

From: Higgins, Kieran <kieran.higgins@lehman.com>
Sent: Wednesday, November 21, 2007 5:30 PM (GMT)
To: Amin, Kaushik <kamin@lehman.com>
Subject: FW: Repo 105
Attach: 5 2 1 Repo 105.doc

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> _____
> From: Anthony, Michael (London)
> Sent: Friday, October 12, 2007 3:25 PM
> To: Higgins, Kieran
> Cc: Cecere, Chris; Gandhi, Sunil K
> Subject: Repo 105
>
> Quick update on the inner workings on Repo 105, spoken with several
> people in Accounting Policy with regard to our limitations &
> accounting justification for Repo 105.
>
> Effectively it looks like the only limitation we have on size is the
> month end balance can't be more than 120% of our daily average
> throughout the month. More specifically for the index business, if all
> positions are term repo'd for at least one month than effectively
> there is no cap on size as our positions will be included as part of
> the daily average.
>
> Attached is the policy doc on legal justification for Repo 105. Looks
> like this can also be done as a reverse repo (which the repo guys knew
> but have never done). Also looks like Corps & some ABS can be done
> this way (and already are).
>
> <<5 2 1 Repo 105.doc>>