

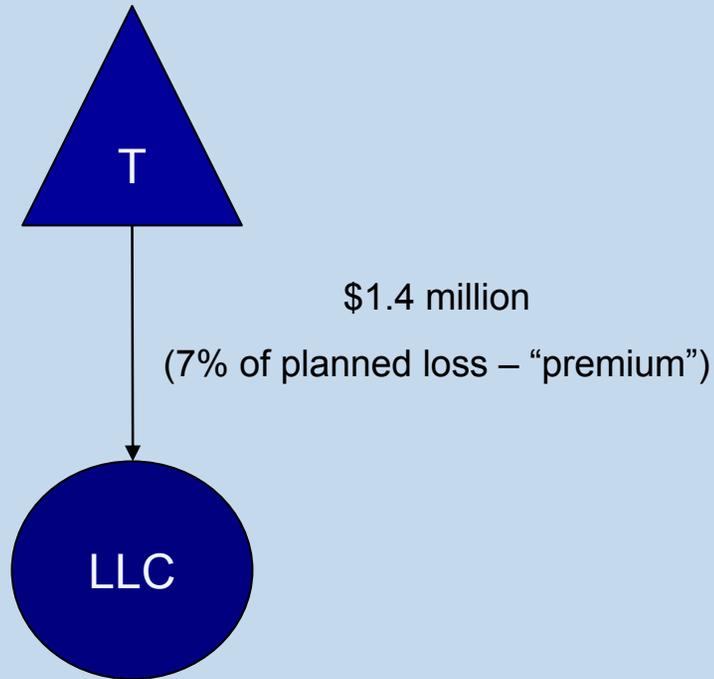
# BLIPS

## Bond Linked Issue Premium Structure

Prepared by U.S. Senate Permanent  
Subcommittee on Investigations,  
Subcommittee Staff of Senator Carl Levin,  
November 2003

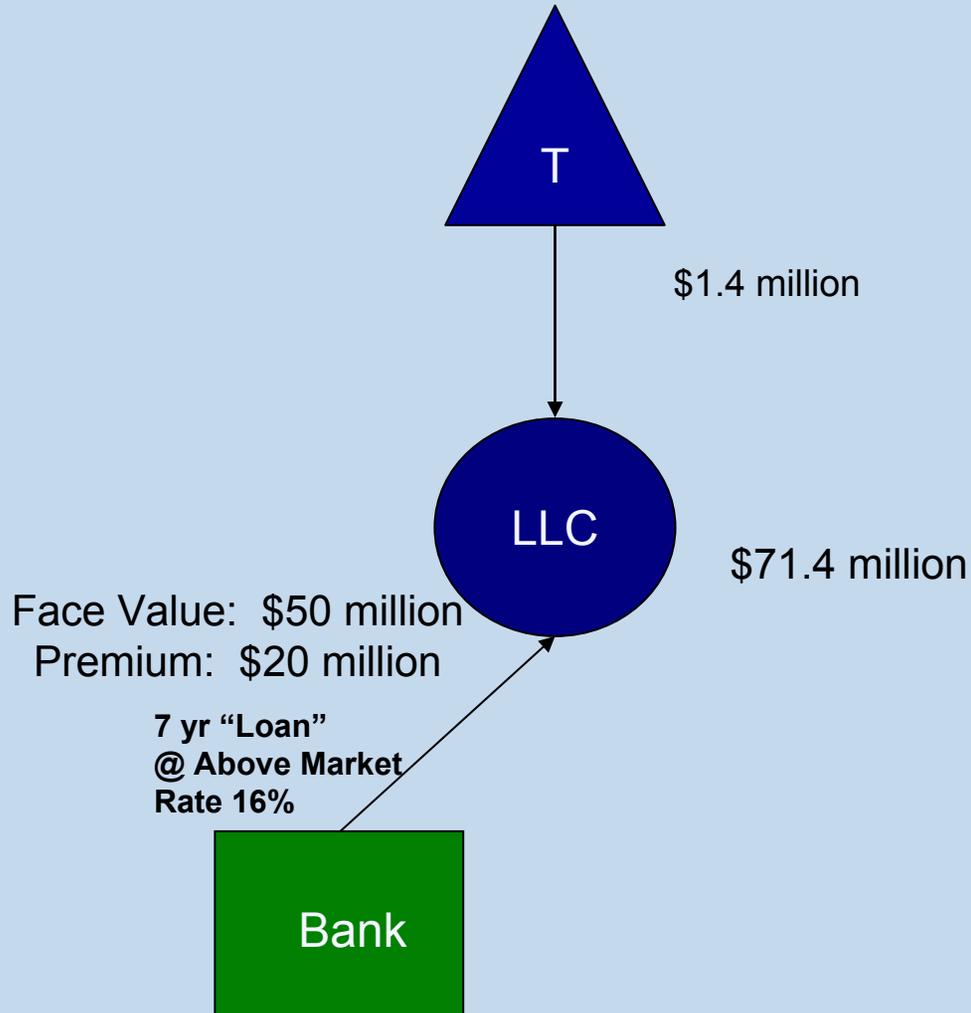
Embargoed  
Until Monday, November 17, 2003

