

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a yellow Greek letter alpha symbol to the right, all on a dark red background.

Crystal River Capital, Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). We will go first to Rolf Ruben with Merrill Corp.

Rolf Ruben

Yes, one of your competitors CapitalSource has bought the deposits of a savings and loan, there was a little bit of trouble and they have of forming an Industrial Bank and they are going to use the deposit as a funding source going forward. Would you guys consider that as an option for you know, future funding.

William Powell

Rolf this is Bill Powell. We sold that transaction as well, and it is a very interesting transaction for CapitalSource. You know, we are going to be doing a lot of work when coming up with a strategic plan for Crystal River and we are not going to rule out sort of any alternatives and certainly that would be something we would look at. So I appreciate you bringing it to our attention.

Operator

Anything further Mr. Ruben?

Rolf Ruben

No.

Operator

Thank you. [Operator Instructions]. We will go next to Jim Shanahan with Wachovia.

Jim Shanahan

Yes, I am curious about a couple of developments in the quarter and the first of all the decision to take throughout 2008 base management fees in the form of stock. What was the primary reason for that is, is it designed to sort of cash flow, is it designed to a line interest with shareholders and a little more background there please?

William Powell

Yes, Jim it's Bill. The company asks the management to take the dealing stock really to just the measure to preserve liquidity. You know, liquidity was very crucial to preserve going back over the past 10 months and it was really nothing more than that.

Jim Shanahan

Okay.

William Powell

Obviously, this is something that will be reviewed every quarter between the manager and the Board.

Jim Shanahan

So, it's not necessarily throughout 2008 that will continue?

William Powell

That's correct.

Jim Shanahan

And, Mr. Powell, my question I guess, there is so many changes to your certainly the deleveraging and the balance sheet obviously was a lot bigger and I am just kind of curious where you would – what it means for us as shareholders and investors and analysts, where do you think, you will see off and you are likely to take the direction of the investment strategy here given your background and where do you see the market refinancing?

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.