

31 July 2008



**WMD Capital Markets, LLC** **A Higher Form of Investment Firm**

559 San Ysidro Road, Suite I  
Santa Barbara, CA 93108  
(805) 969-6300  
www.wmdcapital.com

Dear Friends,

I am pleased to share with you some exciting news from WMD Capital Markets. Further building on what we do every day, we have purchased, through one of our investment affiliates, single family mortgage loans with an aggregate principal balance of approximately \$65 million secured by properties in Massachusetts.

The purchase was made as part of an Affordable Loan Modification and Foreclosure Prevention Agreement with the Attorney General for the Commonwealth of Massachusetts. It appears that this transaction will have an impact at the national level.

In the days and weeks ahead, you may see related media reports, and we anticipate a secondary market arising from the transaction. Meanwhile, we will be using creative strategies to maximize opportunities presented by the Agreement.

Over the past 25 years, our senior executives and I have built a strong reputation as one of the leading groups buying, selling and managing loan assets and mortgaged-backed instruments, with specific expertise in delinquent loans and delinquent loan borrowers.

As always, please let me know if you have any thoughts or questions, or would like to discuss the Agreement further.

Thank you for your continued support as we enter this dynamic new period in our industry.

Sincerely,

A handwritten signature in blue ink, appearing to read 'WMD', with a large, sweeping flourish above the letters.

William M. Daugherty  
CEO