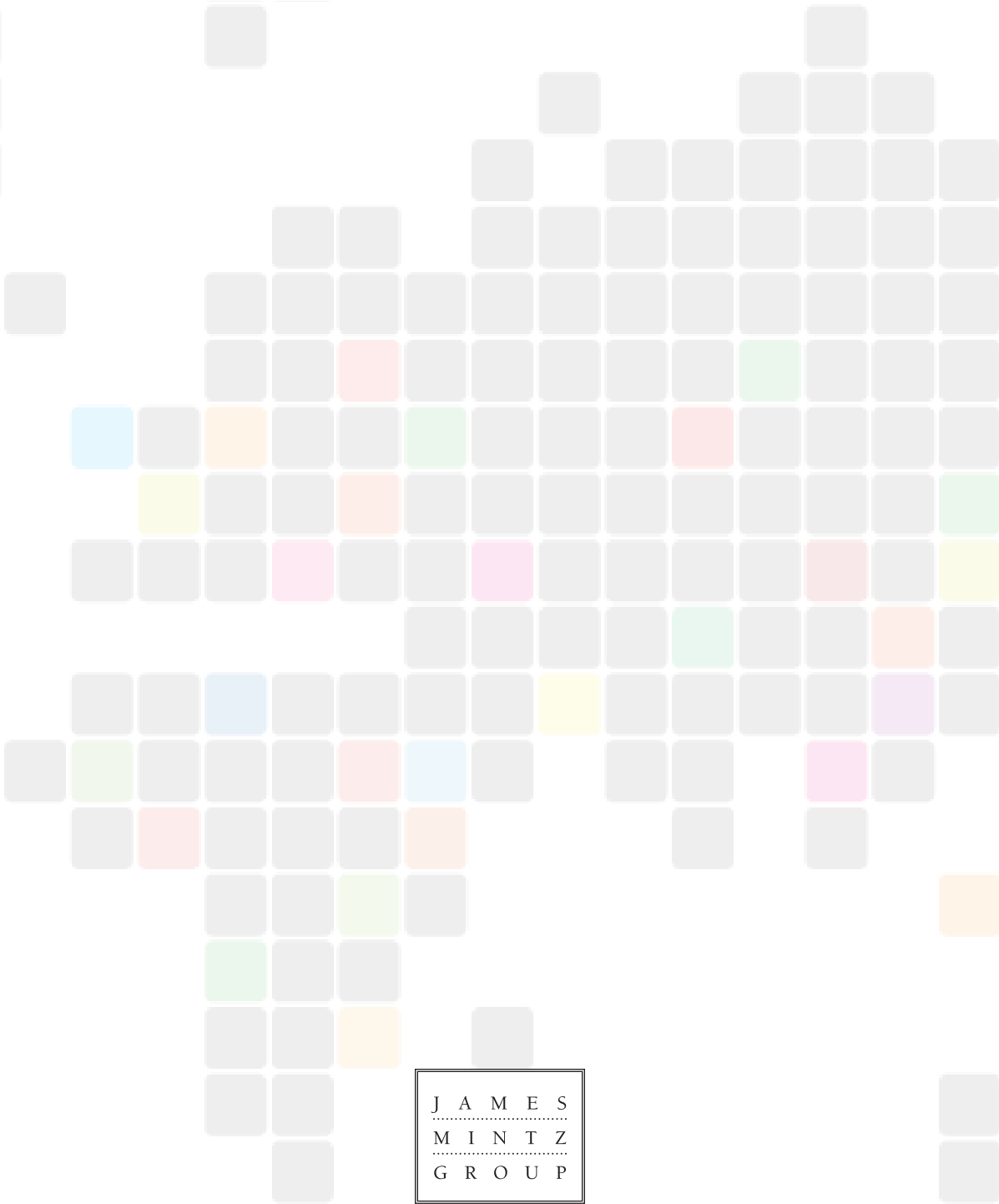
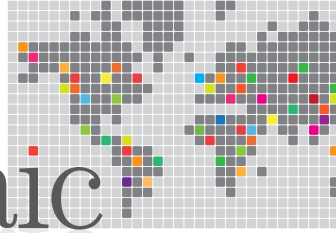


Invest Globally, Investigate Locally

GlobalMosaic



J A M E S
M I N T Z
G R O U P

Global Mosaic is a service of the James Mintz Group, Inc.



