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Sent: 03/29/2006 04:37:28 PM
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Subject: New CDO Policy

To All

You should be aware that FP has decided that in light of rising rates and soft housing prices, we will no longer be writing protection on CDOs that have any single A or lower subprime exposure. The practical impact of this decision is that FP is effectively out of the super senior CDO business - both high grade and high yield - as these structures typically require A and below subprime assets to generate the appropriate yield.

Regards
Ed