

An Overview of the Housing/Credit Crisis and Why There is More Pain to Come

T2 Partners LLC

**T2 Accredited Fund, LP
Tilson Offshore Fund, Ltd.
T2 Qualified Fund, LP**

April 3, 2009

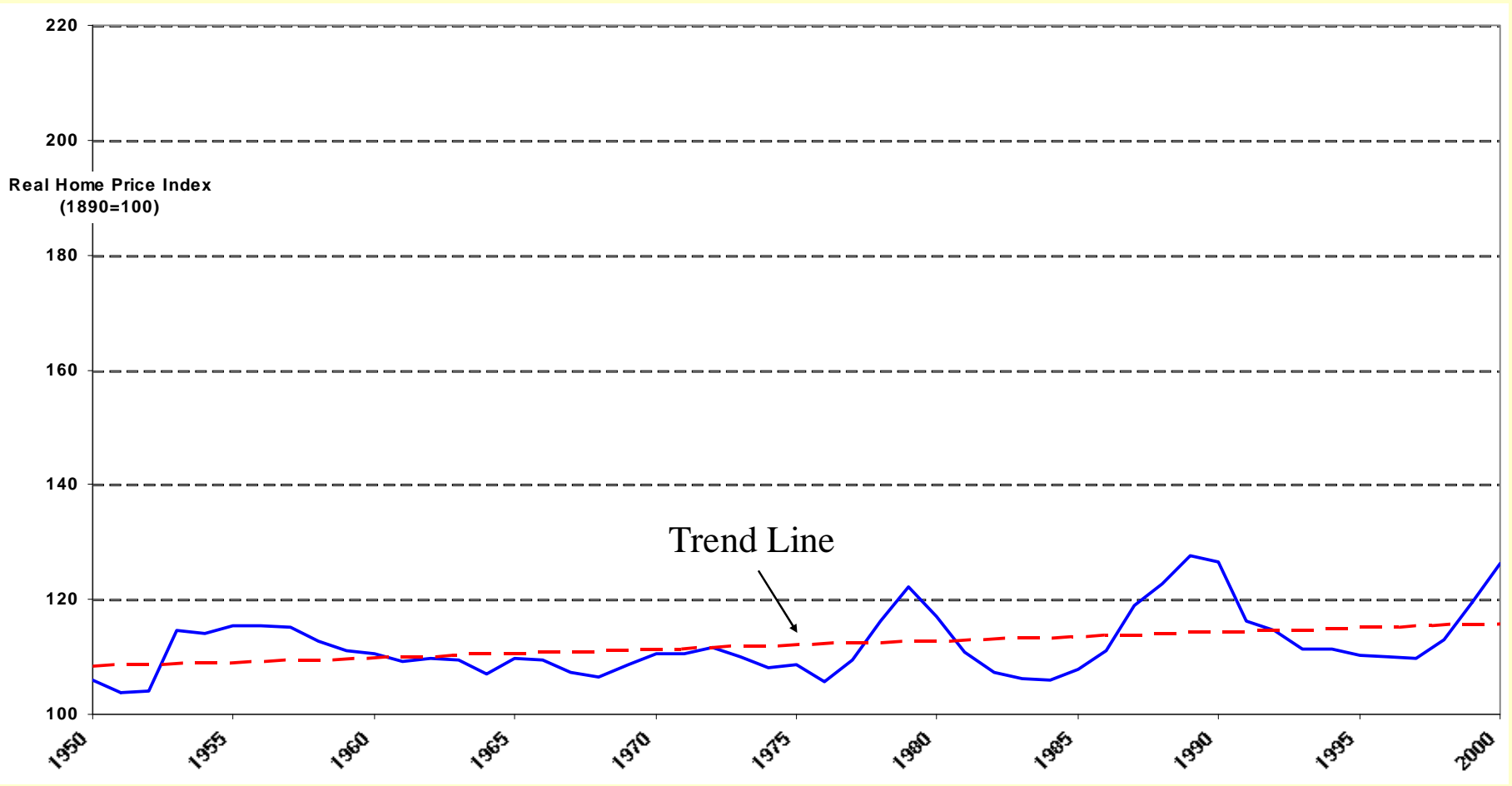
T2 Partners Management L.P. is a Registered Investment Advisor

145 E. 57th Street ° 10th Floor
New York, NY 10022
(212) 386-7160

Info@T2PartnersLLC.com ° www.T2PartnersLLC.com

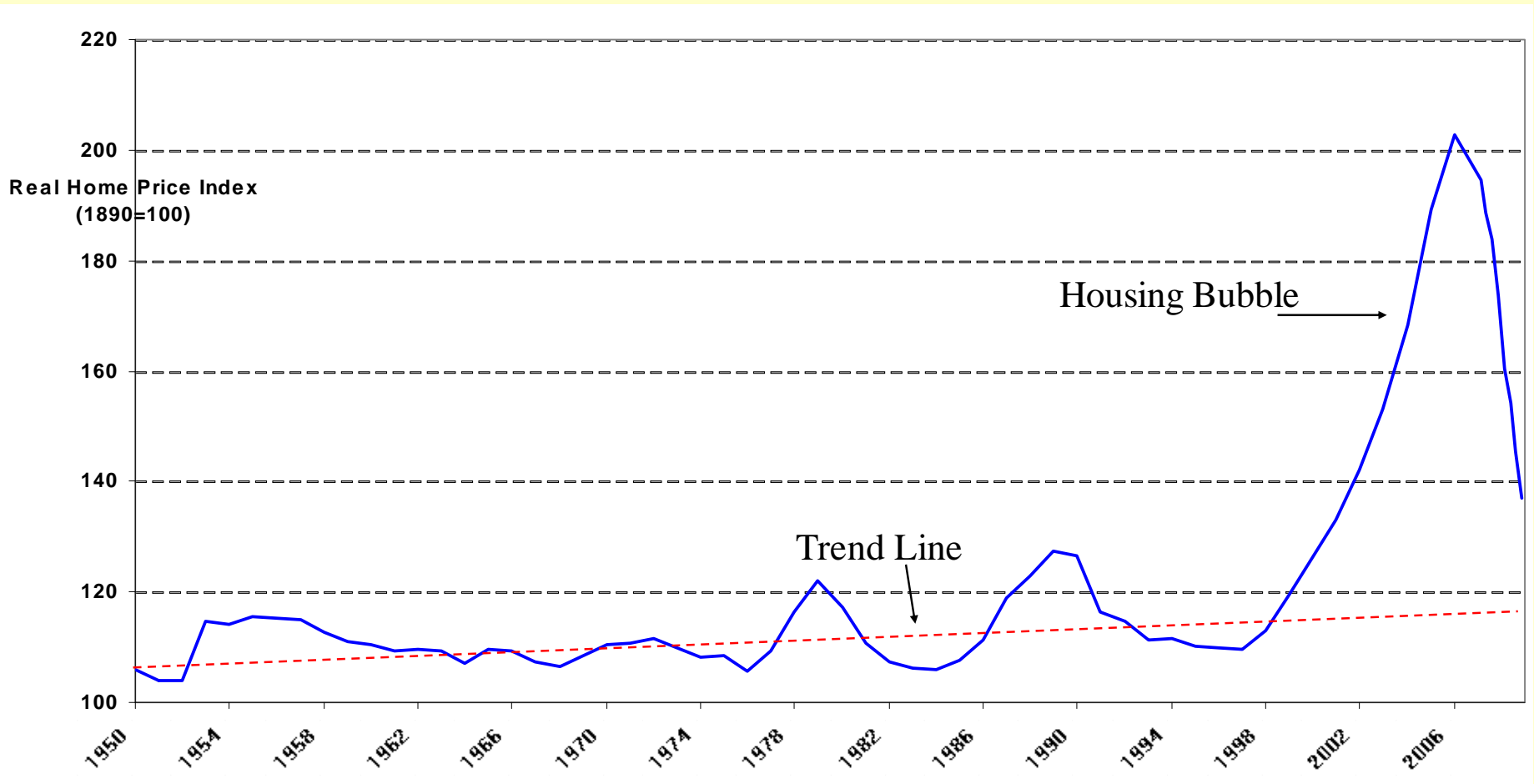
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Prior to This Decade, Housing Had Been a Stable Investment, Increasing at Less Than 1/2 of 1% Per Year After Inflation...



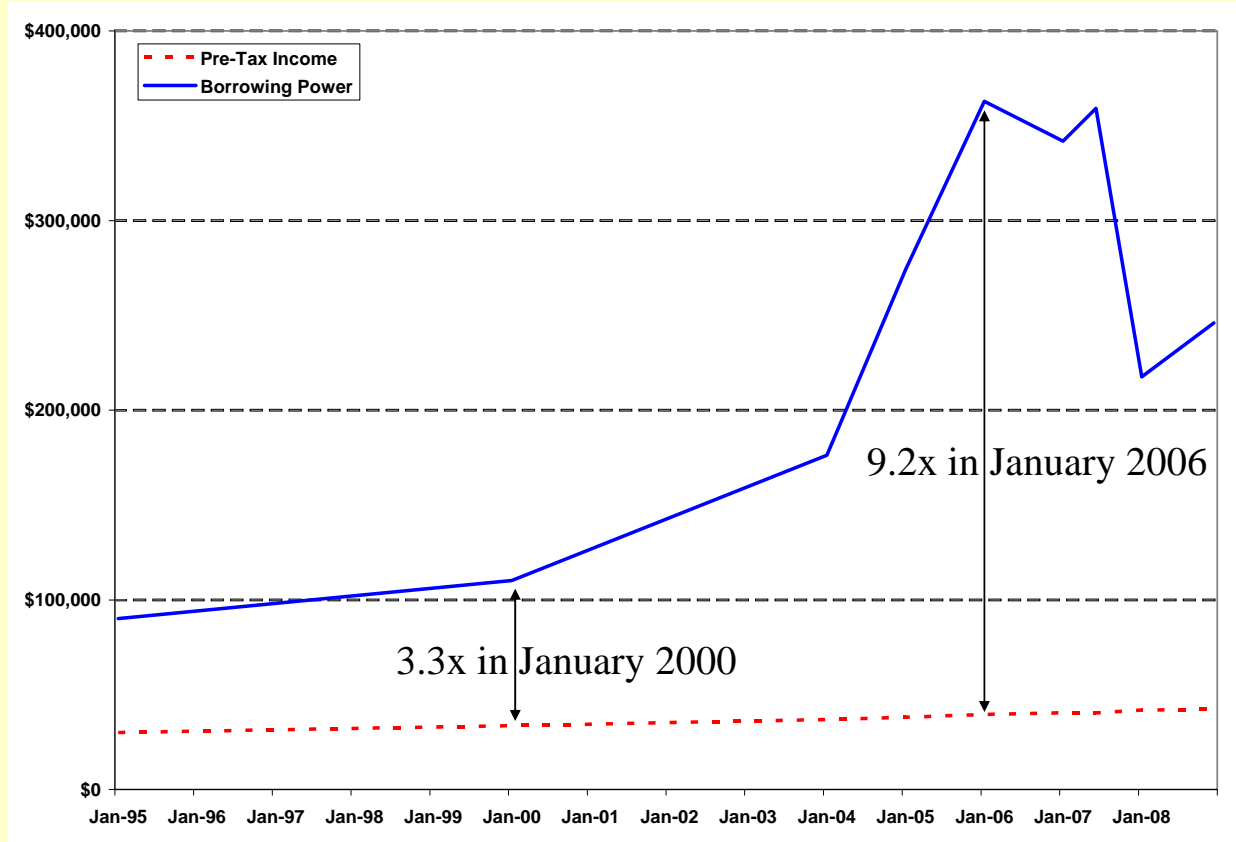
Source: Robert J. Shiller, *Irrational Exuberance*, Princeton University Press 2000, Broadway Books 2001, 2nd edition, 2005, also *Subprime Solution*, 2008, as updated by the author at <http://www.econ.yale.edu/~shiller/data.htm>

...And Then Housing Prices Exploded



Source: Robert J. Shiller, *Irrational Exuberance*, Princeton University Press 2000, Broadway Books 2001, 2nd edition, 2005, also *Subprime Solution*, 2008, as updated by the author at <http://www.econ.yale.edu/~shiller/data.htm>

From 2000-2006, the Borrowing Power of a Typical Home Purchaser More Than Tripled

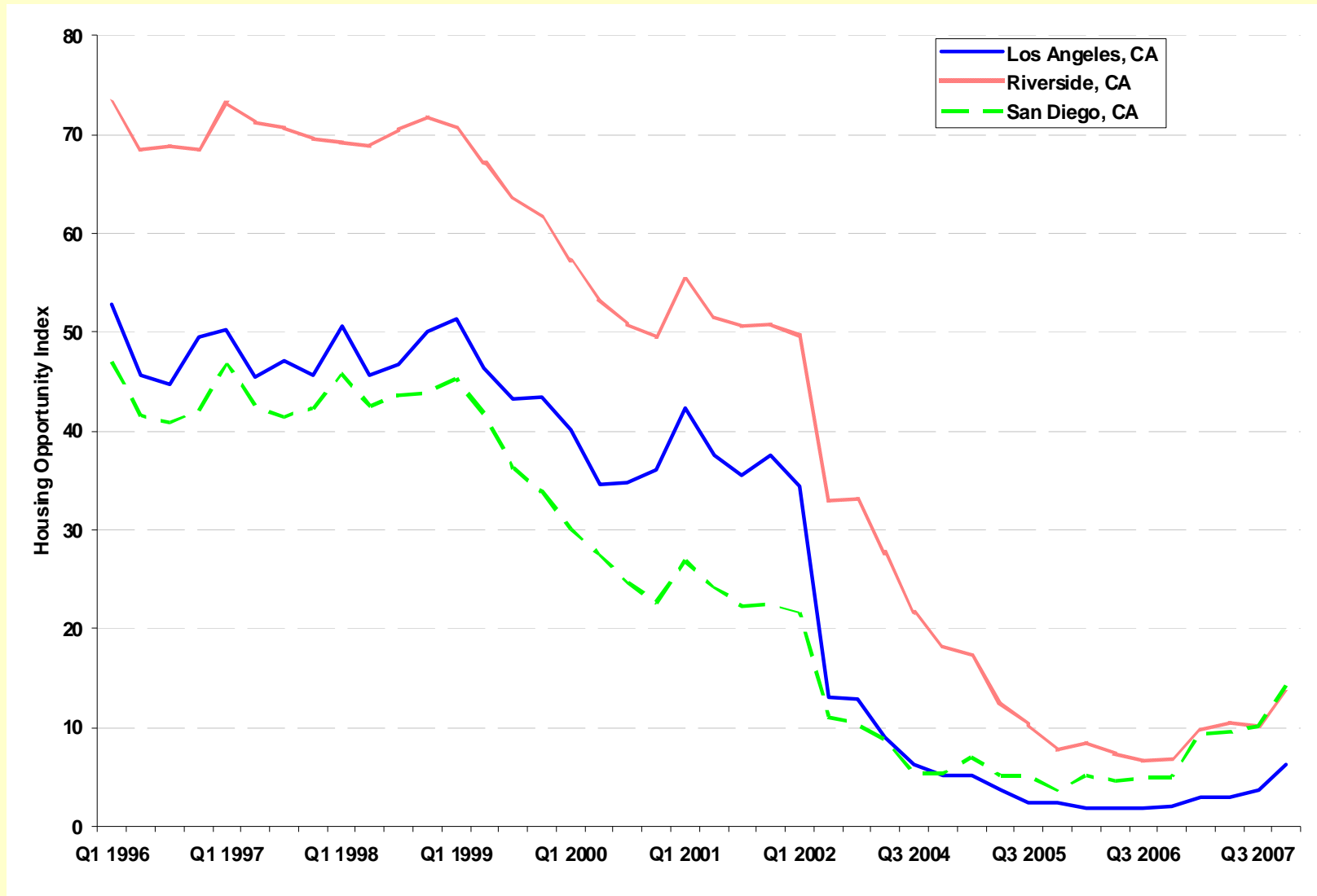


Factors contributing to the ability to borrow more and more were:

1. Slowly rising income
2. Lenders being willing to allow much higher debt-to-income ratios
3. Falling interest rates
4. Interest-only mortgages (vs. full amortizing)
5. No money down

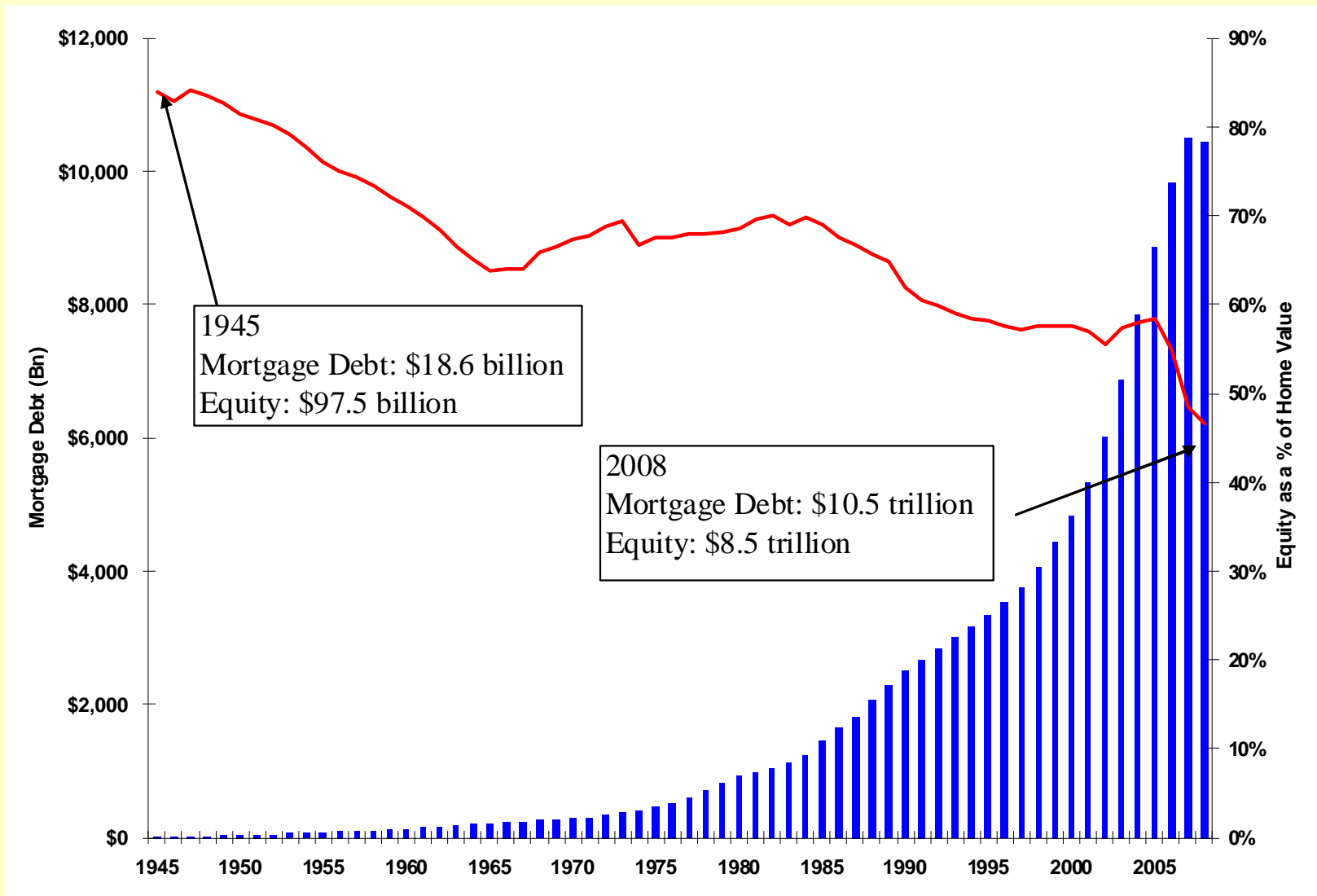
Source: Amherst Securities

Housing Became Unaffordable in Many Areas



Source: NAHB/Wells Fargo Housing Opportunity Index, which measures percentage of households that could afford the average home with a standard mortgage

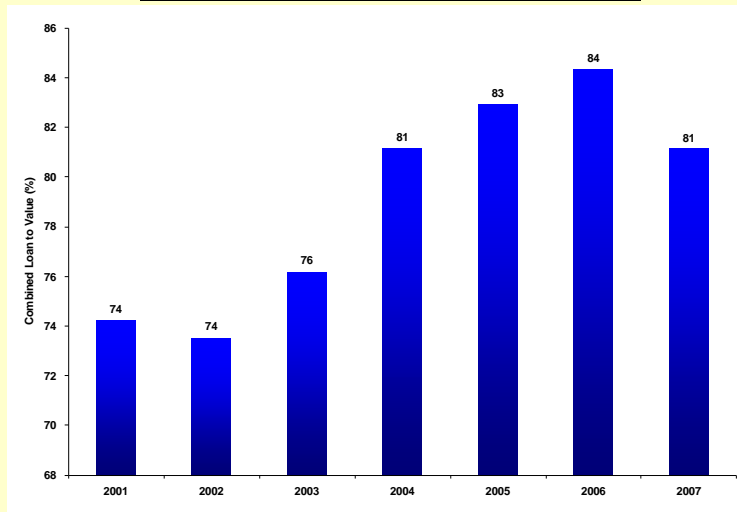
Americans Have Borrowed Heavily Against Their Homes Such That the Percentage of Equity in Their Homes Has Fallen Below 50% for the First Time on Record Since 1945



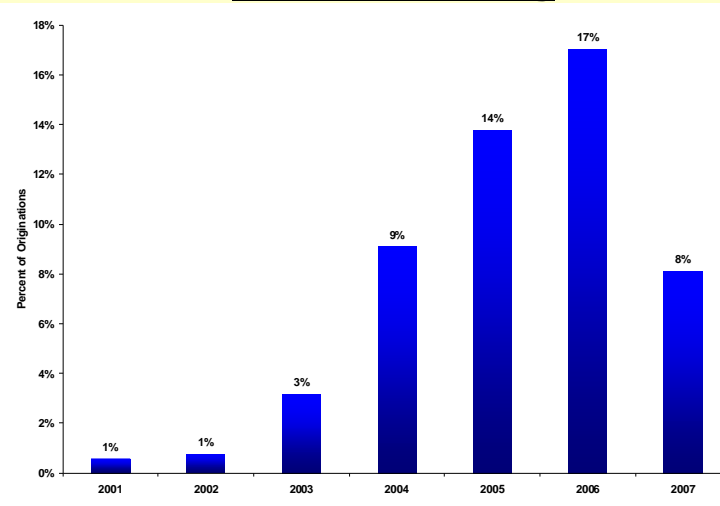
Source: Federal Reserve Flow of Fund Accounts of the United States

There Was a Dramatic Decline in Mortgage Lending Standards from 2001 through 2006

