

Review of Downward and Colleague Feedback

IV - 1

FID Banking Form

Spencer C. Young

Evaluator Name

Comments

Provide specific comments on the attributes and skills described above. Comments should discuss key qualities of leadership, teamwork, and cross-selling. Comments should cite specific strengths and weakness using examples where possible

Downward CommentsWithin Fixed Income

Friend, Warren H (E)

Spencer is very effective at using his vast product knowledge to win business (job skills). He is able to maintain and build solid relationships with commercial mortgage conduit flow partners because of his focus on detail and experience in originating commercial mortgage loans directly. He is particularly good in the execution of conduit partnerships and whole loan transactions because of his organizational skills, knowledge of the commercial loan product, and experience with financial institutions in general. He has been instrumental in securing new financial institution conduit flow partners (ABN-AMRO, BB&T, First Empire, Nationwide Insurance, and Tokai Bank) and maintaining existing financial institution conduit flow partners (Mellon Bank, Home Savings). Spencer, though, needs to work on his presentation skills for initial business pitches. He needs to focus on the effect of the product on the client as a whole and avoid getting into the details of actually originating loans with senior managers of the client. Spencer needs to better understand the audience he is pitching, and focus on convincing senior people of the concept of being involved in various aspects of the CMBS business. Spencer is focused on maximizing profit for the firm, and works very hard at convincing accounts to complete transactions that maximize both the client's and MSDW benefit. In particular, he has been able to move both Union Bank of CA and Tokai Bank of CA into selling MSDW whole loans and away from participating directly in a securitization. Whole loan sales reduced the risk of future spread fluctuations for the client and gave MSDW the flexibility to use the loans in a number of different transactions. Spencer needs to focus on his role as a leader and mentor to the originators/deal team and let those that work with him take certain responsibilities. As in the case of the First Empire account, Spencer must coordinate with the day to day deal maker on conversations he has with the account concerning deals in progress. Spencer will discuss deals with the accounts and make decisions on specific deals without checking with the underwriter/deal maker on the current status of the transaction. Additionally, this makes the underwriter/deal maker feel that his input is less valuable in the process.

Westerfield, John E. (N) (EvdDir)

Strengths - 1. Business Development Skills - Very good at converting leads to real revenues. Closer. Thoughtful and creative thinker on business development pitches. Highly responsive to clients. 2. Organization/Management Skills - Sets goals, keeps track of them and achieves results (example is his monitoring of a personal goal planner). Applies these skills to both internal conduit organization and to client relationships. Detail oriented, professional, thorough. 3. Client relationship building - Highly responsive to clients. Understands client goals. Really solidifies MS relationships. Weaknesses - 1. Needs to work on presentation skills more. Has made great strides in this area this year but still could be more forceful. 2. Needs to be more forceful internally about making recommended changes in the conduit. Seems not to be able to get his suggestions into implementation. 3. Needs to be careful to qualify leads more. Such a focus on business development only seems to hurt his internal credibility with trading desk.

Outside Fixed IncomeSmith, William B (L)
(IM Realty/GWMS)

I have observed Spencer only within the office and have not observed him in any client situations. Since joining REDCM about 18 months ago Spencer has had a major impact on the organization and management of the small loan conduit program. He is well organized and a good manager. People like Spencer who has a pleasant personality. He is serious about his job, very professional and detail-oriented which are important attributes for his internal responsibilities. Great team player.

Head of Morgan Stanley's
Real Estate Investment
Banking Group

Colleague CommentsWithin Fixed Income

Bajaj, Arvind (N)

Spencer is an extremely aggressive banker. He has been very effective in converting his client base (financial institutions) into lucrative opportunities for REDCM. We have worked together on a variety of situations: Summit Properties, West Coast properties, Allied Capital, etc. In every case, he has shown strong judgement.

Bowman, James R. (N)

Spencer is a real pro. All of our client meetings have been successful. He articulates information clearly and effectively regardless of what level in the organization he is dealing with. Spencer is always willing to get on a plane on short notice if a good business opportunity exists. Spencer effectively communicates developments to me from meetings I can't attend or problems that might have arisen behind the scenes. I believe Spencer is an extremely valuable member of the team. Specifically, he has added a great deal on the Norwest, U.S. Bancorp, and Michigan National accounts. This is true of the marketing efforts and the execution where conduits agreements are in place and relationship management is the key.

