

From: Marano, Tom (Exchange)
Sent: Sunday, June 24, 2007 10:10 PM
To: Spector, Warren (Exchange)
Subject: FW: HG B/S

Attachments: High Grade BS 6-24-07.xls

unfortunately I agree with this sheet. I would note we think away from everquest this is very near the downside. Everquest is its own saga.

From: Marin, Rich (Exchange)
Sent: Sunday, June 24, 2007 10:07 PM
To: Spector, Warren (Exchange)
Cc: Marano, Tom (Exchange); Friedman, Paul (Exchange)
Subject: HG B/S

Just finished the call with Marano, Friedman, Farber, Alix et al. Here is the B/S in text and in attachment

High Grade Balance Sheet			
Estimated as of 6/24/06			
	Book (per Portia)	Haircutted	Difference
<u>Assets</u>			
Cash	\$53.0	\$53.0	\$0.0
Receivable from B/D's	\$83.2	\$83.2	\$0.0
Unencumbered securities	\$86.0	\$86.0	\$0.0
Management Fees	\$28.2	\$20.0	(\$8.2)
Bonds	\$1,564.7	\$1,214.8	(\$349.9)
Everquest	\$278.7	\$234.4	(\$44.3)
Derivatives Net Equity	\$25.0	\$25.0	\$0.0
Total Assets	\$2,118.8	\$1,716.4	(\$402.4)
<u>Liabilities</u>			
Payable to B/D's	\$0.0	\$0.0	
Prior repo at Bear	\$22.2	\$22.2	
Repo from Dresdner	\$668.1	\$668.1	
Repo from Citi	\$402.0	\$402.0	
Repo from UBS	\$264.7	\$264.7	
Repo from Cantor	\$102.5	\$102.5	
Repo Loan (BSC)	\$1,459.5	\$1,459.5	
Repo Loan (BSC) on Everquest	\$146.3	\$146.3	

Total BSC Repo	\$1,605.9	\$1,605.9	
Total Liabilities	\$1,605.9	\$1,605.9	
Equity	\$512.9	\$110.5	(\$402.4)

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