



Stablefooting Incorporated™
Loss Mitigation Investment Fund

**A Global Real Estate Acquisition
and Enterprise Investment Company**



Information purposes only. This is not an offering.

Stablefooting Incorporated™ (SFI) provides a Loss Mitigation Investment Fund (LMI), which is a homeownership Parental Capitalist fund that is utilized as an assurance guarantee to protect investment products underwritten by Mortgage Backed Securities (MBS), Collateralized Debt Obligation (CDO) and other financial instruments that are also attached to the same mortgage-borrower source.

Stablefooting Inc.™ provides the financial industry with knowledge of an investment product that if not attached to new mortgage investments at the point of mortgage origination, the loan is then classified and an unsecured investment.

Moving forward, all new mortgage packages sold to the secondary market should now require that all mortgage lenders requesting capital possess Stablefooting's Emancipation Rights assurance guarantee if they want to achieve recapitalization funding.

INVESTMENT STRATEGY

Stablefooting Incorporated™ has identified a superior investment source that can efficiently reduce the risk factor of distressed asset pools by 99.9%. Stablefooting offers banks, mortgage originators, mortgage originators that are permanent mortgage holders, mortgage backed security holders, and mortgage bond issuers with an "Account Reconditioning Platform" to avoid losses by write-downs or charge offs. Stablefooting changes its asset investment focus based on the structural initiatives of its patents first application, which attains a more realistic approach to the refortification of a non-performing asset.

The Stablefooting patent has two key applications, a risk management application that performs Emancipation Rights servicing for lenders, borrowers, and first position investors* and a Loss Mitigation Investment fund (LMI) for mortgage distressed investment solutions. The LMI is designed to recapitalize the diluted weighted value of the principal asset held in the first position, by conducting a pair trade. The fund can hedge the investors first mortgage backed security position with a second LMI position to avoid loss and convert the diluted asset into a new high yielding investment. (Shown in Exhibit 1.)

INVESTMENT FOCUS

The fund investment focus targets the borrower and classifies the borrower as the new and the best asset criteria for post-loan mortgage back security investing. In focusing on the borrower, we created a "Human Asset Class" and investment model that brings to bear transparency, accountability, and a sense of direction, by allowing the fund to work within both disciplines of cause and effect equally. The human asset focus and investment model of the fund can dramatically reduce and de-leverage the stress load and investment default risk of mortgage-backed securities and other CDO pools, while providing an organic investment vehicle to yield a higher rate of return. (Shown in Exhibit 2.)

- *First position investors represent persons or entities that have purchased mortgage backed securities or are long-term holders of mortgage promissory notes.*



Exhibit 1
Stablefooting, Incorporated
LMI - Loss Mitigation Investment Fund

LMI Pair Hedge vs. No Pair Comparison

Color Code

Indicates Traditional MBS Transaction

Illustrates MBS Transaction with LMI Pair

Demonstrates LMI Cause and Effect

Equals Totals For Year

For: Mortgage Backed Securities - Collateralized Debt Obligations - Mortgage Related Fixed Income Investments

Participation of Loss Mitigation Fund as Pair Hedge with Mortgage Backed Securities Fund - Example with No Defaults

Participation	Total Investment 100% Exposure	Mortgage Backed Securities (MBS) 80% of Total Investment	Loss Mitigation Investment Fund (LMI) 20% of Total Investment
Total Investment	\$1,000,000.00	80% = \$800,000.00	20% = \$200,000.00
Rate of Return		ROR at 7%	ROR at 10%
Earnings		Earnings \$56,000.00	Earnings \$20,000.00
Total Year		\$856,000.00	\$220,000.00
EX1 Total Year Combined			\$1,076,000.00

7.6% Combined Return Rate with NO Defaults

Participation of Loss Mitigation Fund as Pair Hedge with Mortgage Backed Securities Fund - Example with 10% MBS Default Rate

Total Investment MBS	Return Rate	Earnings	Totals
\$800,000.00			
Default Rate of MBS 10%			
Performing 90%	7%	\$50,400.00	\$770,400.00
Non performing "Cured" 10%	7%	\$5,600.00	\$85,600.00
Total Investment LMI			
\$200,000.00			
LMI Cures MBS Defaults			
\$80,000.00			
LMI Reserve	10%	\$12,000.00	\$132,000.00
Returned to LMI after Repair (New Mortgage)	10%	\$8,000.00	\$88,000.00
EX2 Total Year	Combined With 10% in Default Cured by LMI		\$1,076,000.00

No Reduction In Rate of Return despite 10% default rate



Normal Mortgage Backed Securities Investment (No Pair) - No Defaults

Investment	\$1,000,000.00	
Rate of Return	7%	
Earnings	\$70,000.00	
EX3 Total Year	\$1,070,000.00	No Defaults

Return Rate 7% a reduction of .6% from above listed examples

Normal Mortgage Backed Securities Investment (NO Pair) - 10% Default Rate

Investment	Return Rate	Earnings	Totals
\$1,000,000.00			
Default Rate 10%			
Performing 90%	7%	\$63,000.00	\$963,000.00
Non performing 10%	1/2	\$50,000.00	\$50,000.00
EX4 Total Year	With 10% in Default		\$1,013,000.00

Liquidated at 50% of Value

Rate of Return reduced from 7% to 1.3%. Larger reduction from 7.6 return of Pair-Combination example listed above.

