August 2006

This Preliminary Information outlines certain characteristics of a proposed collateralized debt obligation transaction ("CDO"). This material is presented solely for purposes of discussion, to determine preliminary interest in investing in a transaction with the general characteristics described. This transaction is in a structuring phase and there may be material changes to the structure and collateral prior to the securities being offered (such securities, the "Offered Securities").

Preliminary Information
Subject to Completion

THE OFFERING:

$[1,600] million Collateralized Debt Obligation ("Broderick CDO 2") Notes and Preference Shares issued by Broderick CDO 2

COLLATERAL MANAGER:

Seneca Capital Management LLC

	CLASS A-1A NOTES (1)(2)(3)	CLASS A-1B NOTES (1)(2)	CLASS A-2 NOTES (1)(2)	CLASS B NOTES(1)(2)	CLASS C NOTES(1)(2)	CLASS D NOTES(1)(2)	CLASS E NOTES(1)(2)	PREFERENCE SHARES(1)(2)
Principal	$[1,376,000,000]	$[64,000,000]	$[48,000,000]	$[67,600,000]	$[23,500,000]	$[8,000,000]	$[4,900,000]	$[8,000,000]
% of Liabilities	[86.00]%	[4.00]%	[3.00]%	[4.23]%	[1.47]%	[0.53]%	[0.28]%	[0.50]%
Coupon Type	[Floating 1M LIBOR]	[Floating 3M LIBOR]	[Floating 3M LIBOR]	[Floating 3M LIBOR]	[Floating 3M LIBOR]	[Floating 3M LIBOR]	[Floating 3M LIBOR]	[Residual]
Expected Rating	[Aaa/AAA] (5)	[Aaa/AAA] (5)	[Aaa/AAA] (5)	[Aa2/AA] (5)	[A2/A] (5)	[Baa2/BBB] (5)	[Ba1/BB+] (5)	NR
Rating Agency	[Moodys/S&P]	[Moodys/S&P]	[Moodys/S&P]	[Moodys/S&P]	[Moodys/S&P]	[Moodys/S&P]	[Moodys/S&P]	N/A
Average Life(4)	[5.1 years]	[5.4 years]	[5.4 years]	[5.4 years]	[5.4 years]	[5.3 years]	[5.3 years]	N/A
Stated Maturity	[2049]	[2049]	[2049]	[2049]	[2049]	[2049]	[2049]	[2049]
Denomination	$[250,000] min $[1,000] incr	$[250,000] min $[1,000] incr	$[250,000] min $[1,000] incr	$[250,000] min $[1,000] incr	$[250,000] min $[1,000] incr	$[250,000] min $[1,000] incr	$[250,000] min $[1,000] incr	$[250,000] min $[1,000] incr(5)

(1) The transaction is at a structuring phase, the actual characteristics of the offered securities may differ from those presented herein. Definitions and other terms will be fully described in the Offering Circular. Please see [18-22] for further information on the structure.
(2) Payments on the Notes and Preference Shares will be made quarterly, except for the A-1A Notes, which will be made monthly.
(3) The Class A-1A Notes will not be fully funded at closing; they will be delay draw.
(4) Based on a [7] year auction call.
(5) A credit rating is not a recommendation to buy, hold or sell securities and is subject to revision at any time.

