

Santa delivers for U.S. retailers

NEW YORK (MarketWatch) -- Inventory control, coupled with last-minute shopping and post-holiday bargain hunting, drove U.S. retailers' best monthly sales in more than 20 months, results showed Thursday, and several -- from discounter Target Corp. to upscale retailer Nordstrom Inc. -- gave rosier profit outlooks.

Target (NYSE:TGT), the No. 2 U.S. discounter, said it expects to meet or exceed analysts' average fourth-quarter profit estimate of \$1.11 a share. Its December sales

rose 1.8%, against analysts' expectation for a decline.

Sears Holdings Corp. (NASDAQ:SHLD) was a surprise winner, projecting a higher fourth-quarter profit that topped Wall Street expectations, as December same-store sales unexpectedly rose 0.4% on gains at its Kmart chain.

As a sign that consumer spending is gradually recovering and shoppers feel more comfortable about buying items they don't need, Nordstrom (NYSE:JWN) and fellow

luxury retailer Saks Inc. (NYSE:SKS) reported much-better-than-expected monthly sales gains of 7.4% and 9.9%, respectively.

"We remain cautious on January as inventories are low, which will limit markdowns and outside of gift card use there is no real catalyst to shop as consumers take a breather," said Ken Perkins of research firm Retail Metrics.

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MarketWatch
Jan. 7, 2010

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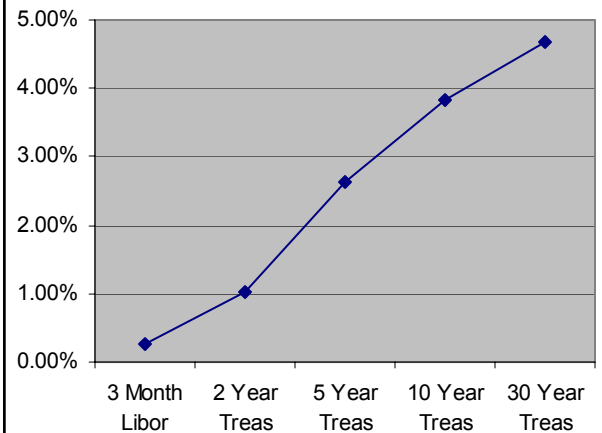
Market Indices

	January 7, 2010
Prime	3.25%
3 Month Libor	0.25%
5 Year Treasury	2.62%
10 Year Treasury	3.83%

Representative Spreads *

Project	Spread
Multi Family	Call
Office	350+
Industrial	350+
Retail	350+

January 7, 2010



Paragon Arranges \$11.8 Million in Permanent Financing

Paragon Prime Funding recently arranged \$11.8 million in permanent financing for Waterside Senior Housing in Cohoes, NY. Waterside is a 132 unit market rate apartment complex for active adults aged 50 and over.

Paragon originally provided assistance with obtaining approvals for the project and obtaining construction-to-mini-permanent financing. During the construction period, Paragon pro-

vided requisition services for the developer. Construction on the project was completed in the fourth quarter of 2008.

In early 2009, the developer approached Paragon to obtain a forward commitment and rate lock for permanent financing on the project.

Paragon was able to obtain a nine month forward commitment exercisable at 90% occupancy. The loan was based on a 30 year term, 30



year amortization and was non-recourse in nature.

Additionally, the borrower was able to forward lock the rate at 5.47% for the full 30 years of the loan

* Representative spreads are indicative of class A properties with 75% loan to value on a 20 to 30 year amortization. Lower leveraged loans will result in a spread reduction.