

**Appleton, Jesse**

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**From:** Nason, David  
**Sent:** Friday, March 21, 2008 12:18 PM  
**To:** Zuccarelli, Jennifer; Steel, Robert; Davis, Michele; Ryan, Tony  
**Cc:** Jaconi, Kristen; McLaughlin, Brookly; Scogin, Matthew; Appleton, Jesse  
**Subject:** Re: NY Times Q on Capital for IBanks

I'll explain more this afternoon.

David G. Nason  
Department of the Treasury  
202.622.2610

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

**From:** Zuccarelli, Jennifer  
**To:** Nason, David; Steel, Robert; Davis, Michele; Ryan, Tony  
**Cc:** Jaconi, Kristen; McLaughlin, Brookly; Scogin, Matthew; Appleton, Jesse  
**Sent:** Fri Mar 21 12:16:30 2008  
**Subject:** RE: NY Times Q on Capital for IBanks

(b)(5)

Ok, but if I do that, [REDACTED]

[REDACTED] Are you OK with that?

So I'd say something like this on deep background:

(b)(5)

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

**From:** Nason, David  
**Sent:** Friday, March 21, 2008 11:20 AM  
**To:** Zuccarelli, Jennifer; Steel, Robert; Davis, Michele; Ryan, Tony  
**Cc:** Jaconi, Kristen; McLaughlin, Brookly; Scogin, Matthew; Appleton, Jesse  
**Subject:** RE: NY Times Q on Capital for IBanks

(b)(5)

I think I would point him to the SEC's statement after this went down - here are the relevant excerpts from the SEC's statement and the whole thing is in the link.  
<http://www.sec.gov/news/press/2008/2008-46.htm>

Was Bear Stearns in compliance with applicable capital and liquidity requirements?

According to Bear Stearns' reports to the SEC, Bear Stearns' broker-dealers were in compliance with the SEC's capital and customer protection rules. The SEC also supervises the Bear Stearns parent company, whose capital also exceeded relevant regulatory standards, and whose liquidity position had been relatively stable, ranging between \$15 and \$20 billion in the weeks preceding March 11. As of the morning of Tuesday, March 11, the parent company had over \$17 billion in cash and unencumbered liquid assets.

What is the difference between capital and liquidity pools?

It is important to realize capital is not synonymous with liquidity. A firm can be highly capitalized, that is, can have more assets than liabilities, but can have liquidity problems if the assets cannot quickly be sold for cash or alternative sources of liquidity, including credit, obtained to meet other demands. While the ability of a securities firm to withstand market, credit, and other types of stress events is linked to the amount of capital the firm possesses, the firm also needs sufficient liquid assets, such as cash and U.S. Treasury securities, to meet its financial obligations as they arise.

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

From: Zuccarelli, Jennifer  
Sent: Friday, March 21, 2008 11:11 AM  
To: Steel, Robert; Nason, David; Davis, Michele; Ryan, Tony  
Cc: Jaconi, Kristen; McLaughlin, Brooklyn; Scogin, Matthew; Appleton, Jesse  
Subject: NY Times Q on Capital for IBanks

Ed Andrews of the NY Times will run his regulation story Sunday. He spoke to Nason yesterday about it.

He's looking for a conflict and wants to know if Paulson is interested in requiring higher capital reserves for investment banks. (b)(5)

next week, [REDACTED] Also, Paulson will address this

Thoughts on this one? See his Q below.

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

From: Ed Andrews  
Sent: Friday, March 21, 2008 10:48 AM  
To: Zuccarelli, Jennifer  
Subject: Re: No story?

Jennifer,  
They held it and plan to run the story in the Sunday paper. I meant to email you, but they didn't decide til about 7 PM. I am also revising a little, because it seems to me one central issue -- and also a central fight -- will be whether to require higher capital reserves for investment banking firms. I know Paulson talked about capital reserves, but I am going back to see what he said or implied about actually requiring higher reserves.

Any guidance from you on this would be appreciated.

Ed

**Appleton, Jesse**

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**From:** Nason, David  
**Sent:** Friday, March 21, 2008 12:24 PM  
**To:** Davis, Michele; Zuccarelli, Jennifer; Steel, Robert; Ryan, Tony  
**Cc:** Jaconi, Kristen; McLaughlin, Brookly; Scogin, Matthew; Appleton, Jesse  
**Subject:** Re: NY Times Q on Capital for IBanks

Yes, that's where I was going - a short sentence like that and point him to SEC Bear stmt

David G. Nason  
Department of the Treasury  
202.622.2610

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

**From:** Davis, Michele  
**To:** Zuccarelli, Jennifer; Nason, David; Steel, Robert; Ryan, Tony  
**Cc:** Jaconi, Kristen; McLaughlin, Brookly; Scogin, Matthew; Appleton, Jesse  
**Sent:** Fri Mar 21 12:22:21 2008  
**Subject:** Re: NY Times Q on Capital for IBanks

Can't we just say something about this wasn't a capital problem, but a liquidity problem?  
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Sent from my BlackBerry Wireless Handheld (www.treasury.gov)

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

**From:** Zuccarelli, Jennifer  
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**Appleton, Jesse**

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**From:** Steel, Robert  
**Sent:** Friday, March 21, 2008 12:26 PM  
**To:** Davis, Michele; Zuccarelli, Jennifer; Nason, David; Ryan, Tony  
**Cc:** Jaconi, Kristen; McLaughlin, Brookly; Scogin, Matthew; Appleton, Jesse  
**Subject:** Re: NY Times Q on Capital for IBanks

Michele's point is a good one...our, Treasury's pov, is a not realated so much to safety and soundness and more to keeps the institutions on front foot re credit extension and helping the markets to work..

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Any guidance from you on this would be appreciated.

Ed

**Smith, Bernetta**

**From:** Hoyt, Robert  
**Sent:** Sunday, March 16, 2008 8:44 AM  
**To:** Kashkari, Neel; Steel, Robert; Nason, David; Ryan, Tony; Norton, Jeremiah  
**Subject:** Re: Regulatory List

My copy of this cuts off in the middle of the (b)(5) para -- is there a more complete version?

