

CERBERUS PARTNERS, L.P.

September 25, 2008

Dear Investors:

For the quarter ended June 30, 2008, Cerberus Partners (the "Fund") earned 1.10% before profit allocation to the General Partner and 0.99% net of such allocation. The Fund earned 0.36% and 0.27% before profit allocation to the General Partner and 0.28% and 0.22% net of such allocation in July and August, respectively. For the quarter ended March 31, 2008, the Fund lost 0.53% gross and net. This brings eight-month year-to-date returns to 1.20% before profit allocation to the General Partner and 0.96% net of such allocation. The Fund's unaudited financial statements as of both March 31, 2008 and June 30, 2008 have previously been sent to you.

During the past three weeks we have seen some of the most dramatic events in American financial history. We saw the Federal government bail out and take control of the two behemoth housing agencies, Fannie Mae and Freddie Mac. We have watched the collapse of Lehman Brothers which caused Merrill Lynch to sell itself in a shotgun wedding to Bank of America to avoid the same plight. We then watched the collapse and government bailout of AIG, one of the largest insurance companies, and simply stated one of the most important financial companies in the world. Despite these events, the market panicked and questioned the viability of any and all financial companies. The price of both debt and equity of Morgan Stanley and Goldman Sachs, historically two of the strongest investments banks, fell precipitously as investors questioned their ability to survive without a financial partner in the form of a bank with long term deposit funding. They have since rallied sharply on news of the government's intended colossal bailout of financials generally, Morgan Stanley and Goldman Sachs deciding to register as bank holding companies, and Warren Buffet's deciding to invest \$5 billion in Goldman Sachs.

Even the stock of General Electric tanked, and, even more alarmingly, its debt declined dangerously. People actually questioned whether or not GE, despite being one of the strongest and biggest industrial and financial companies in the world, could fund itself without bank deposit capital. The future of any financial company that is wholesale funded may be in doubt. The announcement that Goldman Sachs and Morgan Stanley may become bank holding companies indicates clearly the failure of the wholesale non-bank funding model. Even many banks which have long-term deposit capital watched both their stock price decline and their debt spreads blow out.

Potentially even more troubling is how the spread between Treasury swaps and Treasuries rose to historical record levels and also how the spreads between Treasuries and LIBOR blew out as well. This indicates how badly the system has seized up. Banks aren't lending to each other, and any financial instrument with any type of counterparty risk is under extreme pressure. The only securities that anybody trusts fully today are physical Treasuries as seen in the rapid and huge decline in Treasury yields.

Clearly, we are seeing both the value of all financial assets being questioned and routed along with a massive and rapid financial delevering. This combination puts horrible stress on the system and creates nothing short of unbelievable buying opportunities. Secretary Paulson's plan where the government creates a new program to buy up to \$700 billion of bad assets does in many ways help stabilize the financial system, but it will only add to the huge list of assets that will eventually be sold. The bailout plan will enable the weaker financial institutions to sell more of their problem assets to the government without tipping themselves over and the government will ultimately sell these assets. The Fed allowing Morgan Stanley and Goldman Sachs to become bank holding companies will also help stabilize the financial system but again will create a large amount of assets for sale as these companies, which have huge amounts of leverage, need to meet the significantly lower leverage ratios required for banks.

We believe the actions of the Fed and the Treasury in bailing out AIG, Fannie Mae, Freddie Mac and creating a new \$700 billion buying program were absolutely necessary to reestablish a healthy financial system. Their actions showed great leadership and courage. There could be more frightening news ahead, but we strongly believe that the Fed and Treasury will respond appropriately and, going forward, we are on the path to much greater financial stability. While we do believe things will stabilize, the path to stability is totally unclear, and it's almost impossible to predict future volatility.