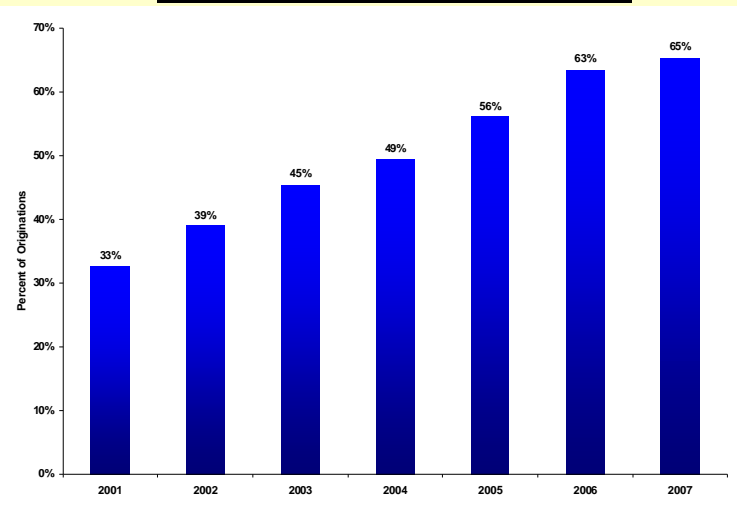
Combined Loan to Value



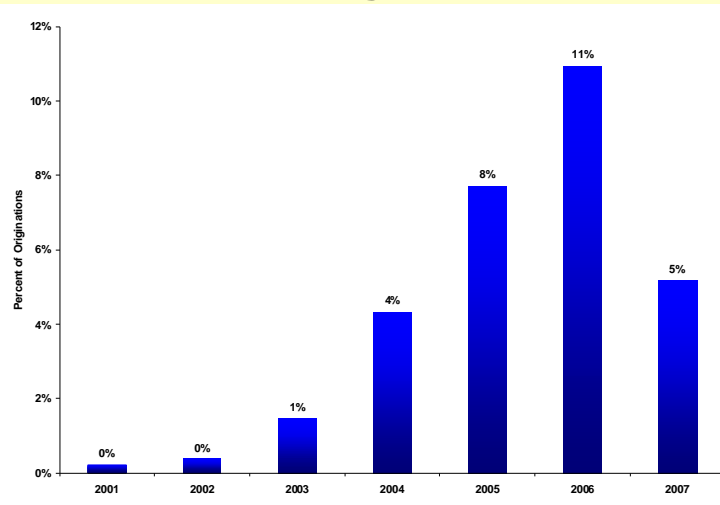
100% Financing



Limited Documentation

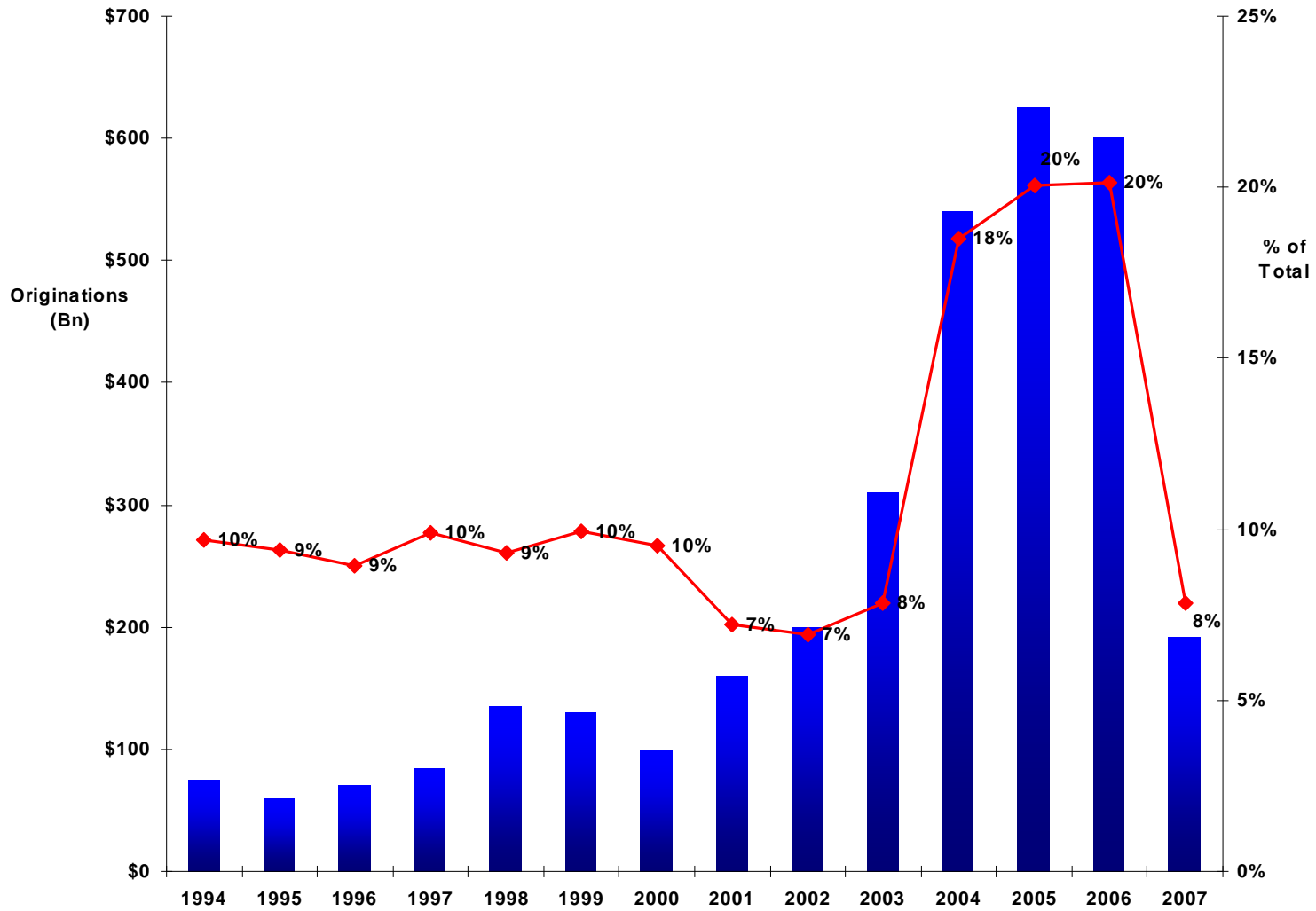


100% Financing & Limited Doc



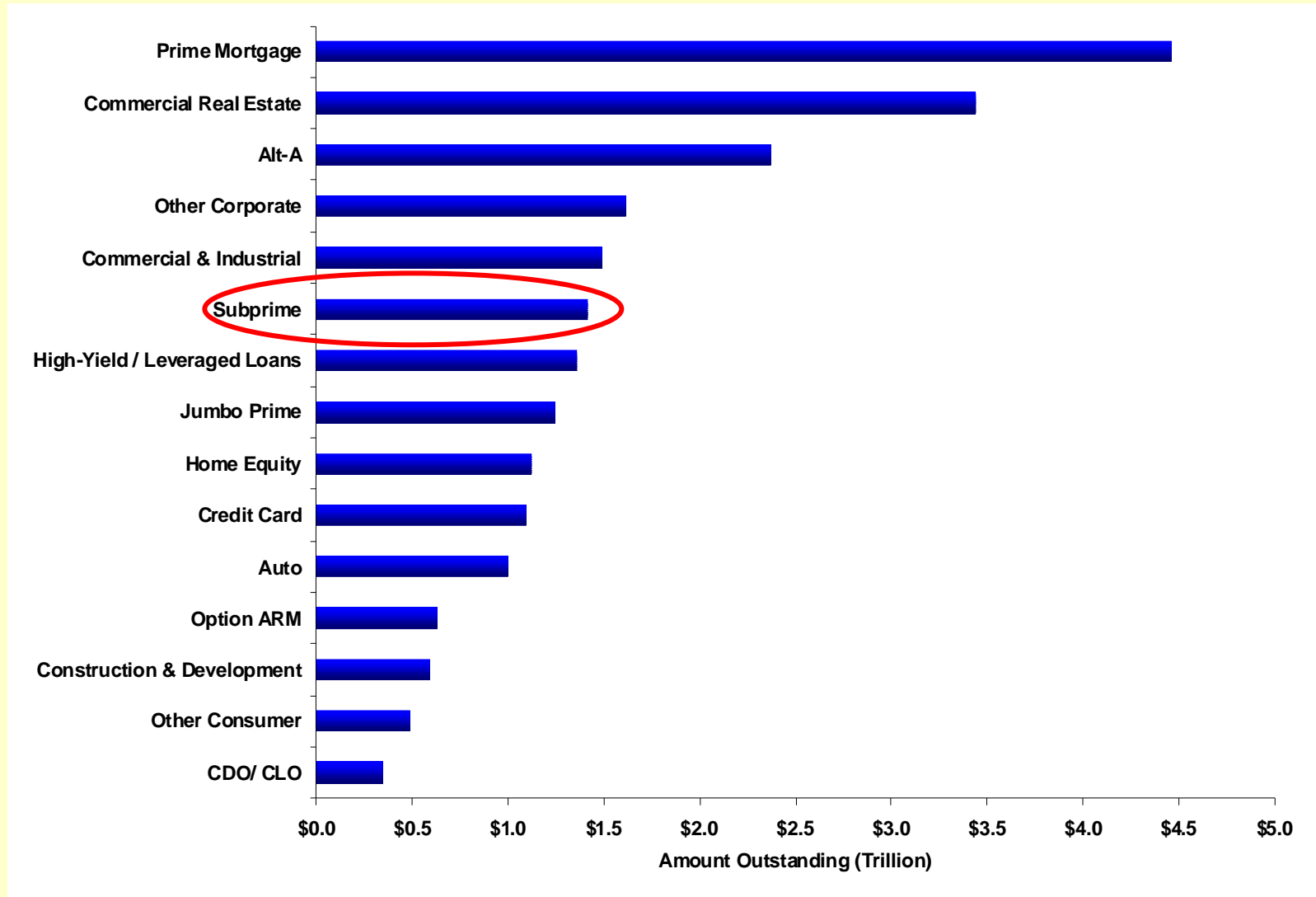
- In 2005, 29% of new mortgages were interest only — or less, in the case of Option ARMs — vs. 1% in 2001
- In 1989, the average down payment for first-time home buyers was 10%; by 2007, it was 2%
- The sale of new homes costing \$750,000 or more quadrupled from 2002 to 2006. The construction of inexpensive homes costing \$125,000 or less fell by two-thirds

The Decline in Lending Standards Led to a Surge in Subprime Mortgage Origination



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But Subprime Mortgages Are Only a Tiny Part of the Mortgage Problem

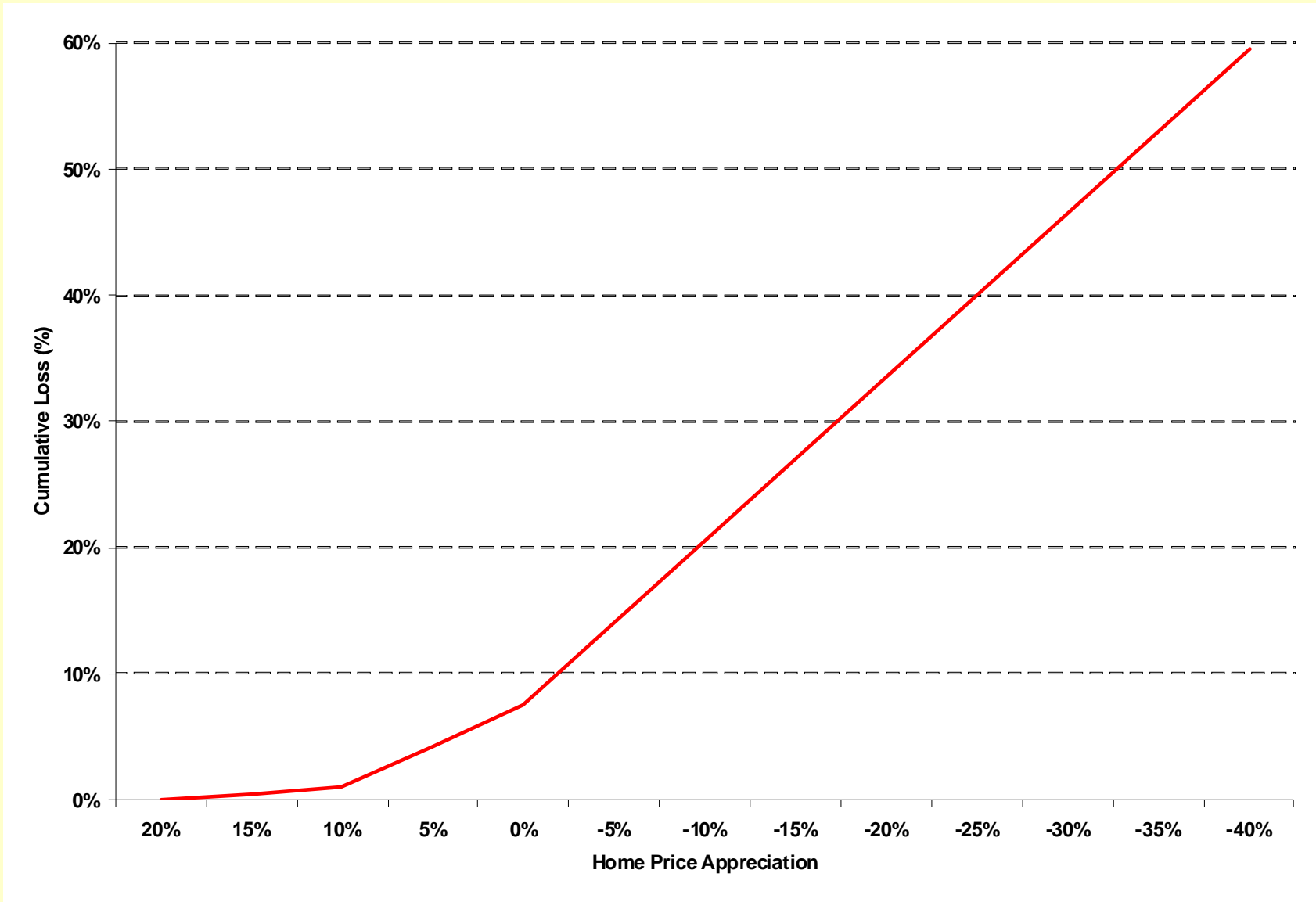


Sources: Federal Reserve Flow of Funds Accounts of the United States, IMF Global Financial Stability Report October 2008, Goldman Sachs Global Economics Paper No. 177, FDIC Quarterly Banking Profile, OFHEO, S&P Leverage Commentary & Data, T2 Partners estimates

Among the Many Causes of The Great Mortgage Bubble, Two Stand Out

- The companies making crazy loans didn't care very much if the homeowner ended up defaulting for two reasons:
 1. Either they didn't plan to hold the loan, but instead intended to pass it along to Wall Street, which would bundle, slice-and-dice it and sell it (along with any subsequent losses) to investors around the world;
 2. Or, if they did plan to hold the loan, they assumed home prices would keep rising, such that homeowners could either refinance before loans reset or, if the homeowner defaulted, the losses (i.e., severity) would be minimal.
- There were many other reasons, of course – a bubble of this magnitude requires what Charlie Munger calls “Lollapalooza Effects”
 - The entire system – real estate agents, appraisers, mortgage lenders, banks, Wall St. firms and ratings agencies – became corrupted by the vast amounts of quick money to be made
 - Regulators and politicians were blinded by free market ideology or the dream that all Americans should own their homes, causing them to fall asleep at the switch, not want to take the punch bowl away and/or get bought off by the industries they were supposed to be overseeing
 - Debt became increasingly available and acceptable in our culture
 - Millions of Americans became greedy speculators and/or took on too much debt
 - Greenspan kept interest rates too low for too long
 - Institutional investors stretched for yield, didn't ask many questions and took on too much leverage
 - In general, everyone was suffering from irrational exuberance

As Long As Home Prices Rise Rapidly, Even Subprime Mortgages Perform Well – But If Home Prices Fall, Look Out Below!

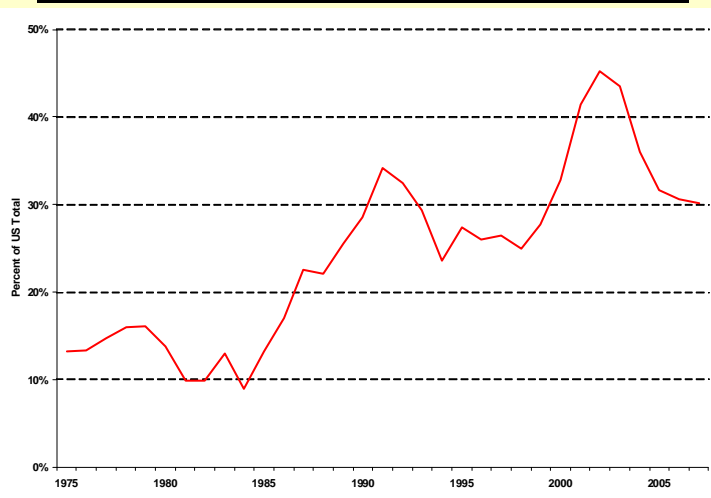


Source: T2 Partners estimates

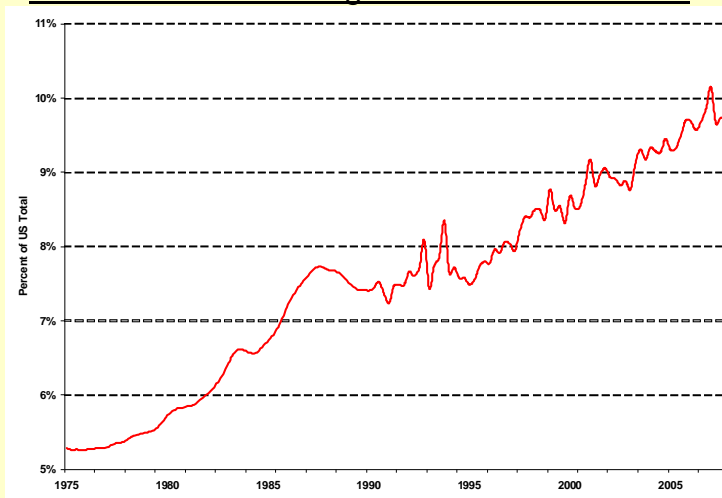
Wall Street's Demand for Loan "Product" Was a Major Driver of the Decline in Lending Standards

- As discussed later in this presentation, the Asset-Backed Securities (ABSs) and Collateralized Debt Obligation (CDO) businesses were enormously profitable for Wall Street firms
 - Structured finance was a big driver of the surge in profitability of financial firms and their employees:

Financial Services Profits as a % of U.S. Total

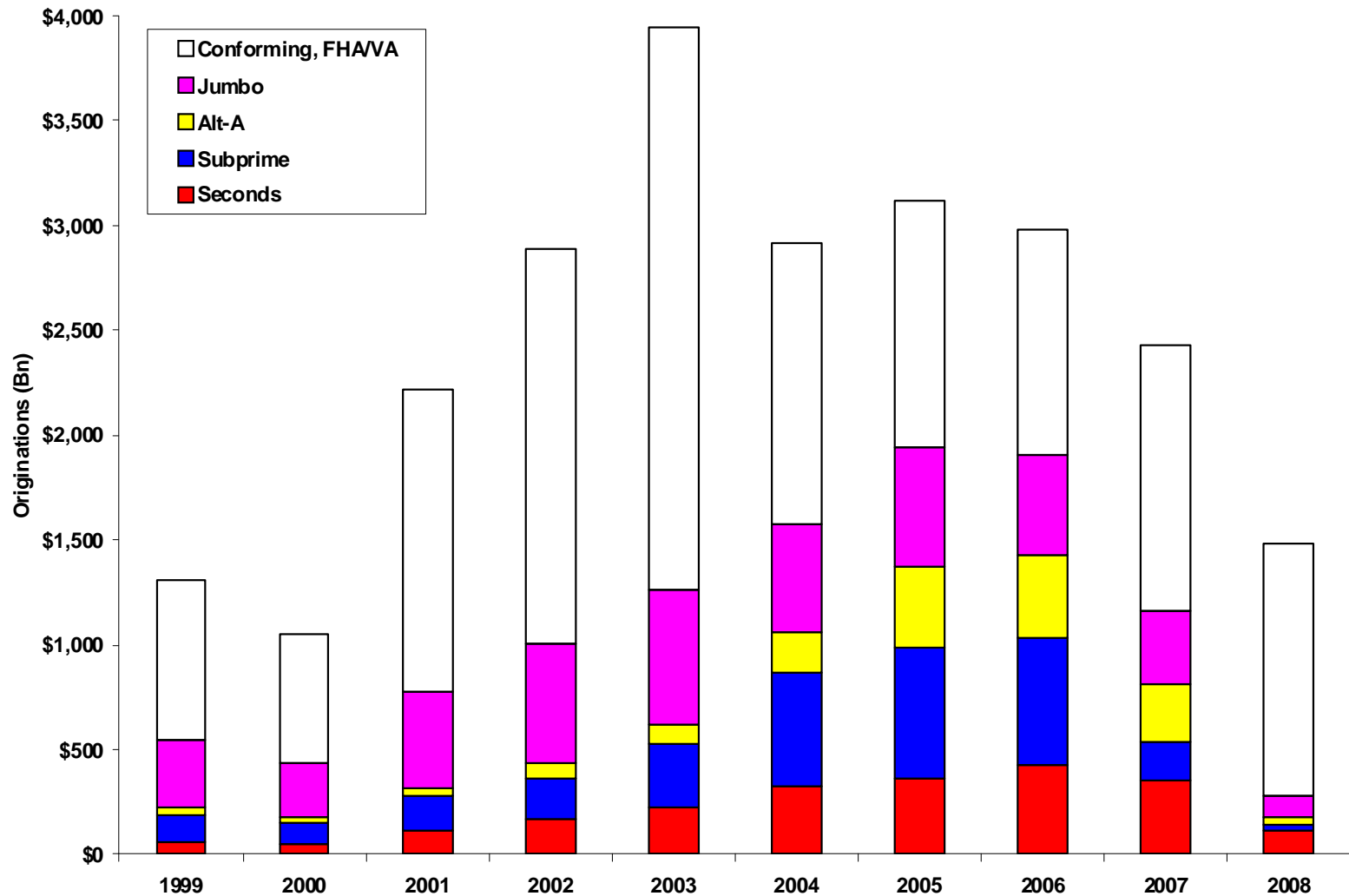


Financial Services Wages as a % of U.S. Total



- To produce ABSs and CDOs, Wall Street needed a lot of loan "product"
- Mortgages were a quick, easy, big source
- It is easy to generate higher and higher volumes of mortgage loans: simply lend at higher loan-to-value ratios, with ultra-low teaser rates, to uncreditworthy borrowers, and don't bother to verify their income and assets (thereby inviting fraud)
- There's only one problem: **DON'T EXPECT TO BE REPAYED!**

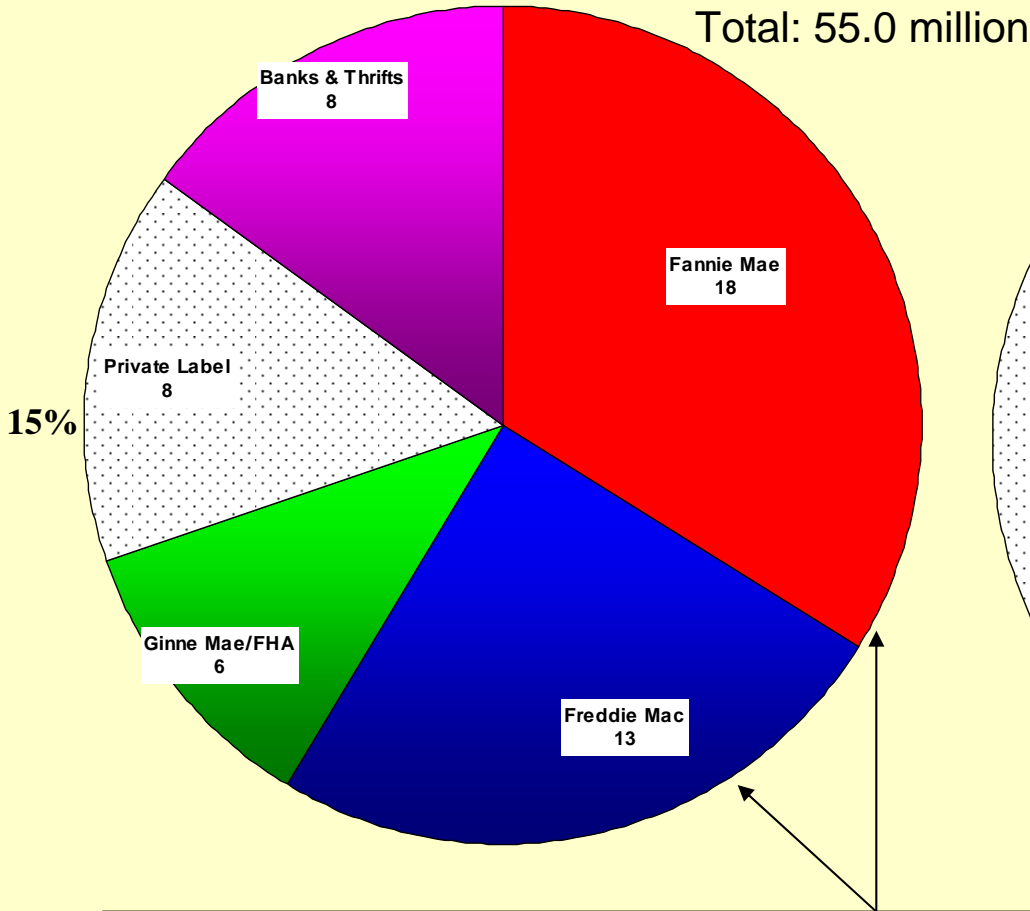
There Was a Surge of Toxic Mortgages Over the Past 10 Years



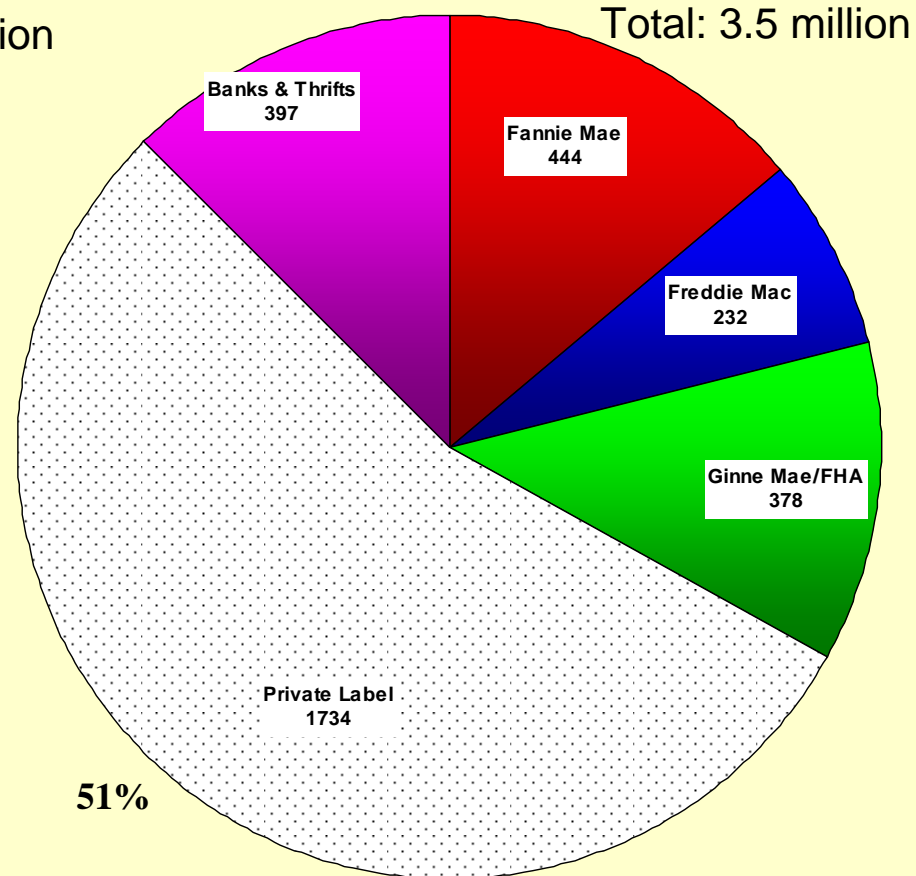
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Private Label Mortgages (Those Securitized by Wall St.) Are 15% of All Mortgages, But Are 51% of Seriously Delinquent Mortgages

Number of Mortgages (million)