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

**From:** Kashkari, Neel  
**To:** Steel, Robert; Nason, David; Ryan, Tony; Norton, Jeremiah; Hoyt, Robert  
**Sent:** Sun Mar 16 07:46:13 2008  
**Subject:** Fw: Regulatory List

Guys, pls see below. Here is jpm's expanded and presumably final list of asks from USG (most of which are for FRBNY). Given sensitive nature of the doc, we prob should not fwd to others.

(b)(5)

Please let me know.

Happy to help however I can... And Tim G will no doubt call some of these folks too.

Thx

Neel

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

**From:** stephen.m.cutler@jpmorgan.com <stephen.m.cutler@jpmorgan.com>  
**To:** michael.holscher@ny.frb.org <michael.holscher@ny.frb.org>; Kashkari, Neel  
**Cc:** thomas.baxter@ny.frb.org <thomas.baxter@ny.frb.org>; michael.schussler@ny.frb.org <michael.schussler@ny.frb.org>; genova\_diane@jpmorgan.com <genova\_diane@jpmorgan.com>; NEILA.RADIN@chase.com <NEILA.RADIN@chase.com>  
**Sent:** Sun Mar 16 00:43:45 2008  
**Subject:** Regulatory List

THIS EMAIL WAS SENT BY DIANE GENOVA

Following our meeting and some preliminary discussions with Tom Baxter and Mike Schussler at NY Fed, this is a revised draft of our regulatory list:

Generally, this communication is for informational purposes only and it is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. In the event you are receiving the offering materials attached below related to your interest in hedge funds or private equity, this communication may be intended as an offer or solicitation for the purchase or sale of such fund(s). All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of JPMorgan Chase & Co., its

subsidiaries and affiliates. This transmission may contain information that is privileged, confidential, legally privileged, and/or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of the information contained herein (including any reliance thereon) is STRICTLY PROHIBITED. Although this transmission and any attachments are believed to be free of any virus or other defect that might affect any computer system into which it is received and opened, it is the responsibility of the recipient to ensure that it is virus free and no responsibility is accepted by JPMorgan Chase & Co., its subsidiaries and affiliates, as applicable, for any loss or damage arising in any way from its use. If you received this transmission in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format. Thank you. Please refer to <http://www.jpmorgan.com/pages/disclosures> for disclosures relating to UK legal entities.

**Steel, Robert**

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**From:** Davis, Michele  
**Sent:** Friday, March 14, 2008 12:58 PM  
**To:** Steel, Robert; Ryan, Tony; McLaughlin, Brookly; Zuccarelli, Jennifer  
**Subject:** RE: tick tock points

Yes - worth adding. thanks

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

**From:** Steel, Robert  
**Sent:** Friday, March 14, 2008 12:58 PM  
**To:** Davis, Michele; Ryan, Tony; McLaughlin, Brookly; Zuccarelli, Jennifer  
**Subject:** Re: tick tock points

(b)(5)

Sounds great... You could add the color that



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

**From:** Davis, Michele  
**To:** Steel, Robert; Ryan, Tony; McLaughlin, Brookly; Zuccarelli, Jennifer  
**Sent:** Fri Mar 14 12:54:23 2008  
**Subject:** tick tock points

Just talked to Bob about the tick tock, and I trimmed down what we walked through. Everyone is asking, and for deadline purposes we need to get these finalized no later than 3:30 or 4. Please let me know if these are ok - they will be deep background, not quoted.

(b)(5)



**Appleton, Jesse**

---

**From:** Patrick.M.Parkinson@frb.gov  
**Sent:** Friday, March 14, 2008 6:20 PM  
**To:** Ryan, Tony  
**Cc:** Steel, Robert; SirriE@sec.gov  
**Subject:** Re: PWG mtg- time sensitive

**Attachments:** PWG w-POTUS - Mar 17.ppt



PWG w-POTUS -  
Mar 17.ppt (201 ...

Tony,

In general, the slides look fine to me. However, re slide 3, I do not believe that

(b)(5)

[REDACTED]

[REDACTED]

Pat

Tony.Ryan@do.treas.gov

03/14/2008 06:04 PM

Patrick.M.Parkinson@frb.gov,  
SirriE@sec.gov

Robert.Steel@do.treas.gov

PWG mtg- time sensitive

To

cc

Subject

Pat and Erik -

As I presume you know, there is a PWG meeting w/ POTUS on Monday. WH wants a draft of slides by tomorrow afternoon. Based on guidance I received, I created the attached draft to get us started.

Can you please take a look and provide comments and suggestions by tomorrow am? The focus is on recent (including this weekend's) developments, so we might need to update the next to last slide early Mon am or Sunday night.

Thanks-  
Tony

(See attached file: PWG w-POTUS - Mar 17.ppt)

**Steel, Robert**

---

**From:** Sirri, Erik R. [SirriE@sec.gov]  
**Sent:** Saturday, March 15, 2008 10:43 PM  
**To:** timothy.geithner@ny.frb.org; Ryan, Tony; patrick.m.parkinson@frb.gov; Steel, Robert  
**Cc:** Colby, Robert LD  
**Subject:** statement

Below is my first cut about what we might have in place as a joint statement for tomorrow in the event it is needed:

(b)(5)

**Steel, Robert**

---

**From:** Steel, Robert  
**Sent:** Saturday, March 15, 2008 11:25 AM  
**To:** Ryan, Tony  
**Subject:** Fw:

**Importance:** High

(b)(5)

Just to post you... New issue, [REDACTED]  
I spoke with Rodg and Nason and we thought good to alert Hoyt... We will discuss at 2:00.

Thx

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

**From:** Nason, David  
**To:** Hoyt, Robert  
**Cc:** Steel, Robert  
**Sent:** Sat Mar 15 11:20:16 2008  
**Subject:**

Bob -

We're thinking a few things through re Bear wind down and we've got a few people outside the Treasury thinking abt the various wind down strategies. We have a call at 2pm today. Can you join and listen in. I suspect that this is one of many issues to be discussed. I'll forward you the info.