■ An Overview

We provide professional intelligence-gathering services to alternative investment firms who value in-depth factual inquiry and analysis. Our client-driven work combines expert interviewing with deep research skills, and crosses industry sectors and national borders.

Our objective is to deliver actionable, real-time intelligence, tailored to each client's particular needs as refined through frequent briefings during the course of our assignment.

Our results are intended to help clients form a "mosaic" from the disparate pieces of information we gather. From our briefings, clients glean insights, test their ideas and make sound investment decisions.

Finding and interviewing knowledgeable sources is a core part of our expertise. We begin by mining obscure data sources, including nontraditional overseas media and arcane public records that may not be readily accessible, but are nevertheless available to sophisticated researchers who know what to look for.

Our seasoned team of interviewers includes veteran journalists, former prosecutors and ex-CIA analysts. These experts build on our deep research with follow-up conversations and direct observations, in coordination with a network of local consultants and sources on the ground.

We have developed these methods over thousands of inquiries, and they have proven to be a reliable source of robust factual information regardless of geography or industry.

■ Compliance Standards

We seek to work with firms whose orientation toward *reputational* integrity and compliance with applicable securities laws matches our own. We strive to maintain the highest levels of ethical conduct with regular guidance from both in-house and outside legal counsel. In practice that means:

We Are Focused on Legal Compliance

- We operate according to a well-defined set of policies regarding interview protocols and appropriate boundaries.
- Our approach to information-gathering gives our clients confidence that the information we furnish can be a sound basis for their investment decisions.
- We don't pay people for information.

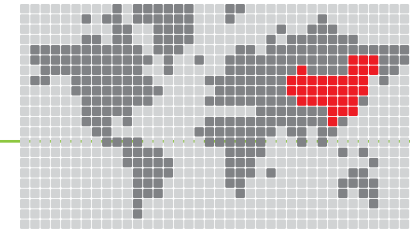
We Are Transparent About Process and Results

- We recognize the importance of accuracy and attention to detail, and our responsibility to maintain the highest professional and ethical standards.
- We communicate with our clients at every stage of our work, from the design of our research approach and appropriate safeguards to the delivery of usable results. Interview scripts and protocols for all our assignments are available for client review, and typically are developed with the client's compliance team.
- We provide regular progress reports and furnish our results as we get them. This approach gives our clients further transparency into our work and the ability to provide guidance on further avenues of research.

We Avoid Conflicts of Interest

- We protect the confidentiality of our clients' proprietary investment ideas and theories. We are not a brokerage firm and do not engage in proprietary trading.
- Our staff is required to avoid trading in any securities that are the subject of their work.

iPhones in Asia



Case Study in Building a Fact Mosaic for Investors

1 12.17.07

Client query: Apple's revenue and earnings estimates depend on strong results from iPhone sales and service contracts—how many iPhones have been diverted to unauthorized markets outside the U.S. and Europe?



2 12.20.07

First report to client: Anecdotal evidence strongly suggests significant gray-market diversion to China.



3 12.21.07

Client follow-up request: Gather further evidence on the scale of diversion to China and other markets.



4 12.26.07

Second report to client: iPhones found in all the big population centers of China. Evidence suggests growing gray-market traffic and large volume.



5 12.27.07

Client establishes initial short position.



6 12.31.07

Apple shares hit 52-week high of \$202 per share.



18 03.10.08

Client winds up short positions with substantial gain.



17 03.06.08

Apple's share price hovers around \$121, off 40% from its 2007 year-end high.



