



**UNITED STATES SECURITIES & EXCHANGE COMMISSION**

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February 27, 2008

**VIA EMAIL**

Ms. Laura Vecchio  
Lehman Brothers  
745 7<sup>th</sup> Avenue  
New York, NY 10001

**Subject: Commercial Real Estate Price Verification Inspection – Initial Document Request**

Dear Ms. Vecchio:

As a follow-up to the parent company commercial real estate price verification pre-inspection conference held on February 8, 2008, in order to conduct the inspection, we are requesting the documentation listed below for the Global Real Estate Group (“GREG”). Although it is preferable to have these documents available on the first day of our onsite inspection, please feel free to produce the documents on a rolling basis (i.e., when they are available) and contact me if you have any questions or concerns regarding the timetable or delivery options. For purposes of this request, the relevant time period is as of January 31, 2008. Please produce these documents in electronic format if possible.

1. Organization charts for GREG and the related Product Control / Price verification functions to the extent that they have changed since the pre-inspection conference.
2. Month-end Price Verification package for PTG, CMBS, and related derivatives. Please include any variance analysis for trader and Product Control pricing differences.
3. P&L Summary by product type for the fiscal year ended 2007 and year-to-date as of January 31<sup>st</sup>, 2008.
4. Sample copies of key supervisory reports used in the price verification function (e.g., Aged Inventory, Watchlist, etc.).
5. Policies and procedures for independent model reviews relevant to price verification of CRE positions (within GREG), if applicable.
6. A listing of pricing models utilized within GREG.

In addition to the document request list, we would like to schedule initial meetings for the following topics:

1. Internal Audit workpaper review.
2. Walk through of the price verification package.
3. Walk through of the Quest-GFS reconciliation.

As previously discussed, we will coordinate subsequent document and meeting requests through you. Please contact me if you have any questions regarding the above and thank you for your attention.

Regards,

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Raymond Doherty  
Branch Chief