

SEWARD & KISSEL LLP

September 19, 2008

Memorandum to Our Investment Management Clients and Friends

U.S. SECURITIES AND EXCHANGE COMMISSION ISSUES EMERGENCY ORDER REQUIRING THE DISCLOSURE OF SHORT SALES OF CERTAIN PUBLICLY- TRADED SECURITIES.

On September 18, 2008, the Securities and Exchange Commission (the “SEC”) issued an emergency order (the “Order”) requiring that institutional investment managers report certain information about short sales of publicly-traded securities. The emergency order will become effective at 12:01 a.m. EDT on September 22, 2008 (the “Effective Date”), and will expire at 11:59 p.m. EDT on October 2, 2008, unless further extended by the SEC.

What Short Positions are Required to be Reported?

The Order requires that an institutional investment manager report any short positions with respect to section 13(f)¹ securities, except for short positions for options, it enters into after the Effective Date (the “Short Positions”) or any Short Positions it closes (in whole or in part) during the period in which the Order is in effect.

Do Existing Short Positions Have to be Reported?

Any transactions in short positions effected prior to the Effective Date will not be reportable; however, any increases in an existing net short position will be reportable.

Who is Required to File?

Any institutional investment manager that has filed or was required to file a Form 13F for the calendar quarter ended June 30, 2008 will be required to file Form SH.

Reporting Requirements and Form SH

Form SH requires reporting information related to daily Short Positions on Form SH, including with respect to each Short Position, the number and value of securities sold short; the opening Short Position; the closing Short Position; the largest intra-day Short Position; and the time of the largest intra-day Short Position, during each calendar day of the prior week.

¹ 13(f) securities are any class of securities listed on the Official List of Section 13(f) Securities published by the SEC at the end of each calendar quarter. The Official List is available on the SEC’s website at <http://www.sec.gov/divisions/investment/13flists.htm>.

How Will Form SH be Filed?

Form SH must be filed with the SEC electronically and will be publicly available via EDGAR. There are currently no procedures to seek confidential treatment of information filed pursuant to Form SH.

Frequency of Reports

The initial filing date is September 29, 2008 and will relate to Short Position transactions effected during the week beginning as of the Effective Date. Thereafter, institutional investment managers will be required to file Form SH by 5:30 p.m. EDT on the first business day of every calendar week immediately following a week in which it effects one or more transactions in Short Positions, until such time as the Order expires. A filing will not be required unless a transaction in a Short Position has been effected since the previous filing of Form SH.

Minimum Positions Not Required to be Reported

Transactions in Short Positions are not required to be reported if: (i) the Short Position constitutes less than one quarter of one per cent of the class of the securities issued and outstanding as reported on the issuer's most recent annual or quarterly report, and any current report subsequent thereto, filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended, unless the manager knows or has reason to believe the information contained therein is inaccurate; and (ii) the fair market value of the Short Position is less than \$1,000,000.

Prohibition on Short-Selling of Publicly-Traded Financial Companies

The SEC issued a related emergency order effective September 19, 2008, which prohibits short selling of the publicly-traded securities of financial companies identified in such order. We reported details of that order to you in the Private Funds and Capital Markets Bulletin sent to you earlier today.

General

We expect the SEC to release an FAQ or other interpretive guidance with respect to Form SH in the near future, and we will keep you informed about any further guidance from the SEC on these matters. If you have any questions concerning any of the reporting requirements, or if you need assistance with your Form SH filings, please contact an attorney in the investment management group at Seward & Kissel.

Seward & Kissel LLP