16 02.18.08

New York Times reports booming iPhone sales in China and estimates unauthorized use could cost Apple \$1 billion over three years in lost revenue on service contracts.



15 01.28.08

Second Sanford Bernstein report acknowledges likely diversion of iPhones to Asia on large scale and estimates up to 1 million cracked phones.



BRIEFING/MEMO

■ Local Mandarin-language media (not available through Nexis, etc.) reported first sales of "cracked" iPhones in China traceable to July 5, 2007 (less than one week after U.S. introduction).

■ Sales price was \$890. Sixty-nine pages of iPhones listed for sale on Taobao.com in China (about 3,000 phones currently). Many were listed as "完美破解" or "beautifully cracked."

■ Local press reports a single importer was caught in November 2007 with enough iPhones to cover three desks "half a man high." The importer was allowed to keep the phones after paying a duty of 300 yuan (\$42) per phone.

Conclusion: iPhone demand in China is very strong. There are no serious impediments to importation and little risk to those who try (not a contraband item). Early indications are that there is an open gray-market channel into China.

BRIEFING/MEMO

■ Our local research confirms cracked phones readily available from Bei Mai Electronics (Harbin); Green Apple (diverse provinces including Hangzhou, Ningbo, Wenzhou, Nanjing); and Beijing En Sha Trade Co (Hong Kong, Shenzhen).

■ Sources of cracked iPhones include smugglers, including one person making a few trips a day between Shenzhen and Hong Kong; friends and relatives in the U.S., Europe and other countries; and Chinatowns in the U.S.

Conclusion: Mapping of sales reports shows that iPhones are available beyond large urban areas, spreading to every corner of China.



MEMO

■ Mandarin-language media suggests that iPhones are readily available in significant quantities.

■ Interview with Guangzhou shopkeeper estimates that 100,000 phones were sold by hundreds of shops in that city alone during fourth quarter of 2007.

■ Local research shows that by November 2007, price of cracked iPhones has fallen to \$700 in Sichuan Province—only 40% above the U.S. retail price.

Conclusion: Falling prices for cracked iPhones indicate that demand is high and that supplies are ample. Evidence shows gray-market sales steadily increasing to significant levels.

7 01.04.08

Tech stocks tumble broadly on news of recession. Apple is off 7.6%.



8 01.07.08

Third report to client: Postings in Chinese-language tech forums and other evidence suggest possibly significant volume of gray-market traffic.



9 01.08.08

Client increases short position.



14 01.23.08

First published report (from Sanford Bernstein) on gap between phones sold and phones activated. Analyst theorizes large channel inventory to explain most of gap, with no mention of China gray market.



13 01.23.08

Apple announces missed targets. Share price plunges 19% intraday, down 10.6% at close.



12 01.16.08–01.23.08

Rampant speculation in Internet chat rooms on the impact of phone-service revenues on Apple's overall earnings.



11 01.15.08

At MacWorld conference, Steve Jobs announces 4 million iPhones sold to date. Speculation begins to surface about the gap between phones sold and those activated on authorized networks: AT&T in U.S.; O2 in U.K.; Orange in France; T-Mobile in Germany.

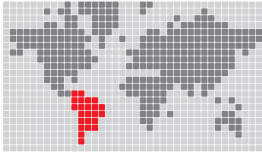


10 01.12.08

Most analysts have positive outlook on Apple stock.



■ Typical Assignments*



Capacity Assessment

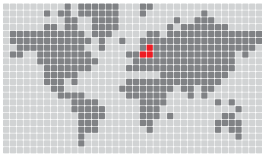
Client: Private Equity Fund (Distressed Debt Focus)

Strategy: Distressed Securities

Business Sector: Industrial

Our client was contemplating a significant investment in the distressed debt of a furniture manufacturer that owns multiple plants in South America. We were asked to provide realtime information about the state of its factories and their utilization rates.