# Taxpayer Transfers Funds to Shell Corp. (LLC)

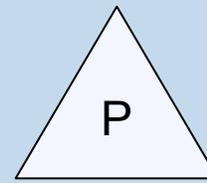


# Bank “Loan” To LLC

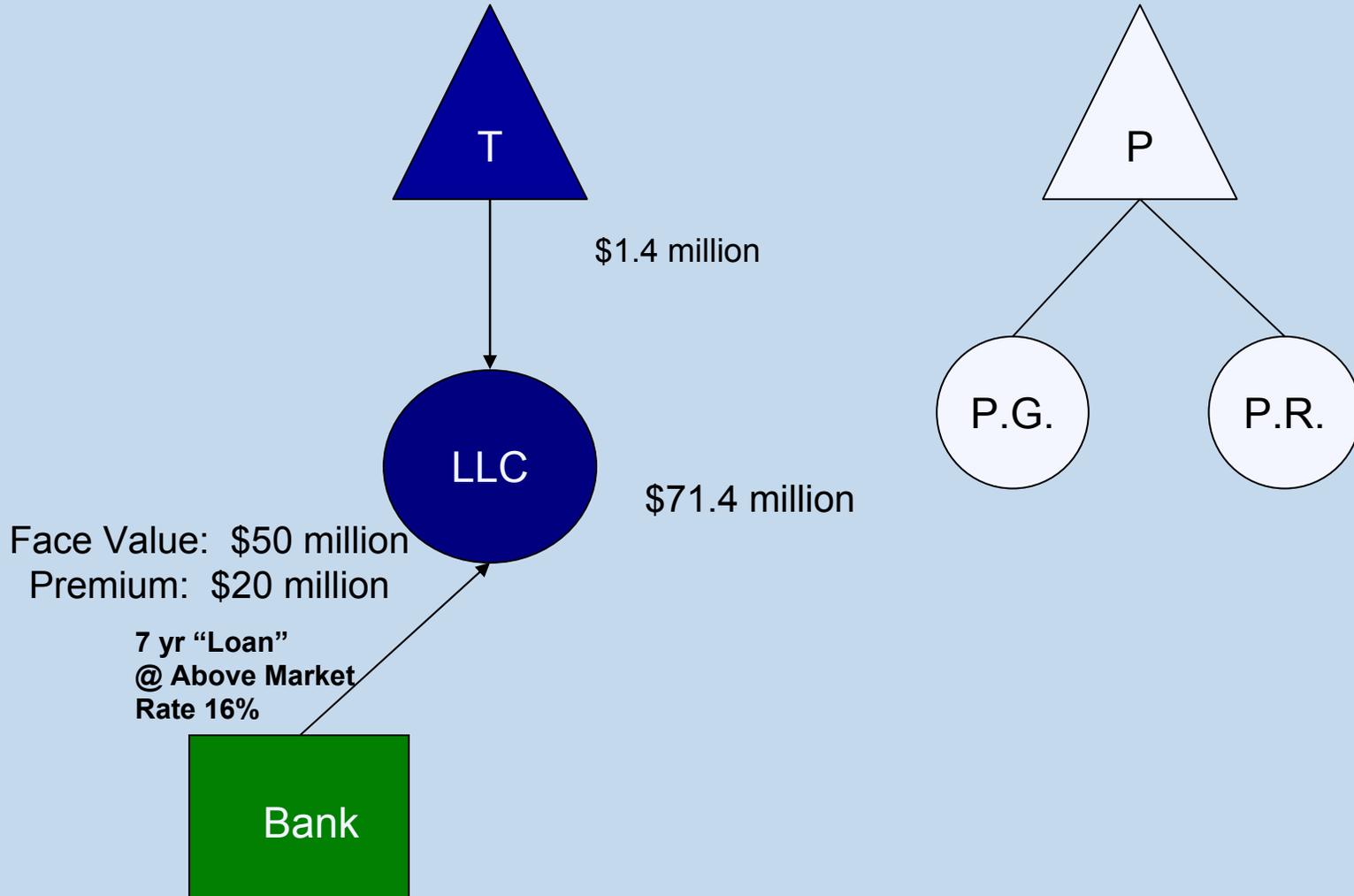
(Collateralized by US Dollars or Euros)