STRUCTURE

Issuer:	Broderick CDO 2 Ltd.
Collateral Manager:	Seneca Capital Management
Closing Date:	[August 25, 2006]
Coupon Payment Dates:	[Quarterly, except for the A-1A Notes, which will be paid interest monthly]
Ramp Up Period:	At least [94]% of the portfolio has been purchased or identified by closing; [120] day Ramp Up Period
Non Call Period:	[4] years (thereafter, all of the Notes and Preference Shares may be called by a supermajority ($66^{2}/_{3}$%) vote of the Preference Shares)
OC Test Cures:	In the event that a Class A/B OC Test is breached in the interest or principal waterfall, proceeds will be used first to pay down the Class A-1A Notes, then the Class A-1B Notes, then the Class A-2 Notes and finally the Class B Notes. In the event that a Class C OC Test is breached in the interest waterfall, interest will be used first to pay down the Class C Notes, then the Class B Notes, then the Class A-2 Notes and finally the Class A-1A and A-1B Notes (pro rata). In the event that a Class C OC Test is breached in the principal waterfall, principal will be used to pay down the most senior outstanding class of Notes. In the event that a Class D OC Test is breached in the interest waterfall, interest will be used first to pay down the Class D Notes, then the Class C Notes, then the Class B Notes, then the Class A-2 Notes and finally the Class A-1A and A-1B Notes (pro rata). In the event that a Class D OC Test is breached in the principal waterfall, principal will be used to pay down the most senior outstanding class of Notes. In the event that the Class E Interest Diversion Test is breached in the interest waterfall, interest will be used to pay down the Class E Notes until paid in full.
Reinvestment Period:	Manager may reinvest amortization proceeds from fixed rate bonds and sale proceeds from credit risk securities to keep the swap in line.
Auction Call:	[7] years - [6]% in years [7-8]; [4]% in years [9-10]; and [2]% thereafter.
Deleveraging Structure:	Principal amortization will be used to pay down the Notes on a pro rata basis until either [50%] of the collateral has amortized or the Sequential Pay Ratio is triggered, or if any overcollateralization test is not satisfied. If pro rata paydowns stop due to non-compliance with an overcollateralization test, pro rata paydowns may commence when compliance with such overcollateralization test has been restored. In the event that either [50%] of the collateral has amortized or the Class A Sequential Pay Ratio is breached, the deal will permanently pay down the Notes in sequential order. If the Class A/B, Class C, or Class D OC Test fails it will cure sequentially, and if cured with Interest Proceeds only, the deal will return to a pro rata paydown structure.

COLLATERAL ASSUMPTIONS	Portfolio Target	COLLATERAL ASSUMPTIONS	Portfolio Target
Minimum Weighted Average Coupon	[5.80]%	Max Weighted Average Life	[7.0] years
Minimum Weighted Average Floating Spread	[0.56]%	Maximum Single Issuer Concentration	[1.0]%(2)
Minimum- Maximum % Fixed	[20]%	Maximum CDOs	[25.0]%
Maximum Weighted Average Rating	[61 (Aa3/A1)](1)	Maximum Single Servicer Concentration	[7.5]%(2)
Maximum Correlation	<=[18]%(1)	Maximum Collateral Rated below Aa3	[20.0]%
Minimum Collateral Rating	[Baa1]	Maximum Collateral Rated Baa1	[5.0]%
Maximum Synthetic Assets	[30]%		

COVERAGE TESTS	Test Level(3)	Initial (4)
Class A Sequential Pay Ratio	[105.1]%	[107.5]%
Class A/B Overcollateralization Test	[101.2]%	[102.9]%
Class C Overcollateralization Test	[100.4]%	[101.3]%
Class D Overcollateralization Test	[100.3]%	[100.8]%
Class E Interest Diversion Test	[100.0]%	[100.5]%