Read Further

Distressed Asset Lifecycle

Phase I – Identification of Problem (Exhibit 2.)

Stage 1.

Loan Acceptance

Lowest Stress Load

Focus: 100% person/human Asset.

Performance: Due Diligent of loan feasibility.

Means: Fico, LTV, and DTI.

Methodology: Determine a “person” ability to repay which sets a mandatory pre-lending standard.

Type of Industry: Mortgage Origination.

Product: Mortgage Loan.

Results: Guaranteed zero risk of failure via sole focus on human asset capabilities and borrower meeting the requirement goals of the lender.

Pre-loan Environment

Stage 2.

Non-performing Challenge

Moderate Stress Load

Focus: 50% human/50% hard asset.

Performance: A temporary or short-term work-out strategy and insurance bond coverage.

Means

By workout

strategy:

> Short Sale

> Partial Claim

> Refinancing

By insurance:

> PMI

> Bonds

> Loan loss

Provisions.

Methodology: Preserve the financial integrity of the loan for as long as possible.

Type of Industry: Mortgage Holders

Mortgage Security

Investors & Bonds.

Product: Mortgage Loan.

Results: Transformation of focus is what creates fault-lines & stress fractures that under high stress loads if the means are unable to resolve the non-performing contracts then forced liquidation is inevitable.

Executed-loan Environment

Stage 3.

Non-performing Collapse

Highest Stress Load

Focus: 100% Hard Asset.

Performance: Forced Liquidation.

Means: Foreclosure, Bond cash-in.

Methodology: Avoid total collateral damage by recovering as many pennies on the dollar as possible.

Type of Industry: Mortgage Holders, Mortgage Security, Investors & Bonds Issuers.

Products Mortgage loans, Mortgage

infected: back securities, Tax dollars, Business loans, auto loans, bonds & credit industries.

Results: Panic, cross fertilization of wide spread financial breakdown, caused by an inappropriate target of focus – giving birth to a multi-Trillion dollar industry in the new post loan investment market.

Post-loan Environment



THE LMI FUND

The purpose of the Fund is to provide 99.9% coverage and protection of mortgage backed securities investments and other CDOs, to create cash fluidity in the lending system so banks can start lending and provide banks with a better reporting of risk disclosure to enhance their balance sheets and become better inline with GAAP and SARBANES-OXLEY requirements. In addition, the fund was created to provide a standard common ground investment platform for distressed investors to invest without causing intentional or unintentional damage to the economy.

The LMI fund is a private equity and Parental Capitalist Fund that primarily targets distressed assets lead by mortgages. The fund implements a unique binary operation that creates “A Controlled Predictability” of risk, earnings, and investment outcome for its investor.

Entitled “Loss Mitigation Investments (LMI)”, the fund is patent protected and utilizes its binary capabilities to enhance the strength and value of the fund by deploying reengineering tactics to convert forced liquidation assets back to solvency. The funds creative elements behind its operations are rooted in the redirection of its investment focus, which is made possible through the funds logistical risk management side enabling a new asset class to emerge within an investment industry called the Loss Mitigation Investment Recovery Market or Post Loan Environment Investing.

In changing our direction of focus, the fund can efficiently and effectively replace the flawed and systemic “pennies on the dollars–hard asset flip model” with a human asset development model. This model constructs a complete full dollar recovery solution and constructs an investment vehicle that limits the governments risk exposure in the reallocation of emergency bailout funds. The LMI fund provides a self-contained investment strategy that can sustain and stabilize its own investment eco-system due to its binary relationship to the Stablefooting patent.

The funds pragmatic approach brings to bear the solution for other financial instruments that are attached to the same mortgage source (borrower), whereby the fund can change the direction and outcome of other weakened financial debt lines such as auto loans, business loans, credit cards, and the like. The LMI fund’s realignment capabilities allow for the organic capture and intrinsic reinvestment value to be aggregated for a multi-trillion dollar market with a reduced risk factor of 99.9% to its user and investor. The LMI fund at this current time is the only EXPERT capable to manage, develop, rate and evaluate HUMAN ASSET RISK.