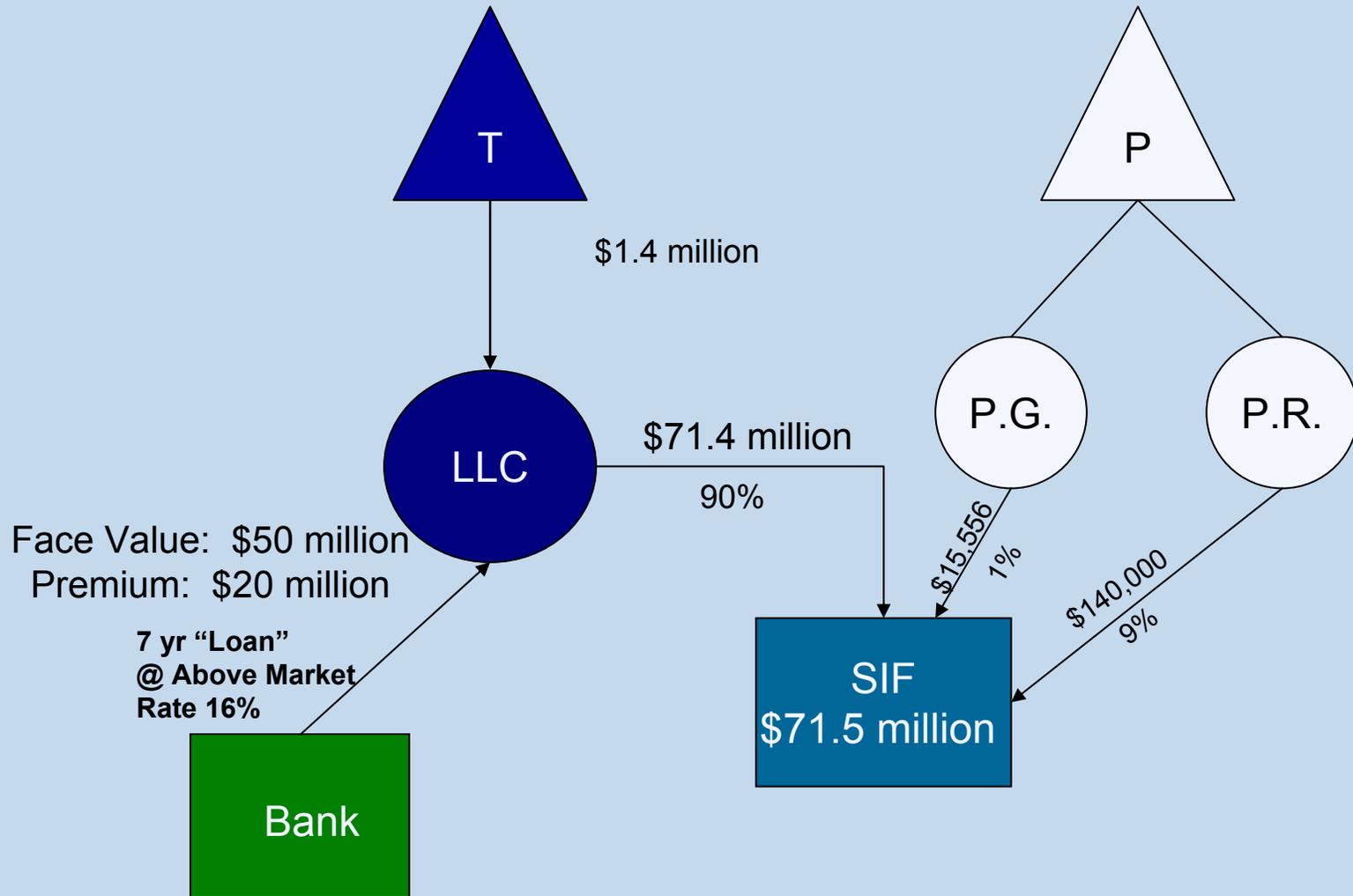
# Presidio



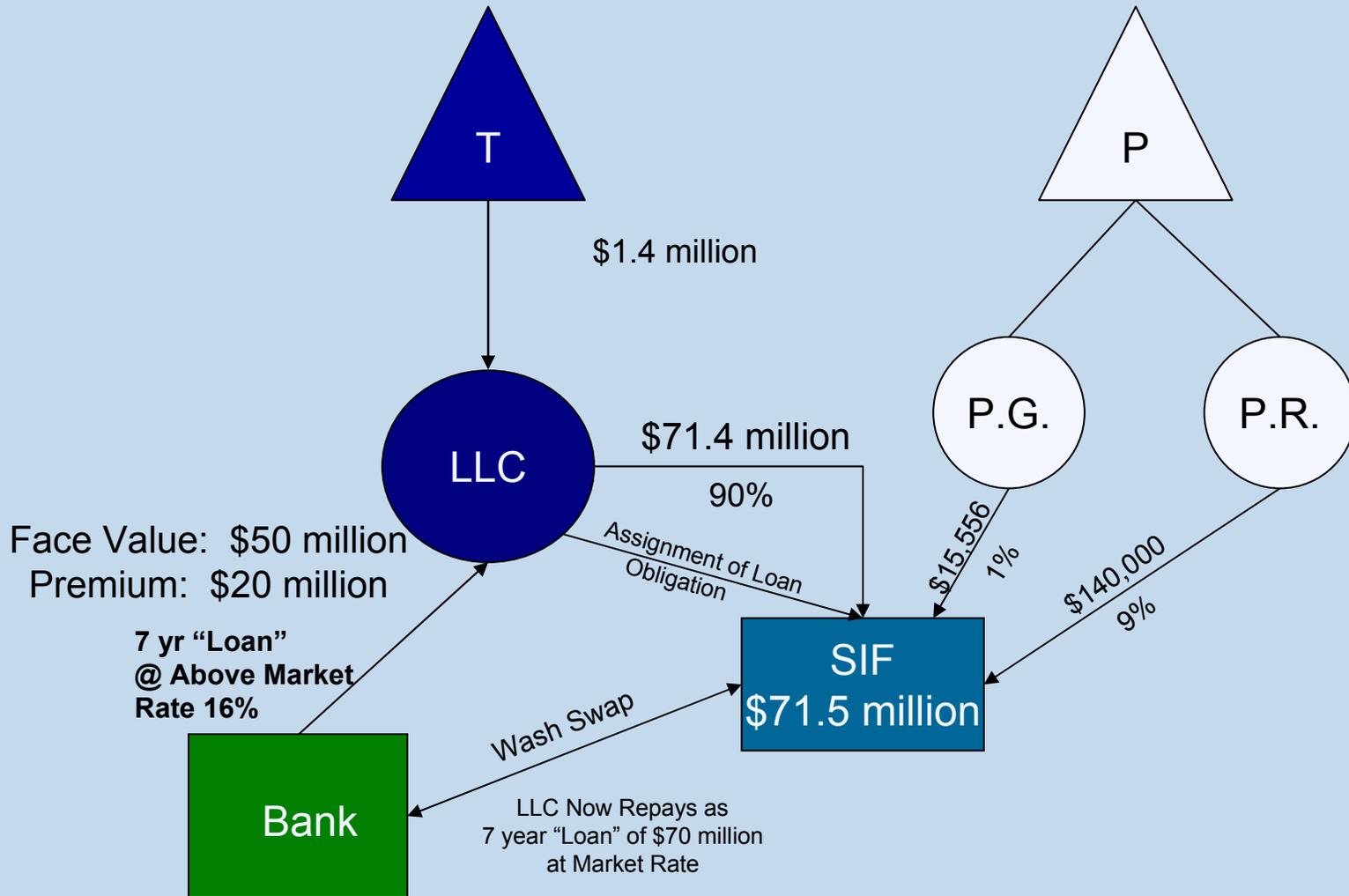
Co-Designer and Implementor of Shelter