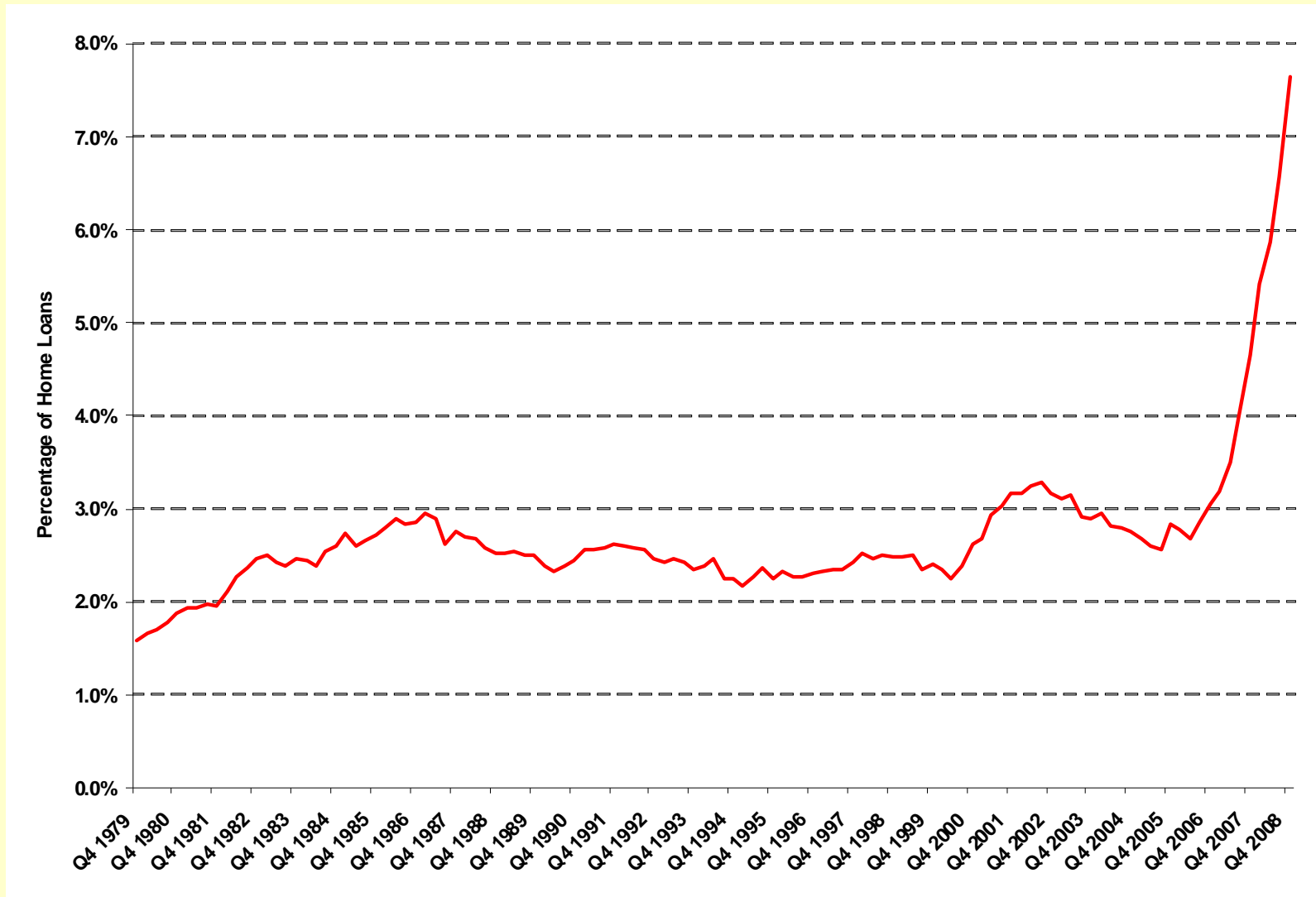
Number of Seriously Delinquent Mortgages (000)



Approximately two-thirds of homes have mortgages and of these, 56% are owned or guaranteed by the two government-sponsored enterprises (GSEs), Fannie & Freddie

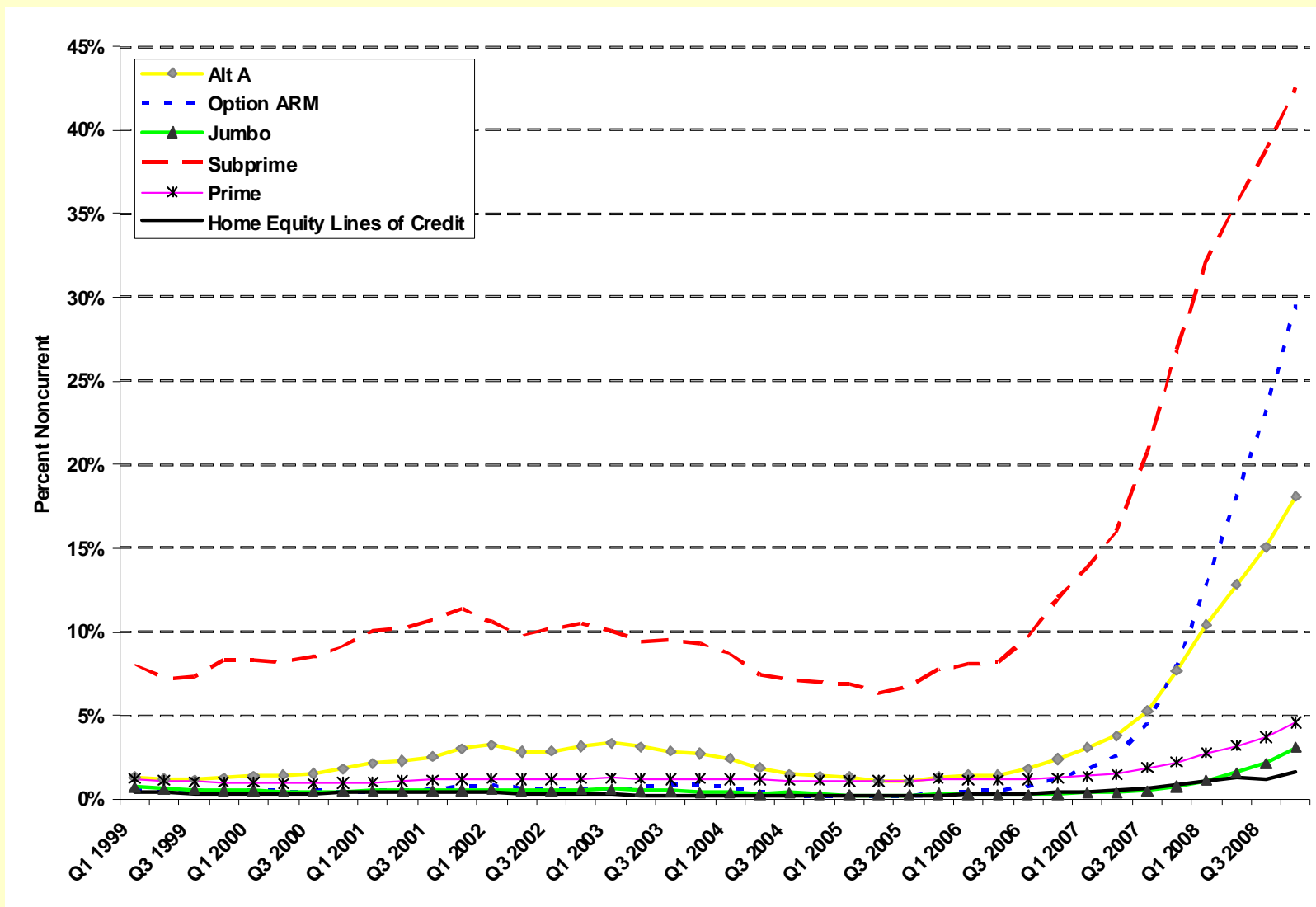
Source: Freddie Mac, Q4 08

Nearly 8% of Mortgages on 1- to 4-Family Homes Were Delinquent or in Foreclosure as of the End of 2008



Source: National Delinquency Survey, Mortgage Bankers Association. Note: Delinquencies (60+ days) are seasonally adjusted

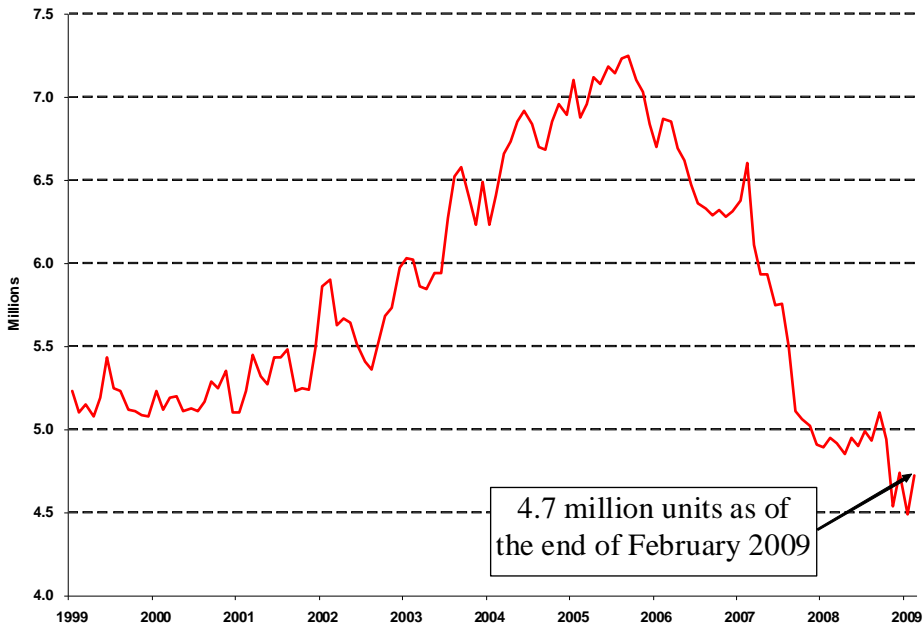
All Types of Loans, Led by Subprime, Are Seeing a Surge in Delinquencies



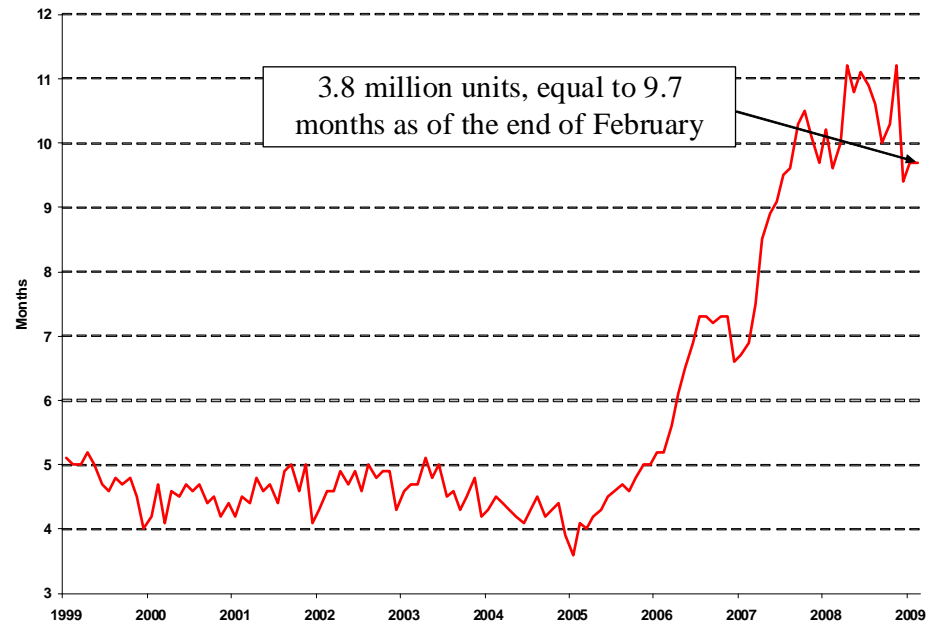
Source: Amherst Securities, LoanPerformance; National Delinquency Survey, Mortgage Bankers Association; FDIC Quarterly Banking Profile; T2 Partners estimates. Note: Prime is seasonally adjusted.

Sales of Existing Homes Are Falling and Foreclosures Are Rising, Leading to a Surge in Inventories

Existing Home Sales



Months Supply



Source: NATIONAL ASSOCIATION OF REALTORS® Existing Home Sales data series

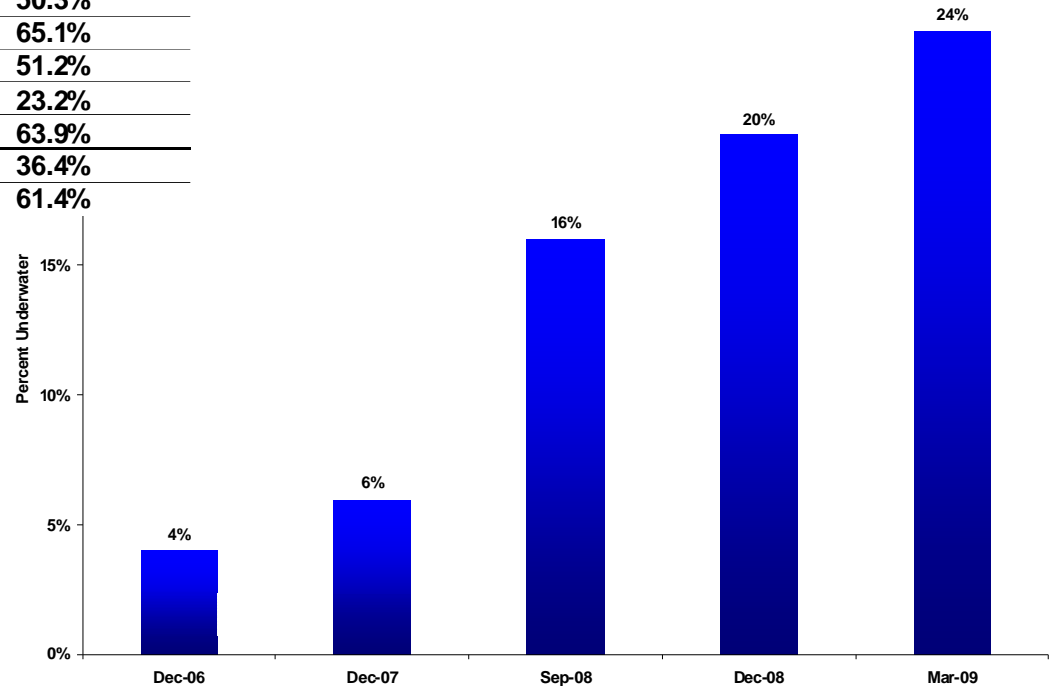
24% of Homeowners With a Mortgage Owe More Than the Home Is Worth, Making Them Far More Likely to Default

Among people who bought homes in the past five years, 30%+ are under water

In Bubble Markets, Far More Homeowners Are Under Water

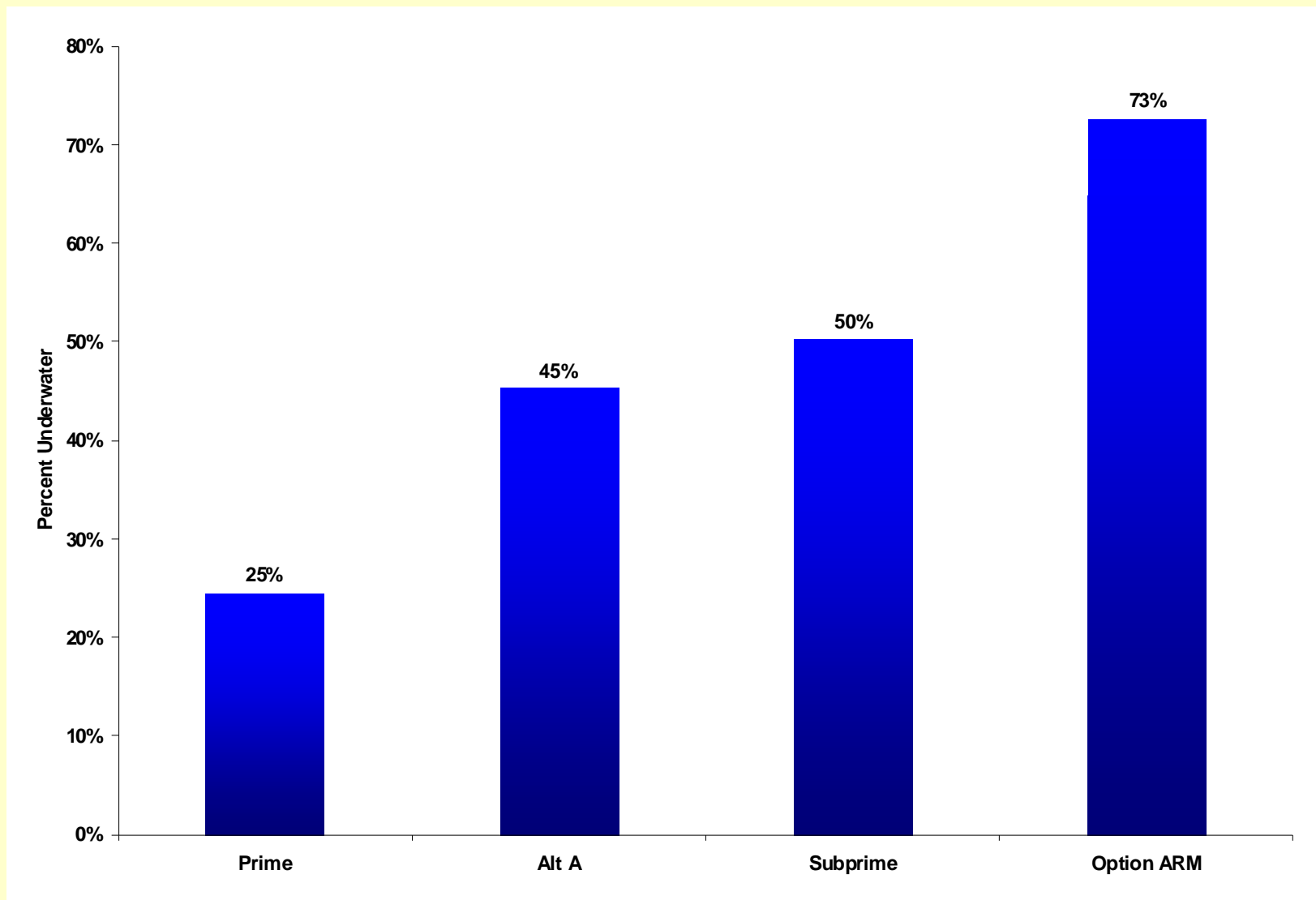
Metro Area	Price Index Is at Lowest Level Since	Price Drop Since Peak	% of Last 5 Yrs Purchasers Who Are Under Water
New York	2004-Q3	-15.2%	23.0%
Los Angeles	2003-Q4	-32.0%	56.4%
Boston	2002-Q2	-21.8%	27.8%
Washington	2004-Q1	-24.8%	50.3%
Miami	2004-Q1	-36.6%	65.1%
San Francisco	2003-Q3	-27.8%	51.2%
Atlanta	2004-Q4	-10.4%	23.2%
San Diego	2002-Q4	-34.4%	63.9%
Phoenix	2004-Q3	-37.7%	36.4%
Las Vegas	2003-Q4	-41.8%	61.4%

There Has Been a Dramatic Rise in Homeowners Who Are Under Water



Source: Zillow.com Q4 08 Real Estate Market Report; Moody's Economy.com, First American CoreLogic, T2 Partners estimates;

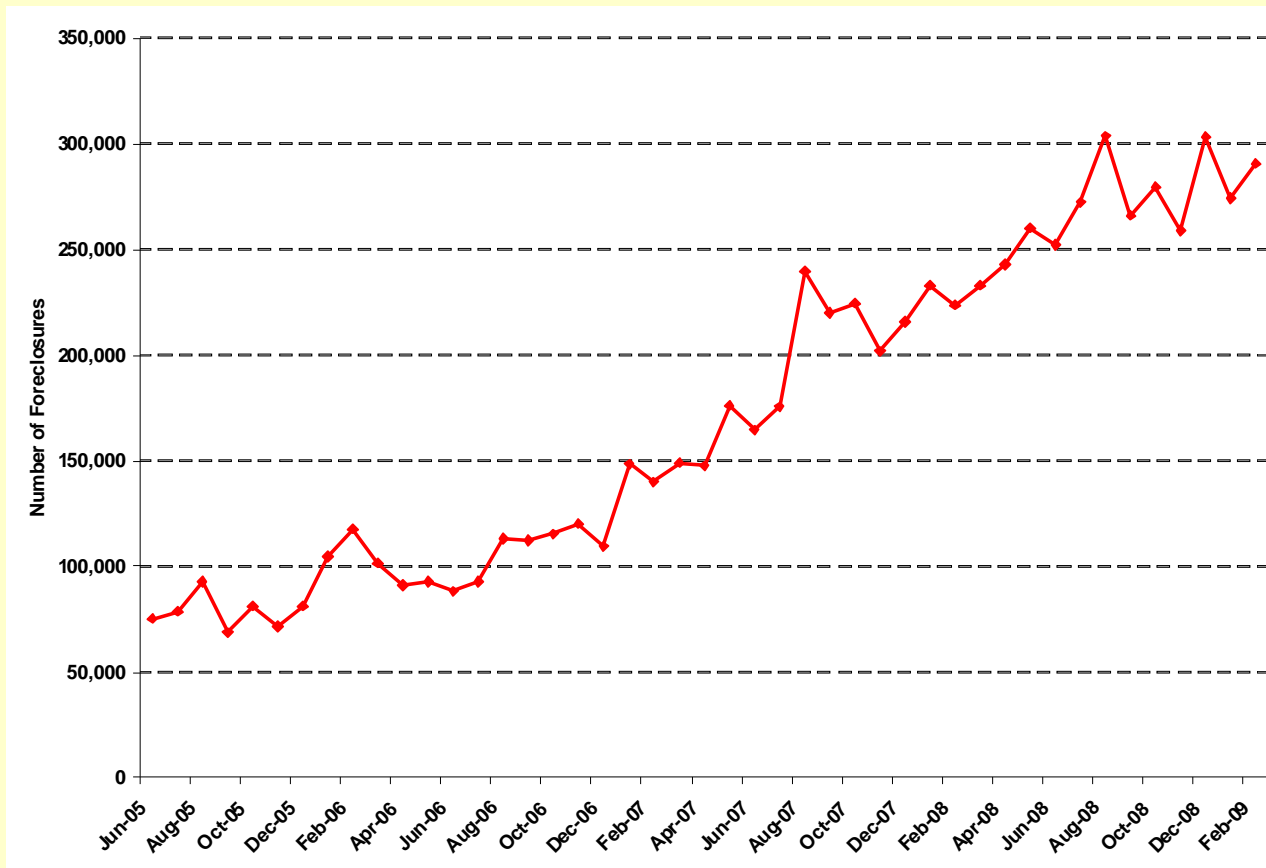
Certain Types of Loans are Severely Under Water



Source: Amherst Securities, LoanPerformance, Standard & Poor's

Foreclosure Filings Have Increased Dramatically

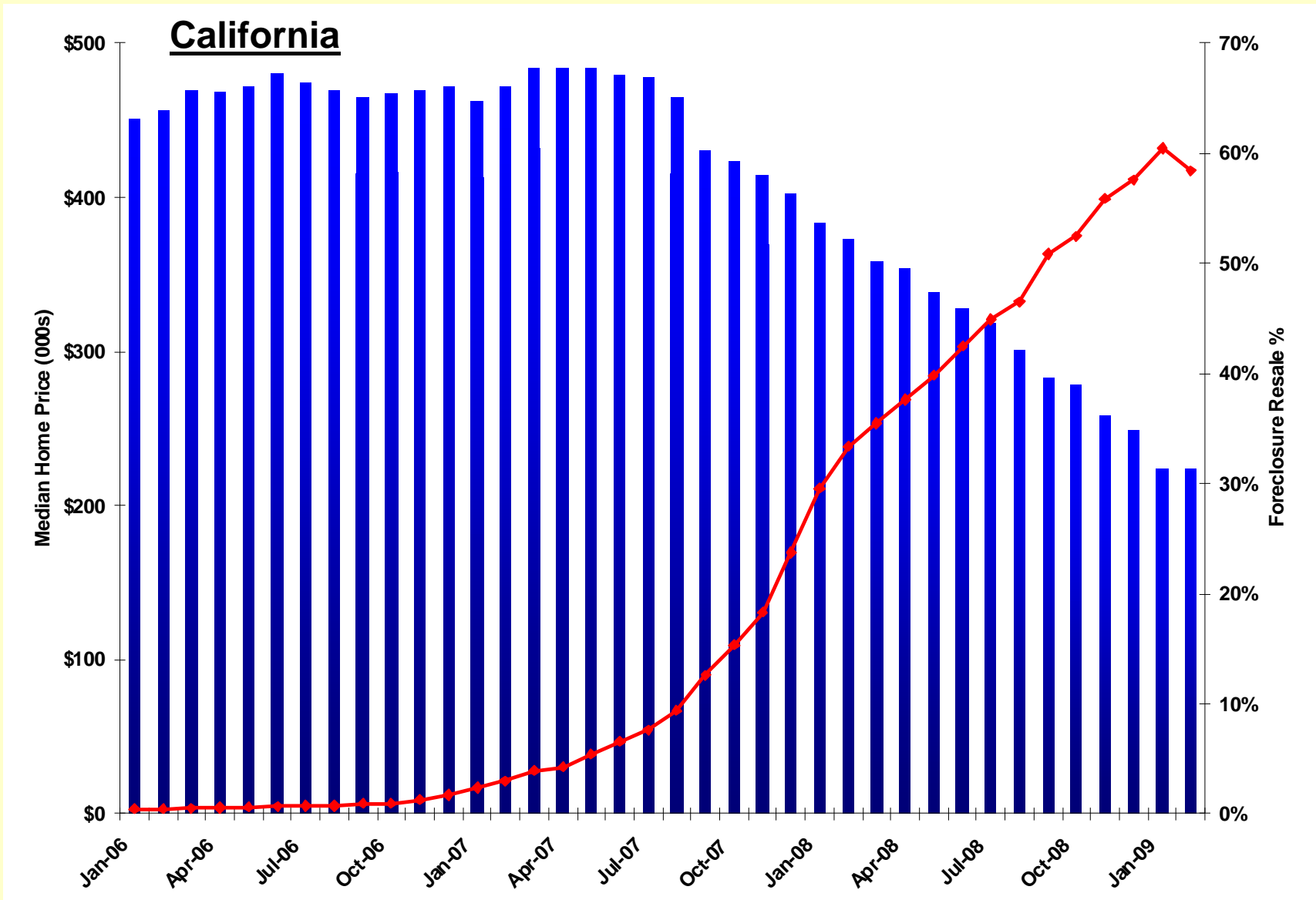
- Foreclosures in February rose 30% year-over-year and 6% sequentially
- Starting to flatten due to a number of states and banks plus Fannie and Freddie implementing foreclosure moratoria
- RealtyTrac estimates that over 1.5 million bank-owned properties are on the market, representing around a third of all properties for sale in the U.S.



