

| Issue | Alternatives | Recommendation | Rationale | "Team" Discussions | Final Decision | End Result |
|--|--|--|---|--|---|---------------------------------------|
| <p>I. How should regions be allocated?</p> | <p>1. Pursuant to Dean Witter regional set up</p> <p>2. Per traditional segmentation between East, Central and West Regions</p> | <p>Follow the three regions of Dean Witter, but retain existing relationships. (e.g., Nummy keeps HFF Boston, Walter keeps Northland Dallas & Houston)</p> | <ul style="list-style-type: none"> The Dean Witter regional set up equally allocates FA's, number of clients and money managed into three separate regions (it is also consistent with Merrill Lynch's regional set up) Retaining existing relationships respects the wishes of our clients and is therefore consistent with our promise of superior client service Steve Beyer was offered Florida coverage as part of the negotiations for him to come on board -- he also has fifteen years experience in lending and living in Florida | <p>JW - at CreditSource Kickoff → Beyer to handle FL, with RK to handle certain existing relationships such as Carey Kramer and HFF.</p> <p>The Team discussed a compromise of SB to handle DW offices in FL and 5-7 specific relationships. -- JW response was 5-7 was too high; therefore a decision was still pending</p> | <p>After 40 minutes of heated discussion, Florida coverage assigned to Rich Kirikian -- Steve Beyer to handle coverage to the Florida-based MSDW offices -- Handoffs of mortgage bankers from SB to RK to occur immediately</p> | <p>Recommendation Rejected</p> |
| <p>II. When should the regional offices be set up?</p> | <p>1. As soon as practicable</p> <p>2. By mid-summer</p> <p>3. By the end of the year</p> | <p>The regional offices should be fully staffed and set up as soon as possible.</p> | <ul style="list-style-type: none"> The business of conduit lending is heavily dependent on momentum and much lead time is required to grow market share An expeditious set up is consistent with how we have planned to develop the business (to get closer to our clients and borrowers) and how we have marketed ourselves (particularly at the recent MBA conference). | <p>Business plan articulated in 6-12 months -- target date communicated to Ben Nummy was to have the West Coast office opened and fully operational "by this Summer"</p> | <p>The opening of the West Coast office postponed to at least 2001</p> | <p>Recommendation Rejected</p> |
| <p>III. Where should the Western region office be located?</p> | <p>1. Los Angeles Dean Witter office (601 Figueroa)</p> <p>2. San Francisco Dean Witter office (101 California)</p> <p>3. A MSDW Investment Banking office</p> | <p>San Francisco Dean Witter office (101 California St.)</p> | <ul style="list-style-type: none"> This is the largest office in the Dean Witter Network (175 financial advisors) in a prime location. The office is a convenient location for FA's in this large office and for other FA's who come to this office for training. | <p>Either San Francisco or Los Angeles were viewed as likely acceptable locations.</p> | <p>The opening of the West Coast office postponed to 2001</p> | <p>Recommendation Rejected</p> |

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| <p>IV. How can we attract and retain quality talent to the production side?</p> | <ol style="list-style-type: none"> Hire into SLR, with an opportunity to move into MSDW upon hitting specified volume and revenue targets Hire directly into a newly-formed MSDW subsidiary Hire into MSMC | <p>Hire Rich Berlinghof, Steve Beyer, Jim Houston, and three TBD producers (one each for the East, West and Central regions) into MSMC. Defeat hiring Bill Sampson and others (e.g., underwriters, analysts) until required to do so by corporate mandate.</p> | <ul style="list-style-type: none"> Reduces risk of losing existing production talent, and delivers on earlier representation (to Beyer and Houston) that this issue would likely be resolved by the end of Q1) Can attract additional proven production talent Can then legitimately issue MSDW business cards to the producers Trade out analytical talent and supplant with third party providers such as Univest, CreditVest and KPMG Keeps the net headcount increase down, while bringing on headcount that will drive revenues | <ul style="list-style-type: none"> I was unaware that GKok was working up a proposal for hiring 4 people into MSMC for RRahbany (I later found out about this from JWesterfeld) Kearney Street alternative was investigated, but dropped pending a firm decision on the "Microsoft case" | <ul style="list-style-type: none"> We will investigate hiring Berlinghof, Beyer, Houston and Sampson into MSDW Ops. | <ul style="list-style-type: none"> Recommendation modified to coincide with RRahbany's view (i.e. hiring a Non-revenue producer, Bill Sampson, over a producer) Recommendation to hire new producers into a MSDW entity is rejected |
| <p>V. How do we maintain consistency in underwriting and pricing deals with a decentralized approach?</p> | <ol style="list-style-type: none"> Implement a front-end model to provide a consistent format to evaluate deals Continue to develop an internet business-to-business loan processing capability Develop pipeline capability through the internet via the MSDW security portal | <p>All of the outlined alternatives should be implemented.</p> | <ul style="list-style-type: none"> To effectively decentralize the process of originating mortgages for securitization for high volume, to grow market share, and protect MSDW's #1 status as lead underwriter of CMBS, (without compromising MSDW's origination standards) all three alternatives should be assimilated. Long term survival in this business will be driven by economies of scale, deal processing efficiencies and exploiting competitive advantages. By developing an efficient loan origination process, and the direct lending capability through the Dean Writer channel, MSDW will be able to further grow its market share and therefore benefits associated with the related economies of scale. | <ul style="list-style-type: none"> This topic has not been addressed previously by the "team" Action was still pending | <ul style="list-style-type: none"> Not addressed | <ul style="list-style-type: none"> Recommendation not addressed and therefore in effect rejected |
| <p>VI. How should we address RKirikian's demonstrated lack of buy-in to developing the Dean Writer channel?</p> | <ol style="list-style-type: none"> Remove him from responsibility of interaction with the Dean Writer channel Give him another chance, but closely monitor his interaction with this channel | <p>Go with alternative #2. Coverage responsibility for Private Wealth Management sector to be managed by SYoung -- with MHill brought in on an as needed basis.</p> | <ul style="list-style-type: none"> Fairly addresses the concerns that have arisen, puts RKirikian on notice for his recent lack of support, and gives him another chance to handle this important channel with close monitoring. PWM to be separately managed and developed. | <ul style="list-style-type: none"> Discussed among the "team", Action was still pending. | <ul style="list-style-type: none"> Not addressed -- MHill to stay exclusively on pool purchases and originating loans via the internet. | <ul style="list-style-type: none"> Recommendation not addressed and therefore in effect rejected |

