

# Preferred Stocks

October 17, 2008

S&P 500: 940.55



<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***	\$77.74	NA***	5.80%	5.8%
Georgia Power 6% Series A (GPJ) 10/15/33	Electric Utility	A/A2	10/23/08	\$21.38	7.04%	7.27%	7.0%
American Financial Group 7.12% Debs. (AFE) 2/3/34	Property/Casualty	BBB/Baa2	2/3/09	\$13.50	NA***	13.55%	13.2%
Bank of America Cap Trust XII (BACprC) 8/2/55	Banking	A+/A1	8/2/11	\$19.54	7.67%	9.01%	8.8%
S. California Edison 4.24% (SCEprC) 2/15/56 ***	Electric Utility	BBB-/Baa3	NA***	\$17.35	NA***	6.19%	6.1%
CBS Corp. 7.25% Preferred (RBV)	Broadcasting	BBB/Baa3	5/22/08	\$16.48	11.12%	11.12%	11.0%
Comcast 7% Preferred (CCT)	Cable TV	BBB+/Baa2	5/15/11	\$19.50	18.56%	9.16%	9.0%

Removed United Dominion Realty 8.5% Preferred 11/15/08 - Lowering rating to NEUTRAL due to potential 11/15/08 call.

<b>Corporate Bond</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>
Markel 7.5% Series due 5/22/46 (cusip 570535203) ■	Property/Casualty	BBB/Baa2	8/22/11	\$19.04	10.03%	10.05%

<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	\$6.75	\$4.51	1.77 shares	1/1/09	11.9%

All Issues Mentioned Rated OUTPERFORM

\*Potential Original Issue Discount (OID) tax generation

\*\*Pays monthly dividend

\*\*\*Perpetually Callable

■ Initiating coverage

*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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Anderson & Strudwick performed investment banking for Supertel Hospitality and also makes a market in it.

The distribution of investment ratings for all companies in our coverage universe is as follows: (1) 44%, (2) 55%, (3) 1%

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