

From: Gentile, Joseph <joseph.gentile@lehman.com>
Sent: Wednesday, February 21, 2007 12:34 PM (GMT)
To: Reilly, Gerard <greilly@lehman.com>
Subject: RE: Balance Sheet Issue

We spoke with grieb and did an analysis which showed we did not spike and he was ok with a temporary excession of \$3... They are over by 10, and umezaki states to me... "what is serious?... And I sais the same thing about revenue shortfall... They just do not get it

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

From: Reilly, Gerard
Sent: Wednesday, February 21, 2007 7:32 AM
To: Gentile, Joseph
Subject: Re: Balance Sheet Issue

Where did the 3b come from? How far over is fid?

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

From: Gentile, Joseph
To: Gelband, Michael
Cc: Umezaki, Kentaro; Reilly, Gerard
Sent: Tue Feb 20 21:41:20 2007
Subject: Balance Sheet Issue

Mike,

As I have mentioned to you recently, we have a serious balance sheet issue for FID coming into the end of the Quarter. All businesses with the exception of credit are running large excessions. We are in daily contact with your business leaders, but I need you to stress to them the need to manage down their excessions. I have been able to get a temp limit of 3 bn for repo 105 activity, which covers known real estate issues. We have issues in mortgages and liquid markets.

Thanks.... Joe