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## Crystal River Capital, Inc. Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator instructions) And we will take our first question from Jason Arnold, RBC Capital Markets.

#### Jason Arnold – RBC Capital Markets

Hi, good morning, guys. I was wondering if you can offer a little bit more detail on the commercial loans sold during July, and kind of the pricing side of things.

#### Bill Powell

Jason, I will take this; it's Bill. The portfolio that we sold was the portfolio that was designated as for sale at the end of the first quarter. And it had two closings. The first closing was in June, and the second closing was in July. So, it's not meant to be confusing in that those were two sales. It was actually the same sale. It just had two different closing times. Unfortunately, one of the closings happened after the quarter ended. So, when you take the two sales together, I think the net proceeds for the company was within approximately 1% of what we had marked the assets to at the end of the first quarter.

#### Jason Arnold – RBC Capital Markets

Okay. And then, you also mentioned that you had some loans, mezz loans, that were moved to held for sale, I believe. And I guess I'm kind of curious what your thoughts are on pricing more or less on that side of things as well.

#### Bill Powell

Generally speaking, the pricing on the single-asset mezz loan and B Note part of the commercial mortgage market for high-quality assets has held up better than other aspects of the market. It's held up much better than the CMBS market, much better than the RMBS market. So, in our efforts to create liquidity and to further de-leverage the company, two of our mezz loans we designated for sale. But this doesn't mean that we will sell them. It means that they are sale candidates that could enable us to achieve our goal of paying down our debt. I would say that the spreads behind our marking those assets to market were indicative yet conservative relative to what we're seeing in the mezz loan and B Note market.

#### Jason Arnold – RBC Capital Markets

Okay. Is it going to be something kind of like \$0.95 on the dollar, \$0.90 on the dollar? Is that more or less – or is it a bit stronger than that?

**Bill Powell**

No, it's less than that, and I believe – I'm not sure if it's in the earnings announcement, but there is – Craig, it's –

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