

# Preferred Stocks

November 1, 2007

S&P 500: 1508.44



<b>High Yield Preferred *</b>	<b>Industry</b>	<b>S&amp;P/Moodys Rating</b>	<b>Call Date</b>	<b>Current Price</b>	<b>Yield to Call</b>	<b>Yield to Maturity</b>	<b>Current Yield</b>
DuPont \$4.50 Preferred (DDprB) 7/7/37 ***	Chemical	BBB+/NA	NA*	\$78.00	NA*	5.79%	5.8%
Georgia Power 6% Series A (GPJ) 10/15/33	Electric Utility	A/A2	10/23/08	\$23.91	6.31%	6.37%	6.3%
American Financial Group 7.12% Debs. (AFE) 2/3/34	REIT	BBB/Baa3	2/3/09	\$24.56	7.28%	7.30%	7.3%
S. California Edison 4.24% (SCEprC) 2/15/56 ***	Electric Utility	BBB-/Baa3	NA*	\$19.35	NA*	5.48%	5.5%
<b><u>Initiating Coverage:</u></b>							
Bank of America Cap Trust XII (BACprC) 8/2/11	Banking	A+/Aa2	8/2/11	\$24.58	7.42%	7.00%	7.0%
United Dominion Realty 8.5% Preferred 11/15/08**	REIT	BBB/Baa2	11/15/08	\$25.60	5.88%	5.89%	8.3%

\*Potential Original Issue Discount (OID) tax generation

\*\*Pays Monthly Dividend

\*\*\* Perpetually Callable

<b>Convertible Preferred *</b>	<b>S&amp;P/Moodys Rating</b>	<b>Current Price</b>	<b>Conversion Parity</b>	<b>Conversion Ratio</b>	<b>Call Date</b>	<b>Current Yield</b>
Supertel Hospitality Convertible Preferred A (SPPRP)	NR/NR	\$12.50	\$12.76	1.77 shares	1/1/09	6.4%

All Issues Mentioned Herein Rated OUTPERFORM

*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*

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The distribution of investment ratings used for companies whom we have performed banking services in the last 12 months are: (1) 60%, (2) 40%, (3) 0%

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