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| VII. How can we encourage regions to work with one another? | <ol style="list-style-type: none"> 1. Direct them to do so 2. Split/share credit between regions when it makes sense to work together on a deal 3. Give double ("matrix") credit to each region that collaborates on a deal | <ul style="list-style-type: none"> Go with #2, and encourage all to work together as a team. Counsel RKirkian that other region heads has expressed concerns over his lack of team spirit | <ul style="list-style-type: none"> There will likely be many instances where it makes sense for regions to collaborate as a team, especially since we are following the location of the relationship. There will often be situations where a correspondent, FA or borrower will be located in one region and the property will be located in another region, at it will make sense for the regions to collaborate due to market underwriting knowledge (in the region where the property is located) and client service logistics (in the region where the client relationship has been established). | <ul style="list-style-type: none"> Splitting credit on deals not viewed by majority of team to be an important issue Have a frank discussion with RKirkian Action was still pending | <ul style="list-style-type: none"> Handle each situation on a case-by-case basis and continue dialogue with RKirkian | <ul style="list-style-type: none"> Recommendation for programmatic split share is rejected Dialogue with RKirkian is encouraged |
| VIII. How should signing authority be established? | <ol style="list-style-type: none"> 1. Assign an MSDW employee to sign on behalf of Steve Beyer, until such time that he becomes an employee of MSDW 2. Delegate signing authority to Steve Beyer | <p>Delegate signing authority ASAP, coordinating with Greg Walker</p> | <ul style="list-style-type: none"> As a region head, Steve Beyer must be empowered to transact business. | <ul style="list-style-type: none"> Discussed but no resolution arrived at Action was still pending | <ul style="list-style-type: none"> Send execution pages of commitments with GKok's signature to SBeyer Continue to work on hiring SBeyer into MSDW Ops. | <ul style="list-style-type: none"> Recommendation rejected |
| IX. When will we actually implement delegation of responsibility for loan approvals to the region heads? | <ol style="list-style-type: none"> 1. Now 2. In six months 3. At the end of the year | <p>Yesterday -- Each region head should be given express authority, however for an interim time period, decisions should be reviewed by GKok and Tjackvitz, or their designees</p> | <ul style="list-style-type: none"> Doesn't make sense for someone who has been given production responsibility for a region (in the case of RKirkian) to chair a committee on the loans from other regions -- this is an inherent incentive conflict. George and Tom should chair during the interim period. | <ul style="list-style-type: none"> Committee of Region heads was to be formed but heretofore had not occurred Action was still pending | <ul style="list-style-type: none"> Each Region head to chair committee for his own deals | <ul style="list-style-type: none"> Recommendation accepted |
| X. How should MHill be managed / directed with regard to Pool purchases and Internet activities? | <ol style="list-style-type: none"> 1. Status Quo 2. Step away from competitive bids 3. Work with WFriend and JFrey on portfolio purchases 4. Assign analytical support on internet screening 5. Involve MHill in PwM opportunities | <p>Implement #3 -5 and also #2, unless a very compelling competitive bid situation arises</p> | <ul style="list-style-type: none"> Promotes cross-selling within SPG Frees up MHill's time in screening internet sourced deals Puts an additional resource on PwM opportunities (note: ABajaj will also be involved in PwM situations, where there is an obvious large loan execution) Promotes MHill and the Region Heads to work with one another | <ul style="list-style-type: none"> Not addressed by team Action was still pending | <ul style="list-style-type: none"> Not addressed | <ul style="list-style-type: none"> Choice not to address here is tantamount to the recommendation being rejected |

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| <p>XI. How should the concern of a VP reporting to an Associate be addressed?</p> | <p>1. Maintain status quo 2. Encourage CWaelter that if we split the regions in the future, he will be considered to head up one of the regions if his production and demonstrated credit skills warrant this.</p> | <p>Go with #2, and also counsel BNummy to delegate more authority and responsibility to CWaelter</p> | <ul style="list-style-type: none"> Provides the right incentives and encouragement | <ul style="list-style-type: none"> Not addressed by team Action was still pending | <ul style="list-style-type: none"> Not addressed | <ul style="list-style-type: none"> Choice not to address here is tantamount to the recommendation being <u>rejected</u> |

Key -- Team = GKok. / RRahbany / SStern / SYoung