MANAGEMENT FEE STRUCTURE(5)	
Senior Management Fee:	[9.0] bps per annum

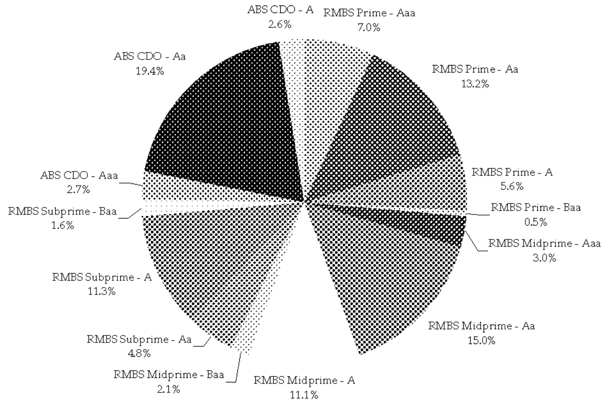
(1) Moody's Weighted Average Rating Factor and maximum Asset Correlation are included as structuring assumptions. However it is expected that the actual Moody's Weighted Average Rating Factor test and Asset Correlation test will be established at different combinations of values which may be satisfied together for both tests to be passed.
(2) With a limited number of exceptions.
(3) Test Level represents the levels that must be passed in order not to cause accelerated redemption of the Notes.
(4) Initial represents expected characteristics of target portfolio.
(5) On the Closing Date, the Co-Issuers will use a portion of the gross proceeds from the offering to pay various fees and expenses, including expenses, fees and commissions incurred in connection with the acquisition of the Collateral, upfront fees to the Collateral Manager, structuring and placement agency fees payable to Merrill Lynch and legal, accounting, rating agency and other fees. Closing fees and expenses reduce the amount of the gross proceeds of the offering available to purchase Collateral and, therefore, the return to purchasers of the Offered Securities. Rating agencies will consider the amount of net proceeds available to purchase Collateral in determining any ratings assigned by them to the Offered Securities. For information about the amount of such fees and expenses, please review the final Offering Circular before investing.

This term sheet may only be distributed along with the Confidential Discussion Materials to pre-qualified Merrill Lynch clients who are Qualified Purchasers within the meaning of Investment Company Act of 1940.

For further information, please contact:

Global Structured Products	CDO Marketing/Global Structured Products		ABS Trading and Syndicate
Harin De Silva (212) 449-9359	*Institution Clients*	*Global Private Clients*	*Trading*
Ken Margolis (212) 449-9396	**US:** Doug Mallach (212) 449-6190	Cliff Lanier (212) 449-5383	Scott Soltas (212) 449-3659
Cecilia Pan (212) 449-0867	**Canada:** Barry Dennis (212) 449-0394	*Institutional Advisory Division*	
Lyndsay Wegman (212) 449-0902	**Europe:** Bill Berry 44-20-7995-4678	Mike Foggia (212) 449-6190	*Syndicate*
Julie Kestenman (212) 449-3054	**Asia:** George Sun 852-2161-7101	Sal Vasi (212) 449-6154	Andrew Phelps (212) 449-3660
Shyam Sunder (212) 449-3659			

REPRESENTATIVE PORTFOLIO



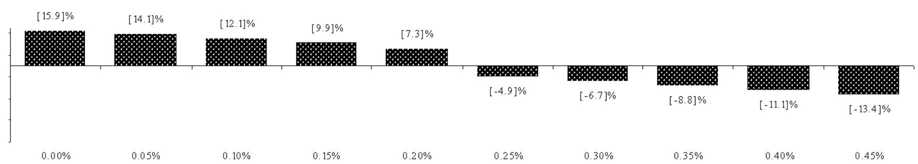
NOTE: This is an indicative portfolio. All information shown on this page is for illustrative purposes only. The actual structure of the final transaction, including the composition of the collateral to be acquired, will be determined at or around the time of pricing of the Notes based upon market conditions and other factors applicable at that time.

Please see "Broderick 2 Portfolio – Portfolio Composition for Illustrative Purposes" (p.16) for further information on the representative portfolio.

About Seneca Capital Management LLC

- Founded in 1989, Seneca Capital Management LLC ("Seneca") is an indirect, wholly-owned subsidiary of The Phoenix Companies, Inc. (NYSE: PNX) providing investment management services to pension funds, foundations, endowments, corporations, multi-employer plans and private clients with $9.7 billion of fixed income and equity assets under management (as of June 30, 2006)
- 27 investment professionals with an average of 15 years of investment experience, including 11 CFA charterholders
- Investment specialties include active fixed income and growth equity management, structured investment funds (CDOs, hedge funds, REITs, total return swaps) and tax sensitive management
- Seneca currently manages the following three CDOs:
  - Gibraltar Limited – a $400 million cash flow CBO closed in February 1999 (reinvestment period ended in February 2004)
  - Seneca CBO IV, Limited – a $285 million cash flow CBO closed in October 2001
  - Broderick CDO I Ltd. – a $1 billion cash flow high grade RMBS/ABS CDO closed in December 2005
  - Seneca previously managed two CDOs that have been redeemed
    - Seneca CBO II, L.P. – a $290 million cash flow CBO closed in September 1999 (and redeemed in April 2006)
    - Seneca CBO III, Limited – a $250 million cash flow CBO closed in November 2000 (and redeemed in June 2006)

HYPOTHETICAL ILLUSTRATION IRR ON PREFERENCE SHARES (2)



Please see "Transaction Highlights – Projection of Preference Share IRR" (p. [23]) for further information on Preference Share returns.