Additionally, financial stability could still mean lower values for equities as the equity market thus far has markedly outperformed the debt market. Clearly, the biggest fears and panic have been in the credit market where at times sizeable quantities of securities have been thrown away at seemingly silly values as we have seen massive forced wholesale deleveraging. We believe this behavior may continue in the debt markets and create great opportunity for distressed players in the credit market. While this period has been very difficult and in some ways painful, in my 24 years of managing money I believe the next 12-18 months may prove to be one of the best potential buying opportunities I have ever seen. We do believe that the debt markets will ultimately recover while equity levels could remain under pressure. However, we are not basing any investment strategy on

this view and instead we simply are being very cautious in our assumptions about everything.

With the S&P down approximately 19% this year and, more importantly, with credit markets and some asset values down considerably more, this has been a brutal year for the financial markets. Anybody who is not a long/short manager, mainly relies on investing in and owning companies, securities or assets, who has been able to manage through this period without significant losses and has the liquidity to take advantage of the coming opportunities, possibly has a once in a lifetime opportunity. Of course we are totally biased, but we believe that if we continue to get the support from investors as we always have had, we will fall into this category.

In the wholesale rout of debt we've seen this year, all debt classes are either oversold or getting there. One of the worst markets is the mortgage market. The mortgage markets continue to take a beating, home prices continue to fall, and defaults/delinquencies continue to rise. More individuals than expected with high FICO scores who have the ability to pay their mortgages are sometimes choosing instead to walk away from these mortgages when they exceed the equity value of their homes. These individuals may be assuming, perhaps correctly or perhaps wrongly, that with 18-24 months of consistent credit card payments, they will be able to restore their credit ratings. Although we haven't seen the same declines in the CMBS market as we have in the RMBS market, we are beginning to see this market fall apart and in the future there may be a similar but smaller problem in the CMBS market.

The pain in the mortgage market has extended to the other credit markets. However, unlike previous cycles, the best opportunities are in the most senior parts of the capital structure, namely, the asset-backed paper and structured finance deals. We are spending a considerable amount of time looking at this opportunity which includes securities, whole loans, and synthetic and derivative instruments where there has been significant dislocation. This is an historic opportunity in the US residential and commercial real estate markets. Based on the sheer size of the markets, with over \$7.9 trillion of cash securities outstanding, plus additional whole loans, synthetic, and derivative instruments, we believe there will be a three to four year window of distressed opportunity in the asset class. With a steep yield curve, spreads near historic wides, volatility high, and the presence of increased illiquidity premiums, current market conditions are aligned for the opportunity to execute transactions with extremely attractive risk/return dynamics. Liquidity and capital needs along with declining risk appetites will create continued distressed bulk purchasing opportunities from financial institutions globally, resulting in hundreds of billions of dollars of

supply. Eventually, banks will re-emerge after they recapitalize, and they will purchase better quality mortgage assets, lowering volatility and tightening spreads.

A number of factors created this opportunity, including the remarkable run-up and subsequent depreciation in U.S. house prices, historically aggressive and innovative lending practices, and the creation of highly levered structured finance products. These have landed the U.S. mortgage market in the midst of a severely distressed cycle. Both whole loans and mortgage securities are trading at, in our view, ridiculously low historically distressed levels, and pressures on financial institutions globally to relieve their balance sheets of these assets have created a unique and attractive distressed investing opportunity. The scale of this opportunity dwarfs those of recent distressed cycles, including the RTC and Japanese real estate bubble of the 1990s, both of which provided the opportunity of large gains for investors in our funds.

The outstanding U.S. residential mortgage market stands at roughly \$10.4 trillion, \$7.2 trillion of which has been securitized¹. Alt-A and Subprime assets are the products currently trading at distressed levels. We believe the opportunity set here is vast; the Subprime and Alt-A universe currently encompasses \$1.9 trillion and \$1.1 trillion of securities and unsecuritized loans, respectively. In total, the size of the cash market for these distressed assets is \$3.0 trillion¹. The synthetic Subprime market, predominantly in the form of the ABX indices, is also large. Major broker/dealers traded in excess of \$950 billion of ABX in 2007².