Our staff of professional interviewers spoke to local municipal officials and local business reporters, and reviewed unpublished municipal documents in Spanish and Portuguese. Those reports, taken in tandem with direct site observations, all confirmed the dilapidated state of manufacturing facilities and significant excess capacity.



Customer Response Evaluation

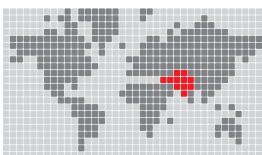
Client: Alternative Investment Fund

Strategy: Value

Business Sector: Technology

Following weak sales of recent products that depressed its stock price, a German software firm, Company A, recently launched a new medical-record billing system for health-care providers. Our investor-client wanted to know the response of the marketplace and what the actual providers thought of it.

Interviews with providers and independent industry experts, as well as our proprietary software search of obscure blogs and message boards, all suggested that Company A's customers were overwhelmingly happy with the new product, its integration with their own systems and its functionality. (We provided quotes in a detailed report.)



Overseas Bribery

Client: Alternative Investment Fund

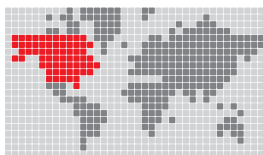
Strategy: Emerging Markets

Business Sector: Energy

Rumors suggested that Company B was violating the Foreign Corrupt Practices Act in the Middle East, specifically paying people for refinery contracts in the region.

Our interviews with sources in host countries indicated that Company B was known among local government officials to be open to suggestions of influence; former commercial attaches and several competitive firms offered specific examples of suspected payments to government officials for refinery contracts. There was, however, no evidence of ongoing investigations or any impetus to crack down by local authorities.

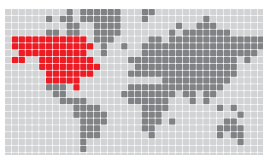
* These are hypothetical examples.



Management Bench Strength

Client: Private Equity Fund
Strategy: Opportunistic Events
Business Sector: Financial

The CEO and chairman of family-owned real-estate Company D was retiring, and our client wanted to evaluate the integrity and competence of the management team. Our research showed that all potential successors had evident weaknesses or liabilities. Of the chairman's three sons, one had a history of significant gambling debts; one was in the middle of a nasty divorce rife with allegations of abuse; and the third had been sued civilly for embezzlement in a local Texas court when he was running a small business in college some years ago.



Government Disclosure

Client: Alternative Investment Fund
Strategy: Long/Short Equity
Business Sector: Healthcare

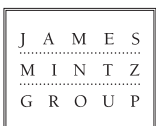
In light of the recent meta-studies on Prozac and other SSRIs, we were asked to evaluate the likelihood that Congress would pass legislation to force the FDA and pharmaceutical manufacturers to publish all their studies and data on new drugs under evaluation. The head of Mosaic's Washington office conducted interviews with Congressional committee staff, grassroots organizations, legislative affairs staffers in government agencies and others. All suggested there would be no action on this issue prior to the November 2008 elections.



Product Delay

Client: Alternative Investment Fund
Strategy: Short-Selling
Business Sector: Aerospace

Was there evidence that Company E, a European aircraft manufacturing company, was facing significant delays in the introduction of a major new addition to its fleet? Our proprietary software searches of obscure blogs, searches of offline trade publications and detailed reviews of public filings from suppliers to Company E all indicated significant delays. Filings from suppliers and trade industry blog postings suggested that Company E had not taken delivery of many big-ticket components of the new aircraft, such as engines, landing gear and navigational systems. At that stage, it did not seem possible for Company E to complete the testing and FAA certification process in time to meet its scheduled launch date. Our analysis suggested the launch might be delayed 12 to 18 months.



Global Mosaic is a service of the James Mintz Group, Inc.
32 Avenue of the Americas, 21st Floor, New York, NY 10013
Phone: 212-489-7100; Fax: 212-489-7037
NY License No. 11000030210