

To: Jane Buyers-Russo/JPMCHASE@JPMCHASE
cc:
Subject: Re: TriParty Close

David A. Weisbrod

09/15/2008
11:20 PM

Tks Hack already copied. Will copy Diane now. Barry sent gist of my message to Scott Waterhouse of OCC. Please remember to tell LEH in AM of our add'l haircuts on their intraday.
David

✉ Jane Buyers-Russo

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

From: Jane Buyers-Russo
Sent: 09/15/2008 09:50 PM CDT
To: David Weisbrod
Subject: Re: TriParty Close

What about copying Jeff Hack and Diane E and

REDACTED

Scott somebody?

Jane Buyers Russo, MD
JPMorgan Investment Bank
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383 Madison Ave, 35th Fl
NY NY 10179
212-622-8628
917-679-2680

✉ David A. Weisbrod

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

From: David A. Weisbrod
Sent: 09/15/2008 10:35 PM EDT
To: Jamie Dimon
Cc: Heidi Miller/NY/ONE@BANCONONE; barry.l.zubrow@chase.com; Steven Black; Bill Winters; Stephen Cutler; Jane Buyers-Russo; Ed Corral; Christopher Carlin; Jeff Hack; James Paterson; John Hogan; Donna Dellosso
Subject: TriParty Close

Jamie

Based on preliminary analysis, the overall triparty investor repo position declined from \$790bn on Friday close to \$727bn tonight. Reductions as follows:

Lehman (\$36bn) REDACTED (\$12bn) REDACTED (\$8bn) REDACTED (\$8bn) REDACTED (\$4bn) REDACTED (\$2bn). Three dealer positions increased: REDACTED (\$4bn) REDACTED (\$1bn) REDACTED (\$2bn).

Collateral to support the \$727bn in loans aggregated \$752bn (3.5% blended haircut) of which 78% is Fed eligible and 22% is DTC.

Lehman's triparty investor repo position decreased from \$87bn to \$51bn as Lehman shifted its source of financing from triparty to GCF repo. Composition is as follows: \$28bn PDCF, \$2bn Barclays (new lender), \$21bn other investors (mainly term repos). Other investors include Fed Open Markets Operations Desk (\$13.5bn) REDACTED (\$4bn) REDACTED (\$1bn); Lehman intercompany (\$1bn). The Fed \$13.5bn repo

was collateralized by cash as Lehman overfunded itself via GCF. Collateral to support Lehman's \$51bn triparty borrowing aggregated \$57bn (112.6% blended haircut) of which 24% is cash, 16% is Fed eligible and 60% is DTC.

In addition to the above, Lehman borrowed overnight \$1.26bn secured by Treasuries (with 101.2% margin) to balance out their position for the night.

REDACTED triparty investor repo position aggregated \$109bn down from \$121bn on Friday. Collateral to support this position totalled \$113bn. REDACTED borrowed overnight \$2bn secured by \$2.4bn of DTC securities. While no triparty lenders withdrew from REDACTED and REDACTED increased their margins on certain asset classes.

In addition to the above, we conveyed to the Fed this evening that our practice starting tomorrow, will be to set our own intraday margins. For Lehman this will be the PDCHF margins except as follows: 30% for ABS, 25% for equities; 45% for CDOs and 25% for non-agency CMOS. We will decide tomorrow whether to use the Lehman margining approach for REDACTED (and others).

David