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September 28, 2007

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Merlin Securities Ranked #1 Prime Broker for Single Strategy Hedge Funds

SAN FRANCISCO, Sept. 28, 2007 – Merlin Securities was ranked the #1 prime broker for single strategy hedge funds in the 2007 Prime Brokerage Survey, the New York and San Francisco prime brokerage services firm announced today. Banc of America, Goldman Sachs, Morgan Stanley, Bear Stearns and UBS also placed in the top 10 prime brokers. A record 2,826 hedge fund professionals participated in the 14th annual survey conducted by Global Custodian, the leading magazine covering the international securities services business.

“Merlin has built an impressive reporting system,” the magazine declared. “In fact, the firm regards its ability to equip hedge fund managers and their investors with real-time valuations of cash and non-cash instruments, plus detailed performance measurement and attribution reports, as its main competitive differentiator.”

The magazine also cited Merlin for achieving “the highest weighted average score for client service of any provider in the survey,” and awarded the firm “Best in Class” rankings in eight of the nine service areas evaluated by single strategy hedge funds: client service, operations, consulting, financing, securities lending, reporting, technology and value. Hedge fund strategies included: long-short equity, market neutral, global macro, event driven, sector, distressed securities, capital structure arbitrage, convertible arbitrage, volatility arbitrage, quantitative, futures/commodities and emerging markets.

“It’s gratifying to be ranked number one, and we are pleased our team is getting the recognition they so well deserve, but we are not really competing with the prime brokers,” said Steve Vermut, Merlin’s founder and managing partner, and former founder and CEO of Montgomery Securities/Banc of America Securities Prime Brokerage. “Hedge funds can have any number of prime brokers (or any number of portfolios or strategies) and still take advantage of our unique performance attribution and reporting systems. No matter where the securities are held, our clients can instantly evaluate total or specific fund performance by portfolio, strategy, asset class, portfolio manager, analyst, trader or any other criteria they believe is significant, on a daily, weekly, monthly, annual or since-inception basis. It’s the most technologically advanced and client friendly system available today.” More information can be obtained at <http://www.merlinsecurities.com>

In the 2007 Prime Brokerage Survey, the top prime brokers for single strategy hedge funds were:

1. Merlin Securities
2. Banc of America
3. Bear Stearns
4. Morgan Stanley
5. Deutsche Bank
6. Merrill Lynch
7. UBS
8. Goldman Sachs
9. Fimat
10. Credit Suisse
11. Lehman Brothers
12. Citigroup
13. Barclays Capital
14. J.P. Morgan