

Stocks turn higher after service sector gains

NEW YORK (AP) — Stocks rebounded Wednesday as investors digested a report that said the service economy grew last month, although at a slower pace.

The Institute for Supply Management report was reassuring for a market that had fallen sharply the previous two sessions. The ISM's service sector index came to 51.7 percent for May; while any reading above 50 signals economic expansion, the figure is down from 52 in April. Still, the reading did show that the economy, while

behaving erratically, isn't in a steady downturn.

Investors also awaited for possible news about Lehman Brothers Holding Inc.'s finances. Reports Tuesday that the investment bank needs to raise up to \$4 billion in capital touched off further concerns about the health of the financial sector.

In midmorning trading, the Dow Jones industrial average rose 37.78, or 0.30 percent, to 12,440.63 after dropping 235

points over Monday and Tuesday.

Broader stock indicators also advanced. The Standard & Poor's 500 index rose 3.25, or 0.24 percent, to 1,380.90, and the Nasdaq composite index rose 0.53 percent, to 2,493.68. Bond prices ticked lower. The dollar was mixed against other major currencies, while gold prices rose.

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Contacts

Paul Nichols

Managing Partner
(518) 785-9000 Ext. 124
(518) 220-9448—Fax
pnichols@paragonprimefunding.com

James Runko

Director
(518) 785-9000 Ext. 117
(518) 220-9448—Fax
jrunko@paragonprimefunding.com

James Morris IV, MAI

Director
Westchester / Mid-Hudson Valley
(845) 296-1638
(845) 296-1639—Fax
jmorris@paragonprimefunding.com

Andrew Mihachik

Loan Underwriting
(518) 785-9000 Ext. 110
(518) 220-9448—Fax
amihachik@paragonprimefunding.com

Danielle Tashlein

Loan Administration
(518) 785-9000 Ext. 116
(518) 220-9448—Fax
dtashlein@paragonprimefunding.com

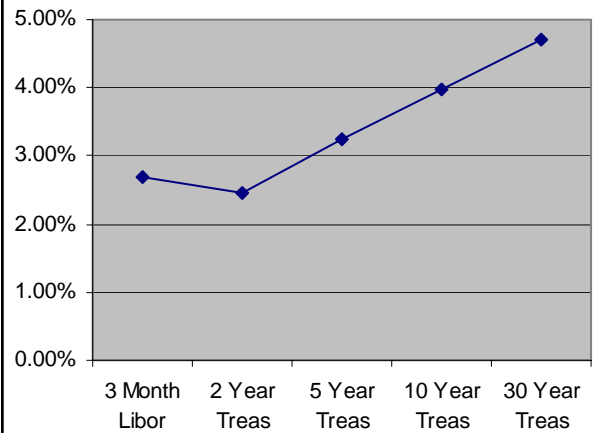
Market Indices

	June 5, 2008
Prime	5.00%
3 Month Libor	2.69%
5 Year Treasury	3.26%
10 Year Treasury	3.98%

Representative Spreads *

Project	Spread
Multi Family	180-225
Office	225-400
Industrial	225-400
Retail	225-400

June 5, 2008



Paragon Prime Funding Arranges \$1 Million Refinance Loan

Paragon Prime Funding recently arranged a \$1 million loan to refinance a 250-bed summer camp facility, Camp Govoah, located in East Durham, New York.

The camp, which lies on over 60 acres, opens for two sessions per year in July and August. Camp Govoah is an all boys camp which has an orientation towards religious studies.

The borrowers had found financing of the project challenging due to the seasonality

of the industry. Paragon was able to arrange a unique principle amortization schedule in order to accommodate for the seasonality of the revenue collections. This allows for monthly interest-only payments, with a lump sum principal payment once a year during peak occupancy.

As Camp Govoah is only in its second year of operation, Paragon financed the loan based solely on its first year success. The purpose of the loan was to refinance debt and provide for improvements to



the gymnasium and caretaker's quarters.

The loan proceeds represent a maximum loan to value of 75%, amortized over 20 years.

* 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.