Outstanding Residential Mortgage Universe

	Loans (\$bb)	%Total	Securities (\$bb)	%Total	Sec. Rate
FHA/VA	416	4%	407	6%	98%
Conforming	5,079	49%	4,053	56%	80%
Jumbo	1,857	18%	847	12%	46%
Alt-A	931	9%	834	12%	90%
Subprime	1,199	12%	918	13%	77%
HEL	904	9%	122	2%	13%
Total	10,386		7,181		

*Dollars in billions. As of year-end 2007.

Source: Banc of America Securities LLC estimates based on data from FNMA, FHLMC, GNMA, Inside MBS&ABS, and LoanPerformance.

It is not unreasonable to presume that millions of Americans could go through the foreclosure process, and that the total value of mortgages to be worked out may approach \$1 trillion³. If 30% of the Alt-A and Subprime 2006-2007

¹ Bank of America estimates, based on data from FNMA, FHLMC, GNMA, Inside MBS&ABS, and LoanPerformance.

² Major U.S. Broker/Dealer Survey

originations default, we believe there will be roughly \$440 billion of mortgages that need to be worked out in the non-agency market³. If 5% of the agency originations default, we believe an additional \$176 billion of loans will need to be worked out³. Under a more pessimistic scenario where 50% of Alt-A/Subprime loans and 13% of agency originations default, the total workout number would approach \$1 trillion. Assuming an average balance of \$250,000 per home, the U.S. could see 2.4 to 4 million homes taken through the foreclosure process³.

There are also significant emerging opportunities in commercial mortgages. The abundance of CMBS issuance over the past few years has left a sizeable amount of assets in the marketplace at historically cheap levels. Conduit issuance post-2001 totaled \$655 billion, and floater/single asset deals totaled \$155 billion³. On the loan side, commercial banks had \$425 billion of commercial real estate (“CRE”) - related exposure through 2008 Q1³. Total U.S. CRE loans outstanding exceed \$3.3 trillion, and the total U.S. CMBS universe outstanding totals \$785 billion⁴. The synthetic space also continues to grow within CMBS. CMBX volumes topped an estimated \$75 billion in 2007⁵, with volumes in 2008 tracking the market volatility higher.

The size of the U.S. mortgage opportunity is multiples of past distressed situations. The combined asset dispositions of the FSLIC in the late 1980s and the RTC in the mid 1990s totaled \$519 billion from 1,043 institutions⁶. The size of the Japanese non-performing loan market, including real estate, corporate, and consumer loans, totaled \$1.2 trillion by 2001⁷. The secondary market for those distressed assets, however, encompassed only \$300 billion as the majority of the loans were held by the banks⁷.

The tremendous pressure on banks to bolster damaged balance sheets by shedding headline mortgage assets has led to a distressed market with tremendous pockets of value. Distressed sellers have billions of mortgages and securities left to sell. When coupled with the size of the synthetics markets, these assets make up a very large investable universe. We have been involved in the most neglected and severely dislocated portions of the market, sourcing fundamentally cheap assets and term financing commitments from distressed sellers. As banks and other forced sellers continue to unload all types of mortgage assets and commercial mortgages begin to show fundamental signs of credit

³ JPMorgan Research Desk

⁴ Morgan Stanley Research Desk

⁵ Major U.S. Broker/Dealer Survey

⁶ FDIC Banking Review: The Cost of Savings and Loan Crisis: Truth and Consequences

⁷ “Japan’s Distressed Debt Market”, IMF Working Paper No. 04/86

impairment, the depth of our experience permits us to capitalize on these distressed opportunities.

