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**Bradford Case/BOARD/FRS**

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On September 22 I participated in a meeting organized by the Real Estate Roundtable at which I discussed the Basel II proposal with representatives of several banks and other institutions that will be affected by it. I was joined by David Wright and John Connally of BS&R, David Tate of OTS, Joe Evers and Dan Bailey of OCC, and Tracy Fitzgerald of FDIC. I received the following list of anticipated attendees, although others were in attendance who are not listed:

Lawrence Ackman, Ackman Ziff Real Estate Group LLC; Michael J. Alter, The Alter Group Ltd; Rudolpho Amboss, Lehman Brothers; Stacey M. Berger, Midland Loan Services LP; William Buchanan, Eiger; Martin J. Cicco, Merrill Lynch & Co; Jerome J. Claeys III, Heitman LLC; Bruce R. Cohen, Cohen Capital; Peter D. Corbett, Goulston & Storrs PC; Steven Davidson, The Bond Market Association; Steven Gilbert, Washington Mutual; Patricia Goldstein, Milstein Brothers Realty Investors; Harold E. Holliday Jr., Live Oak Capital Ltd; Richard A. Kessler, Benenson Capital Partners LLC; Ron Lafever, Johnson Capital; Gregory H. Leisch, Delta Associates; Robert J. Lowe, Lowe Enterprises Inc; Lloyd Lynford, Reis Inc; Scott Ian MacIntosh, National Association of Realtors; William J. Maher, Jones Lang LaSalle; Arthur Margon, Rosen Consulting Group; Michael P. McCarty, Simon Property Group; Deborah MacKinnon, Mortgage Bankers Association; Kenneth M. Novack, Schnitzer Investment Corporation; Mark Obrinsky, National Multi Housing Council; Anne L. Raymond, Crow Holdings; Philip A. Riordan, GE Investments; Andrew Siwulec, PNC Real Estate Finance; William E. Sudow, Sidley Austin Brown & Wood LLP; David A. Twardock, Prudential Mortgage Capital Company; Mark Winter, Stewart Title Guaranty Company; and Dennis P. Yeskey, Deloitte.

I presented the attached slides, and led a discussion in which we solicited opinions as to how the agencies should define the exception under which loans financing land acquisition, development, and construction (ADC) should qualify for capital treatment under the low asset correlation treatment (IPRE) rather than under the high asset correlation treatment (HVCRE). The agencies are continuing to discuss this issue. Please let me know if I should provide you any additional information.