David G. Nason  
Department of the Treasury  
202.622.2610

**Steel, Robert**

---

**From:** Steel, Robert  
**Sent:** Sunday, March 16, 2008 7:19 AM  
**To:** Ryan, Tony; Nason, David  
**Subject:** Fw: statement

What do you guys think...

My reactions..

(b)(5)

Your thoughts..

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

**From:** Sirri, Erik R. <SirriE@sec.gov>  
**To:** timothy.geithner@ny.frb.org <timothy.geithner@ny.frb.org>; Ryan, Tony;  
patrick.m.parkinson@frb.gov <patrick.m.parkinson@frb.gov>; Steel, Robert  
**Cc:** Colby, Robert LD <ColbyR@SEC.GOV>  
**Sent:** Sat Mar 15 22:43:29 2008  
**Subject:** statement

Below is my first cut about what we might have in place as a joint statement for tomorrow in the event it is needed:

(b)(5)

**Steel, Robert**

**From:** Kashkari, Neel  
**Sent:** Sunday, March 16, 2008 8:01 AM  
**To:** Steel, Robert; Nason, David; Ryan, Tony; Norton, Jeremiah; Hoyt, Robert  
**Subject:** Re: Regulatory List

Defer to you all. JPM just asked us to see where we could put our weight and support behind the deal to maximize confidence at announcement and minimize risk between annc and closing (for the sake of the markets...)

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

**From:** Steel, Robert  
**To:** Kashkari, Neel; Nason, David; Ryan, Tony; Norton, Jeremiah; Hoyt, Robert  
**Sent:** Sun Mar 16 07:51:27 2008  
**Subject:** Re: Regulatory List

I have skimmed this... Seems to me that [REDACTED] (b)(5)  
[REDACTED] I will reach out to [REDACTED] now.

View of others.. ?

(b)(5)

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

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(b)(5)

Please let me know. [REDACTED]

Happy to help however I can... And Tim G will no doubt call some of these folks too.

Thx

Neel

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

**From:** stephen.m.cutler@jpmorgan.com <stephen.m.cutler@jpmorgan.com>  
**To:** michael.holscher@ny.frb.org <michael.holscher@ny.frb.org>; Kashkari, Neel  
**Cc:** thomas.baxter@ny.frb.org <thomas.baxter@ny.frb.org>; michael.schussler@ny.frb.org <michael.schussler@ny.frb.org>; genova\_diane@jpmorgan.com <genova\_diane@jpmorgan.com>; NEILA.RADIN@chase.com <NEILA.RADIN@chase.com>  
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**Sent:** Sunday, March 16, 2008 8:18 AM  
**To:** Steel, Robert; Hoyt, Robert; Nason, David; Ryan, Tony; Norton, Jeremiah  
**Subject:** Re: Regulatory List

Both sound great. Thx

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

**From:** Steel, Robert  
**To:** Hoyt, Robert; Kashkari, Neel; Nason, David; Ryan, Tony; Norton, Jeremiah  
**Sent:** Sun Mar 16 08:14:22 2008  
**Subject:** Re: Regulatory List

I think Bob Hoyt working with Steve is a good idea...we will then have adult to adult contact in the legal area.

(b)(5)

I just spoke to [REDACTED] who will be free for a call in 30 minutes.. I will go over things with him then. [REDACTED] Will keep everyone posted.

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

**From:** Hoyt, Robert  
**To:** Kashkari, Neel; Steel, Robert; Nason, David; Ryan, Tony; Norton, Jeremiah  
**Sent:** Sun Mar 16 08:11:14 2008  
**Subject:** Re: Regulatory List

Will do. I can also contact Cutler if you think that'd help.

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

**From:** Kashkari, Neel  
**To:** Hoyt, Robert; Steel, Robert; Nason, David; Ryan, Tony; Norton, Jeremiah  
**Sent:** Sun Mar 16 08:08:10 2008  
**Subject:** Re: Regulatory List

Honestly I don't yet know. I am not at the fed yet. Maybe you can call tom baxter to coordinate and see if we can help on that piece?

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

**From:** Hoyt, Robert  
**To:** Kashkari, Neel; Steel, Robert; Nason, David; Ryan, Tony; Norton, Jeremiah  
**Sent:** Sun Mar 16 08:03:22 2008  
**Subject:** Re: Regulatory List

(b)(5)

Would you like us to? [REDACTED]

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

**From:** Kashkari, Neel  
**To:** Hoyt, Robert; Steel, Robert; Nason, David; Ryan, Tony; Norton, Jeremiah  
**Sent:** Sun Mar 16 07:53:39 2008  
**Subject:** Re: Regulatory List

Not to my knowledge

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

**From:** Hoyt, Robert  
**To:** Steel, Robert; Kashkari, Neel; Nason, David; Ryan, Tony; Norton, Jeremiah

Sent: Sun Mar 16 07:52:53 2008  
Subject: Re: Regulatory List

(b)(5)

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Cc: thomas.baxter@ny.frb.org <thomas.baxter@ny.frb.org>; michael.schussler@ny.frb.org <michael.schussler@ny.frb.org>; genova\_diane@jpmorgan.com <genova\_diane@jpmorgan.com>; NEILA.RADIN@chase.com <NEILA.RADIN@chase.com>  
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**Steel, Robert**

**From:** Steel, Robert  
**Sent:** Sunday, March 16, 2008 9:07 AM  
**To:** Hoyt, Robert  
**Subject:** Re: Regulatory List

Great Bob..

(b)(5)

[REDACTED]  
me know.

If Steve needs assistance there just let

Thx

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

**From:** Hoyt, Robert  
**To:** Steel, Robert; Kashkari, Neel; Nason, David; Ryan, Tony; Norton, Jeremiah  
**Sent:** Sun Mar 16 09:05:22 2008  
**Subject:** Re: Regulatory List

(b)(5)

I just got off with Steve. [REDACTED]

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

**From:** Steel, Robert  
**To:** Kashkari, Neel; Nason, David; Ryan, Tony; Norton, Jeremiah; Hoyt, Robert  
**Sent:** Sun Mar 16 08:55:46 2008  
**Subject:** Re: Regulatory List

(b)(5)

I just spoke to [REDACTED] We was aware of all asks and [REDACTED]

[REDACTED]

Neel, I think that is really all I can think of for Treasury to do re your original list. If people have other ideas feel free to offer them.