(v) - Voluntary Evaluation

Legend for degree of involvement: (E) Extensive Involvement; (N) Normal Involvement; (L) Limited Involvement; (U) Unable to Evaluate

Legend: (EvdDir) Evaluation Director; (CoDir) Evaluation Co-Director; (DirMgr) Direct Manager

Confidential

MS-SY- 000493

Review of Downward and Colleague Feedback

IV - 2

FID Banking Form

Spencer C. Young

Evaluator Name	Comments
Grosbeck, Jonathan M. (N)	<u>Spencer has done an incredible job bringing all the resources together to build a credible commercial conduit business. He has been effective in front of clients and has been able to maximize results internally from our scarce resources. Spencer is always available for client calls, visits and is perceived highly for his knowledge and integrity.</u>
Haberkom, Elizabeth A (N)	<u>Spencer demonstrates strong professional, organizational and management skills. He is disciplined, goal oriented and accomplishes assignments efficiently. He is well respected and liked by his clients. He is hard working and manages teams well to get the deal done. Spencer may be more effective with younger team members by sharing responsibility and opportunity for challenging assignments. From time to time, his client dedication and enthusiasm may be interpreted as other than a team approach; he may want to be more sensitive to other team members.</u>
Kok, George H (E)	<u>Spencer is very client focused and a tremendous advocate for his clients. Spencer has outstanding organization skills and provides outstanding customer service to his clients. Spencer pursues deals vigorously and has produced several large portfolio transactions for the conduit (Lembi, UBOC, Maggellan). Spencer was very instrumental in completing these transactions and without his leadership the deals might not have happened. Spencer has extensive conduit lending experience and generally has good judgement when the transaction is not his own. On his own transactions, Spencer views can be parochial and he is willing to waive conditions or push underwriting to the edge to meet the clients expectations. This has resulted in several difficult conduit credit committee meetings. In addition, Spencer doesn't always work within the established global framework or discuss ideas he is pursuing with his peers before committing to a client. This has resulted in delays in pricing deals until an underwriting review can be completed and confused staff who don't know what Spencer has agreed to or how to accomplish it. After much effort, I have established a working relationship with Spencer. I have found the best way to work with Spencer is to focus on his strengths and remain aware of his development needs. Spencer has been very helpful in trying to develop commercial real estate opportunities with my accounts. he was willing to go on some account calls that although did not result in any business for him, has helped pave the way for subordinate cmts purchases and potential loan sales. there is a major collateral provider that he covers, who thinks very highly of his opinion and ideas and that in part helps us continue to buy a large amount of commercial real estate loans (closed approx 200mm year to date). Spencer was able to change the way we bought loans from the account due to operational problems their field offices were having selling us loans which has greatly helped the situation.</u> hide an issue in a memo rather than discuss directly, can overpromise to a client thereby attempting to limit the desks and underwritings ability to modify or approve deals, at times more focused on client than bottom line, very attentive to detail but if a mistake is made blames on associate, gets too involved in some transactions,
Moore, Michael A. (N)	Spencer has a good knowledge and technical expertise. He develops good relationships with clients and keeps his team members up to date. Works well with fixed income sales.
Mozer, Francine L (N)	Spencer is creative and is an actively seeks ways for us to improve the loan origination effort. He has many ideas, and works hard to integrate them into the broader group mission. He spends extensive time with his clients, and has done an effective job of developing new business relationships. He is very well organized, and is results oriented. He is a staunch advocate for his clients. I believe that Spencer wants to be a team player, and in most ways he is. However, he needs to be mindful of how others will react to his actions, even though he has no malicious intent. He also needs to be sure to follow up on issues (even if they seem mundane to him) when they are his responsibility.
Rabbany, Russell A. (N)	Spencer is a very diligent worker who puts in long hours. He has developed and maintained many important relationships for REDCM. He is a very good advocate for his clients and procures the necessary MSDW resources for them. He is very aggressive. He needs to better estimate the value to REDCM of some of these relationships in terms of revenue potential. He seems to think every client has the potential to generate massive revenues and wants a lot of resources devoted. He should trim some marginal accounts
Stern, Steven S. (N)	<u>Outside Fixed Income</u>
Metcalf, Guy A. (L) (IBD)	Leadership: <u>Spencer did a great job in working with one of my clients (Magellan) to close on financings of over \$130MM, netting the Firm over \$3MM. The CEO and CFO of Magellan had the highest level of confidence and trust in Spencer, as a result of Spencer's straight forward, honest advice and term sheet(s) and ability to deliver on what he promised.</u> Cross-Selling: One area of improvement would be for Spencer (and other REDCM professionals) to be more knowledgeable about other MSR products and improve their cross-selling efforts. In one instance (Magellan), the client told me that they were 'oversold' on the availability of MSR's other product areas (specifically MSREF), which caused the client to be less committed to MS when we could/did not deliver MSREF in a particular situation.

(v) - Voluntary Evaluation

Legend for degree of involvement: (E) Extensive Involvement; (N) Normal Involvement; (L) Limited Involvement; (U) Unable to Evaluate

Legend: (EvDir) Evaluation Director; (CoDir) Evaluation Co-Director; (DirMgr) Direct Manager

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