Stephen Hodges

From: Stephen Hodges
Sent: Wednesday, December 20, 2023 1:34 PM
To: Andrew Murstein
Cc: Anthony Cutrone
Subject: Re: Our discussion

Andy & Anthony,
I appreciate you jumping on the call. I thought it was a productive discussion. My takeaways:

- The timeline for submitting board nominees is unfortunate because I do think we could find a solution that suits both of us.
- We have invested in you for almost 3 years so clearly we're not short-term focused.
- We do believe our TruPS are exposed to "equity-like" risk in the downside but not in the upside.
- You mentioned potentially paying us off or finding an alternative solution. Clearly that would reduce the risks we referenced above.
  - Please let us know as soon as possible what your thoughts are so we can plan accordingly.
- In response to paying us off, I will also take a look at our numbers, update forward SOFR and let you know what level of discount we think it's worth getting out or staying in. We will also need to consider foregone interest income which will total ~ $1.2MM over the next 12 months.
- We can also consider a debt to part cash/part equity swap (rather than a debt/equity swap) which could result in the retirement of all our debt and give us equity exposure going forward. Candidly, we think market valuations for most equities are way too high at the moment and based on hope rather than fundamentals.
- We think the core business has bright spots, and could be a solid platform, but there are plenty of headwinds too and the non-bank business lines are material drags on performance.

If there are any errors you believe I have made in my analysis, particularly in "Part 2" please let me know. I do want to stress that we don't think things are terrible but they aren't trending well either (even relative to the last cyclical peak) and we are most afraid of the impact of consumer weakness in 2024 and a market over-reaction to an MFIN stumble.

Sincerely,

Stephen Hodges | President
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