

From: Russo, Thomas A [trusso1@lehman.com].

Sent:6/13/2008 6:48 AM.

To: Fuld, Dick [lbexec1@lehman.com].

Cc: .

Bcc: .

Subject: Fw: Bberg - Paulson Says Investment Banks Making Progress in Raising Funds.

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Sent from my BlackBerry Handheld.

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

From: Robert.Steel@do.treas.gov <Robert.Steel@do.treas.gov>

To: Russo, Thomas A

Sent: Fri Jun 13 06:27:07 2008

Subject: Fw: Bberg - Paulson Says Investment Banks Making Progress in Raising Funds

Pls share with Dick..

Thx

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

From: McLaughlin, Brookly

To: \_DL\_FYI

Sent: Fri Jun 13 02:56:28 2008

Subject: Bberg - Paulson Says Investment Banks Making Progress in Raising Funds

Paulson Says Investment Banks Making Progress in Raising Funds

2008-06-13 02:45 (New York)

(Click on {GSEVEN <GO>} for more on G-8 meeting in Osaka.)

By John Brinsley

June 13 (Bloomberg) -- U.S. Treasury Secretary Henry Paulson said "some" investment banks "have continued to make progress" in raising capital to alleviate the fallout from the credit crunch.

"Some have learned lessons, they have continued to deleverage," Paulson told reporters today in Osaka, Japan, ahead of a meeting of Group of Eight finance ministers. "They've improved their funding and liquidity and they've strengthened their capital position."

The remarks reflect officials' view that investment banks have strengthened their balance sheets since the turmoil of March that forced Bear Stearns Cos. to accept a takeover by JPMorgan Chase & Co. Treasury Undersecretary Robert Steel two days ago said Lehman Brothers Holdings Inc. is "addressing the issues" by turning to investors for a \$6 billion cash infusion.

Paulson has encouraged U.S. banks and brokerages to raise funds to minimize the impact of subprime-mortgage market collapse that has led to global writedowns and credit losses of \$392 billion, compared with about \$292 billion of capital raised.

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