

From: Morton, Andrew J <amorton@lehman.com>
Sent: Tuesday, June 17, 2008 10:28 PM (GMT)
To: Reilly, Gerard <greilly@lehman.com>
Subject: RE: BSTargetsQ308v8.ppt

the fact that q3 target for fid is identical to q2 actual makes it look like we are getting penalized for beating the q2 target which is not a great message

secondly rates business cannot survive at these levels, ie reducing r105 by 20, even if it gets 10 from real estate and resi, still means 10 less than last quarter

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> From: Reilly, Gerard
> Sent: Tuesday, June 17, 2008 4:39 PM
> To: McDade, Bart; Lowitt, Ian T; Morton, Andrew J; O'Meara, Chris M
> (NY)
> Subject: BSTargetsQ308v8.ppt
>
> << File: BSTargetsQ308v8.ppt >>
>
> Here is a strawman target doc for Q3. Leverage is based on 10x net
> and 20x gross assuming no net income in Q3. Illiquid disclosure and
> repo 105 targets are proposed as well. Think we should budget a cost
> associated with moving less liquid assets for the quarter as well.
>
> Regards,
>
> Gerry