Bob

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

**From:** Kashkari, Neel  
**To:** Steel, Robert; Nason, David; Ryan, Tony; Norton, Jeremiah; Hoyt, Robert  
**Sent:** Sun Mar 16 07:46:13 2008  
**Subject:** Fw: Regulatory List

Guys, pls see below. Here is jpm's expanded and presumably final list of asks from USG (most of which are for FRBNY). Given sensitive nature of the doc, we prob should not fwd to others.

(b)(5)

[REDACTED]

[REDACTED]

Please let me know. [REDACTED]

Happy to help however I can... And Tim G will no doubt call some of these folks too.

Thx

Neel

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

From: stephen.m.cutler@jpmorgan.com <stephen.m.cutler@jpmorgan.com>  
To: michael.holscher@ny.frb.org <michael.holscher@ny.frb.org>; Kashkari, Neel  
Cc: thomas.baxter@ny.frb.org <thomas.baxter@ny.frb.org>; michael.schussler@ny.frb.org  
<michael.schussler@ny.frb.org>; genova\_diane@jpmorgan.com <genova\_diane@jpmorgan.com>;  
NEILA.RADIN@chase.com <NEILA.RADIN@chase.com>  
Sent: Sun Mar 16 00:43:45 2008  
Subject: Regulatory List

THIS EMAIL WAS SENT BY DIANE GENOVA

Following our meeting and some preliminary discussions with Tom Baxter and Mike Schussler at NY Fed, this is a revised draft of our regulatory list:

---

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**Smith, Bernetta**

---

**From:** Michael.Silva@ny.frb.org  
**Sent:** Sunday, March 16, 2008 11:27 AM  
**To:** Kashkari, Neel  
**Subject:** Re: If tim has a moment can you let me know?

Thanks.

(b)(5)

Dimon has left call. Tim suggested that [REDACTED] Hank just left call with Tim to call Dimon back.

---

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

**From:** Neel.Kashkari  
**Sent:** 03/16/2008 11:15 AM AST  
**To:** Michael Silva  
**Subject:** Re: If tim has a moment can you let me know?

[REDACTED]  
[REDACTED]  
(b)(5)

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

**From:** Michael.Silva@ny.frb.org <Michael.Silva@ny.frb.org>  
**To:** Kashkari, Neel  
**Sent:** Sun Mar 16 11:17:09 2008  
**Subject:** Re: If tim has a moment can you let me know?

What is mood on the ground?

---

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

**From:** Neel.Kashkari  
**Sent:** 03/16/2008 10:31 AM AST  
**To:** Michael Silva  
**Subject:** If tim has a moment can you let me know?

I want to touch base re jpm

Thx

6/6/2008

**Smith, Bernetta**

---

**From:** Michael.Silva@ny.frb.org  
**Sent:** Sunday, March 16, 2008 11:28 AM  
**To:** Kashkari, Neel  
**Subject:** Re: If tim has a moment can you let me know?

Will do. Agree.

---

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

**From:** Neel.Kashkari  
**Sent:** 03/16/2008 11:20 AM AST  
**To:** Michael Silva  
**Subject:** Re: If tim has a moment can you let me know?

(b)(5)

Let tim know jaime's team said the same to us. [REDACTED]

[REDACTED] (b)(5)

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

**From:** Michael.Silva@ny.frb.org <Michael.Silva@ny.frb.org>  
**To:** Kashkari, Neel  
**Sent:** Sun Mar 16 11:14:03 2008  
**Subject:** Re: If tim has a moment can you let me know?

I am very sorry for delayed response. Crazy here. Just saw your message.

(b)(5)

Currently listening to Tim and Hank talking to Jaime. [REDACTED]

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

**From:** Neel.Kashkari  
**Sent:** 03/16/2008 10:31 AM AST  
**To:** Michael Silva  
**Subject:** If tim has a moment can you let me know?

I want to touch base re jpm

Thx

**Steel, Robert**

**From:** Kashkari, Neel  
**Sent:** Sunday, March 16, 2008 11:29 AM  
**To:** Steel, Robert; Nason, David; Ryan, Tony; Norton, Jeremiah; Hoyt, Robert  
**Subject:** Re: Regulatory List

Update:

Hoyt is working with GCs on reg issues

(b)(5)

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

**From:** Steel, Robert  
**To:** Kashkari, Neel; Nason, David; Ryan, Tony; Norton, Jeremiah; Hoyt, Robert  
**Sent:** Sun Mar 16 08:55:46 2008  
**Subject:** Re: Regulatory List

(b)(5)

I just spoke to [redacted] We was aware of all asks and [redacted]

[redacted]

Neel, I think that is really all I can think of for Treasury to do re your original list. If people have other ideas feel free to offer them.

Bob

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

**From:** Kashkari, Neel  
**To:** Steel, Robert; Nason, David; Ryan, Tony; Norton, Jeremiah; Hoyt, Robert  
**Sent:** Sun Mar 16 07:46:13 2008  
**Subject:** Fw: Regulatory List

Guys, pls see below. Here is jpm's expanded and presumably final list of asks from USG (most of which are for FRBNY). Given sensitive nature of the doc, we prob should not fwd to others.

(b)(5)

[redacted]

Please let me know. [redacted]

[redacted]

Happy to help however I can... And Tim G will no doubt call some of these folks too.

