

BY: ALYSSA VAN HYFTE

# LEHMAN BROTHERS: THE ROAD TO FAILURE

September 15, 2008

Lehman Brothers files for Chapter 11  
bankruptcy...

To this day that filing remains the largest  
bankruptcy filing in history...

# The Collapse Begins

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- Summer 2007, the mortgage market crisis unfolds.
- Stock began a steady fall from \$82 a share
- At this time LEH was a major component in the market for mortgages, both prime and subprime.

# The Year Continues...

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- Nationally, the mortgage crisis deepens throughout 2007-2008.
- Yet, LEH does not drastically falter, although expected.
- Bear Stearns, and equally smaller Wall Street investment bank, is sold to JP Morgan chase in 2008.

# No End In Sight

- As the crisis continues, questions are raised concerning the accuracy of LEH's reported losses.
- In June 2008, LEH announces a second-quarter loss of 2.8 billion.
- September 2008, Government acquires takeover of Fannie Mae and Freddie Mac.

# Last Chance

- In Sep. 2008, It's made clear the the government will not bail out LEH.
- To save LEH from bankruptcy either Bank of America or Barclays would have to save them.
- Both Barclays and Bank of America refused.
- Lehman Brother's future was inevitable , they filed on September 15, 2008.

# Citations

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"Lehman Brothers Timeline." - *Lehman Brothers Collapse*. N.p., n.d. Web. 13 Nov. 2012. <<http://www.securitiesarbitration.com/lehman-timeline.php>>.