

**From:** Geissinger, John (Exchange)  
**Sent:** Wednesday, June 06, 2007 7:58 AM  
**To:** Quental, Greg (Exchange)  
**Subject:** FW: 4/30 returns

Frank sat down with Ray last night. There have been no sales in Enhanced or HG to date. No action with regards to CIRC.

Given the tone of the email below, I am concerned the team is frozen-either we make progress with the liquidity provider or .....

I am confirming the accuracy of the SRP statements, but on the face of it they appear accurate. Also, Frank and Guri are reviewing marks, but again, there is nothing at this point that would indicate they are not appropriate nor indicative of the market.

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

**From:** Cioffi, Ralph (Exchange)  
**Sent:** Wednesday, June 06, 2007 7:27 AM  
**To:** Geissinger, John (Exchange)  
**Subject:** RE: 4/30 returns

Our word that is it for now. There is no market. Don't know what more to say about it at this time its all academic anyway - 19% is doomsday, -18% does not matter one way or another John. We can keep it at 65. Or 50 or 0

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

**From:** Geissinger, John (Exchange)  
**Sent:** Wednesday, June 06, 2007 6:59 AM  
**To:** Cioffi, Ralph (Exchange)  
**Subject:** Re: 4/30 returns

What data can you provide us to validate a fair value on thom equity?

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

**From:** Cioffi, Ralph (Exchange)

To: Ervin, Robert (Exchange); Tannin, Matthew (Exchange); McGarrigal, Raymond (Exchange); Quental, Greg (Exchange); Geissinger, John (Exchange); Cohen, Barry (Exchange); Godin, Larry - Communication of Counsel (Exchange); Scucci, Mary Kay (Exchange); Cummins, Gerald (Exchange); D'Sidocky, James - Communication of Counsel (Exchange); Galdi, Frank (Exchange); Turvey, Samuel - Communication of Counsel (Exchange); Goff, Charles (Exchange)

Sent: Tue Jun 05 19:15:00 2007  
Subject: RE: 4/30 returns

The thom equity is too low at 65. it should be 91

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From: Ervin, Robert (Exchange)  
Sent: Tuesday, June 05, 2007 7:12 PM  
To: Cioffi, Ralph (Exchange); Tannin, Matthew (Exchange); McGarrigal, Raymond (Exchange); Quental, Greg (Exchange); Geissinger, John (Exchange); Cohen, Barry (Exchange); Godin, Larry - Communication of Counsel (Exchange); Scucci, Mary Kay (Exchange); Cummins, Gerald (Exchange); D'Sidocky, James - Communication of Counsel (Exchange); Galdi, Frank (Exchange); Turvey, Samuel - Communication of Counsel (Exchange); Goff, Charles (Exchange)

Subject: 4/30 returns  
Importance: High

I currently estimate the following returns for April:

High Grade: down 5.08%

HG Enh Lev: down 19%

These returns assume the following:

THOM 2006 1A - AAA rated positions - knocked the marks from JPM down 3.5%

THOM 2006 1A - AA rated position - knocked the mark from JPM down 7.5%

THOM 2007 3A equity - using JPM's mark of 65

ABX Tranches with Lehman - we did not receive a revised spread mark from Lehman, so we kept @ 850 bps (11-17%) and 250 bps (17-25%). We did, however, revise the durations up to 5.20 (11-17%) and 4.5 (17-25%)

TABS 2007-7A A3 - we assumed a 5% decline in the previous mark.

Please let me know if you have any questions.

Robert Ervin

Associate Director

Bear Stearns Asset Management

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