

Fed holds interest rates steady

WASHINGTON (MarketWatch) -- The Federal Reserve decided Wednesday to hold short-term interest rates steady and said nothing that indicates it is prepared to move interest rates anytime soon.

Following a one-day meeting of the Fed's policy-making Open Market Committee, the central bank indicated that its target for the key federal-funds interest rates, at which banks lend each other money overnight, remains 5.25%.

The vote to hold rates steady was 10-0.

In its policy statement, the Fed repeated the key statement that it could choose to move rates in either direction depending on the data even though inflation risks remain the paramount concern.

The Fed made no changes to its inflation outlook, saying that core inflation remains "somewhat elevated" and "although inflation pressures seem likely to moderate over time, the high level of

resource utilization has the potential to sustain those pressures."

The Fed hasn't made a move since last August, when it completed an unprecedented series of seventeen straight one-fourth-of-a-percentage-point rate hikes.

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MarketWatch
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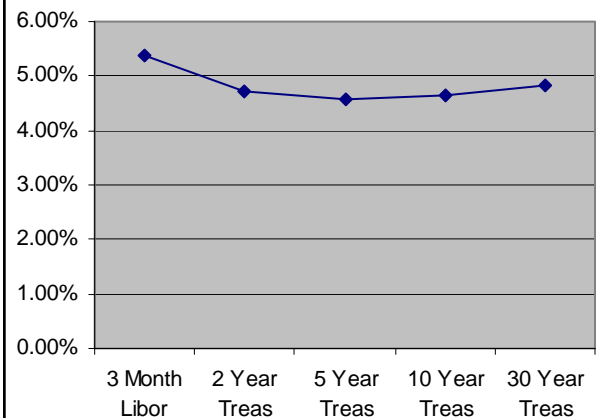
Market Indices

	5/10/07
Prime	8.25%
3 Month LIBOR	5.36%
5 Year Treasury	4.58%
10 Year Treasury	4.66%

Representative Spreads *

Project	Spread
Multi Family	95-150
Office	110-150
Industrial	110-150
Retail	100-130

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Paragon Provides Advisory Services on a \$29.8 Million Refunding

Paragon Prime Funding ("Paragon") provided investment banking financial advisory services to The Beltrone Living Center in connection with the refunding of \$29,800,000 in civic facility revenue bonds.

The Beltrone Living Center is a unique senior apartment community located in Colonie, NY. The facility provides seniors with a wide range of services including onsite health and wellness

programs, restaurant style dining, and adult day services.

Paragon provided advisory services related to credit enhancement solicitation along with bond

& derivative structuring and analysis.

The financing provided the Beltrone Living Center with the opportunity to realize substantial debt service sav-



ings as a result of a reduced interest rate and the economic advantages of using a derivative SWAP product.

* 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.