Thx

Neel

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

From: stephen.m.cutler@jpmorgan.com <stephen.m.cutler@jpmorgan.com>  
To: michael.holscher@ny.frb.org <michael.holscher@ny.frb.org>; Kashkari, Neel  
Cc: thomas.baxter@ny.frb.org <thomas.baxter@ny.frb.org>; michael.schussler@ny.frb.org  
<michael.schussler@ny.frb.org>; genova\_diane@jpmorgan.com <genova\_diane@jpmorgan.com>;  
NEILA.RADIN@chase.com <NEILA.RADIN@chase.com>  
Sent: Sun Mar 16 00:43:45 2008  
Subject: Regulatory List

THIS EMAIL WAS SENT BY DIANE GENOVA

Following our meeting and some preliminary discussions with Tom Baxter and Mike Schussler at NY Fed, this is a revised draft of our regulatory list:

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**Smith, Bernetta**

---

**From:** Michael.Holscher@ny.frb.org  
**Sent:** Sunday, March 16, 2008 11:33 AM  
**To:** Timothy Geithner; Terrence Checki; Christine Cumming; William.Dudley@ny.frb.org; Thomas.Baxter@ny.frb.org; Michael Silva; Meg McConnell; Kashkari, Neel  
**Subject:** JPM findings

JPM has discovered a large (50bn) structured mortgage position funded by BSC, as well as other risk positions that are making them balk on the deal. I have asked for a report on their findings to assess the exposures. They also indicated that BSC's risk positions are exactly what JPM has avoided in recent years. They estimate the book value of the firm to be nearly worthless, down from 5-6bn yesterday, and that risks on other unknowns are to the downside. They inquired about options that the federal government may have to bail out/purchase BSC, we indicated that options are extremely limited.

-----  
Sent from my BlackBerry Handheld.

**Steel, Robert**

---

**From:** Steel, Robert  
**Sent:** Sunday, March 16, 2008 2:32 PM  
**To:** 'sirrie@sec.gov'; Ryan, Tony  
**Subject:** Re: Update

I would call Geithners office...

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

**From:** Sirri, Erik R. <SirriE@sec.gov>  
**To:** Sirri, Erik R. <SirriE@sec.gov>; Ryan, Tony; Steel, Robert  
**Sent:** Sun Mar 16 14:30:55 2008  
**Subject:** RE: Update

(b)(5)

We need to know something about the nature of the transaction [REDACTED]  
[REDACTED] Can I speak to someone who can give us the broad  
outlines of the deal?

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

**From:** Sirri, Erik R.  
**Sent:** Sunday, March 16, 2008 12:24 PM  
**To:** 'Tony Ryan (Tony.Ryan@do.treas.gov)'; 'Bob Steele (Robert.steel@do.treas.gov)'  
**Subject:** Update

Can you update us on two things:

1. The status of the regulatory call with Bob Hoyt that was to happen.
2. The status of the deal. How are things looking?

**Steel, Robert**

**From:** Steel, Robert  
**Sent:** Sunday, March 16, 2008 3:47 PM  
**To:** Kashkari, Neel  
**Subject:** Fw: Catch up..

I spoke with Sheila and posted her ..she had not been in the loop to any significant degree.. She needs to [REDACTED] (b)(5)

[REDACTED] (b)(5)  
← nonresponsive

----- Original Message -----  
From: Bair, Sheila C. <SBair@FDIC.gov>  
To: Steel, Robert  
Sent: Sun Mar 16 14:28:03 2008  
Subject: Re: Catch up..

Can we talk?

-----Original Message-----  
From: Robert.Steel@do.treas.gov <Robert.Steel@do.treas.gov>  
To: Bair, Sheila C.  
Sent: Sun Mar 16 14:19:40 2008  
Subject: Re: Catch up..

Unclear... We asked that question specifically ...need to get through today and will then focus.

----- Original Message -----  
From: Bair, Sheila C. <SBair@FDIC.gov>  
To: Steel, Robert  
Sent: Sun Mar 16 14:09:33 2008  
Subject: Re: Catch up..

[REDACTED] (b)(5)

-----Original Message-----  
From: Robert.Steel@do.treas.gov <Robert.Steel@do.treas.gov>  
To: Bair, Sheila C.  
Sent: Sun Mar 16 12:38:01 2008  
Subject: Catch up..

Hi Sheila..

As you know there is an effort to get JPM and Bear Stearns together. Certainly you will need to get comfortable and be knowledgable... Are you people connected with the process ? Do you need anything else so as to be up to speed ?

Thx



**Steel, Robert**

---

**From:** Hoyt, Robert  
**Sent:** Sunday, March 16, 2008 6:08 PM  
**To:** Ryan, Tony; Steel, Robert; Davis, Michele; Wilkinson, Jim  
**Subject:** Fw: Geithner.DOC



donna.DOC (24 KB)

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

**From:** Donna.Grey@ny.frb.org <Donna.Grey@ny.frb.org>  
**To:** Scott.Alvarez@frb.gov <Scott.Alvarez@frb.gov>; Hoyt, Robert  
**Sent:** Sun Mar 16 18:09:42 2008  
**Subject:** Geithner.DOC

This document replaces the previous document Raleigh Tozer sent.

Donna Grey  
Executive Assistant  
Legal-Group/ELPICA  
Telephone: 212-720-2524  
Fax: 212-720-8709

## Stoltzfoos, Jeffrey

---

**From:** Stoltzfoos, Jeffrey  
**Sent:** Sunday, March 16, 2008 6:24 PM  
**To:** Nason, David  
**Subject:** Fw: Geithner.DOC

**Attachments:** donna.DOC



donna.DOC (24 KB)

We are calling hmp about this to state the df view.

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

**From:** Ryan, Tony  
**To:** Stoltzfoos, Jeffrey  
**Sent:** Sun Mar 16 18:23:34 2008  
**Subject:** FW: Geithner.DOC

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

**From:** Hoyt, Robert  
**Sent:** Sunday, March 16, 2008 6:08 PM  
**To:** Ryan, Tony; Steel, Robert; Davis, Michele; Wilkinson, Jim  
**Subject:** Fw: Geithner.DOC

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

**From:** Donna.Grey@ny.frb.org <Donna.Grey@ny.frb.org>  
**To:** Scott.Alvarez@frb.gov <Scott.Alvarez@frb.gov>; Hoyt, Robert  
**Sent:** Sun Mar 16 18:09:42 2008  
**Subject:** Geithner.DOC

This document replaces the previous document Raleigh Tozer sent.

