

From: Fu, Yvonne
Sent: Tuesday, June 12, 2007 7:22 PM (GMT)
To: 'Smith, Zach (GMI - NY SWAPS)' <zach_smith@ml.com>; Mangalgi, Vickram (GMI) <Vickram_Mangalgi@ml.com>
Cc: Kolchinsky, Eric <Eric.Kolchinsky@moodys.com>
Subject: RE: Rating application for Belden Point CDO

Zach,

Thanks for this feedback. We agree that this will not be a precedent for future deals by default and we will discuss with you on a case by case basis if Complex CDO rating application should be applied to future deals. We will certainly continue working with you on this transaction, but analytical discussions/outcomes should be independent of any fee discussions. Thanks.

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

From: Smith, Zach (GMI - NY SWAPS) [mailto:zach_smith@ml.com]
Sent: Tuesday, June 12, 2007 11:55 AM
To: Fu, Yvonne; Mangalgi, Vickram (GMI)
Cc: Kolchinsky, Eric
Subject: RE: Rating application for Belden Point CDO

Yvonne,

We are okay with the revised fee schedule for this transaction. We are agreeing to this under the assumption that this will not be a precedent for any future deals and that you will work with us further on this transaction to try and get to some middle ground with respect to the ratings. Thanks, Zach

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

From: Fu, Yvonne [mailto:Yvonne.Fu@moodys.com]
Sent: Monday, June 11, 2007 6:27 PM
To: Mangalgi, Vickram (GMI)
Cc: Kolchinsky, Eric; Smith, Zach (GMI - NY SWAPS)
Subject: Re: Rating application for Belden Point CDO

Vickram, as we mentioned in the various phone calls, we do not view this transaction as a standard CDO transaction and the rating process so far has already shown that the analysis for this deal is far more involved and will continue to be so. We have spent significant amount of resource on this deal and it will be difficult for us to continue with this process if we do not have an agreement on the fee issue. Thanks.

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

From: Mangalgi, Vickram (GMI) <Vickram_Mangalgi@ml.com>
To: Fu, Yvonne
CC: Kolchinsky, Eric; Smith, Zach (GMI - NY SWAPS) <zach_smith@ml.com>
Sent: Mon Jun 11 13:53:18 2007
Subject: RE: Rating application for Belden Point CDO

I think we were still discussing whether the higher upfront fees should apply. We have not gotten a chance to go through all the other minor fees in detail (which looks like there are a lot). I checked around on the desk and no one here has ever heard or seen this fee structure applied for any deal in the past. Could you point us to a precedent deal where we have approved this? If there is none, can you send us a blackline of this schedule vs the standard schedule that we use for all CDOs?

Thanks

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

From: Fu, Yvonne [<mailto:Yvonne.Fu@moodys.com>]
Sent: Monday, June 11, 2007 1:39 PM
To: Mangalgi, Vickram (GMI)
Cc: Kolchinsky, Eric
Subject: Rating application for Belden Point CDO

Vickram,

Just to follow up on the fee discussion Eric had with you a while ago, we'd like to see an indication from you that ML is ok with the attached complex CDO fee schedule being applied to Belden Point CDO.

Thanks,
Yvonne

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