Note: Foreclosure filings are defined as default notices, auction sale notices and bank repossessions

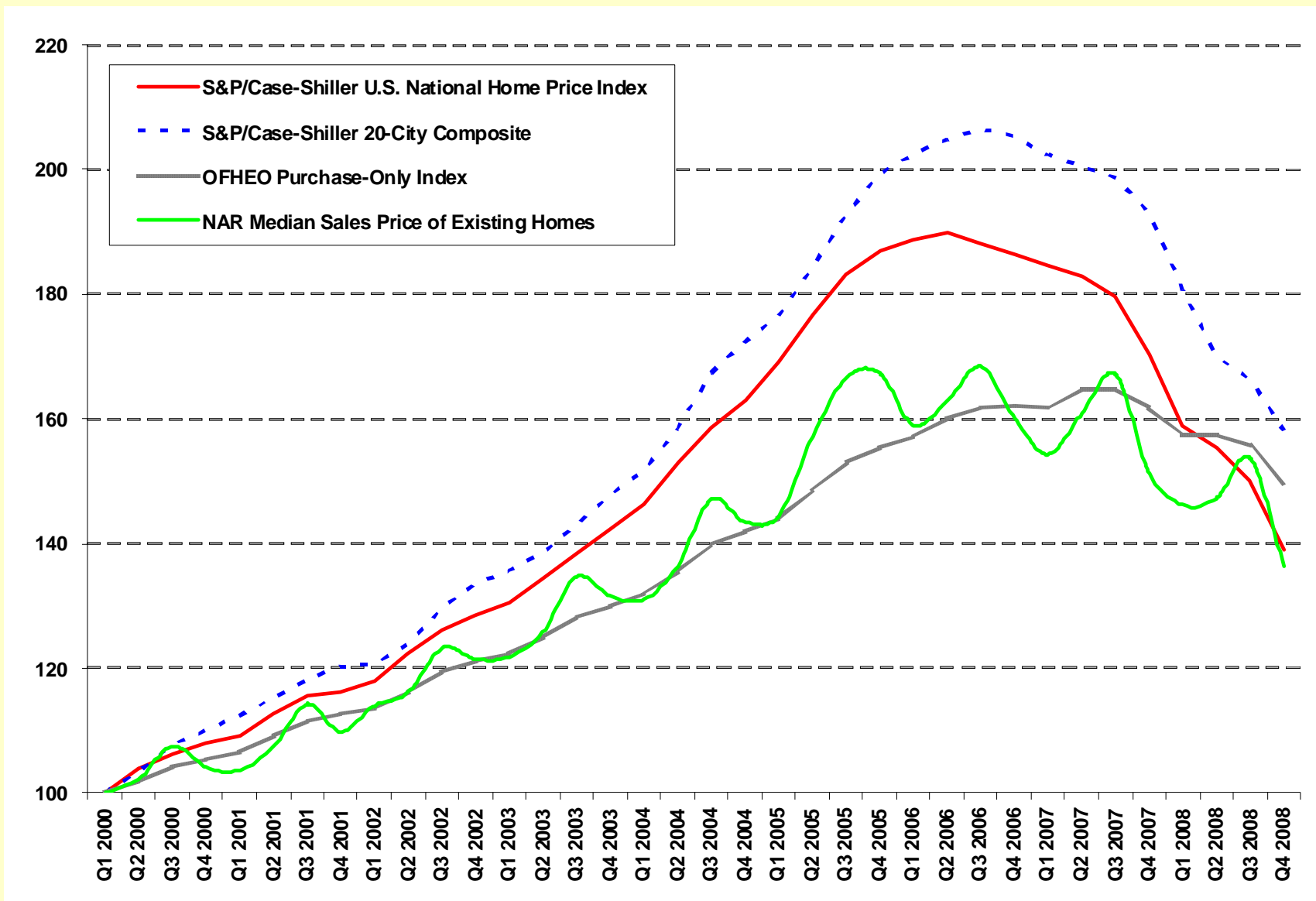
Sources: RealtyTrac.com U.S. Foreclosure Market Report

In Bubble Markets, Prices Are Way Down Driven By a Surge in the Number of Homes Sold Out of Foreclosure



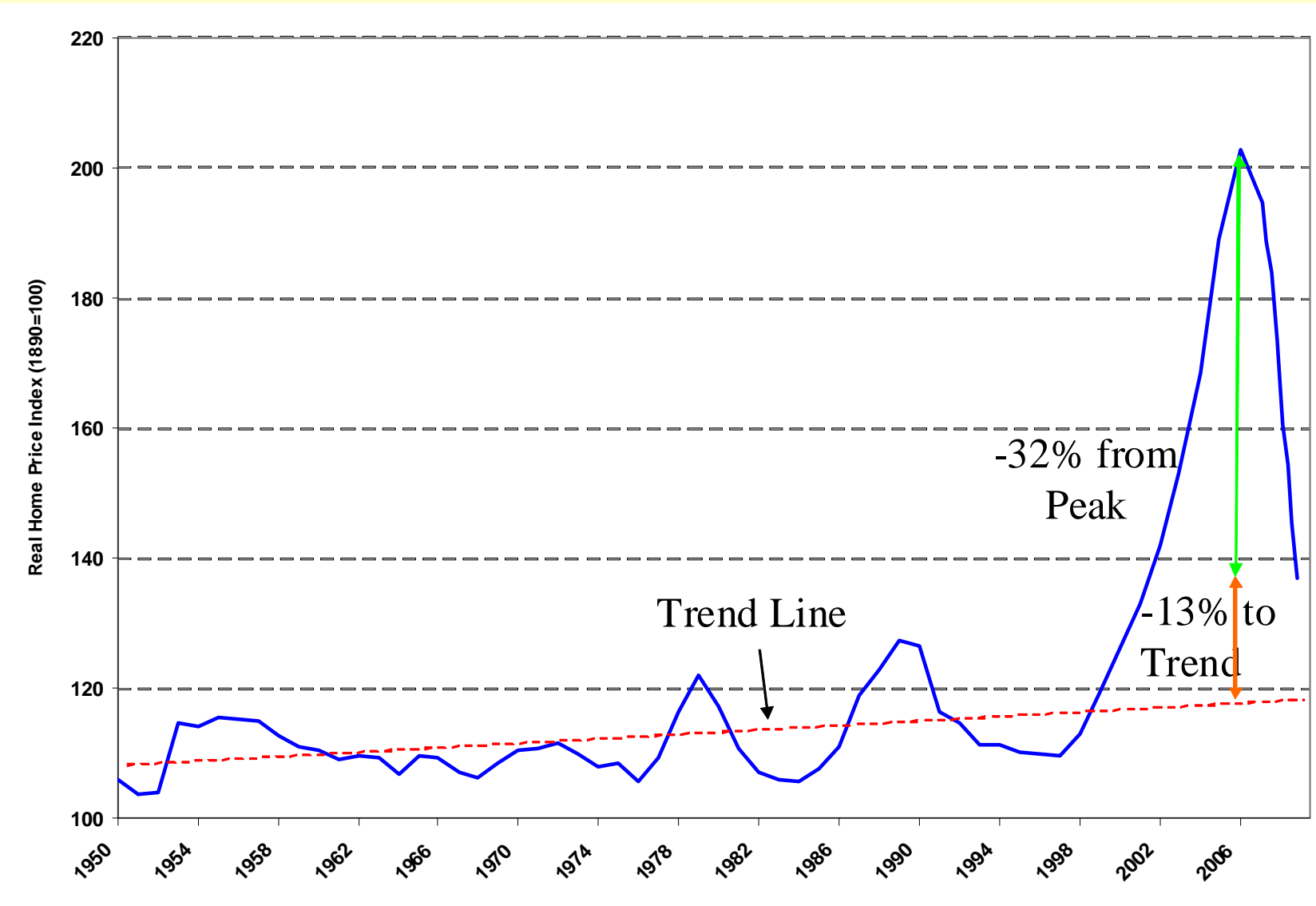
Source: MDA Dataquick. Note: Includes new construction

Home Prices Are in an Unprecedented Freefall



Source: Standard & Poor's, OFHEO Purchase-Only Index, NATIONAL ASSOCIATION OF REALTORS® Existing Home Sales data series

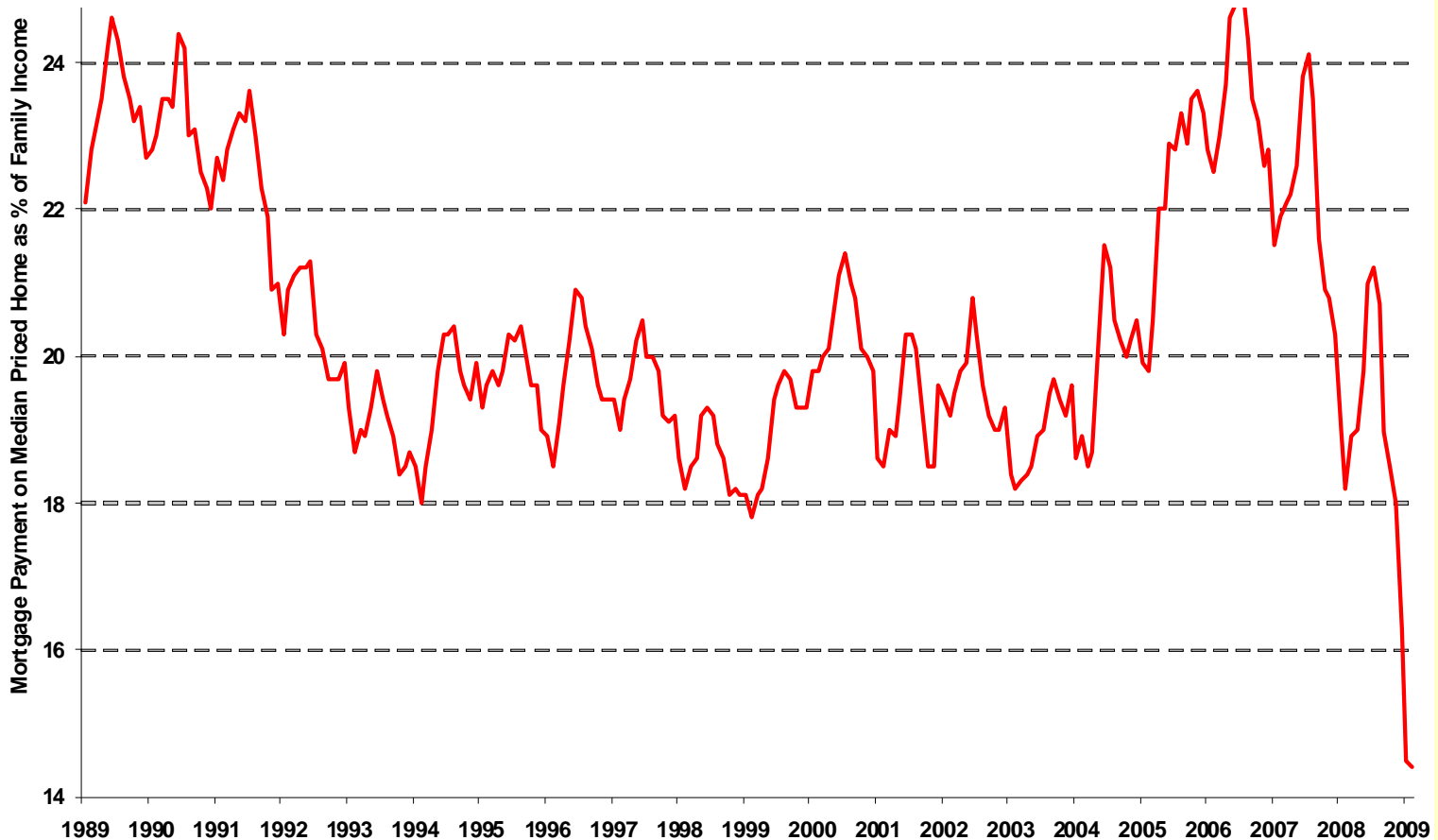
Home Prices Need to Fall Another 13% to Reach Trend Line



Sources: Robert J. Shiller, Irrational Exuberance, 2nd. Edition, Princeton University Press, 2005, Broadway Books 2006, also Subprime Solution, 2008, as updated by author at <http://www.econ.yale.edu/~shiller/data.htm>

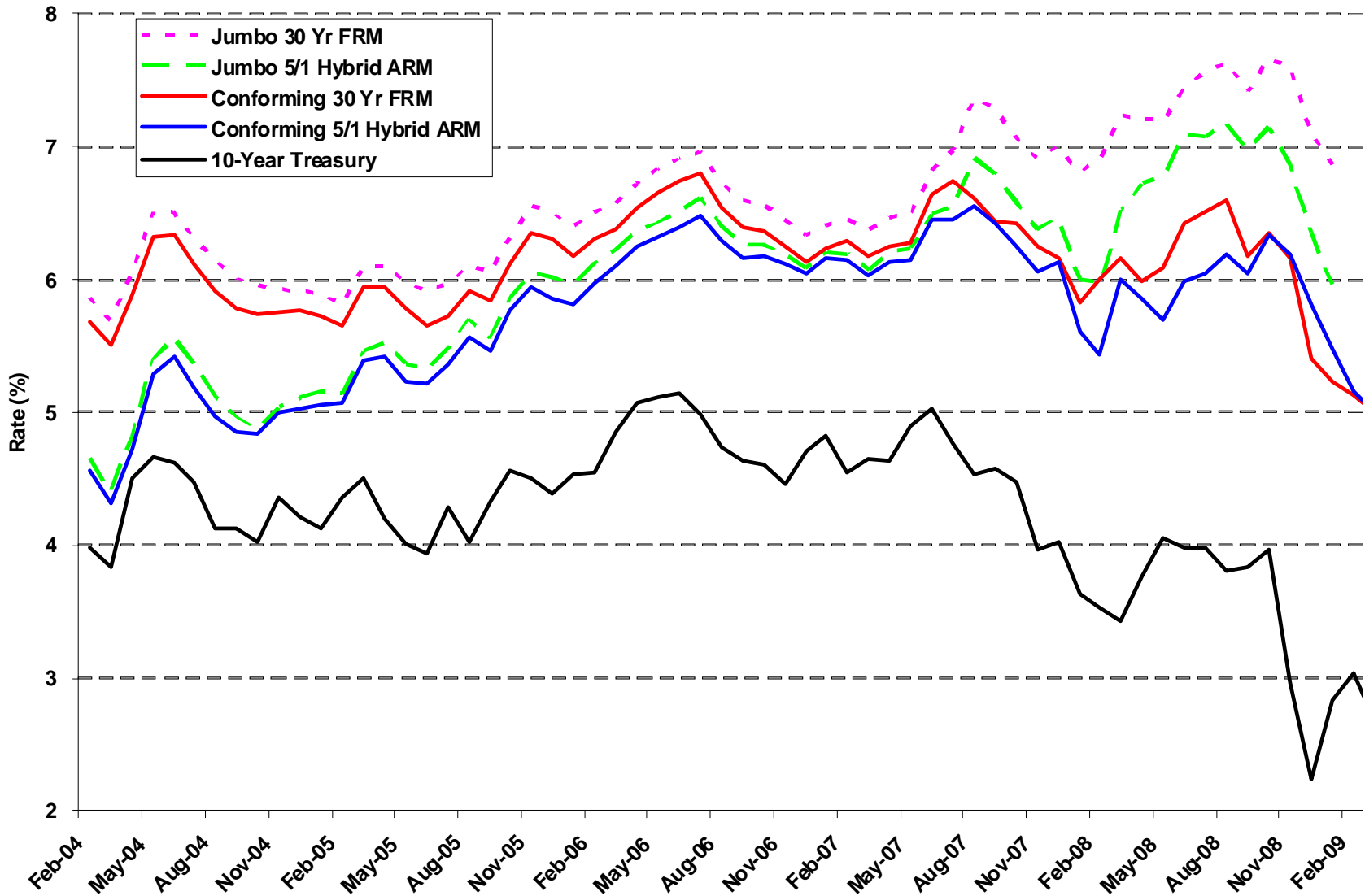
The Housing Affordability Index Shows Houses Are Now Affordable

Before concluding that houses are cheap, however, there are three big caveats: first, low rates are only available to those who qualify for conforming mortgages, which doesn't help millions of homeowners or potential homeowners who have spotty credit histories or are underwater on their current mortgages. Second, with low enough interest rates, almost anything looks affordable; if rates rise, houses won't look so reasonably priced based on these metrics. Finally, in light of the severe economic downturn, average income may fall for quite some time.



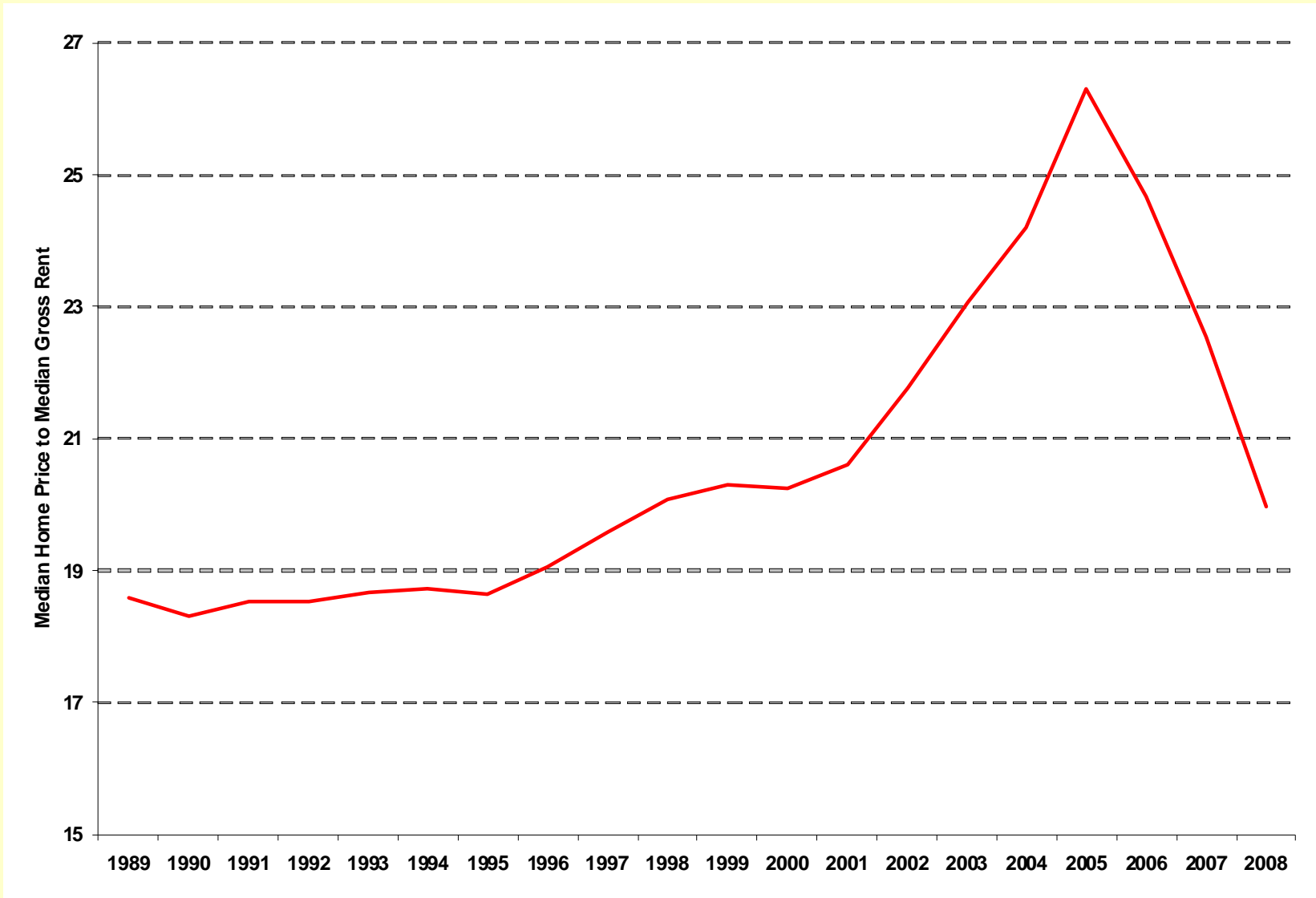
Source: NATIONAL ASSOCIATION OF REALTORS® Housing Affordability Index

Mortgage Rates Have Fallen Recently



Source: HSH Associates, Yahoo! Finance.com

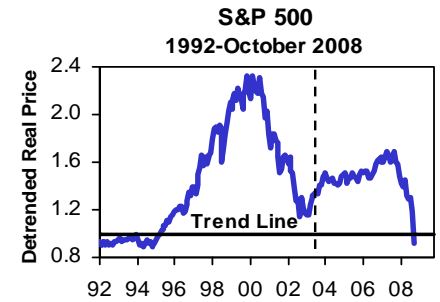
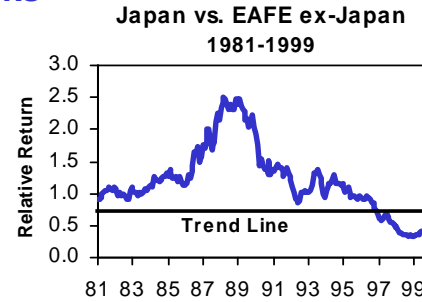
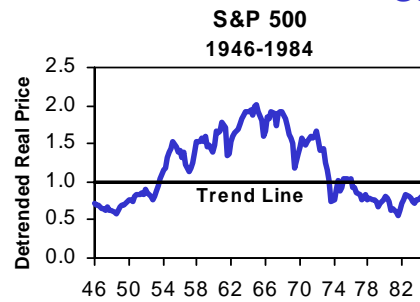
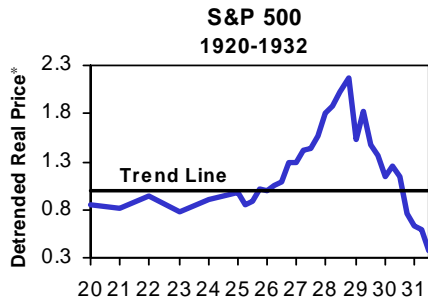
The Home Price-to-Rent Ratio Has Returned to Normal Levels



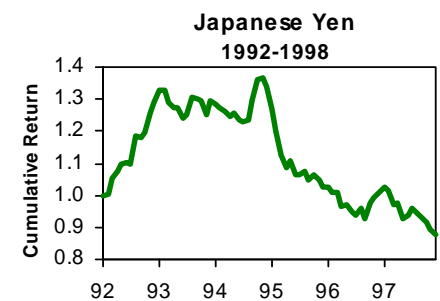
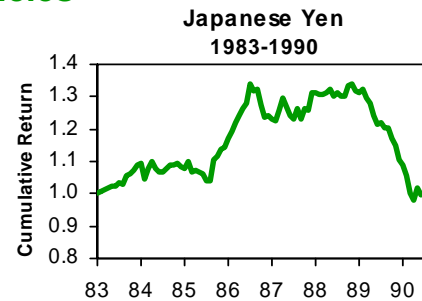
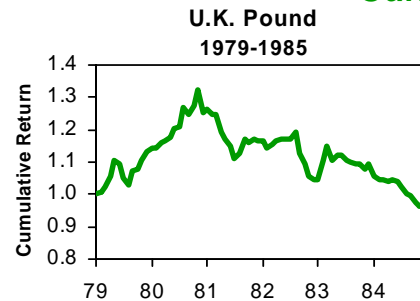
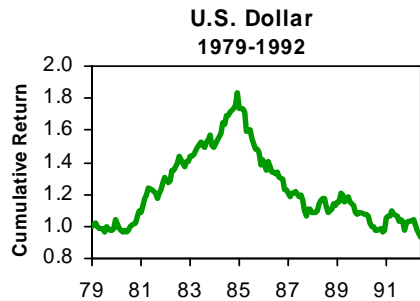
Source: NATIONAL ASSOCIATION OF REALTORS® Existing Home Sales data series, U.S. Census Bureau, T2 Partners estimates

A Study of Bubbles Shows That All of Them Eventually Return to Trend Line

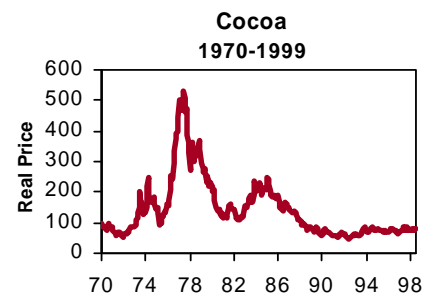
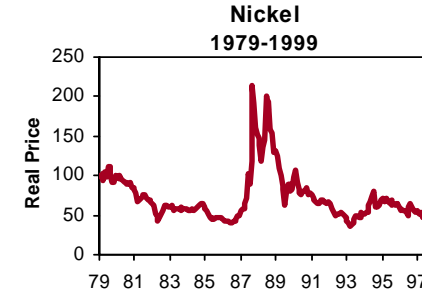
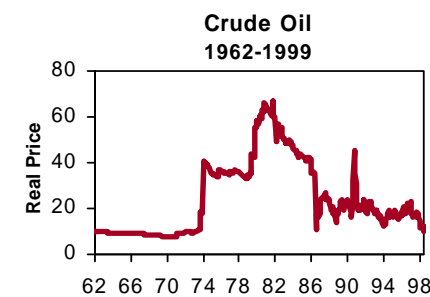
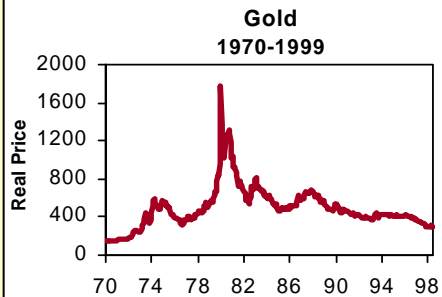
Stocks



Currencies



Commodities

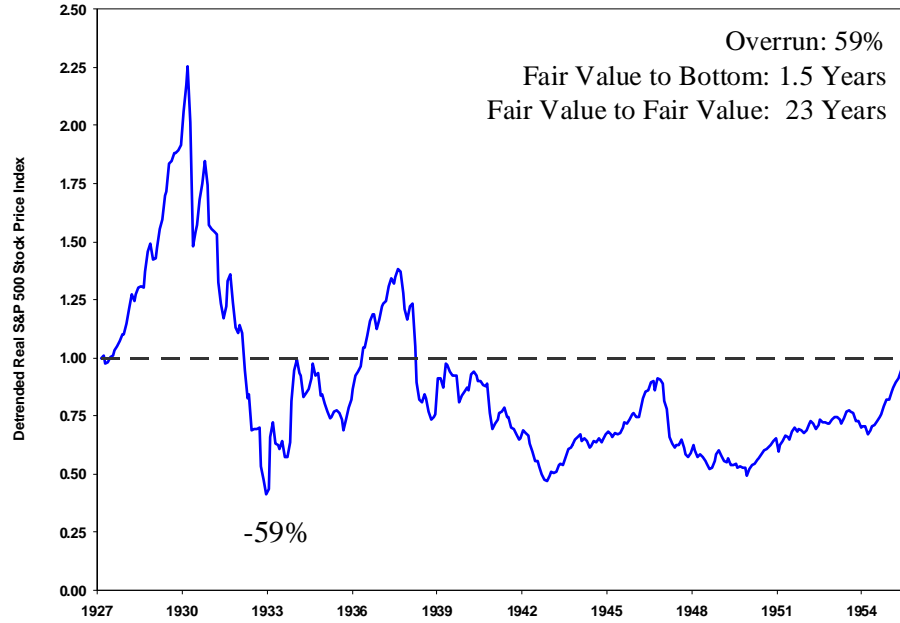


Note: For S&P charts, trend is 2% real price appreciation per year. Source: GMO. Data through 10/10/08.