BREAKEVEN DEFAULT RATES	Based on a Break in Yield		Based on 0% Yield	
Class Description (Moody's/S&P)	Annual Default Rate	Cumulative Gross Defaults	Annual Default Rate	Cumulative Gross Defaults
Class A-1A First Priority Senior Secured Delayed Draw Floating Rate Notes (Aaa/AAA)	[7.1]%	[32.9]%	[38.5]%	[84.1]%
Class A-1B Second Priority Senior Secured Floating Rate Notes (Aaa/AAA)	[4.7]%	[23.6]%	[9.6]%	[40.8]%
Class A-2 Third Priority Senior Secured Floating Rate Notes (Aaa/AAA)	[3.6]%	[18.4]%	[6.7]%	[31.4]%
Class B Fourth Priority Senior Secured Floating Rate Notes (Aa2/AA)	[2.0]%	[10.7]%	[5.3]%	[25.9]%
Class C Fifth Priority Senior Secured Floating Rate Notes (A2/A)	[0.7]%	[3.9]%	[1.7]%	[9.4]%
Class D Sixth Priority Mezzanine Secured Deferrable Floating Rate Notes (Baa2/BBB)	[0.3]%	[1.8]%	[0.6]%	[3.6]%
Class E Seventh Priority Mezzanine Secured Deferrable Floating Rate Notes (Ba1/BB+)	[0.2]%	[1.0]%	[0.5]%	[3.0]%

*(1) **"Break in yield"** is the default rate at which the first dollar loss in promised coupon or principal occurs, and **"0% Yield"** is the default rate at which total cashflow received does not equal initial investment. Please see Appendix A for a description of Collateral Cashflow Formulas.*

(2) Assuming annual constant defaults beginning immediately, [75]% recovery rate, forward LIBOR. Please see "Transaction Details – Structuring Assumptions" for a description of modeling assumptions. Assumes a weighted average spread of [0.57]% and weighted average coupon of [5.90]%.

(3) All the information shown on this page is for illustrative purposes only. The transaction is at a structuring phase, and the actual structure of the transaction and characteristics of the offered securities may differ from those presented herein.

(4) Defaults are stated as constant immediate annual rates and are applied on the outstanding collateral balance at the beginning of each quarterly Distribution Date. Defaulted assets are assumed to be sold immediately at a price equal to the applicable recovery rate.

(5) Future market and economic conditions are impossible to predict. Future market or historical economic conditions that materially differ from those on which the assumptions are based may have a negative impact on the performance of Broderick 2 CDO. For these reasons, there are limitations on the value of this or any hypothetical illustration. This information is not intended to be either an express or implied guaranty of investment performance. See "Important Notice" at the beginning of the Material.

This term sheet may only be distributed along with the Confidential Discussion Materials to pre-qualified Merrill Lynch clients who are Qualified Purchasers within the meaning of Investment Company Act of 1940.

Please review "Risk Factors" and "Tax Considerations" sections. In addition, risks of investing in the Offered Securities will be described more fully in the preliminary and final offering circulars to be provided in connection with the offering of the Offered Securities.

Non-U.S. holders of preferred shares in a CDO including the ones being offered are likely to be treated as owning an interest in a "passive foreign investment company" and possibly also a "controlled foreign corporation". U.S. investors in CDO securities will need to consult their personal tax advisors and consider filing certain tax disclosure forms in order to avoid the potential imposition of penalties associated with an undisclosed investment in a foreign entity.