Donna Grey  
Executive Assistant  
Legal-Group/ELPICA  
Telephone: 212-720-2524  
Fax: 212-720-8709

**Stoltzfoos, Jeffrey**

---

**From:** Stoltzfoos, Jeffrey  
**Sent:** Sunday, March 16, 2008 7:00 PM  
**To:** Nason, David  
**Subject:** Re: Geithner.DOC

Rks asked about the letter. Hmp said he was talking to TG about it. (b)(5)

The only thing that was clear is that we have some time (probably until tomorrow morning). That's it.

The JP/BS deal will hit the press soon. It will be jp first, fed second, then treasury, in terms of statements.

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

**From:** Nason, David  
**To:** Stoltzfoos, Jeffrey  
**Sent:** Sun Mar 16 18:50:35 2008  
**Subject:** Re: Geithner.DOC

What was nature of conversation?

David G. Nason  
Department of the Treasury  
202.622.2610

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

**From:** Stoltzfoos, Jeffrey  
**To:** Nason, David  
**Sent:** Sun Mar 16 18:37:33 2008  
**Subject:** Re: Geithner.DOC

The hmp call is over. I think bob bought us some time to discuss the letter before hmp signs it. I'll call soon.

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

**From:** Nason, David  
**To:** Stoltzfoos, Jeffrey  
**Sent:** Sun Mar 16 18:27:01 2008  
**Subject:** Re: Geithner.DOC

K.

David G. Nason  
Department of the Treasury  
202.622.2610

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

**From:** Stoltzfoos, Jeffrey  
**To:** Nason, David  
**Sent:** Sun Mar 16 18:26:38 2008  
**Subject:** Re: Geithner.DOC

I listening to bob and hank.

----- Original Message -----  
From: Nason, David  
To: Stoltzfoos, Jeffrey  
Sent: Sun Mar 16 18:25:35 2008  
Subject: Re: Geithner.DOC

Around for a phone call

David G. Nason  
Department of the Treasury  
202.622.2610

----- Original Message -----  
From: Stoltzfoos, Jeffrey  
To: Nason, David  
Sent: Sun Mar 16 18:24:25 2008  
Subject: Fw: Geithner.DOC

We are calling hmp about this to state the df view.

----- Original Message -----  
From: Ryan, Tony  
To: Stoltzfoos, Jeffrey  
Sent: Sun Mar 16 18:23:34 2008  
Subject: FW: Geithner.DOC

-----Original Message-----  
From: Hoyt, Robert  
Sent: Sunday, March 16, 2008 6:08 PM  
To: Ryan, Tony; Steel, Robert; Davis, Michele; Wilkinson, Jim  
Subject: Fw: Geithner.DOC

----- Original Message -----  
From: Donna.Grey@ny.frb.org <Donna.Grey@ny.frb.org>  
To: Scott.Alvarez@frb.gov <Scott.Alvarez@frb.gov>; Hoyt, Robert  
Sent: Sun Mar 16 18:09:42 2008  
Subject: Geithner.DOC

This document replaces the previous document Raleigh Tozer sent.

Donna Grey  
Executive Assistant  
Legal-Group/ELPICA  
Telephone:212-720-2524  
Fax:212-720-8709

**Stoltzfoos, Jeffrey**

---

**From:** Nason, David  
**Sent:** Sunday, March 16, 2008 7:22 PM  
**To:** Stoltzfoos, Jeffrey  
**Subject:** Re:

Ok. Thx. Amazing development. We would have looked like prophets if bp were already out.

David G. Nason  
Department of the Treasury  
202.622.2610

----- Original Message -----  
**From:** Stoltzfoos, Jeffrey  
**To:** Nason, David  
**Sent:** Sun Mar 16 19:20:52 2008  
**Subject:**

He just said, "I'll tell Nason, but we need to address this in the BP." (b)(5)  
[REDACTED] Bob didn't engage on the issue. [REDACTED]  
[REDACTED]

**Appleton, Jesse**

**From:** Grippo, Gary  
**Sent:** Monday, March 17, 2008 5:31 AM  
**To:** Ryan, Tony; Abbott, Matthew; Steel, Robert  
**Subject:** Fw: I would like to meet with you briefly Monday morning on a matter that came up today

(b)(5)

FYI on the correct language to use [REDACTED]

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

**From:** Grippo, Gary  
**To:** Bieger, Peter  
**Cc:** Harvey, Reavie  
**Sent:** Mon Mar 17 05:25:33 2008  
**Subject:** Re: I would like to meet with you briefly Monday morning on a matter that came up today

Pete,

I would not say [REDACTED]

(b)(5)

I think the correct phrase would be [REDACTED]

--Gary

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

**From:** Bieger, Peter  
**To:** Grippo, Gary  
**Cc:** Harvey, Reavie  
**Sent:** Sun Mar 16 23:46:58 2008  
**Subject:** I would like to meet with you briefly Monday morning on a matter that came up today

Gary,

We -- Bob H, Lily F, Steve A & me; Scott Alvarez and other lawyers at the Fed Board; FRBNY lawyers, and a DOJ OLC lawyer -- discussing possible ways [REDACTED]

(b)(5)

I'll summarize below how the proposals evolved over the course of the day, but as of this evening the proposal was [REDACTED]

[REDACTED]  
(b)(5)

[REDACTED] (b)(5)

\* \* \*

[REDACTED] (b)(5)

[REDACTED] (b)(5)

(b)(5)

(b)(5)

[REDACTED] (b)(5)

\* \* \*

(b)(5)

Bob Hoyt has asked me to focus your attention on the

[REDACTED]

Background:

(b)(5)

(b)(5)


(b)(5)

(b)(5)


(b)(5)

(b)(5)

(b)(5)



(b)(5)



Any light you can shed will, as always, be greatly appreciated!