On the RMBS side, the composition of the market is rapidly shifting away from non-agency to agency securities due to liquidity and inefficient pricing of non-agency risk. Delinquencies on Alt-A and Option ARMs are approaching subprime levels, and these increased delinquencies are moving up the credit curve and may spill over to prime borrowers. The substantial market dislocation, and in some cases panic, creates a powerful buying opportunity in certain instances notwithstanding the deteriorating fundamentals. With the collapse of the subprime market, ABS CDO's have completely imploded with all but the "super senior" portion of the deals being virtually worthless. Several dealers and banks are each long tens of billions of dollars of this risk. We see value in the cash flows of some of these CDO's as many of the current owners are motivated sellers for balance sheet and headline risk reasons. Prices for many of the whole loans and senior securities in the residential mortgage investable universe, particularly in the Alt-A and Subprime space, have become so distressed that, even with assuming very bearish HPA and cumulative loss stresses, we believe the returns will be strong. Simply stated, we believe we can use absurd draconian assumptions and make strong returns because the market has completely overreacted. In some pools we are predicting well over 60% default rates and over 60% losses on the defaulted mortgages. We believe that even in the most awful future conditions, our assumptions will be conservative. This value, coupled with the size and complexity of the assets, presents us with a rare and attractive distressed investing opportunity, one that Cerberus is well positioned to exploit.

In order best to take advantage of this opportunity, we have been adding professionals to our team who have spent their entire careers investing in the RMBS and CMBS markets. These professionals are experienced in analysis, trading, due diligence, structuring and servicing. We now have approximately 30 people who are focused strictly on the mortgage opportunity. We believe that this team represents one of the strongest and most experienced teams in the sector. The team has long experience in sourcing opportunities, distressed investing, residential and commercial mortgage-backed securities and whole loans and structured credit products. In addition, our team has extensive experience in the purchase and sale of distressed portfolio loans from the RTC and from financial institutions in Japan and throughout Asia, where we have been a leading investor since 1997.

This team consists of people such as Thomas Marano and Josh Weintraub from Bear Stearns, Mike Edman and Scott Stelzer from Morgan Stanley, Brendan Garvey from Lehman, and Patrick Flanagan from New Century (biographies are

attached in Appendix A). Drawing on a team focused on the entire market, from agency securities to Alt-A and Subprime securities to whole loans to servicing to structured credit enables us to have a holistic view of the residential real estate, loan and securities markets. These individuals are working closely with our existing team of investment professionals and operations team members. Mr. Morano is currently the Chairman and CEO of ResCap, GMAC's residential mortgage business, and Mr. Weintraub is the Vice Chairman.

The extensive region by region mortgage and consumer behavior knowledge we have developed through various portfolio companies, the experience of our team, as well as the in-house developed models, provide us with an advantage in analyzing both the CMBS and RMBS markets. On the residential side, ResCap, is one of the largest servicers in the country, servicing approximately \$460 billion of assets. ResCap also has a division which provides loans to developers and home builders. On the commercial side, LNR, another Cerberus portfolio company, is the largest special servicer of CMBS in the country. Both of these companies have nothing short of huge amounts of valuable asset information that should prove very helpful. We have used this information, especially the housing supply, demand, inventory, and pricing market by market along with historical price data from Case-Shiller, NAR, OFHEO, DataQuick and others to come up with a home price assumption in most regions in the U.S. We have then discounted these home pricing assumptions and then after heavily analyzing all of our consumer data, come up with what we believe are very conservative default and loss assumption on all the pools we bid on. Critical to the analysis is a generally bearish bias to our assumptions and stress testing process applied to each individual asset and portfolio.

We plan to employ this framework as well as our extensive credit, structuring and trading product knowledge to identify attractive situations. Our investments will be driven both by fundamental relative value analysis and credit intensive valuations, as well as technicals and macro trends. This analysis will be supported by proprietary structuring, prepayment, delinquency, and risk management expertise. We will also look at arbitrage opportunities to extract a liquidity premium from the market.

We see compelling value in (i) depressed AAA bonds that are trading cheaply due to liquidity concerns and technical pressures rather than fundamentals; (ii) mispriced structures due to lack of dealer sponsorship; (iii) arbitrage opportunities that extract illiquidity premiums on complex securities that can be realized over time through restructuring and hedging; (iv) misvalued prepayment structures that can offer high returns with limited downside; (v) depressed subordinated bonds that offer cheap option positions; (vi) forced sellers

who will create significant discounted prices in the marketplace; and (vii) leveraging our expertise in loan origination and servicing to take advantage of de-risking loan portfolio sales from financial institutions.

