

2003 – 2004 – Lehman acquired five mortgage lenders, among which were the subprime lender BNC mortgage and Aurora Loan Services, known for its Alt-A Loans.

2004 – 2006 – The firm experienced a great surge in business activities, such as securitizing a \$146 billion of mortgages in 2006, and reported profits from 2005 – 2007. The firm reported profit of \$4.2 billion on revenue of \$19.3 billion.

February 2007 (First Quarter) – Amidst a closing price of \$86.18 and a market capitalization of \$60 billion, the company is experiencing adverse conditions due to the increasing cracks in the U.S. housing market.

March 14, 2007 – The firm still recorded revenues and profits for the first quarter. Lehman's CFO assured the public that the situation is under control and that the subprime market is of no threat.

August 2007 – The company's stocks fell sharply due to the failure of two Bear Stearns hedge funds. The company eliminated 2,500 mortgage-related jobs and shut down its BNC unit. Lehman, in response, underwrote more mortgage-backed securities, accumulating an \$85 billion portfolio, which resulted in their stock prices rebound, in addition to the favorable global market conditions.

March 17, 2008 – Lehman's shares fell as much as 48% due to the near-collapse of Bear Stearns.

April 2008 – Confidence in the company returned when they raised \$4 billion through the issuance of convertible preferred stock, but the stock resumed its decline when the hedge fund managers questioned the valuation of Lehman's mortgage portfolio.

June 9 2008 – Lehman sustained a second-quarter loss of \$2.8 billion and reported that it has raised another \$6 billion from its investors. During the year, the company tried to remedy the situation by boosting its liquidity pool, decreasing gross assets to lower its operating leverage.

September 9 2008 – The stocks plunged 77%. Korea Development Bank halted its intention to take a stake in the bank.

September 10, 2008 - Lehman pre-announced dismal fiscal third-quarter results that underscored the fragility of its financial position. The firm reported a loss of \$3.9 billion, including a [write-down](#) of \$5.6 billion, and also announced a sweeping strategic restructuring of its businesses.

September 11, 2008 – The stocks led another 42% plunge in stock price because of their credit standing reviews.

September 13, 2008 – The firm has only \$1 billion cash left, and tried to have a last-ditch effort by coordinating with Barclay PLC and Bank of America to have a takeover of Lehman, but to unfavorable results.

September 15, 2008 – Lehman Brothers filed bankruptcy. The 4th largest investment banker in the world became one of the largest victims of the U.S. subprime mortgage-induced financial crisis in 2008. Stock prices plunged another 93% because of the said action/