Pete

**Smith, Bernetta**

**From:** Davis, Michele  
**Sent:** Monday, March 17, 2008 11:26 AM  
**To:** Kashkari, Neel; Ryan, Tony  
**Subject:** the \$30 b in collateral

You guys used a phrase just now that I didn't get down on paper -

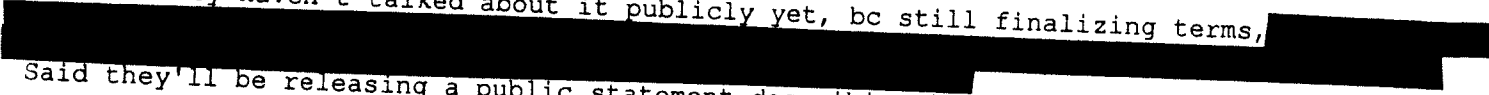
(b)(5)

(b)(5)

**Steel, Robert**

---

**From:** Davis, Michele  
**Sent:** Monday, March 17, 2008 1:11 PM  
**To:** Steel, Robert; Ryan, Tony  
**Cc:** Kashkari, Neel  
**Subject:** Geithner's description of loan

He said they haven't talked about it publicly yet, bc still finalizing terms, (b)(5)  


Said they'll be releasing a public statement describing it later today.  
-----

Sent from my BlackBerry Wireless Handheld ([www.treasury.gov](http://www.treasury.gov))

**Steel, Robert**

---

**From:** Hoyt, Robert  
**Sent:** Monday, March 17, 2008 3:18 PM  
**To:** Steel, Robert; Ryan, Tony; Davis, Michele; Wilkinson, Jim; Fromer, Kevin  
**Cc:** Fu, Lily  
**Subject:** HMP letter to Geithner

**Importance:** High



HMP to Geithner ltr  
03-17-08 (...)

(b)(5)

RBNY and FRB have both called about the letter they've requested concerning the JPM facility. Attached is the draft letter that they sent, with some edits we've suggested

[REDACTED]

[REDACTED] Otherwise, pls send me any comments on this version, and I will get it into the formal clearance process.

**Steel, Robert**

---

**From:** Davis, Michele  
**Sent:** Monday, March 17, 2008 3:19 PM  
**To:** Hoyt, Robert; Steel, Robert; Ryan, Tony; Wilkinson, Jim; Fromer, Kevin  
**Cc:** Fu, Lily  
**Subject:** Re: HMP letter to Geithner

Hank thinks you are bringing this to him now to sign it.

-----  
Sent from my BlackBerry Wireless Handheld (www.treasury.gov)

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

**From:** Hoyt, Robert  
**To:** Steel, Robert; Ryan, Tony; Davis, Michele; Wilkinson, Jim; Fromer, Kevin  
**Cc:** Fu, Lily  
**Sent:** Mon Mar 17 15:18:20 2008  
**Subject:** HMP letter to Geithner

(b)(5)

FRBNY and FRB have both called about the letter they've requested concerning the JPM facility. Attached is the draft letter that they sent, with some edits we've suggested

[REDACTED]

[REDACTED] Otherwise, pls send me any comments on this version, and I will get it into the formal clearance process.

<<HMP to Geithner ltr 03-17-08 (2).doc>>

**Steel, Robert**

---

**From:** Hoyt, Robert  
**Sent:** Monday, March 17, 2008 5:41 PM  
**To:** Smith, Taiya; Davis, Michele; Fromer, Kevin; Wilkinson, Jim; Ryan, Tony; Steel, Robert; Nason, David  
**Cc:** Bieger, Peter; Fu, Lily; Valdeon, Lindsay  
**Subject:** Re: HMP to Geithner ltr 03-17-08 (5)

Unfortunately, me.

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

**From:** Smith, Taiya  
**To:** Hoyt, Robert; Davis, Michele; Fromer, Kevin; Wilkinson, Jim; Ryan, Tony; Steel, Robert; Nason, David  
**Cc:** Bieger, Peter; Fu, Lily; Valdeon, Lindsay  
**Sent:** Mon Mar 17 17:36:50 2008  
**Subject:** RE: HMP to Geithner ltr 03-17-08 (5)

Who has the lead on this?

---

**From:** Hoyt, Robert  
**Sent:** Monday, March 17, 2008 5:19 PM  
**To:** Davis, Michele; Fromer, Kevin; Wilkinson, Jim; Ryan, Tony; Steel, Robert; Nason, David; Smith, Taiya  
**Cc:** Bieger, Peter; Fu, Lily  
**Subject:** HMP to Geithner ltr 03-17-08 (5)

Revised letter, reflecting a suggestion from the Federal Reserve Board. FRBNY was fine with the earlier version, and I suspect will be fine with this version as well.

<< File: HMP to Geithner ltr 03-17-08 (5).doc >>

## Appleton, Jesse

---

**From:** Zuccarelli, Jennifer  
**Sent:** Monday, March 17, 2008 7:17 PM  
**To:** Ryan, Tony; Steel, Robert  
**Cc:** Appleton, Jesse; Foley, Trip  
**Subject:** Bear Talking Points

**Attachments:** 03-17-08 Bear Stearns.doc



03-17-08 Bear  
Stearns.doc (36 ...

These were Hank's talkers today.

Jennifer Zuccarelli  
Director, Office of Public Affairs  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220  
Phone: 202-622-8657  
Fax: 202-622-1999

**Ridgway, Diana**

---

**From:** Hoyt, Robert  
**Sent:** Friday, March 21, 2008 11:05 PM  
**To:** Steel, Robert; Ryan, Tony; Kashkari, Neel; Wilkinson, Jim; Albrecht, Stephen  
**Cc:** Hoyt, Robert  
**Subject:** Updates

(b)(5)

1. FRBNY -- they have had extensive discussions w/ JPM over the proposed new structure.  
[REDACTED]

2. JPM -- [REDACTED]  
[REDACTED] JPM is still trying.

3. Geithner is going to try to update HMP in the morning. I'll try to set up a call in the late morning to bring folks up to speed in more detail.

**Scogin, Matthew**

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**From:** Scogin, Matthew  
**Sent:** Monday, March 17, 2008 7:27 PM  
**To:** Appleton, Jesse  
**Subject:** Re: HMP to Geithner ltr 03-17-08 (5).doc

What's this letter about? I didn't get the attachment.