Paralleling many of the current opportunities in the residential mortgage market, we believe pockets of significant value exist within the distressed CMBS/CRE market as well. Assets in the CRE space generally require a more idiosyncratic approach than residential securities, as there tends to be greater dispersion amongst the underlying collateral's characteristics. As a result, high-level competence and experience with the breadth of hard commercial real estate assets is critical to understanding this market, including the spectrum of property types, locations, equity sponsors, and loan structures. In addition, extensive experience with security structures and the capital markets is required to effectively identify value and efficiently source risk. Our team also has extensive experience in these areas. Utilizing proprietary loan models, coupled with comparisons to the default/loss experiences of the most distressed CRE vintages on record, we believe we are also well positioned to identify, evaluate, and execute superior risk-adjusted investments as they surface in the CMBS/CRE sector. However, we are incredibly fearful of a big drop in CRE prices so our current assumptions are draconian and our bids so conservative that we are only occasionally able to make investments that satisfy our criteria.

Until recently, the opportunity in the traditional corporate distressed market has not been nearly as attractive. However, this has changed with the most recent financial panic. We expect further price declines as companies' earnings deteriorate and defaults rise as we get deeper into this recession or near-recession. There is a huge amount of corporate debt outstanding as a result of this past leverage cycle. The opportunities are good today and will get better. We don't have significant legacy positions in debt that will hurt us. Once we start buying, we will be very selective in the purchases we make since the quality of the paper is not as good as it was in previous cycles as a result of all of the "covenant-lite" paper offered over the last few years. We are hoping the latest upheaval and huge supply will make our bread and butter traditional distressed business as attractive as the mortgage and structured debt arena. Clearly there is significant new opportunity and only time will tell whether the corporate distressed opportunity will be as massive as its potential.

We are also seeing a big opportunity in private equity/turnarounds in Europe. There are many large European conglomerates that have been impacted by existing market conditions and are now looking to raise liquidity by selling some of their non-core/non-performing divisions. Our reputation as a strong counterparty who does what we say and doesn't retrade deals, along with

Europeans generally becoming more accepting of turnarounds, has also helped our deal flow. In fact, board members of several European conglomerates with whom we have already completed transactions have invited us in to situations to look at troubled assets of struggling divisions of other companies on whose boards they sit. In Europe, we continue to be recognized as a good partner and someone companies and investment banks should look to when they want to sell problem assets or divisions quickly and quietly.

We also expect a significant opportunity to invest in private equity turnaround deals in the U.S. The lack of financing combined with decreasing earnings will bring about these opportunities as U.S. companies, in order to raise liquidity, look to sell some of their problem assets or divisions. We have not been very active in taking these types of positions over the last year because we have been patient and waiting for valuations to decline. We believe we have an advantage in these types of situations, both in the U.S. and Europe, as a result of our operations team, the size of our funds, which provides us with both the flexibility to be an all-cash purchaser, not subject to financing contingencies, and the ability to diversify our positions, such that no one position generally represents more than 5% of a fund's assets.

We remain cautiously optimistic about many of the companies in our portfolio. We have more than 40 significant control investments, and we believe that overall we are well-positioned. The Fund remains well diversified such that no one, two or three positions will determine our returns. Our team of over 650 employees (including over 200 investment professionals and over 150 operations team members) provides us with the ability both to stay focused on managing the existing portfolio as well as to spend the time necessary sourcing and due diligencing future investments.

The Fund's returns are the net result of both positive and negative events occurring in our portfolio. On the positive side, we recently announced that we signed agreements to sell two portfolio companies, Talecris Biotherapeutics and Peguform, both at a significant profit. In addition, at many of our other portfolio companies, we have been able to take substantial costs out through operational improvements offsetting the decline in multiples. So even with declining valuations, the increased earnings we have been able to generate in these companies have driven good profit potential. We have also been able to make some money over the last year in many of our hedges. On the negative side, we have aggressively taken significant mark-downs in our private companies where appropriate. We believe we are marked conservatively and will continue to be aggressive in taking markdowns if the bad market continues and when

appropriate. None of our problem positions are large enough to create a real return problem for the Fund.

