

RELEASE IN PART  
B5

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**From:** Mills, Cheryl D <MillsCD@state.gov>  
**Sent:** Thursday, May 6, 2010 8:20 PM  
**To:** H  
**Subject:** FW: Greece, etc.

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**From:** Slaughter, Anne-Marie  
**Sent:** Thursday, May 06, 2010 7:06 PM  
**To:** Sullivan, Jacob J; Mills, Cheryl D  
**Cc:** Burns, William J  
**Subject:** Fw: Greece, etc.

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Jake and Cheryl -- pse read below. This is extremely serious. I just talked to Bill Burns, [redacted]

[redacted] AM

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**From:** Harris, Jennifer M  
**To:** Slaughter, Anne-Marie  
**Sent:** Thu May 06 14:54:08 2010  
**Subject:** RE: Greece, etc.

The link is [here](#), and its cut and pasted below. Simon Johnson is the Former Chief Economist of the IMF and now writes for the NYT and for his own blog, hugely influential for bond traders, called [Baseline Scenario](#). He also wrote the current bestseller 13 bankers, making waves as probably the best academic indictment on the 2008 crisis (better in my view than Michael Lewis' current book, which speaks more to the personalities involved).

And the US markets are taking a worse beating than even I would've thought possible. In the words of the owner of one of the largest hedge funds in NY, "this has that 2 year ago feeling. This is carnage."

S&P – down 4.5% just today  
XLS (S&P components of major financial institutions, essentially a more focused look at just the financial sector component of the S&P) – down 5% just today  
Preferred shares (these don't typically move, ever)- down 9% and falling  
Euro heading for 1.26

Credit markets are worse than stocks.  
VIX (Volatility Index at 34, which is up 36%).