From: Reilly, Gerard [greilly@lehman.com]
Sent: Tuesday, June 17, 2008 10:49 PM (GMT)
To: Morton, Andrew J [amorton@lehman.com]
Subject: RE: BSTargetsQ308v8.ppt

Think this is most conservative case and initially Bart had a view of
keeping total assets flat but that was 2 weeks ago and may have changed.

> ____
> From: Morton, Andrew J
> Sent: Tuesday, June 17, 2008 6:28 PM
> To: Reilly, Gerard
> 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
>
> ____
> 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