

**U.S. weekly jobless claims fall sharply**

WASHINGTON (MarketWatch) -- The number of U.S. workers applying for jobless benefits saw its biggest drop last week since April, according to Labor Department data released Thursday.

First-time claims for state unemployment benefits fell by 19,000 to 318,000 for the week ending Sept. 1. The drop in claims is down from a revised 337,000 in the prior week, the Labor Department said.

This was the first drop in jobless claims after five straight weeks of increases. Initial claims

are at the lowest since the week ended Aug. 4.

The four-week average of new claims, considered a more accurate indicator because it smoothes out events like holidays and strikes, rose by 500 to 325,750. This was the highest reading since April 28.

Economists are watching claims closely for signs that firms are becoming more cautious as a result of the recent financial market stress.

The data come ahead of the key August unemployment report to be released Friday morning. Economists are expecting about 123,000 jobs were created in August, although some have been trimming their estimates after a key early indicator of labor market strength released Wednesday by Automated Data Processing estimated a weak 38,000 private payroll jobs were created in August.

Greg Robb  
MarketWatch  
September 6, 2007

**Contacts**

**Paul Nichols**

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

**James Runko**

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

**James J. Morris IV, MAI**

Director  
Westchester / Mid-Hudson Valley  
(518) 785-9000 Ext. 112  
(518) 220-9448--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

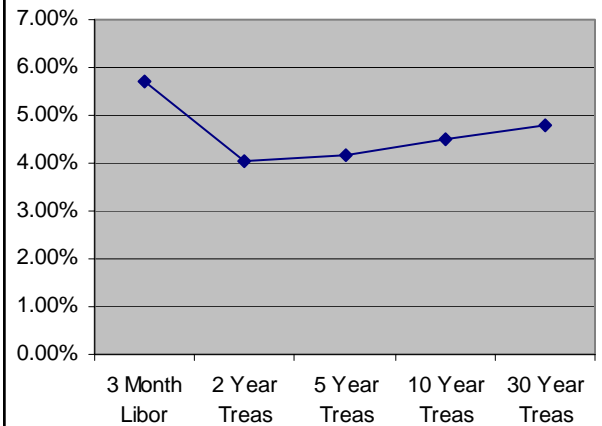
**Market Indices**

	9/6/07
Prime	8.25%
3 Month LIBOR	5.72%
5 Year Treasury	4.18%
10 Year Treasury	4.49%

**Representative Spreads \***

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

September 6, 2007



**Paragon Prime Funding Arranges \$2.7 Million Loan**

Paragon Prime Funding structured and arranged a \$2.7 million construction-to-permanent loan as it pertains to the development of a 24,050 square foot office building located in Saratoga Springs, NY.

The developer came to Paragon having never developed a piece of commercial property in the past. His goal was to build an office / retail building 'on spec' using land he previously acquired. The borrower was planning on housing his 1,350 square foot consulting business in the new building

and leasing the remaining 22,700 square feet to prospective tenants. In an effort to save money, the borrower also wanted to act as general contractor.

As consultant, Paragon performed extensive research on market rents, absorption, and vacancy. To get the lending community comfortable, Paragon worked with an experienced construction manager and qualified real estate brokerage firm to mitigate construction and marketing risk. Risks associated with the speculative nature of



the building were further mitigated by a (negative) pledge of securities and a modest line of credit with partial releases based on future lease-up. The deal included an 18 month construction facility followed by a 10 year permanent loan amortized over 25 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.