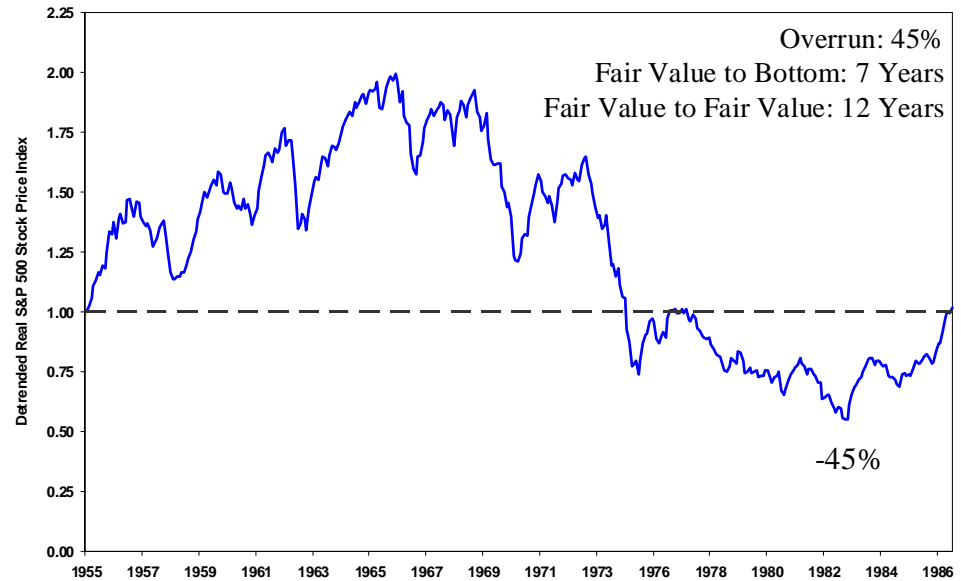
* Detrended Real Price is the price index divided by CPI+2%, since the long-term trend increase in the price of the S&P 500 has been on the order of 2% real.

The Biggest Danger is That Home Prices Overshoot on the Downside, Which Often Happens When Bubbles Burst

S&P 500 1927-1954

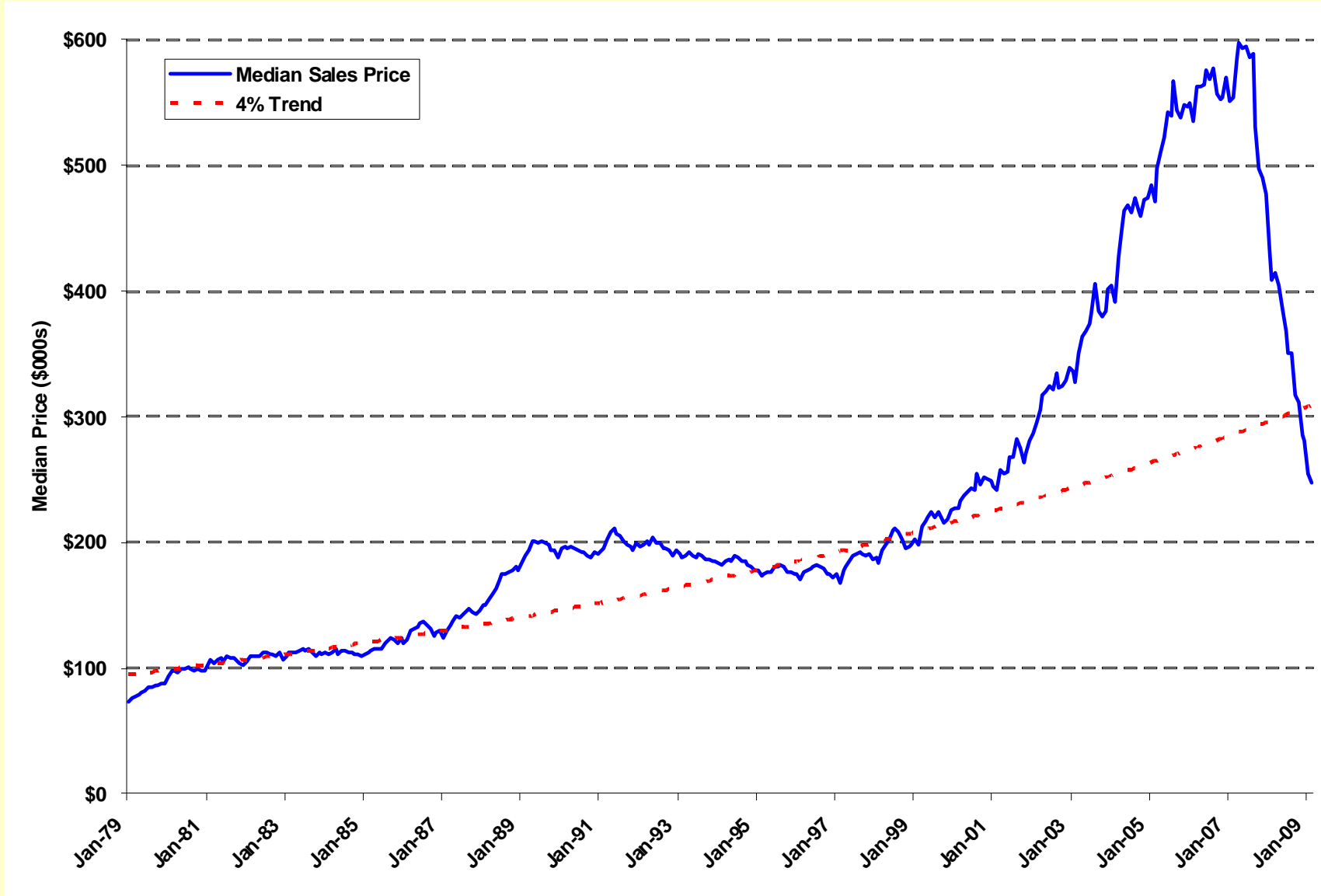


S&P 500 1955-1986



Source: GMO

Home Prices Have Already Crashed Through the Trend Line in California – And There Is No Sign of Stabilization

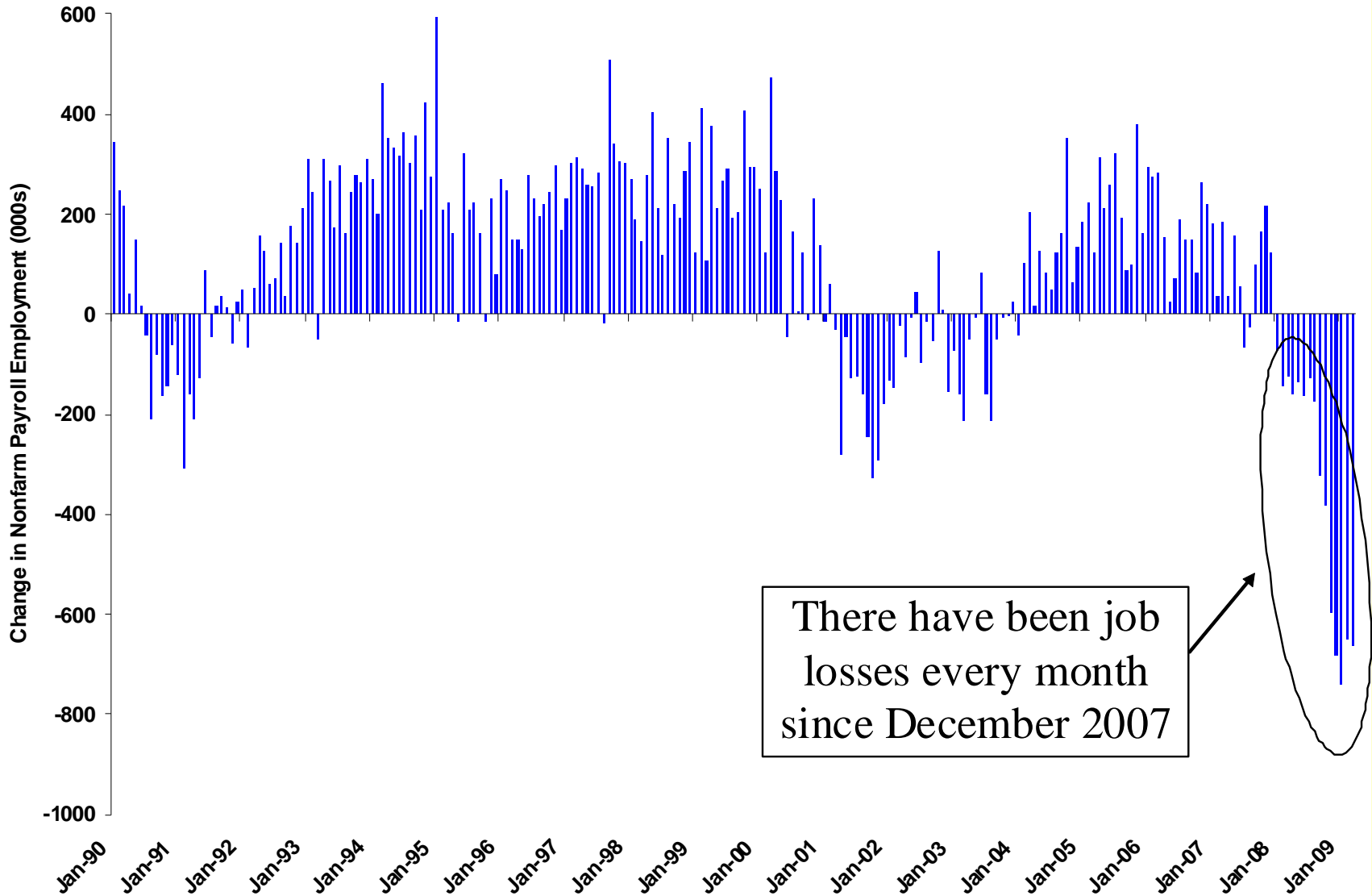


Source: Reprinted with permission of the California Association of REALTORS®. All rights reserved. www.rebsonline.com, T2 Partners estimates.

Outlook for Housing Prices

- We think housing prices will reach fair value/trend line down 40% from the peak based on the S&P/Case-Shiller national (not 20-city) index, which implies a 10-15% further decline from where prices were as of the end of 2008. It's almost certain that prices will reach these levels
- The key question is whether housing prices will go crashing through the trend line and fall well below fair value? Unfortunately, this is very likely. In the long-term, housing prices will likely settle around fair value, but in the short-term prices will be driven both by psychology as well as supply and demand. The trends in both are very unfavorable
 - Regarding the former, national home prices have declined for 30 consecutive months since their peak in July 2006 through January 2009 and there's no end in sight, so this makes buyers reluctant – even when the price appears cheap – and sellers desperate.
 - Regarding the latter, there is a huge mismatch between supply and demand, due largely to the tsunami of foreclosures. In January 2009, distressed sales accounted for 45% of all existing home sales nationwide – and more than 60% in California. In addition, the “shadow” inventory of foreclosed homes already likely exceeds one year and there will be millions more foreclosures over the next few years, creating a large overhang of excess supply that will likely cause prices to overshoot on the downside, as they are already doing in California.
- **Therefore, we expect housing prices to decline in the 45-50% range, bottoming in mid-2010**
- We are also quite certain that wherever prices bottom, there will be no quick rebound
 - There's too much inventory to work off quickly, especially in light of the millions of foreclosures over the next few years.
 - While foreclosure sales are booming in many areas, regular sales by homeowners have plunged, in part because people usually can't sell when they're under water on their mortgage and in part due to human psychology: people naturally anchor on the price they paid or what something was worth in the past and are reluctant to sell below this level. We suspect that there are millions of homeowners like this who will emerge as sellers at the first sign of a rebound in home prices.
 - Finally, we don't think the economy is likely to provide a tailwind, as we expect it to contract the rest of 2009, stagnate in 2010, and only then grow tepidly for some time thereafter.

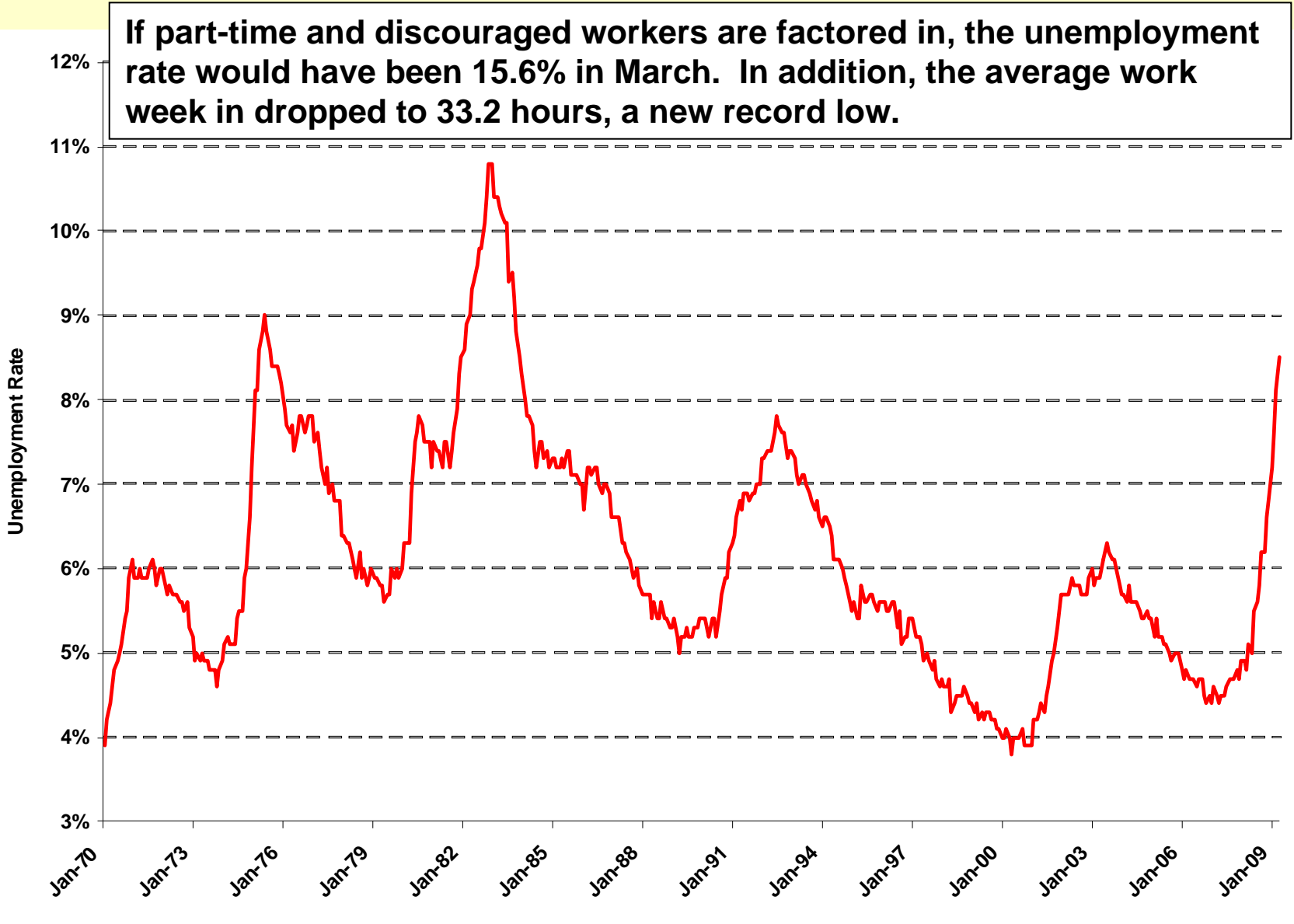
There Have Been 5 Million Jobs Lost So Far in This Recession, More Than 3 Million in the Past Five Months



Source: Bureau of Labor Statistics

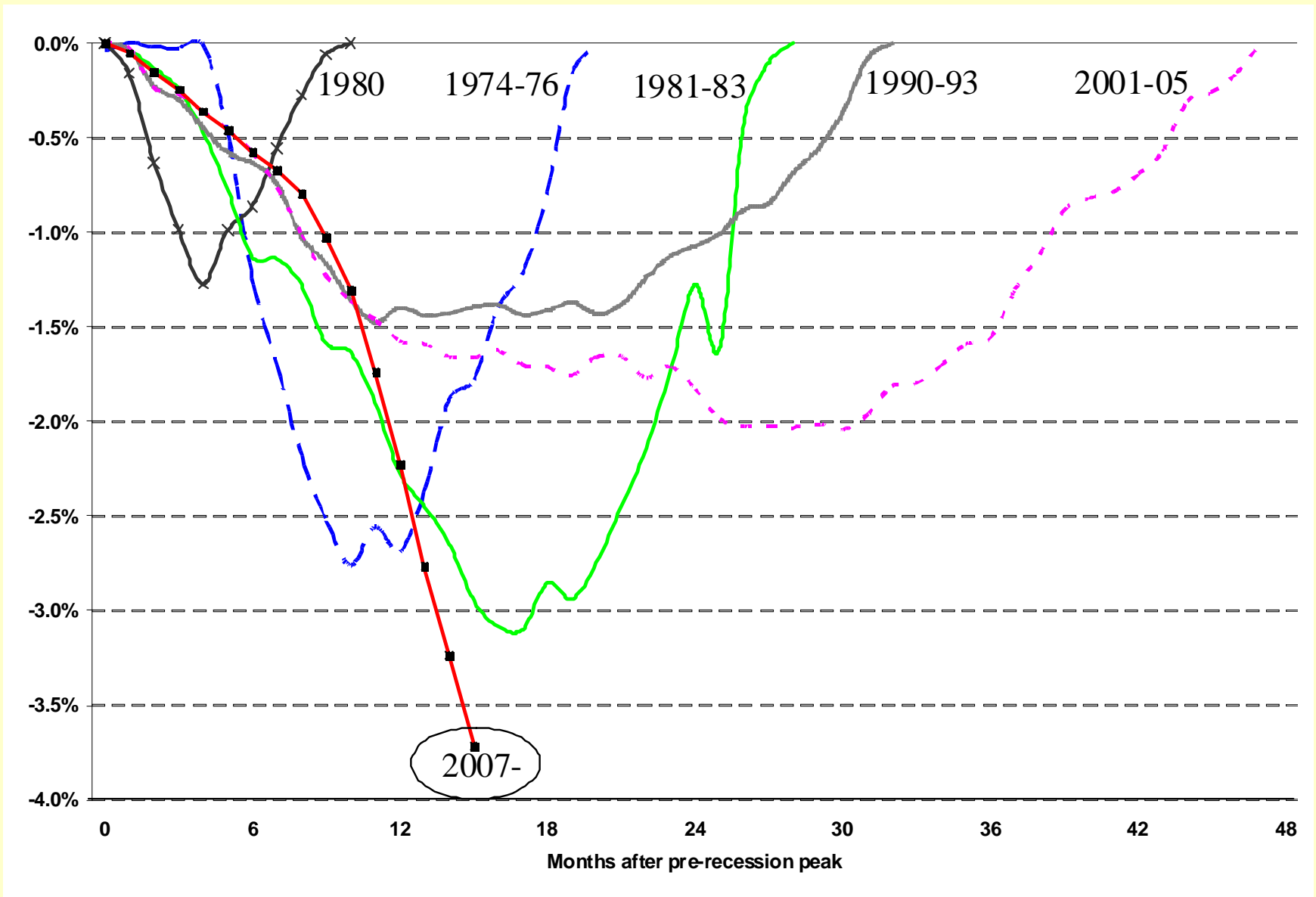
The Unemployment Rate Jumped to 8.5% in March, the Highest Level Since 1983

If part-time and discouraged workers are factored in, the unemployment rate would have been 15.6% in March. In addition, the average work week in dropped to 33.2 hours, a new record low.



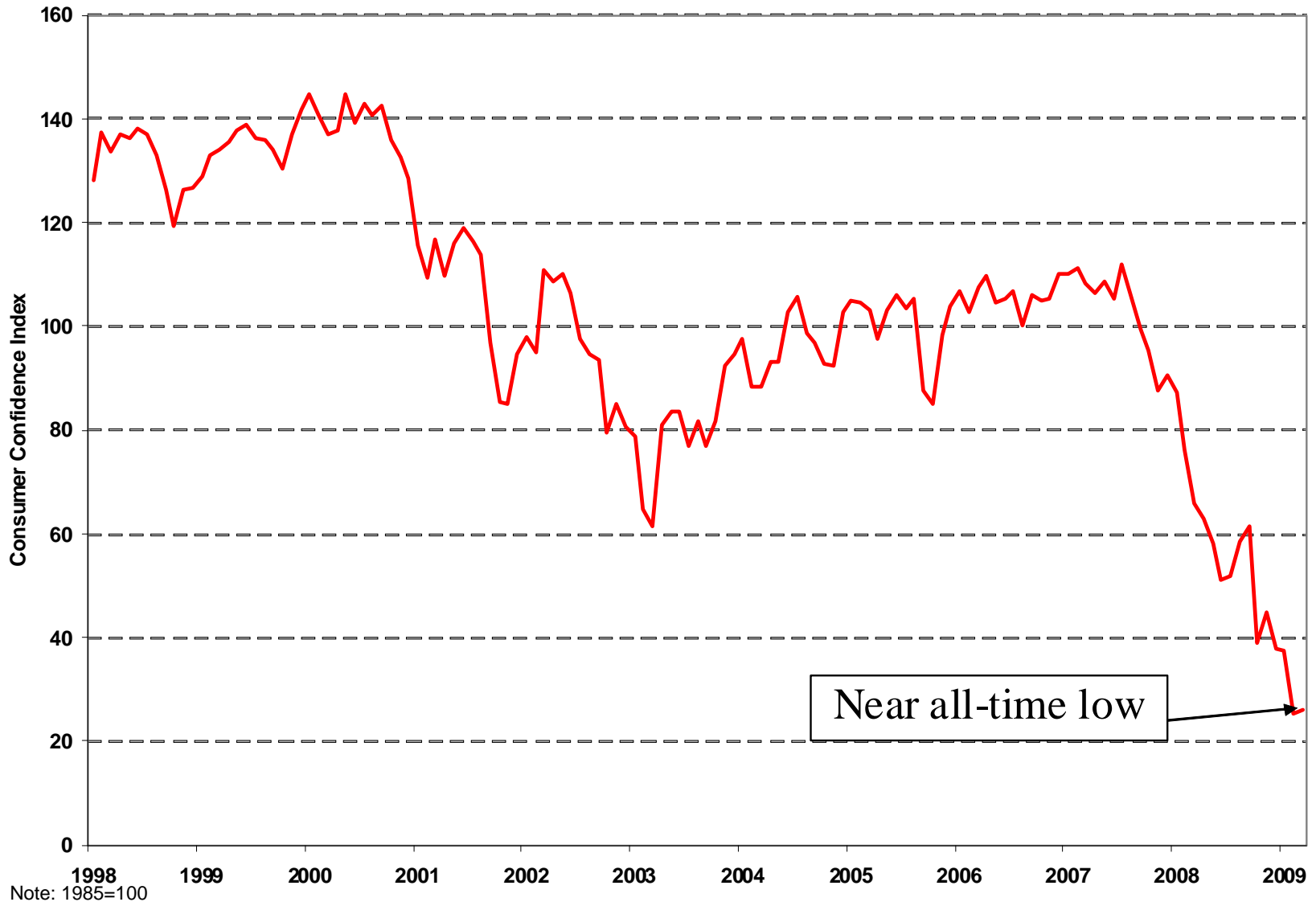
Source: Bureau of Labor Statistics

The Decline from Peak Employment Now Exceeds the Past Five Recessions



Source: Bureau of Labor Statistics

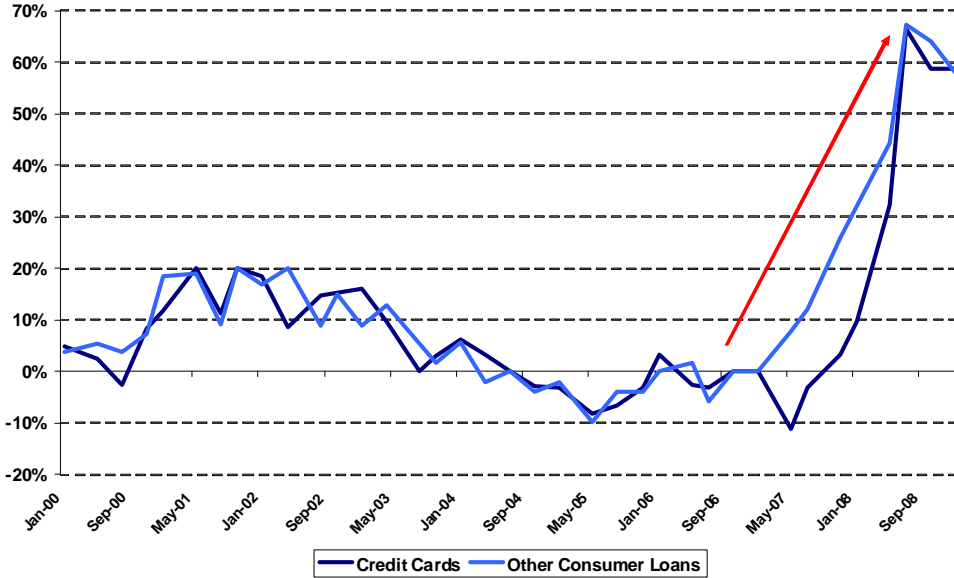
Consumer Confidence is at an All-Time Low



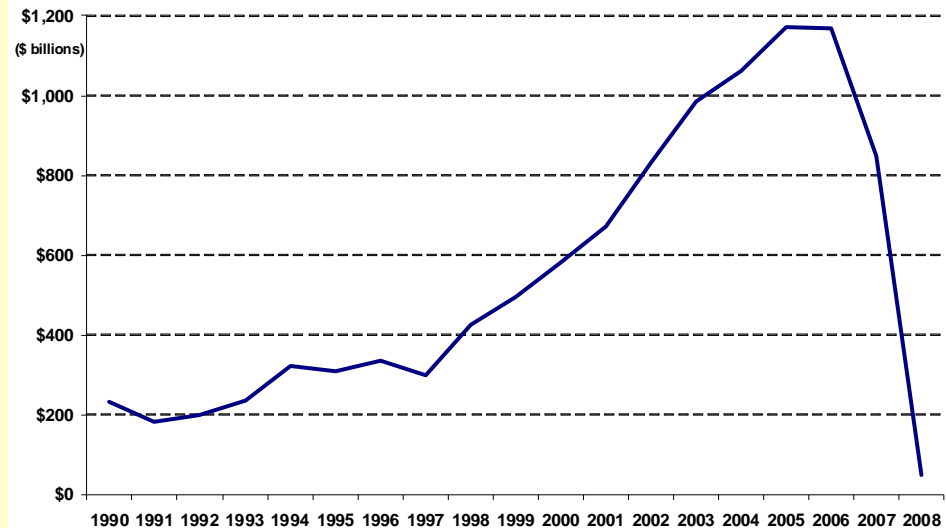
Source: The Conference Board (www.pollingreport.com/consumer.htm)