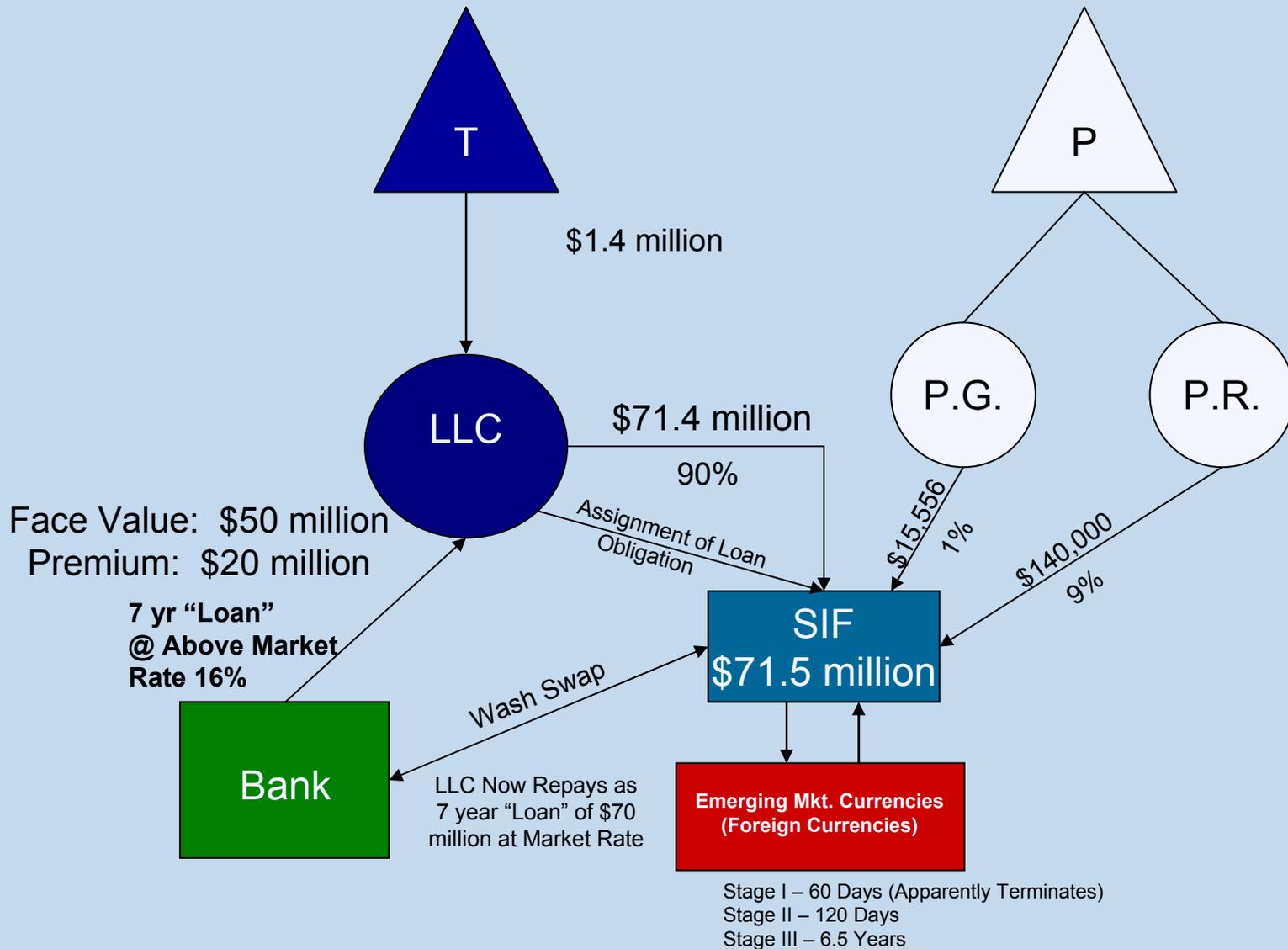
# Creation of Strategic Investment Fund



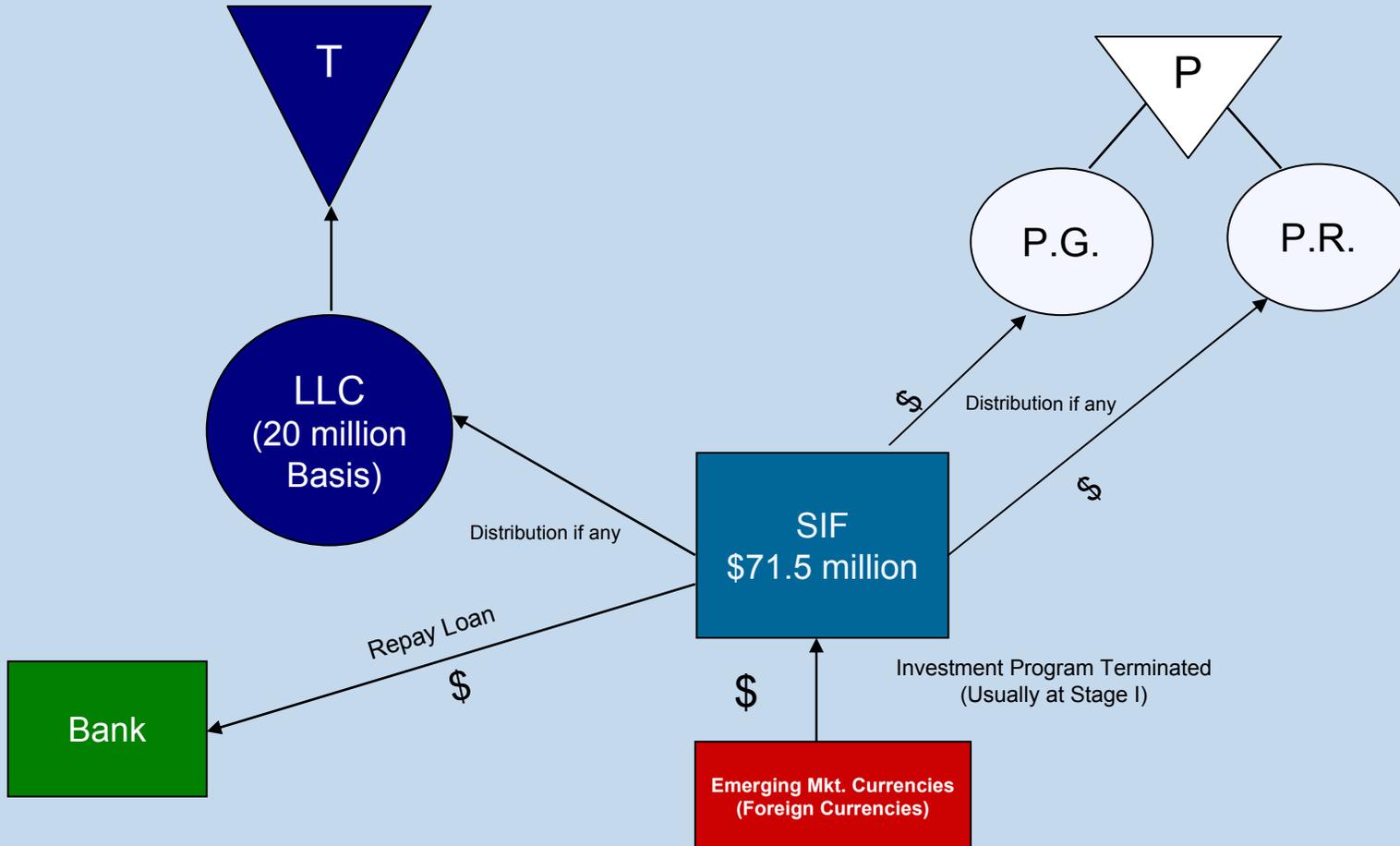
# “Loan” Assumption and Interest Rate Wash “Swap”



# Investment "Scheme"



# Unwind/Termination



Stage I – 60 Days (Apparently Terminates)

Stage II – 120 Days

Stage III – 6.5 Years

Taxpayer Claimed Loss: \$20 million basis (equal to premium) plus capital contribution (\$1.4 million) plus or minus any loss or gain from sale of assets