower than
> that.
>
> Margaret Sear is working on updating the Repo 105/108 Accounting
> Policy and we'll make sure to get you all a copy ASAP.
>
> John Feraca is charged with making sure both Repo 105 and repo 108 are
> done correctly and that all the legal and documentation issues are
> squared away.
>
> John: If equity deals are being done outside of the agreed 108 level
> then they do not qualify for off b/sheet treatment. Please advise if

> we have a problem with the June b/sheet.
>
> Roger: FYI, that there is no "legal" requirement for the level at
> which these trades are done. The level is driven by FAS 140
> requirements. The legal issues are that to be off balance sheet we
> need a true sale opinion, the person who receives the security has to
> be able to freely pledge/exchange/rehypothecate and some other issues
> to do with voting rights and a couple of other purely legal things
> that I will not go into here.

> From: McEwan, Christopher
> Sent: Thursday, July 06, 2006 11:39 AM
> To: Learner, Mark
> Cc: Burke, Terry; Bismal, Anuraj
> Subject: FW: Repo 108

> Mark,
>
> Just a short mail to clarify this point. We were of the understanding
> from last month that any Repo '105' transactions entered into by the
> Equities business had to qualify via a haircut of 108% before being
> recharacterised as a sale. I queried this with Roger Barton earlier
> today and he has stated in the mail below that we can do this with a
> lower haircut, in this case with West LB at 107%.

> Is there an official lower limit for Equities or can they move as low
> as 105% to mirror the FID business?

> Cheers,
> Chris.

> From: Barton, Roger
> Sent: Thursday, July 06, 2006 12:03 PM
> To: McEwan, Christopher; Chokshi, Divyesh
> Cc: Neller, Mark; Burke, Terry
> Subject: RE: Repo 108

> Chris answers below.
> Regards
> Roger

> From: McEwan, Christopher
> Sent: Thursday, July 06, 2006 10:27 AM
> To: Chokshi, Divyesh
> Cc: Neller, Mark; Burke, Terry; Barton, Roger
> Subject: RE: Repo 108

> Divyesh,
>
> A couple of issues with the data
>
> 1) We net our positions on a cusip basis. As the data only contains
> ISINs, we cannot conduct our analysis using our standard approach. Can
> you add this detail to the 108 data tab? We will add the Cusip detail
>
> 2) For each individual counterparty, all positions have the exact same
> margining value, e.g. West LB 1.0697%. Will each trade not qualify

> with a different ratio? This happens with the FID RE 105. Yes, and the
> file reflects this in column I of the "Repo 108 Data" tab
>
> 3) All the West LB positions qualify with 107%. We were told that the
> company imposed criteria was 108%. Is this correct? I believe legally
> it needs to be 105%, internally we set 106% (to build in a buffer if
> prices moved) but we have actually traded at higher amounts
>
> Cheers,
> Chris.

> From: Chokshi, Divyesh
> Sent: Wednesday, July 05, 2006 11:24 AM
> To: McEwan, Christopher
> Cc: Neller, Mark; Burke, Terry; Barton, Roger
> Subject: RE: Repo 108
> Importance: High

> Here you go.
>
> << File: Repo 108.zip >>
> Regards

> Divyesh

> From: McEwan, Christopher
> Sent: 04 July 2006 17:52
> To: Chokshi, Divyesh
> Cc: Neller, Mark; Burke, Terry; Barton, Roger
> Subject: RE: Repo 108

> This is what we got last month. Apologies for the size
>
> << File: Repo108 310506 V2.zip >>

> From: Chokshi, Divyesh
> Sent: Tuesday, July 04, 2006 5:50 PM
> To: McEwan, Christopher
> Cc: Neller, Mark; Burke, Terry; Barton, Roger
> Subject: RE: Repo 108

> What detail do you need?

> From: McEwan, Christopher
> Sent: 04 July 2006 17:47
> To: Chokshi, Divyesh; Neller, Mark; Burke, Terry; Barton, Roger
> Subject: RE: Repo 108

> Can I have the detail to support this figure when ready?

> Cheers,
> Chris.

> From: Chokshi, Divyesh
> Sent: Tuesday, July 04, 2006 5:44 PM
> To: Neller, Mark; Burke, Terry; Barton, Roger
> Cc: McEwan, Christopher

> Subject: RE: Repo 108
>
> The June Repo 108 for Equities is \$3,132,541,353.
>
> Regards
>
> Divyesh
>
>

> From: Neller, Mark
> Sent: 04 July 2006 16:57
> To: Burke, Terry; Chokshi, Divyesh; Barton, Roger
> Cc: McEwan, Christopher
> Subject: RE: Repo 108
>
> Terry
>
> The answer is yes but Divyesh/Roger are dealing with the detail.
>
> Cheers
>
> Mark
>
>

> From: Burke, Terry
> Sent: Tuesday, July 04, 2006 4:46 PM
> To: Neller, Mark
> Cc: McEwan, Christopher
> Subject: Repo 108
>
> Mark,
>
> Is there any Repo 108 for June month end?
>
> Regards,
>
> Terry Burke
>
> Tel: 020-7102-3032
> Fax: 020-7102-2842
> e-mail:tpburke@lehman.com
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