Banks are Tightening Consumer Credit and New Household Borrowing Has Plunged

Percent of US Banks Tightening Consumer Credit

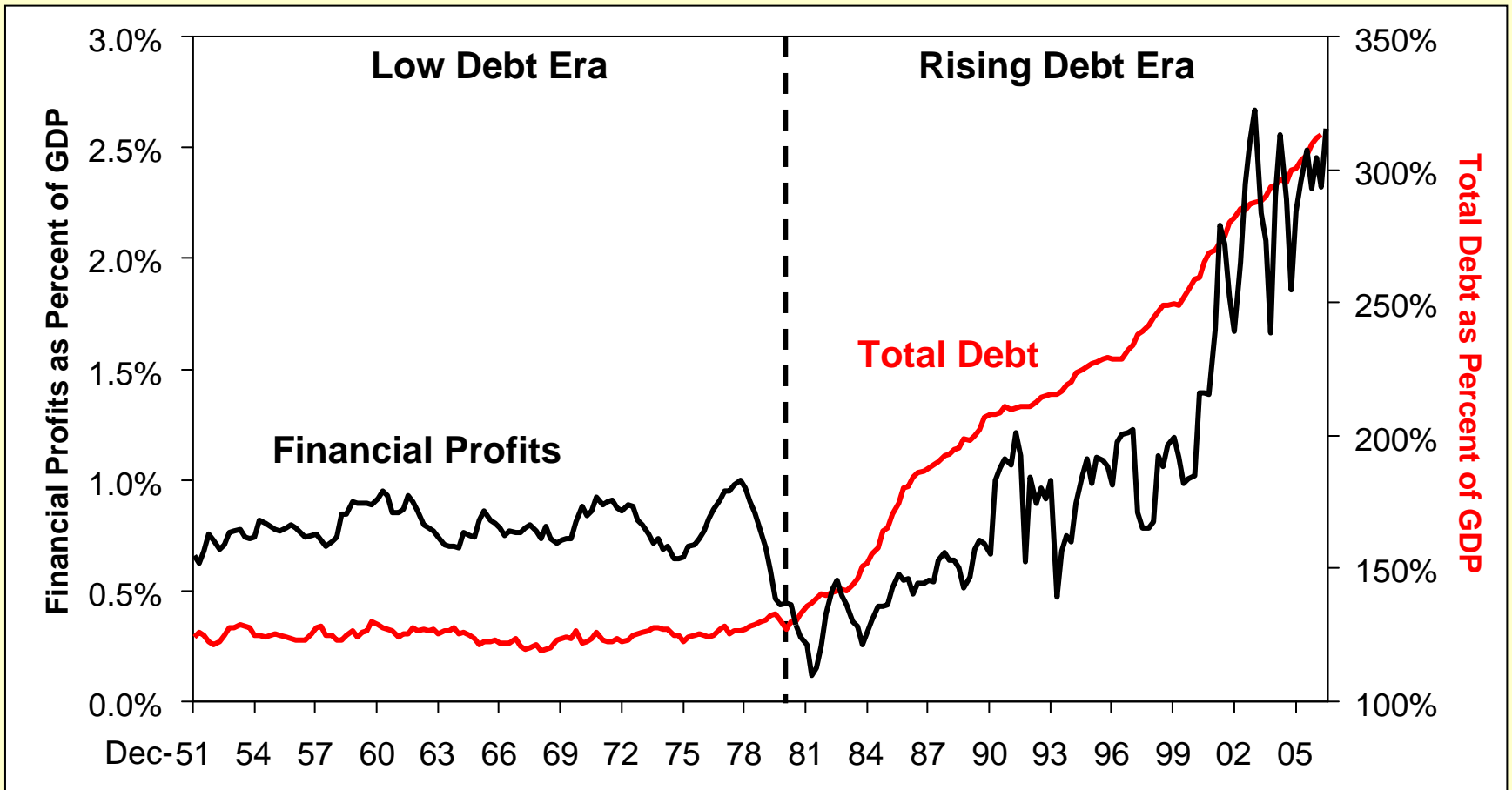


Household Borrowing 1990-2008
(Seasonally-Adjusted Annual Rate)



Source: Federal Reserve

The Credit Bubble Led to a Bubble in Financial Profits (& Share of GDP)

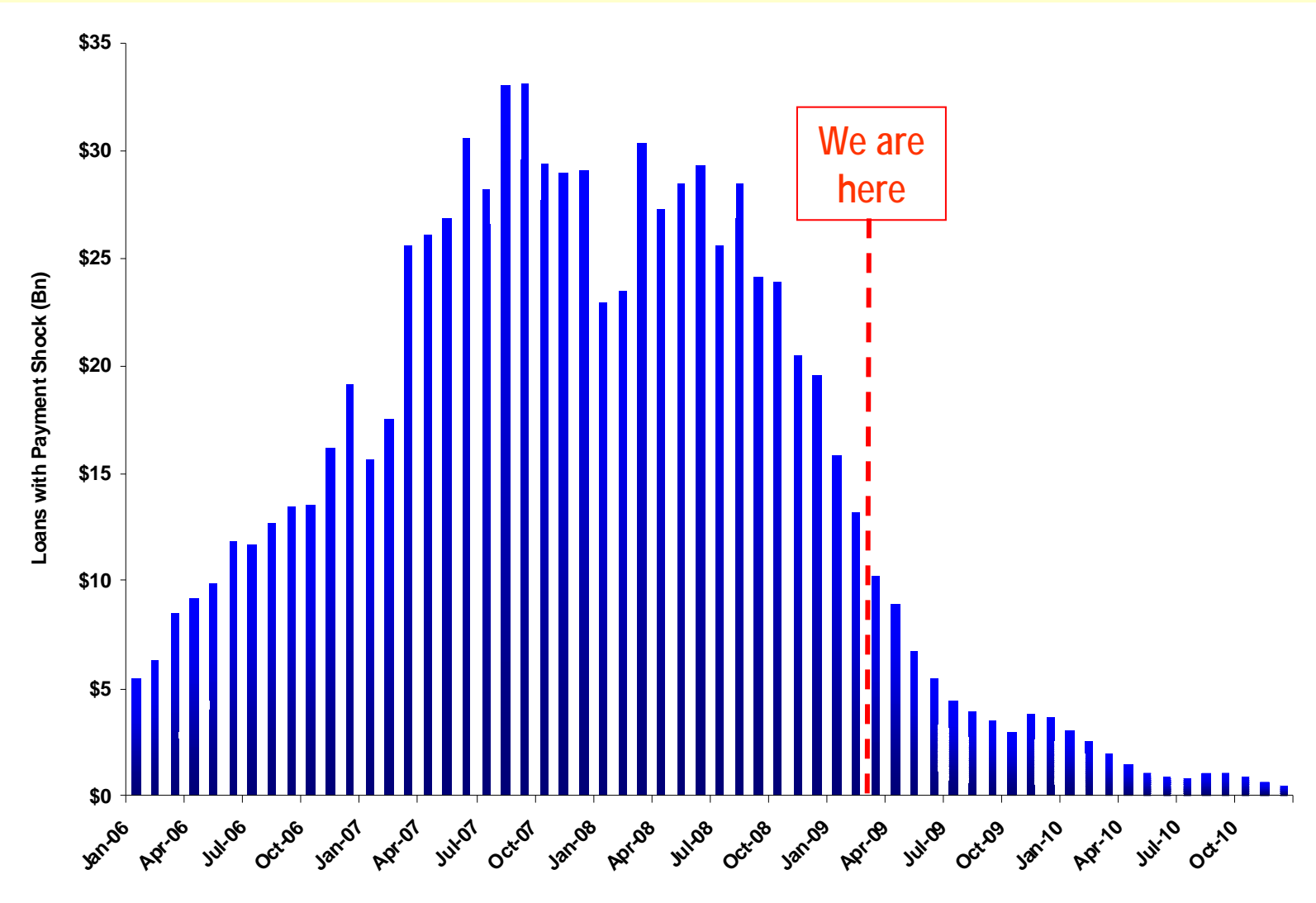


Sources: Federal Reserve, BEA, as of Q2 2007, GMO presentation

The Outlook Is Grim

- Defaulting subprime and Alt-A loans drove the first stage of the mortgage crisis
- The next leg down of the mortgage crisis will be driven by defaulting Alt-A, Option ARM, jumbo prime and prime loans as well as home equity lines of credit (HELOCs) and second liens (closed-end seconds)
- Losses outside of the mortgage sector will also continue to rise due to commercial real estate, leveraged loans, junk bonds, etc.

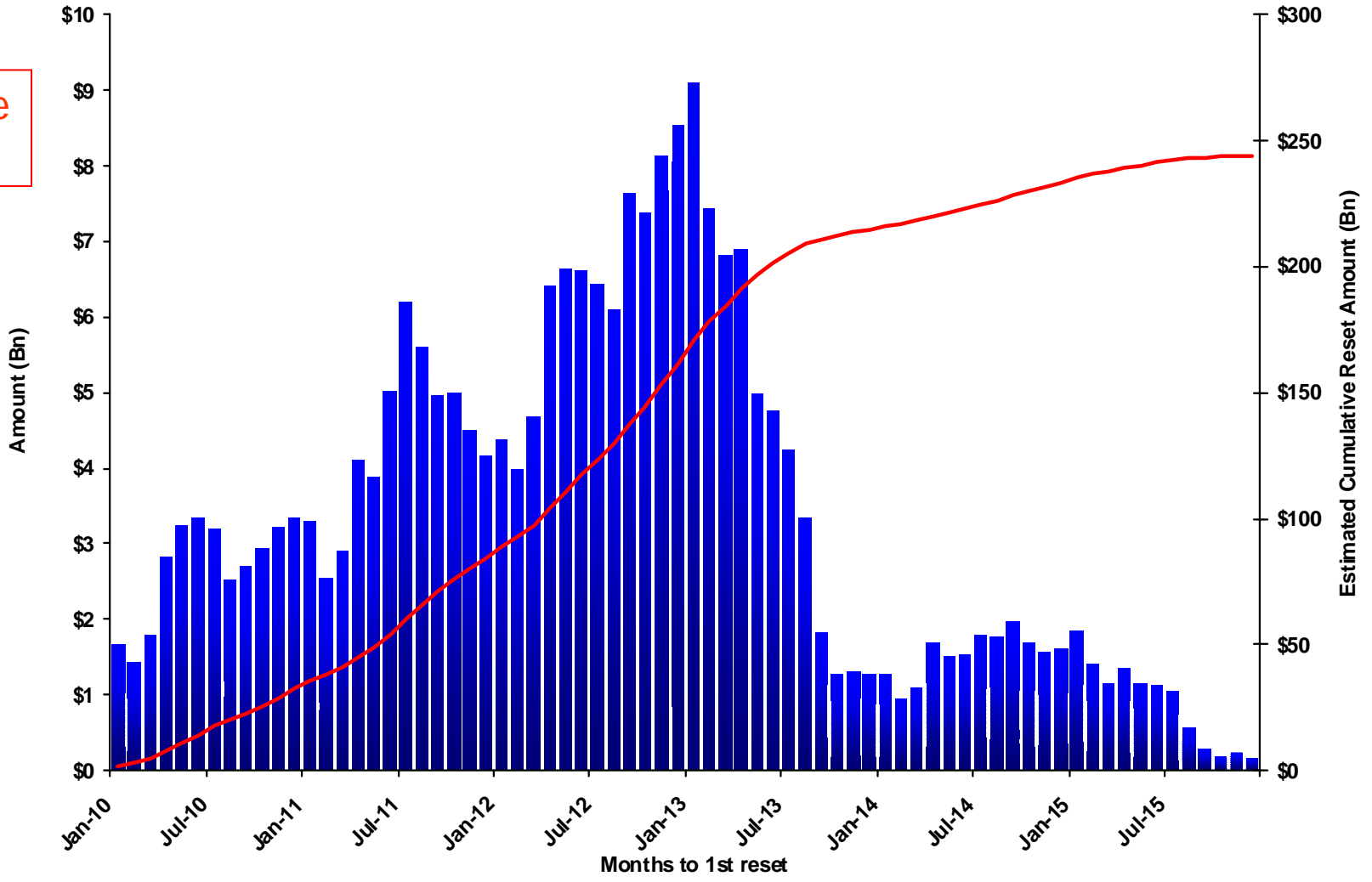
The Wave of Resets from Subprime Loans Is Mostly Behind Us



Sources: LoanPerformance, Deutsche Bank; slide from Pershing Square presentation, How to Save the Bond Insurers, 11/28/07.

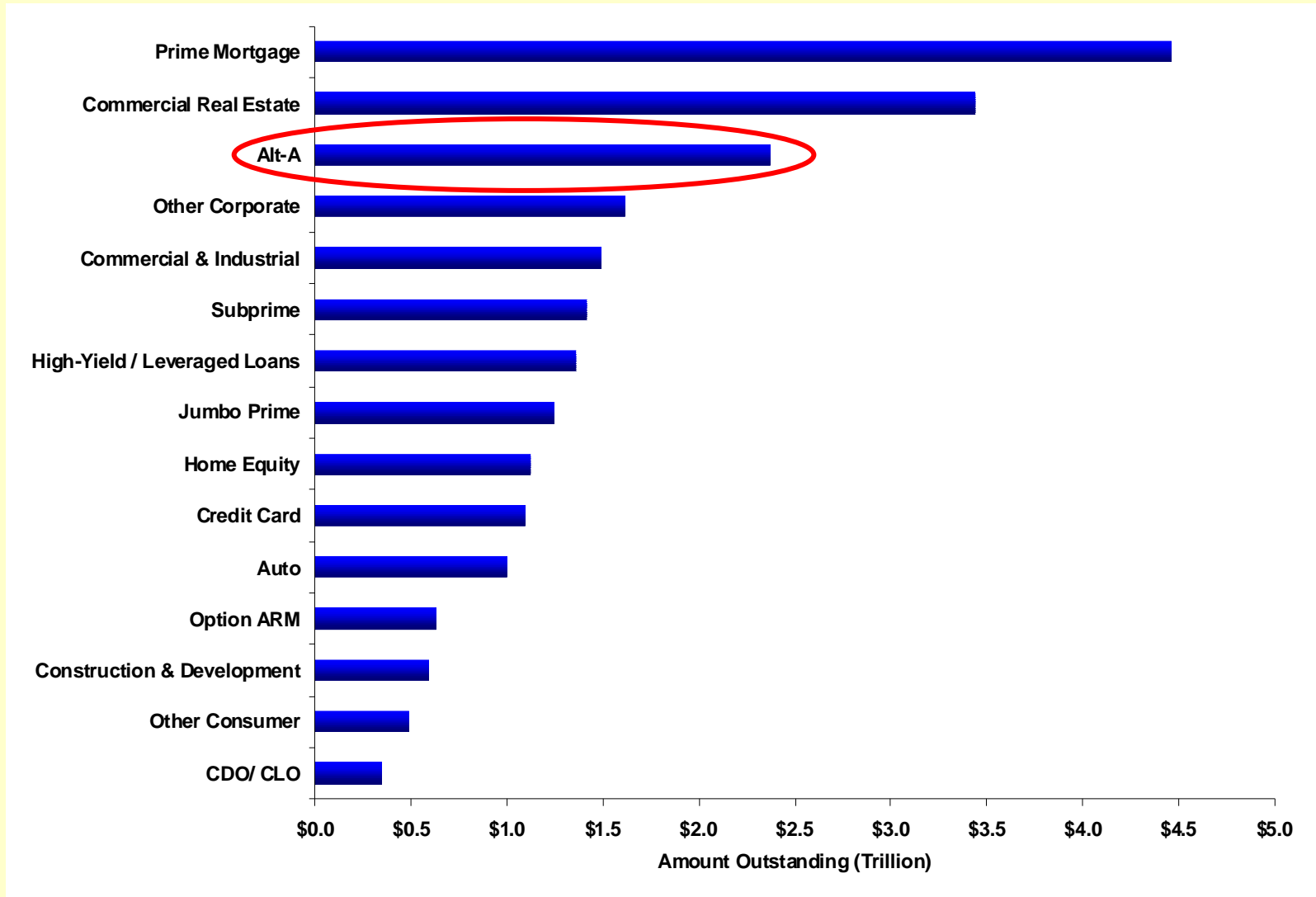
But a Wave of Alt-A Resets Is Ahead of Us

We are here



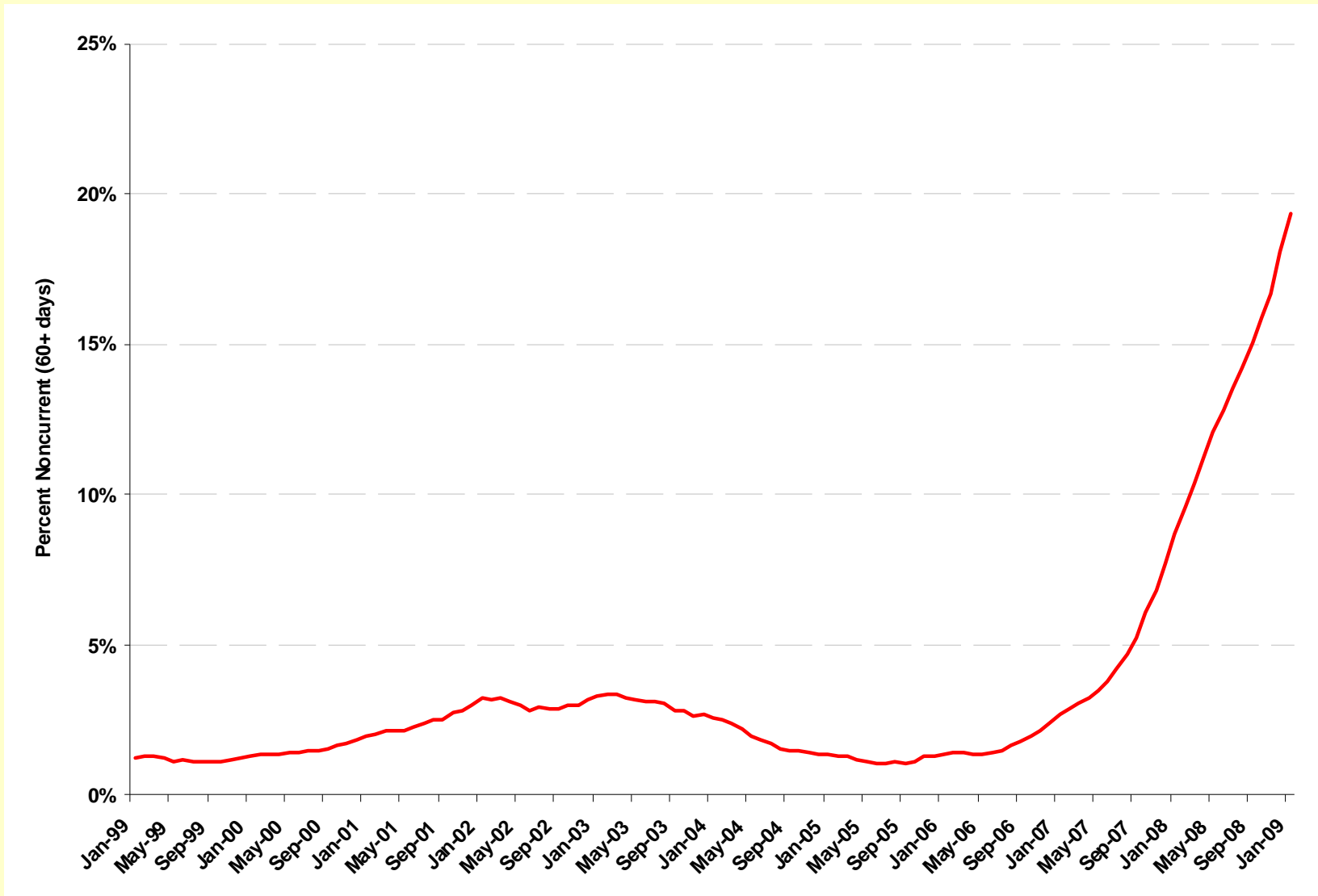
Sources: Credit Suisse, LoanPerformance

There Are \$2.5 Trillion of Alt-A Loans Outstanding When One Includes Those Held by the GSEs



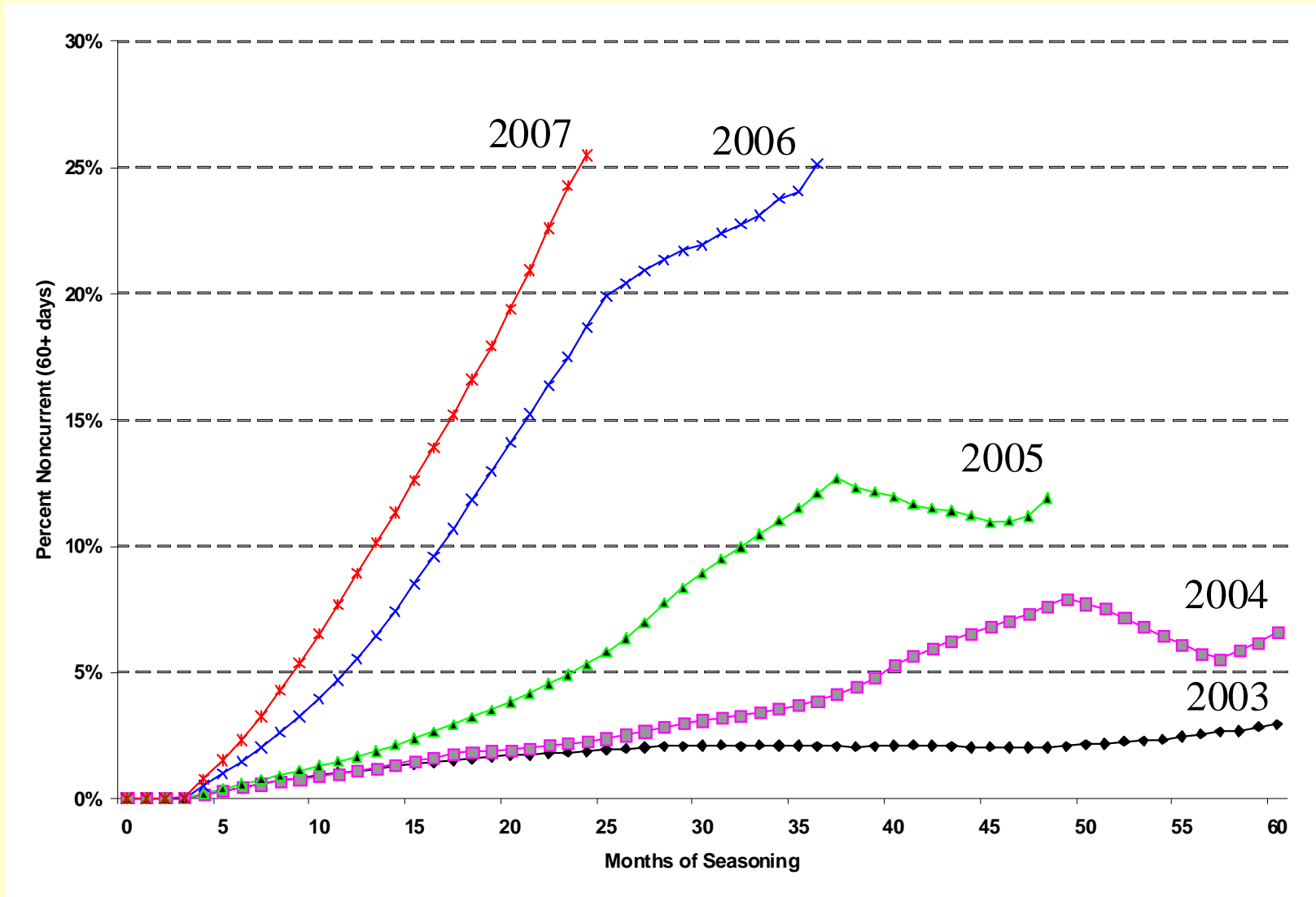
Sources: Federal Reserve Flow of Funds Accounts of the United States, IMF Global Financial Stability Report October 2008, Goldman Sachs Global Economics Paper No. 177, FDIC Quarterly Banking Profile, OFHEO, S&P Leverage Commentary & Data, T2 Partners estimates

Delinquencies of Securitized Alt-A Mortgages Are Soaring



Sources: Amherst Securities, LoanPerformance

Alt-A Delinquencies By Vintage Show the Collapse in Lending Standards in 2006 and 2007

