

**From:** Tannin, Matthew (Exchange)  
**Sent:** Wednesday, March 07, 2007 4:49 PM  
**To:** 'Chavanne Klaus - NewYork-MEAG-NY'  
**Subject:** RE: Return estimate for February for BSHGSCS

Ok, looking forward.

-----Original Message-----

**From:** Chavanne Klaus - NewYork-MEAG-NY [<mailto:kchavanne@meag-ny.com>]  
**Sent:** Wednesday, March 07, 2007 4:27 PM  
**To:** Tannin, Matthew (Exchange)  
**Subject:** RE: Return estimate for February for BSHGSCS

Thanks. I think that's what we'll do: listen in to the call, ask some questions, and follow up later if needed or to get more specifics about opportunities going forward.

Klaus Chavanne  
Managing Director  
MEAG New York Corporation  
Telephone: (212) 583-4833  
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-----Original Message-----

**From:** Tannin, Matthew (Exchange) [<mailto:mtannin@bear.com>]  
**Sent:** Wednesday, March 07, 2007 11:52 AM  
**To:** Chavanne Klaus - NewYork-MEAG-NY  
**Subject:** RE: Return estimate for February for BSHGSCS

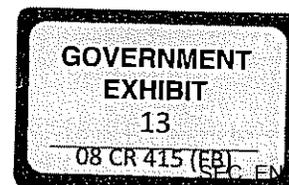
We are happy to do whatever you would like. My first suggestion would be to listen to the call and then follow-up with additional questions.

We are quite content with what has happened - a bit nervewracking - but solid performance by the hedge book. We see opportunity here - not crazy opportunity - but prudent opportunity - I am putting in additional capital - I think you guys should as well.

-----Original Message-----

**From:** Chavanne Klaus - NewYork-MEAG-NY [<mailto:kchavanne@meag-ny.com>]  
**Sent:** Wednesday, March 07, 2007 10:15 AM Eastern Standard Time

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To: Tannin, Matthew (Exchange)  
Cc: Ricci David - NewYork-MEAG-NY; Rieger Arndt - NewYork-MEAG-NY;  
Bernstein Jeff - NewYork-MEAG-NY  
Subject: RE: Return estimate for February for BSHGSCS

Thanks. David Ricci (our structured product PM, I believe you have met him or at least talked to him) would like to have a conference call with you (or Ralph, or Ray, whoever you think might be appropriate) to discuss the state of the market and in particular how you managed to stay above water with the spread widening we've seen recently. Do you think that is something that will be addressed in the conference call you've scheduled for March 12th, and would there be an opportunity to ask questions then? Or maybe we could first attend that call and then, if we have further things we'd like to discuss, we could schedule something further? What do you think? And we certainly would like to touch also on the opportunities you see.

Thanks,

Klaus

Klaus Chavanne  
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From: Tannin, Matthew (Exchange) [<mailto:mtannin@bear.com>]  
Sent: Tuesday, March 06, 2007 10:09 AM  
To: Chavanne Klaus - NewYork-MEAG-NY  
Subject: RE: Return estimate for February for BSHGSCS

I did send it to them.

The estimate I sent them was 1.86 net.

As of more updated marks I would adjust this down to 1%

As you can imagine - the month end marks from the dealers have been sloppy.

We are very excited and comfortable with our performance. There was a lot of volatility in February. Our hedges and funding relationships worked as we had planned.

We are in a great position. I think you guys should add some money here for April 1st. We are seeing a lot of very good opportunities.

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From: Chavanne Klaus - NewYork-MEAG-NY [mailto:kchavanne@meag-nv.com]  
Sent: Tuesday, March 06, 2007 9:34 AM  
To: Tannin, Matthew (Exchange)  
Subject: Return estimate for February for BSHGSCS

Hi Matthew,

Jeffery Bernstein is currently out, which explains why he didn't ask you for the preliminary return estimate for BSHGSCS for February. Could you provide me with an estimate? I assume you have already sent the info to MRAM since they need it on the second business day.

Thanks,

Klaus

Klaus Chavanne  
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