We encourage any investor to call and ask questions about all of our major positions. We are happy to go over with you all of our significant exposures in detail. While we have received a lot of press about certain companies and their problems, not only will these companies not have a significant effect on our performance, but they all, in our view, are conservatively valued and some may have real upside from the mark. Also, as the public markets have been hit, some of our positions which trade on these markets have suffered valuation declines impacting the Fund's returns. While we have made some mistakes, we believe that in most cases the fundamental operations of these companies remain strong and that the valuations may recover if the markets stabilize. Even if valuations are conservative, the future is so uncertain that it is difficult to judge the risks going forward. Even in any company that we feel good about today operationally, there is risk of future unexpected poor performance. While no one investment is that significant to the returns of the Fund, every investment is very significant to us and we feel a duty to fight as hard as we are capable of to maximize each investment. We care about our companies, their employees and each company's importance to its industry and in some cases to the nation. We are our funds biggest investor, totally committed to our investors and working harder than ever before to perform the best we can possibly do. The financial markets are in crisis and we will make mistakes going forward but we believe our all out effort will help the Fund.

We've been able to manage through tough periods in the past, including the 1987 stock market crash, the 1990-91 recession, the 1998 LTCM debacle and others. This period is a very tough one so past experience in no way guarantees anything. The unexpected will happen, but we believe our experience will help us. We must manage well what we can control, namely the operations of each of our companies. We are being patient as we look at the traditional distressed/private equity opportunity and are starting to play the RMBS and CMBS opportunity, although we have been early in some of these purchases which has hurt us on a mark to market basis. We will continue to be careful and price sensitive as we invest the Fund's capital. In this regard, we looked at but passed on investing in more than ten major financial services companies over the last year. Our decision to pass on these investments doesn't necessarily mean we made the right decision, but merely illustrates our patience and caution during this time. As long as we maintain our composure and continue to maintain the essential discipline we have discussed, we believe our investors will be rewarded from the benefits our strong market position creates. We must execute properly and be extraordinarily

vigilant to take advantage of what we see as one of the best buying opportunities in distressed assets in our career.

As always, we appreciate your continued support.

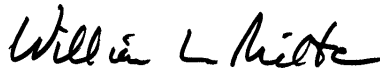
Sincerely

CERBERUS PARTNERS, L.P.

By: Cerberus Associates, LLC

By: 

Stephen Feinberg
Managing Member

By: 

William L. Richter
Senior Managing Director

Appendix A

Michael Edman, *Managing Director*. Mr. Edman has over 15 years of experience in residential mortgage and securitized product trading and structuring. Prior to joining the Cerberus Companies, Mr. Edman spent 15 years in Morgan Stanley's securitized products group. As a Managing Director at Morgan Stanley, Mr. Edman was widely recognized as the pioneer of the mortgage credit derivative business, developing the initial contracts and trading the first meaningful volumes of MBS/ABS credit default swaps. Mr. Edman was responsible for the development and management of all risk, analytics, operations and legal aspects of the MBS/ABS credit derivative business at Morgan Stanley. Before credit derivatives, Mr. Edman held a variety of trading, structuring and banking positions across products including ABS CDO's, agency and non-agency CMO's, subprime mortgages, CMBS and catastrophe bond securitizations. Mr. Edman graduated from the Wharton School at the University of Pennsylvania in 1992.

Patrick Flanagan, *Managing Director*. Mr. Flanagan joined the Cerberus Companies in 2008. He is a 22-year veteran of the mortgage and consumer finance industry. Prior to joining the Cerberus Companies, Mr. Flanagan co-founded Certavi Capital, LLC, an investment management company focused on valuing and investing in non-prime residual assets. Prior to Certavi, Mr. Flanagan had a 10 year career with New Century Financial Corporation where he rose through the ranks of the company, beginning in sales management and ending as EVP of the company, President of New Century Mortgage, its primary operating subsidiary and CEO of NC Capital Corporation, its secondary marketing and loan servicing subsidiary. During his four year tenure as head of loan originations, credit, secondary marketing and loan servicing, Mr. Flanagan led the company through a period of growth in size and profitability. Mr. Flanagan graduated from Monmouth College in 1986.