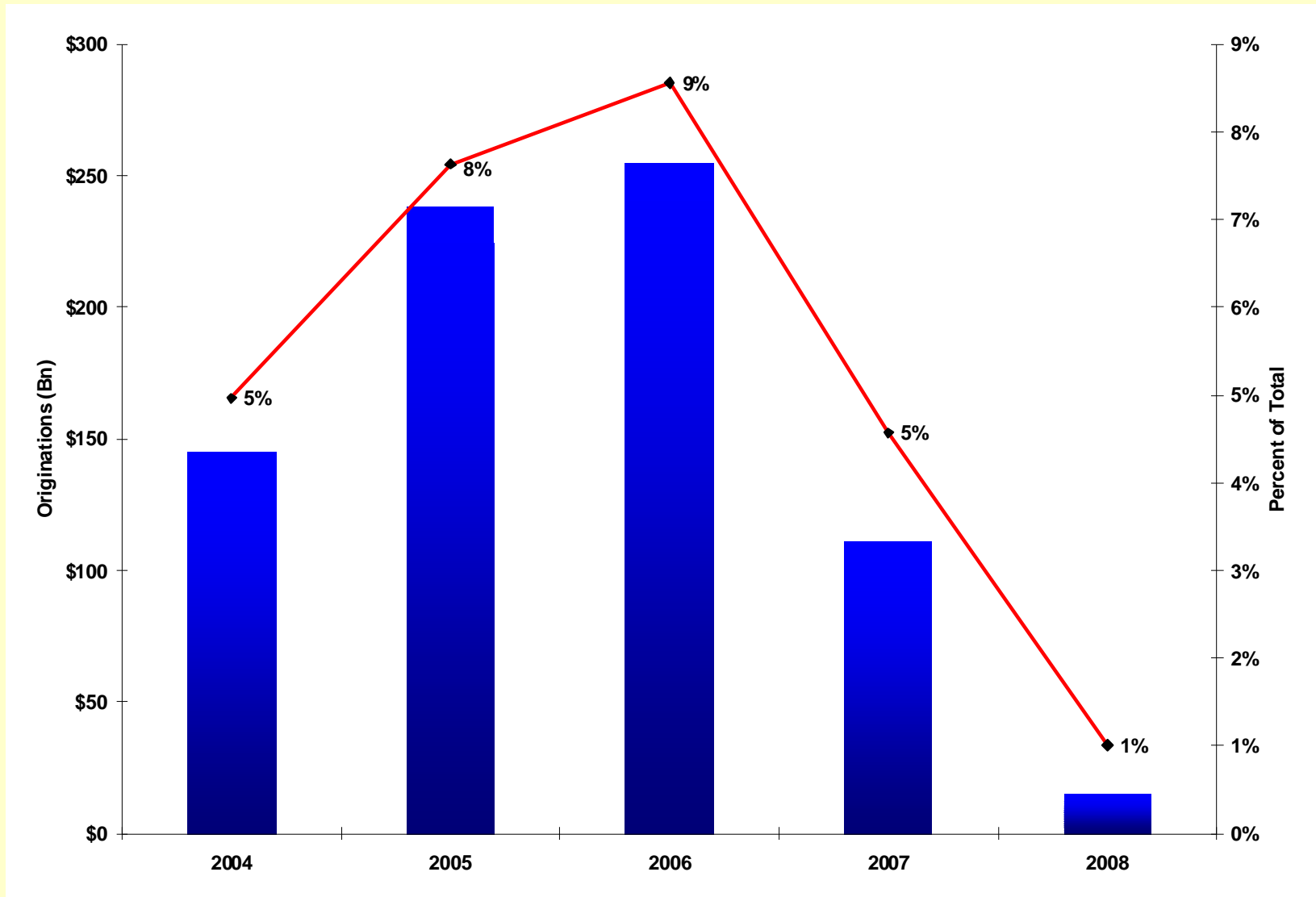


Sources: Amherst Securities, LoanPerformance

A Primer on Option ARMs

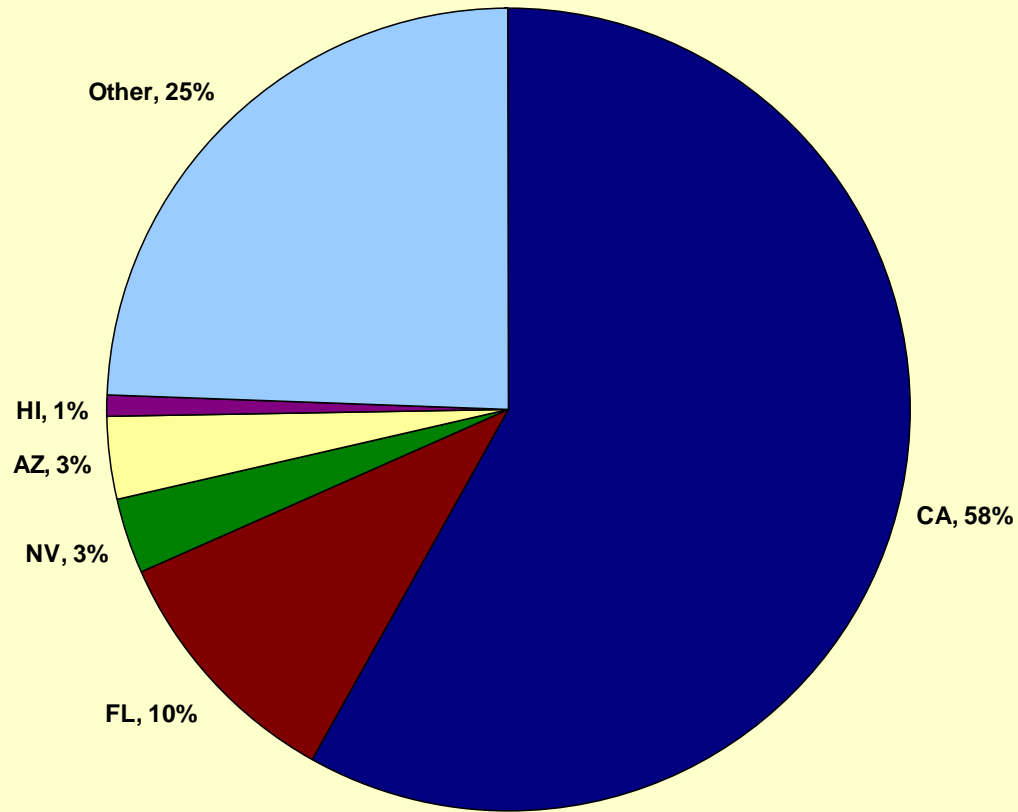
- An Option ARM is an adjustable rate mortgage typically made to a prime borrower
 - Sold under various names such as “Pick-A-Pay”
- Banks typically relied on the appraised value of the home and the borrower’s high FICO score, so 83% of Option ARMs written in 2004-2007 were low- or no-doc (liar’s loans)
- Each month, the borrower can choose to pay: 1) the fully amortizing interest and principal; 2) full interest; or 3) an ultra-low teaser interest-only rate (typically 2-3%), in which case the unpaid interest is added to the balance of the mortgage (meaning it is negatively amortizing)
 - Approximately 80% of Option ARMs are negatively amortizing
 - Lenders, however, booked earnings as if the borrowers were making full interest payments
- A typical Option ARM is a 30- or 40-year mortgage that resets (“recasts”) after five years, when it becomes fully amortizing
 - If an Option ARM negatively amortizes to 110-125% of the original balance (depending on the terms of the loan), this triggers a reset even if five years have not elapsed
- Upon reset, the average monthly payment jump 63% from \$1,672 to \$2,725 (\$32,700 annually)
- ‘My sense is that many option ARM borrowers are in a worse position than subprime borrowers,’ says Kevin Stein, associate director of the California Reinvestment Coalition, which combats predatory lending. ‘They wind up owing more and the resets are more significant.’

About \$750 Billion of Option ARMs Were Written



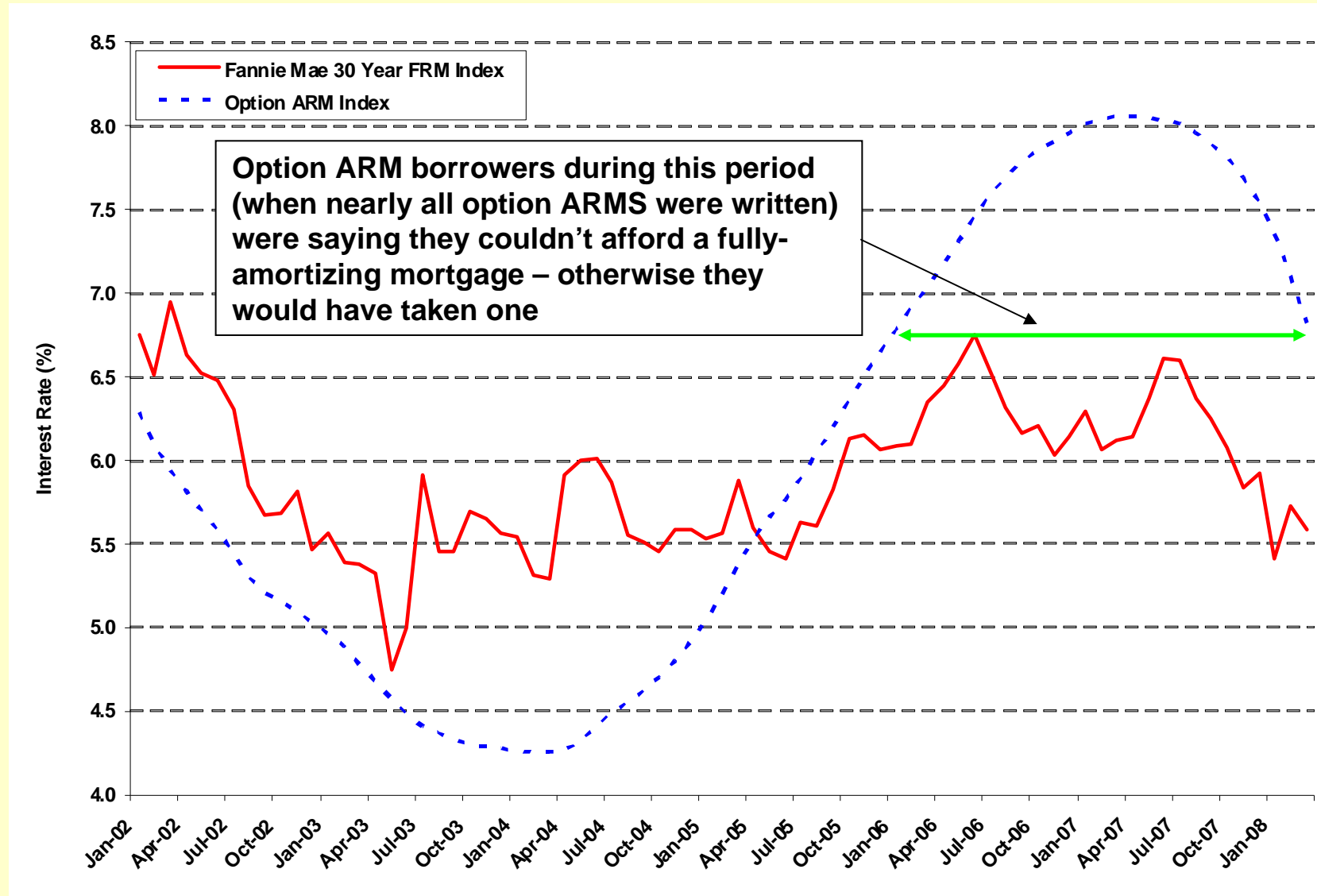
Source: Reprinted with permission, 2008 Mortgage Market Statistical Annual, published by Inside Mortgage Finance Publications, Inc. Copyright 2008. T2 Partners estimates

Options ARMs Were a Bubble State Phenomenon



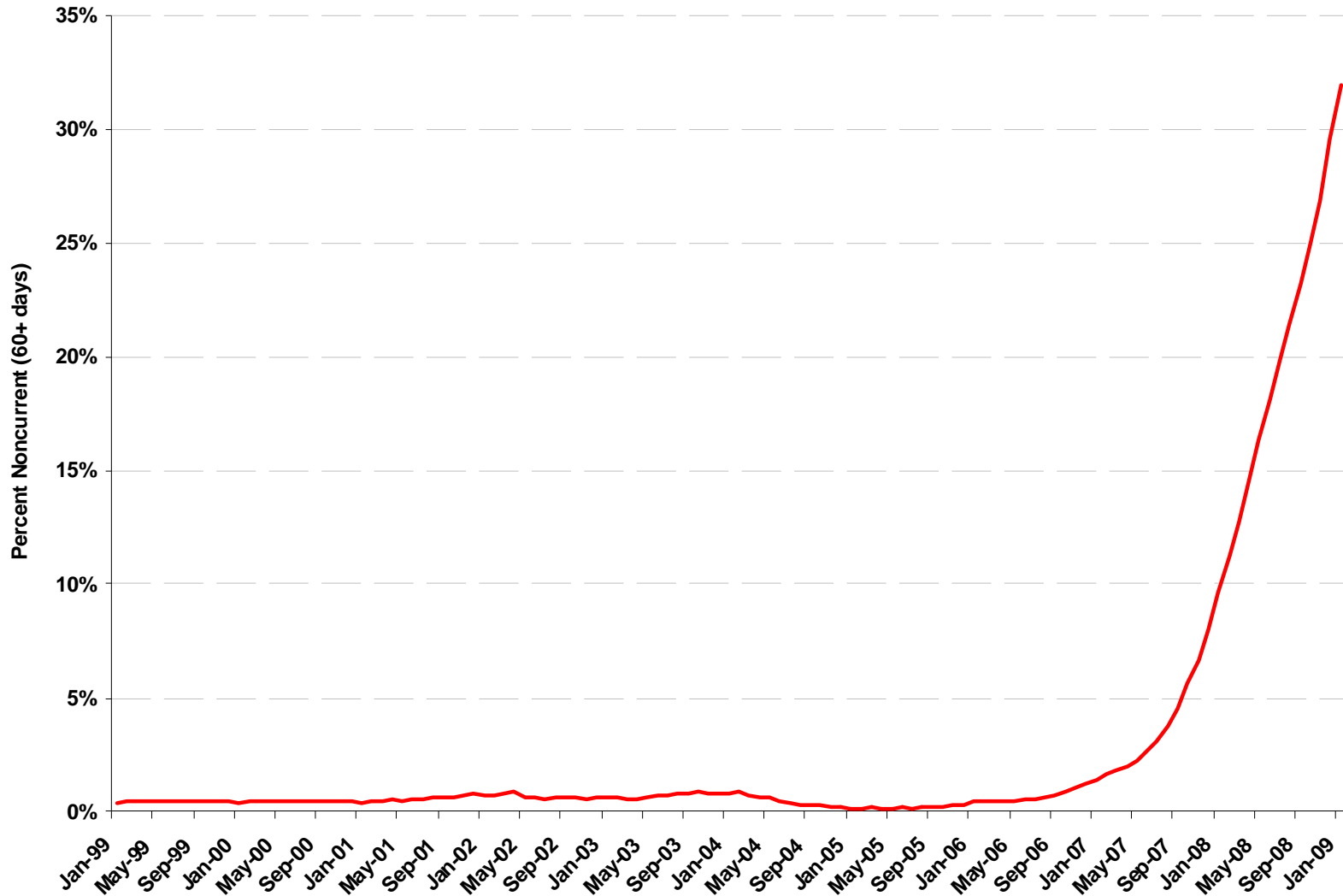
Source: Amherst Securities, LoanPerformance

Beginning in March 2005, High-FICO-Score Borrowers Opted for an Above-Market-Rate Option ARM in Exchange for the Low Teaser Rate



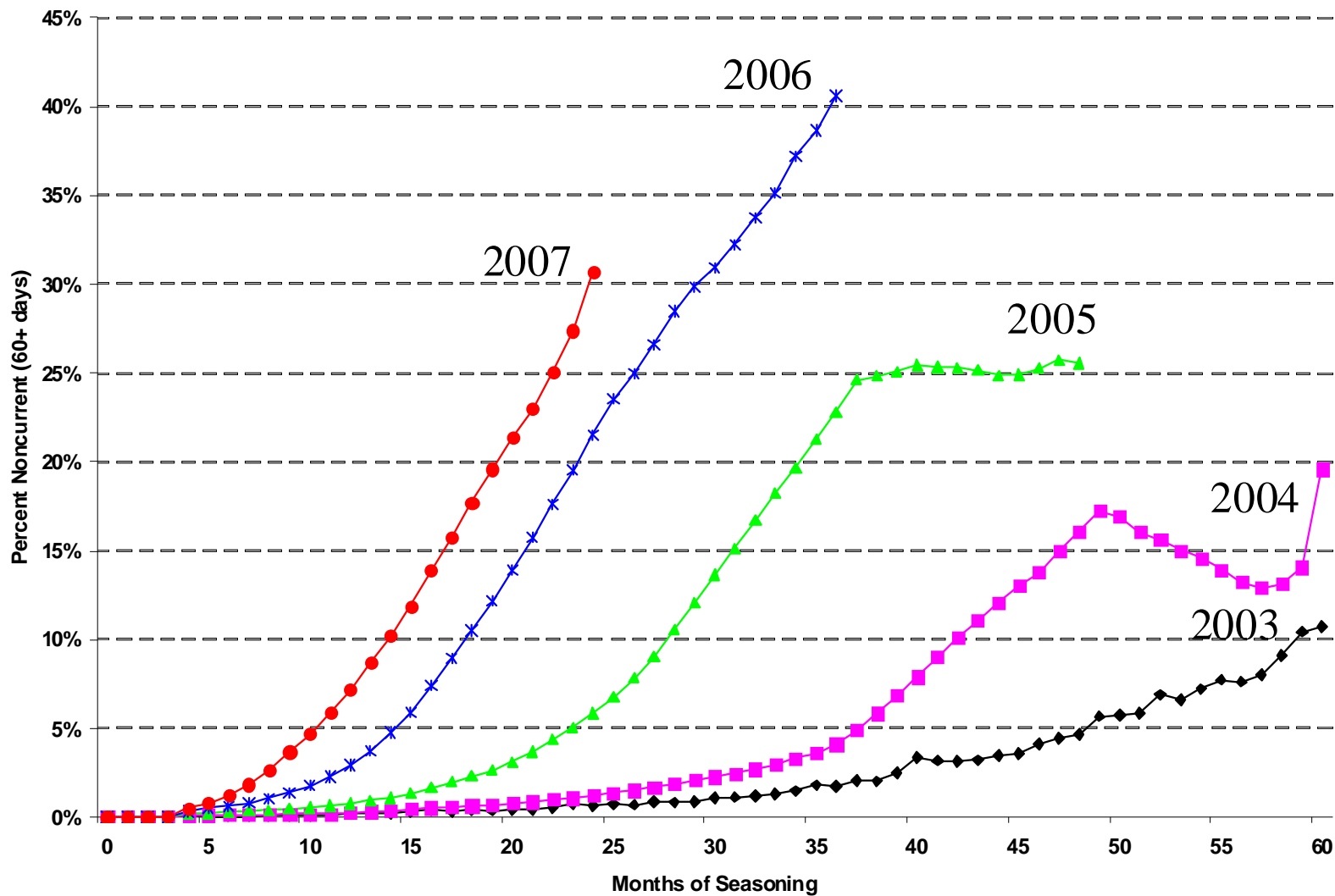
Source: Amherst Securities, Bloomberg Finance L.P.

Delinquencies of Securitized Option ARMs Are Soaring



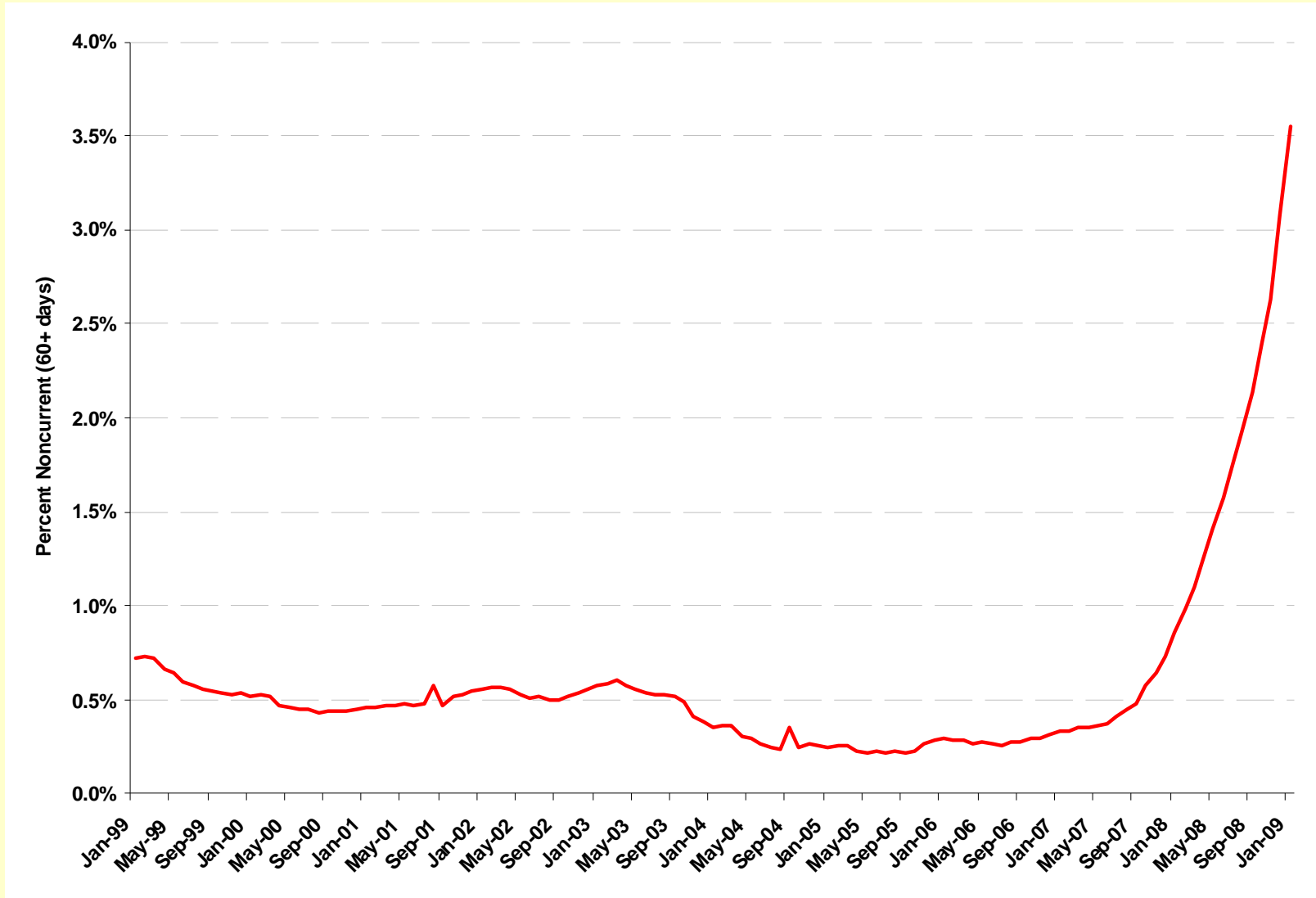
Sources: Amherst Securities, LoanPerformance

Option ARM Delinquencies By Vintage Show the Collapse in Lending Standards in 2005-2007



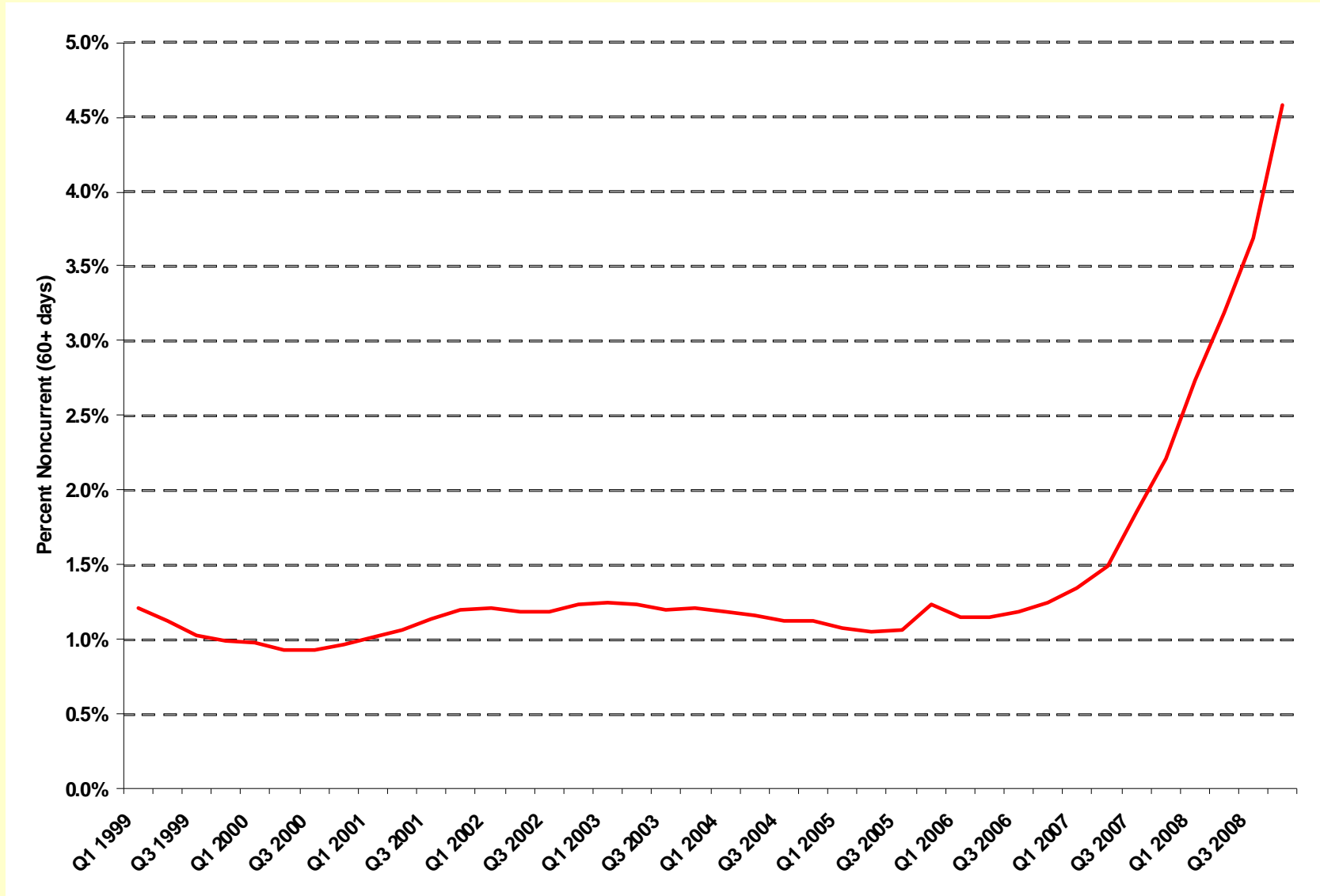
Sources: Amherst Securities, LoanPerformance

Delinquencies of Securitized Jumbo Prime Mortgages Are Soaring



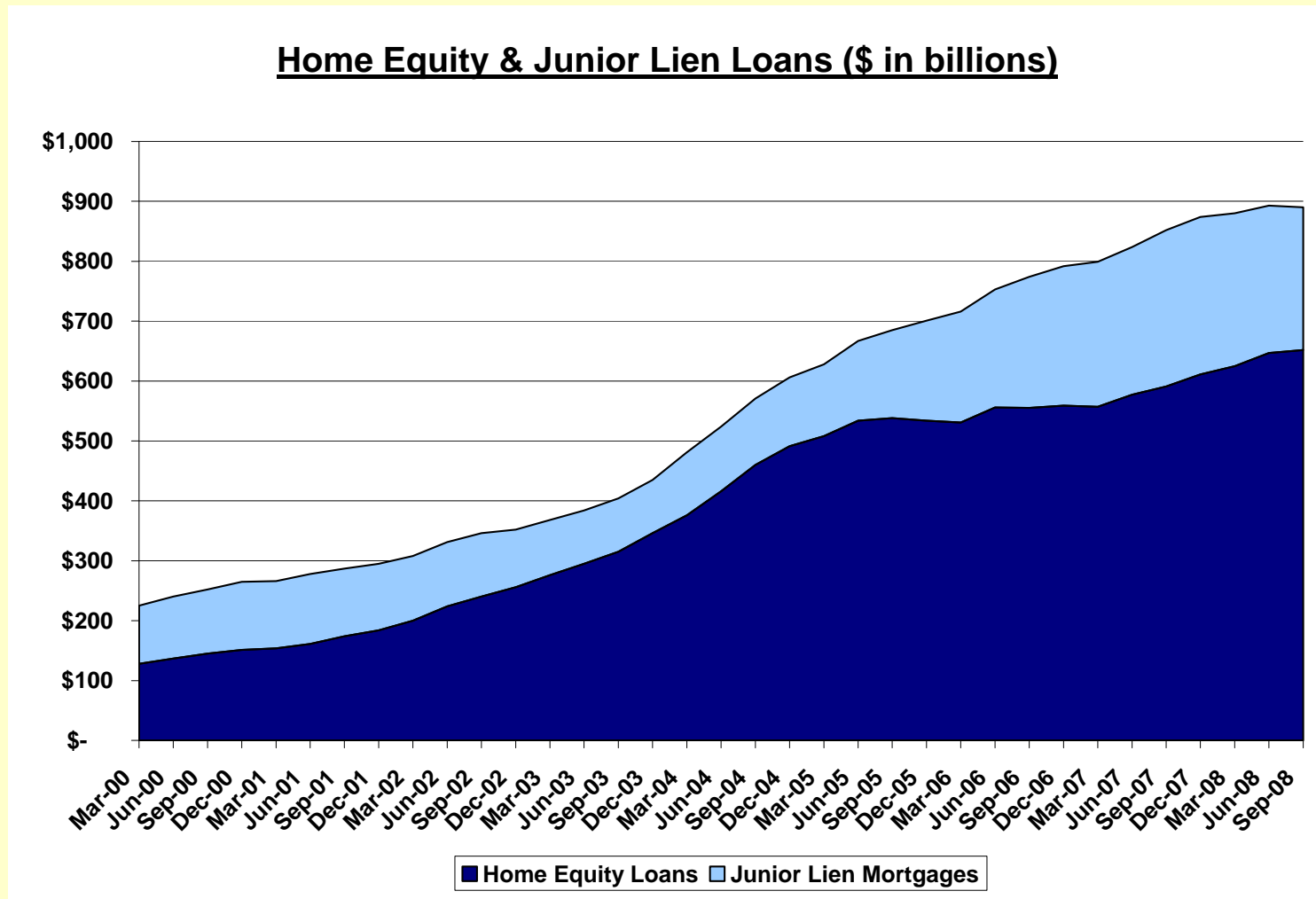
Sources: Amherst Securities, LoanPerformance

Delinquencies of Prime Mortgages Are Soaring



Sources: Mortgage Bankers Association National Delinquency Survey

HELOCs and Home Equity Loans Soared in Popularity During the Bubble



Note: Does not include approximately \$200 billion of securitized HELOCs and junior liens

Source: FDIC Quarterly Banking Profile

Many Borrowers Used HELOCs to Buy New Cars

- As home prices have declined and other funding sources have dried up, millions of consumers have maxed out on home equity debt.
- In hot markets like California and Florida, a significant percentage of all consumers tapped into the value of their homes to help finance their new cars, according to CNW Marketing Research.

