



Rating Action: Moody's downgrades ratings of Notes issued by Maxim High Grade CDO II, Ltd.

Global Credit Research - 18 Apr 2008

New York, April 18, 2008 -- Moody's Investors Service announced today that it has downgraded ratings of eight classes of notes issued by Maxim High Grade CDO II, Ltd. and left on review for possible further downgrade ratings of one of these classes of notes. The notes affected by today's rating action are as follows:

Class Description: U.S. \$1,200,000,000 Class A-1 First Priority Senior Secured Delayed Draw Floating Rate Notes Due 2053;

Prior Rating: Aaa, on review for possible downgrade

Current Rating: B1, on review for possible downgrade

Class Description: U.S. \$500,000,000 Class A-2 Second Priority Senior Secured Floating Rate Notes Due 2053;

Prior Rating: A2, on review for possible downgrade

Current Rating: Ca

Class Description: U.S. \$100,000,000 Class A-3 Third Priority Senior Secured Floating Rate Notes Due 2053;

Prior Rating: Baa3, on review for possible downgrade

Current Rating: Ca

Class Description: U.S. \$100,000,000 Class A-4 Fourth Priority Senior Secured Floating Rate Notes Due 2053;

Prior Rating: Ba1, on review for possible downgrade

Current Rating: Ca

Class Description: U.S. \$36,500,000 Class B Fifth Priority Senior Secured Floating Rate Notes Due 2053;

Prior Rating: Ba2, on review for possible downgrade

Current Rating: Ca

Class Description: U.S. \$15,000,000 Class C Sixth Priority Senior Secured Floating Rate Notes Due 2053;

Prior Rating: B2, on review for possible downgrade

Current Rating: C

Class Description: U.S. \$20,000,000 Class D Seventh Priority Mezzanine Secured Deferrable Floating Rate Notes Due 2053;

Prior Rating: Caa1, on review for possible downgrade

Current Rating: C

Class Description: U.S. \$19,000,000 Class E Eighth Priority Mezzanine Secured Deferrable Floating Rate Notes Due 2053;

Prior Rating: Ca

Current Rating: C

The rating actions reflect deterioration in the credit quality of the underlying portfolio, as well as the occurrence on April 7, 2008, as reported by the Trustee, of an event of default caused by a default in the payment of accrued interest on the Class B Notes and Class C Notes, as described in Section 5.1(a) of the Indenture dated March 28, 2007.

As provided in Article V of the Indenture during the occurrence and continuance of an Event of Default, certain parties to the transaction may be entitled to direct the Trustee to take particular actions with respect to the Collateral Debt Securities and the Notes.

The rating downgrades taken today reflect the increased expected loss associated with each tranche. Losses are attributed to diminished credit quality on the underlying portfolio. The severity of losses of certain tranches may be different, however, depending on the timing and choice of remedy to be pursued following the default event. Because of this uncertainty, the ratings assigned to the Class A-1 Notes remain on review for possible further action.

Maxim High Grade CDO II, Ltd. is a collateralized debt obligation backed primarily by a portfolio of Structured Finance securities.

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