Brendan Garvey, *Managing Director*. Mr. Garvey has over 13 years experience in the residential mortgage market as a portfolio manager, product specific trader, and business unit head. Prior to joining the Cerberus Companies in 2008, Mr. Garvey spent the 11 years as a head mortgage trader/manager at Lehman Brothers. He managed all risk and trading operations in the following products: agency arms, FHA/VA reperforming loans, mortgage servicing, non-agency hybrid/fixed/neg-am whole loans and securities, non-agency subordinates, and non-agency residuals. Prior to this experience, he spent three years as a portfolio manager at Fischer Francis Trees & Watts. In this role, he managed pension fund money benchmarked to the mortgage index by actively trading and hedging FN/FH/GN single-family MBS and associated mortgage derivatives. Mr Garvey graduated from Wesleyan University in 1992 and received an M.A. in Economics from New York University in 1995.

Thomas Marano, *Managing Director*. Mr. Marano joined the Cerberus Companies in 2008 as a Managing Director. Previously, he was a senior managing director and the global head of Mortgage and Asset-Backed Securities at Bear, Stearns & Co. He was in charge of mortgage sales, trading and origination. Mr. Marano also sat on the company's Board of Directors. The mortgage and asset-backed securities businesses consumer-related businesses, which carried \$40 billion in an inventory of products including all forms of

residential and commercial mortgage-backed securities, consumer and commercial lease receivables, collateralized debt obligations and residential loan origination, were under Mr. Marano's supervision. He also oversaw the expansion of mortgage and asset-backed activities in the United States, Europe and Asia. Mr. Marano spent his entire professional career at Bear Stearns – more than 25 years – before joining the Cerberus Companies. In addition to trading just about every mortgage product Bear Stearns offered, he priced the first agency Real Estate Mortgage Investment Conduit for Fannie Mae in 1987 and the first tranching commercial mortgage-backed security in 1994. Mr. Marano graduated from Columbia College in 1983.

Scott Stelzer, *Managing Director*. Mr. Stelzer joined the Cerberus Companies in 2008 as a Managing Director. Mr. Stelzer has 17 years of trading and real estate experience. Primarily, Mr. Stelzer held several positions at Morgan Stanley. Most recently, he was a Managing Director in the Global Proprietary Credit Group. In this capacity, he managed CMBS and all other commercial real estate security and loan trading activities. Prior to this, Mr. Stelzer was the Head of CMBS trading in the Securitized Products Group at Morgan Stanley. He oversaw all proprietary and flow trading of cash and synthetic CMBS, real estate CDOs, Fannie Mae DUS and GNMA project loans. Mr. Stelzer formerly traded CMBS at Salomon Smith Barney and was an Acquisitions Associate at JMB Real Estate Investment Group. Mr. Stelzer holds B.S. and M.B.A. degrees from the Wharton School at the University of Pennsylvania.

Joshua Weintraub, *Managing Director*. Mr. Weintraub joined the Cerberus Companies in 2008 as a Managing Director and currently is also the Vice Chairman of Residential Capital, LLC. Previously, he was a Senior Managing Director at Bear Stearns & Co. He co-headed Residential Mortgage/ABS trading. He oversaw both cash and synthetics on agency and non-agency CMO's, specified pools, ARM'S, CDO's, CLO's, MBS CDS and correlation. Prior to that, he managed the agency CMO, mortgage derivative and collateral business at Bear Stearns. For the past 8 years, Mr. Weintraub has been trading agency mortgage-backed securities, interest rate securities and options, cash corporate credit and CDS. Prior to Bear Stearns, Mr. Weintraub managed agency and non-agency CMO and derivative trading at Greenwich Capital. Mr. Weintraub also traded whole loans and agency and non-agency CMOs at Lehman Brothers for 7 years. Mr. Weintraub graduated from Lehigh University in 1991 with a dual bachelor's degree in Economics and International Business.