

Preferred Stocks

May 8, 2006

S&P 500: 1324.66



<u>High Yield Preferred</u> **	<u>Industry</u>	<u>S&P/Moodys Rating</u>	<u>Call Date</u>	<u>Current Price</u>	<u>Yield to Call</u>	<u>Yield to Maturity</u>	<u>Current Yield</u>
Rochester G&E 6.65% (RGE) 6/15/32	Electric Utility	AAA/Aaa	6/20/07	\$25.22	6.76%	6.66%	6.6%
DuPont \$4.50 Preferred (DDprB) 7/7/37 *	Chemical	A/NA	NA*	\$81.90	NA*	5.52%	5.5%
SBC Communications 7% (SBT) 6/1/41	Telecom Utility	A/A1	6/13/06	\$25.34	7.00%	7.00%	6.9%
Georgia Power 6% Series A (GPJ) 10/15/33	Electric Utility	A/A2	10/23/08	\$22.81	6.62%	6.73%	6.6%
PSEG Funding Trust II 8.75% (PEGprU) 12/31/32	Electric Utility	BB+/Baa3	12/17/07	\$26.15	6.36%	8.41%	8.4%
American Financial Group 7.12% Debs. (AFE) 2/3/34	REIT	BBB/Baa3	2/3/09	\$25.10	7.03%	7.11%	7.1%
PS Business Parks 8.75% Series F (PSBprF) 1/24/07	REIT	BBB/Ba1	1/28/07	\$25.52	7.18%	8.69%	8.6%
St. Paul Capital 7.6% Trust (STA/prA) 11/15/50	Insurance	BBB-/Baa1	11/13/06	\$25.14	7.50%	7.59%	7.6%
S. California Edison 4.24% (SCEprC) 2/15/56 *	Electric Utility	BBB-/Ba2	NA*	\$18.60	NA*	5.70%	5.7%
UNUM Provident 7.25% Pines (UNN) 6/15/32	Insurance	BBB-/Baa3	6/25/07	\$24.17	7.59%	7.64%	7.5%
Mills Corp. 8.75% Series E (MLSprE) 12/31/49	REIT	NR/NR	5/5/08	\$23.48	9.36%	9.36%	9.3%

* Perpetually Callable

<u>Convertible Preferred</u> **	<u>S&P/Moodys Rating</u>	<u>Current Price</u>	<u>Conversion Parity</u>	<u>Conversion Ratio</u>	<u>Call Date</u>	<u>Current Yield</u>
Schering-Plough 6% (SGPprM)	BBB/Baa3	\$51.30	\$43.44	2.2451 shares	9/14/07	5.9%
Hartford Financial Services 6% (HIGprA)	A-/A3	\$80.00	\$79.51	0.8674 shares	11/6/06	3.8%
Unum Provident 8.25% (UNMprA)	BB+ /Ba1	\$34.82	\$34.16	1.8843 shares	5/15/06	5.9%
Supertel Hospitality Convertible Preferred A (SPPRP)	NR/NR	\$10.15	\$9.58	1.77 shares	1/1/09	7.9%

**Potential Original Issue Discount (OID) tax generation

**All Issues Mentioned Herein Rated OUTPERFORM

Dropped Coverage on AGL Capital Trust II 8% Preferred due to redemption announcement by parent company

Dropped Coverage on CMS Energy Trust Series I 9% Preferred due to redemption announcement by parent company

For important disclosure information regarding the Firm's rating system, valuation methods and potential conflicts of interest, please refer to the back page of this report

707 East Main Street, 20th Floor ■ Richmond, Virginia 23219
P.O. Box 1459 ■ Richmond, Virginia 23218-1459

804.643.2400 ■ 800.767.2424
FAX: 804.343.3308

www.AndersonStrudwick.com

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Securities Investor Protection Corporation

Steven F. Marascia
Vice President Research
(804) 344-3806 / (800) 767-2424
smarascia@andersonstrudwick.com

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A&S performed investment banking for Supertel Hospitality and also makes a market in it.

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