
From: Ivancich, Anthony [anthony_ivancich@standardandpoors.com]
Sent: Friday, June 15, 2007 10:20 AM
To: Lombardi_Michael
Subject: RE: S&P Follow Up

Hello Mike,

I spoke to a few of my colleagues and will look into this further but I figured I would share this info with you. I still have to find out about the pools that we rate and whether or not they fall into this category as a "QIB".

Here is a description of a QIB:

A Qualified Institutional Buyer in law is a purchaser of securities that is financially sophisticated and is legally recognized by security market regulators to need less protection from sellers than most members of the public. For mutual funds it is generally an investor that is investing a large amount of money and presumably also meets the legal conditions in the country where the fund is located. The term "qualified institutional buyer" or "QIB" is defined by the United States Securities and Exchange Commission in Rule 144A under the Securities Act. Generally it is an entity owning and investing large amounts of securities, with the threshold ranging from \$10 million to \$100 million of securities not affiliated with the entity and dependent on the type of entity. They are eligible to participate in a restricted market known as the "Rule 144A market" that is not available to the public because the issuer of the securities has not chosen to spend the money and effort to make the required public disclosures and to register the securities.

The actual law is outlined in this link and it would be up to each pool's legal counsel to make the determination as to whether they meet this determination.

<http://www.law.uc.edu/CCL/33ActRIs/rule144A.html>

I will try and dig up some additional info on QIB's and see if we can determine pools which are registered as QIB's.

Anthony