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

**From:** Appleton, Jesse  
**To:** Valdeon, Lindsay; Stoltzfoos, Jeffrey; Scogin, Matthew; Foley, Trip  
**Sent:** Mon Mar 17 18:50:58 2008  
**Subject:** RE: HMP to Geithner ltr 03-17-08 (5).doc

(b)(5)

Financial Markets clears (for the record: [REDACTED])

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**From:** Valdeon, Lindsay  
**Sent:** Monday, March 17, 2008 6:24 PM  
**To:** Stoltzfoos, Jeffrey; Appleton, Jesse; Scogin, Matthew; Foley, Trip  
**Subject:** FW: HMP to Geithner ltr 03-17-08 (5).doc

Looping in the senior advisors...

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**From:** Valdeon, Lindsay  
**Sent:** Monday, March 17, 2008 6:23 PM  
**To:** Nason, David; Steel, Robert; Ryan, Tony  
**Subject:** HMP to Geithner ltr 03-17-08 (5).doc

Gentlemen: I understand you have all been in the loop on this letter, but I wanted to make sure that you have all had the chance to see and approve the language. Let me know at your convenience as Hank would like the letter to go out tonight.

<< File: HMP to Geithner ltr 03-17-08 (5).doc >>

Many thanks,  
Lindsay

**Clearance Sheet Geithner letter**

Drafted: GC – Bob Hoyt

Approved: Secretary Paulson – ok (3/17/2008)

Cleared: ExecSec – Taiya Smith- ok (3/17/2008)

Public Affairs – Michele Davis- ok (3/17/2008)

Chief of Staff – Jim Wilkinson- ok (3/17/2008)

Domestic Finance – Bob Steel- verbal ok through Trip (3/17/2008)

Domestic Finance – Tony Ryan- ok (3/17/2008)

(b)(5)

\* 

**Action Memo Delivery Instructions**

- Return to policy office for delivery
- Deliver through the Executive Secretary (include specific instructions below)
- Other (see below)

Faxed on 3/17/2008 by LV

Specific delivery instructions:

**Ridgway, Diana**

**From:** Sirri, Erik R. [SirriE@sec.gov]  
**Sent:** Saturday, March 22, 2008 7:24 PM  
**To:** Steel, Robert  
**Subject:** Re:  
(b)(6)

[REDACTED] If I'm on phone lv message and I'll call back. Thx.

---

Erik R. Sirri  
SEC, Div. of Trading and Markets  
sirrie@sec.gov (202) 551-5500

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

**From:** Robert.Steel@do.treas.gov <Robert.Steel@do.treas.gov>  
**To:** Sirri, Erik R.  
**Sent:** Sat Mar 22 19:22:24 2008  
**Subject:** Re:

Am on the phone now... Will be through in a little bit..what # can i call you on..

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

**From:** Sirri, Erik R. <SirriE@sec.gov>  
**To:** Steel, Robert  
**Sent:** Sat Mar 22 19:21:02 2008  
**Subject:**

Bob

(b)(5)

Can you take a call from me re the JPM/BS situation regarding [REDACTED] If so, where should I call?

---

Erik R. Sirri  
SEC, Div. of Trading and Markets  
sirrie@sec.gov (202) 551-5500

## Ridgway, Diana

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**From:** Hoyt, Robert  
**Sent:** Saturday, March 22, 2008 9:57 PM  
**To:** Steel, Robert; Kashkari, Neel; Ryan, Tony; Albrecht, Stephen  
**Subject:** Fw: Latest Proposal for SPV

**Attachments:** Waterfall structure for the SPV for Fed loan to JPMC - v5.doc



Waterfall structure  
for the SP...

Fyi

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

**From:** Thomas.Baxter@ny.frb.org <Thomas.Baxter@ny.frb.org>  
**To:** Hoyt, Robert  
**Sent:** Sat Mar 22 21:44:06 2008  
**Subject:** Latest Proposal for SPV

Bob,

As promised, here is the latest proposal. We probably will spend much of tomorrow on it. I also have people working on the legal documentation, using this as a template for the SPV.

Thomas C. Baxter, Jr.  
General Counsel and Executive Vice President Federal Reserve Bank of New York

**Fu, Lily**

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**From:** Hoyt, Robert  
**Sent:** Sunday, March 16, 2008 8:24 AM  
**To:** Fu, Lily; 'balgeary@' [REDACTED] (b)(6)  
**Subject:** Fw: Regulatory List

**Attachments:** Regulatory Request.doc



Regulatory  
Request.doc (31 KB)

(b)(5)

Pls look at this ASAP. I may need your help/advice on the [REDACTED] issues referenced in the attachment. Super close hold.

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

**From:** Kashkari, Neel  
**To:** Steel, Robert; Nason, David; Ryan, Tony; Norton, Jeremiah; Hoyt, Robert  
**Sent:** Sun Mar 16 07:46:13 2008  
**Subject:** Fw: Regulatory List

Guys, pls see below. Here is jpm's expanded and presumably final list of asks from USG (most of which are for FRBNY). Given sensitive nature of the doc, we prob should not fwd to others.

(b)(5)

[REDACTED]

[REDACTED]

Please let me know. [REDACTED]

Happy to help however I can... And Tim G will no doubt call some of these folks too.

Thx

Neel

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

**From:** stephen.m.cutler@jpmorgan.com <stephen.m.cutler@jpmorgan.com>  
**To:** michael.holscher@ny.frb.org <michael.holscher@ny.frb.org>; Kashkari, Neel  
**Cc:** thomas.baxter@ny.frb.org <thomas.baxter@ny.frb.org>; michael.schussler@ny.frb.org <michael.schussler@ny.frb.org>; genova\_diane@jpmorgan.com <genova\_diane@jpmorgan.com>; NEILA.RADIN@chase.com <NEILA.RADIN@chase.com>  
**Sent:** Sun Mar 16 00:43:45 2008  
**Subject:** Regulatory List