States with the most new auto sales in 2007	New sales in 2007	Percentage of new sales made with home equity loans
California	1,962,548	29.83 %
Florida	935,187	19.72
Illinois	732,598	14.71
New Jersey	488,270	14.48
New York	1,009,648	13.96
Michigan	553,926	10.45
Georgia	599,277	8.96
Ohio	563,801	8.58
Pennsylvania	665,770	8.41
Texas	1,271,827	6.41
Nationwide	16,210,133	11.77

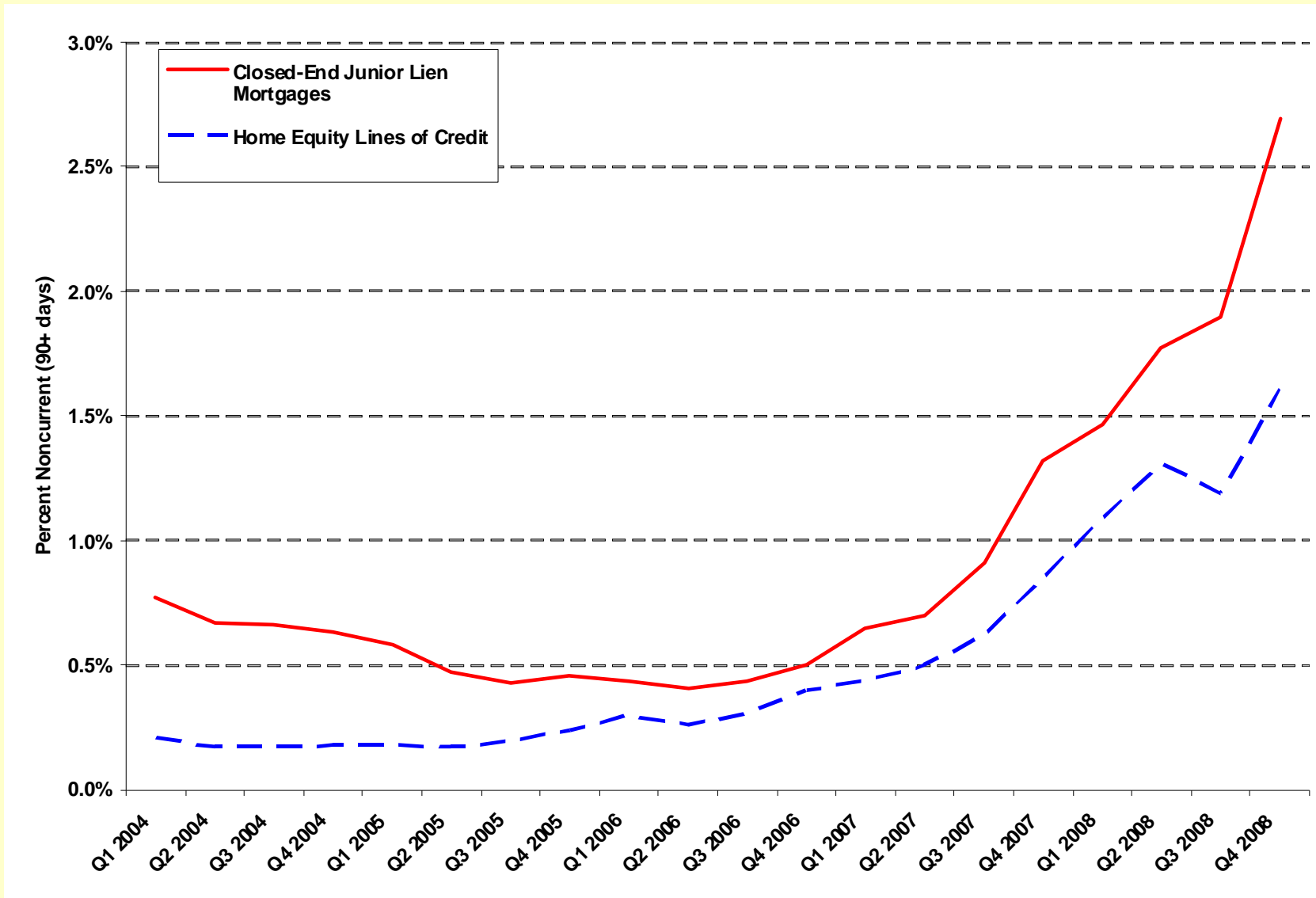
Source: CNW Marketing Research

THE NEW YORK TIMES

- Clearly this dynamic does not bode well for HELOC recovery rates or new car sales.

Source: New York Times 5/27/2008

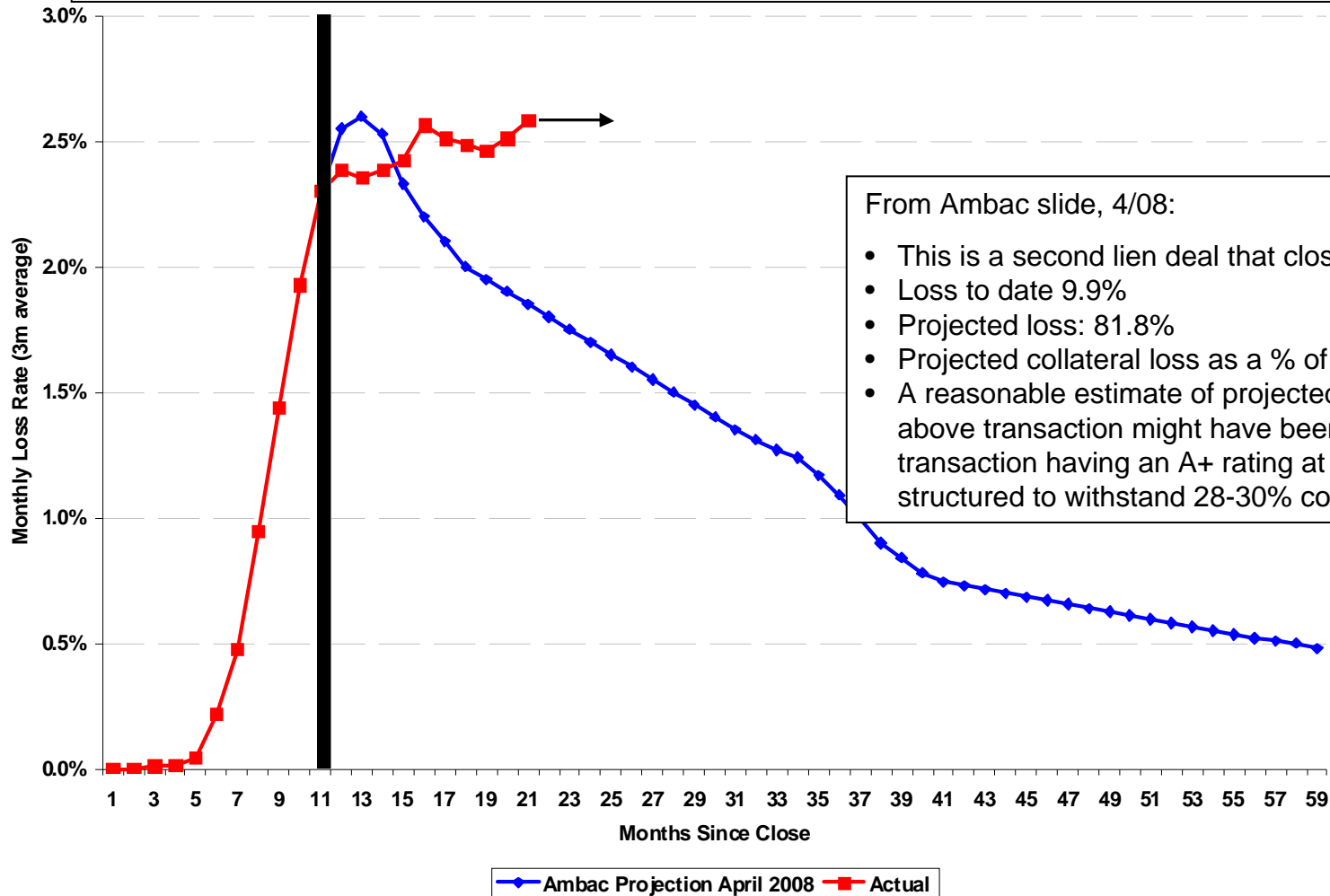
Delinquencies of HELOCs and CESs Are Soaring



Source: FDIC Quarterly Banking Profile

Pools of HELOCs and CESs Can Suffer Astronomical Losses Due to 100%+ Severities

On one second lien deal, Ambac expected losses of 10-12% when it guaranteed the senior tranche. A year ago, Ambac admitted that the pool would likely lose 81.8% of its value – and based on the pool's performance since then, this will almost certainly prove to be conservative.



From Ambac slide, 4/08:

- This is a second lien deal that closed in April 2007
- Loss to date 9.9%
- Projected loss: 81.8%
- Projected collateral loss as a % of current collateral: 86%
- A reasonable estimate of projected collateral loss for the above transaction might have been 10-12%, with the transaction having an A+ rating at inception and being structured to withstand 28-30% collateral loss

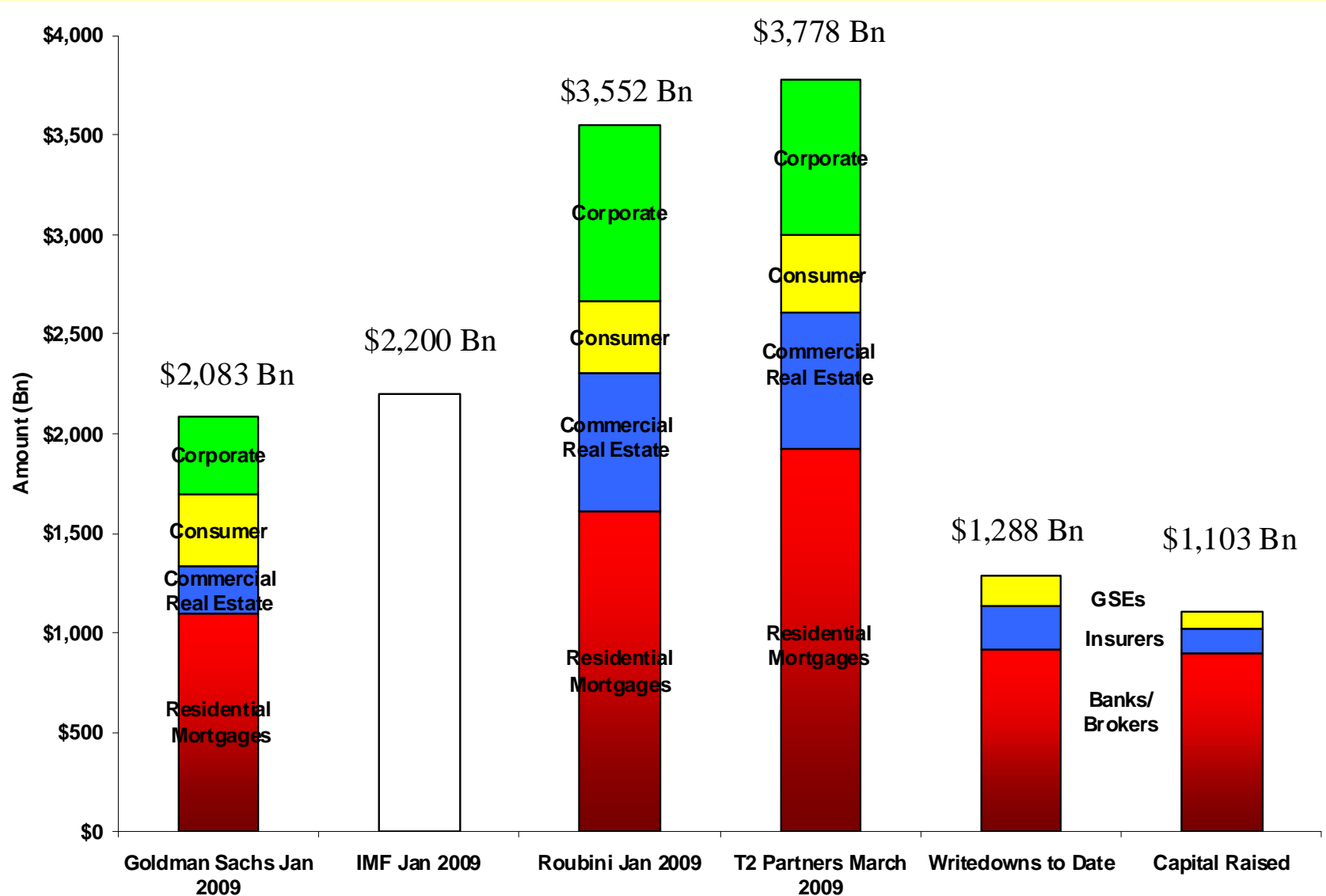
Source: Ambac Q1 08 presentation, Amherst Securities; funds managed by T2 Partners are short Ambac

The Timing Indicates That We Are Still in the Middle Innings of the Bursting of the Great Mortgage Bubble

- Mortgage lending standards became progressively worse starting in 2000, but really went off a cliff beginning in early 2005
- The worst loans were subprime ones, which generally had two-year teaser rates and are now defaulting at unprecedented rates
- Such loans made in Q1 2005 started to default in high numbers upon reset in Q1 2007, which not surprisingly was the beginning of the current crises
- The crisis has continued to worsen as even lower quality subprime loans made over the remainder of 2005 reset over the course of 2007, triggering more and more defaults
- It takes an average of 15 months from the date of the first missed payment by a homeowner to a liquidation (generally a sale via auction) of the home
- Thus, the Q1 2005 subprime loans that defaulted in Q1 2007 led to foreclosures and auctions in early 2008
- Given that lending standards got much worse in late 2005 through 2006 and into the first half of 2007, and the many other types of loans that are now with longer reset dates that are now starting to default at catastrophic rates, there are sobering implications for expected defaults, foreclosures and auctions in 2009 and beyond, which promise to drive home prices down further

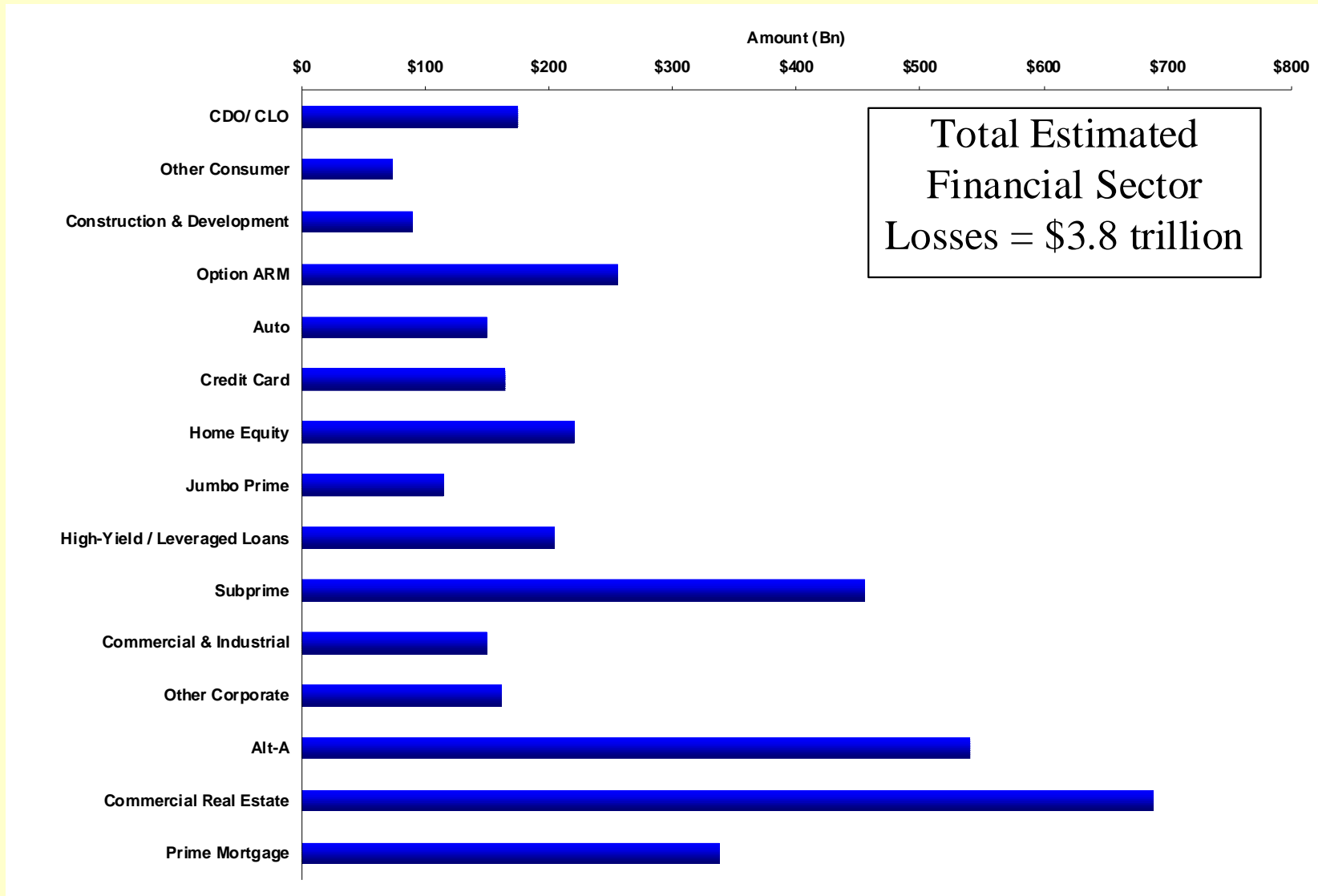
In summary, today we are only in the middle innings of an enormous wave of defaults, foreclosures and auctions that is hitting the United States. We predicted in early 2008 that it would get so bad that it would require large-scale federal government intervention – which has occurred, and we're likely not finished yet.

Total Losses Are Now Estimated at \$2.1-\$3.8 Trillion – And Less Than Half of This Has Been Realized To Date



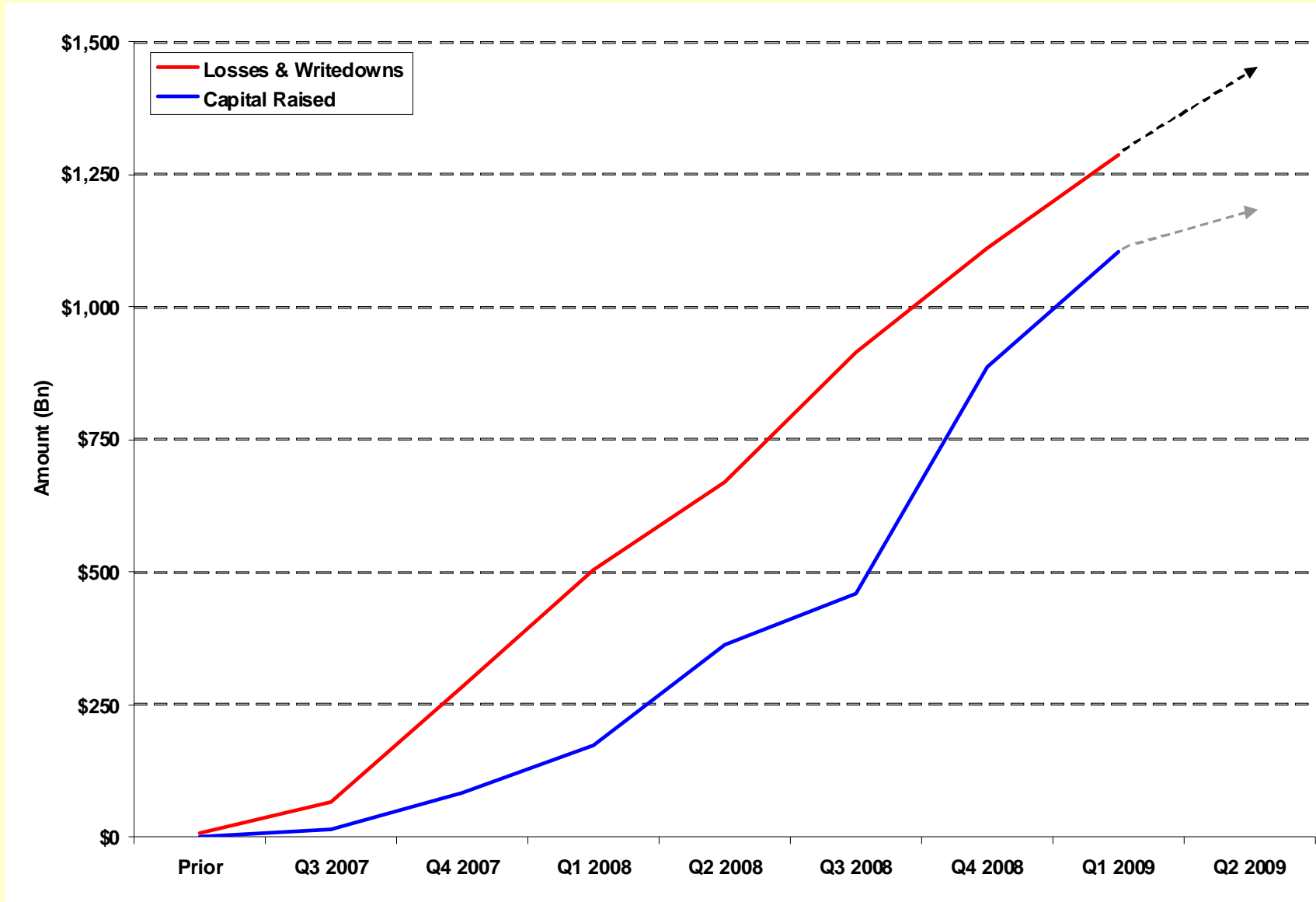
Sources: Goldman Sachs, International Monetary Fund, RGE Monitor, Bloomberg Finance L.P., T2 Partners estimates

A Breakdown of Our Financial Sector Loss Estimates



Sources: T2 Partners estimates

Institutions Have Been Able to Raise Capital to Mostly Keep Up With Writedowns, But This Will Likely Not Continue



Sources: Bloomberg Finance L.P.

Where We Are Finding Opportunities

1. *Blue-chips.* The stocks of some of the greatest businesses, with strong balance sheets and dominant competitive positions, are trading at their cheapest levels in years – due primarily to the overall market decline and weak economic conditions rather than any company-specific issues. In this category, we'd put Coca-Cola, McDonald's, Wal-Mart, Altria, ExxonMobil, Johnson & Johnson, and Microsoft.
2. *Out of favor blue-chips.* For somewhat more adventurous investors looking to buy great companies in the most out-of-favor sectors such as financials and retailers, we own Berkshire Hathaway, American Express and Target. All are great businesses, but their stocks have suffered mightily thanks to the economic downturn. We think they're good bets to rebound when things stabilize – but in the meantime, their stocks seem to have no bottom.
3. *Balance sheet plays.* For investors who are comfortable with lower-quality businesses but want downside protection, there are many companies trading near or even below net cash on the balance sheet. Examples in our portfolio include digital media equipment company EchoStar Corp. and clothing retailer Delia's. Berkshire is the best of both worlds: a premier company but also a balance sheet play.
4. *Turnarounds.* There are countless companies that have gotten clobbered by the economic downturn and are reporting dismal results – with stock prices to match. Investors in those that survive and return to anything close to former levels of profitability will be well rewarded – but picking these stocks isn't easy. Among our holdings in this category are Wendy's restaurants, Winn-Dixie supermarkets, Huntsman, a specialty chemical maker, Crosstex, a pipeline company, and Resource America, a specialty finance company.
5. *Special situations.* This is somewhat of a catch-all category that, for us, includes Contango Oil & Gas, a stock that's declined due to an aborted attempt to sell the company and the sharp drop in the price of natural gas.
6. *Mispriced options.* Every once in a while we take a tiny position in a highly speculative situation – often where the stock price is below \$1 – in which there's a real chance that the outcome is zero, but also a decent chance, in our opinion, of making many multiples of our money. On an expected value basis, therefore, a small portfolio of such investments is attractive. Our holdings include General Growth Properties, TravelCenters of America, Ambassadors International, Borders Group and PhotoChannel. Do not buy stocks like this unless you really know what you're doing and have a very strong stomach!

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