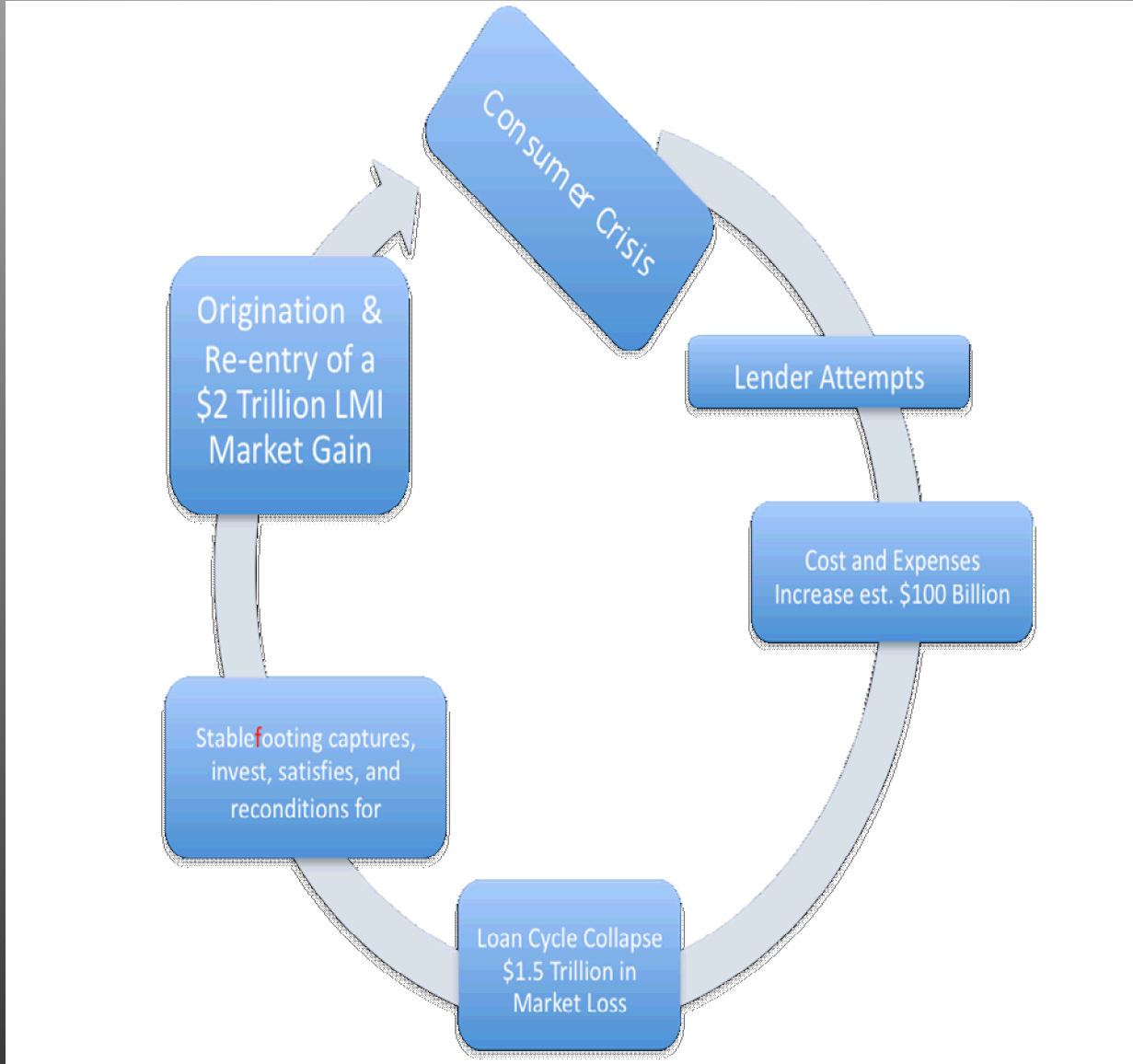
The LMI fund is responsible in collaboration with Stablefooting Incorporated™ and the Stablefooting group of subsidiary companies to calculate and compile risk within the Account Reconditioning Cost and Investment Rate of Return. The LMI fund operates as a strategic financial support structure for the logistical operations of its human assets initiative. And by the same means operates as a hedge fund for its clients to take part in the rebuilding of our nations financial infrastructure, one homeowner, one business owner at a time.

The fund is backed by the full faith of the borrower’s contractual agreed commitment to restructure. This means the fund has a continual 95% pre-determined buyer rate and cures one of the main challenges distressed asset holders face “the lack of willing and capable borrowers”.

To impart a point of unbiased and historical reference we reference the amount of chapter 13 bankruptcy cases shown, that had a salvage and restructuring system existed for the homeowner, then; 95% of the current challenge would be solved, with tremendous upside investment potential, which includes the cost savings of property inventory expenses. (Shown as an example in exhibit 3; figures are not real)

Distressed Asset Lifecycle

Exhibit 3 – Cost and Expense Verses LMI Profits





FUND STRATEGY

SEEKS

The Fund is a national fund that seeks to invest \$50,000.00 to \$2,000,000.00 in micro to small business owner/homeowners' and one to four family homeowners' through a stock equity participation that is proprietary to the fund.

CULTIVATION

The Funds cultivation strategies of its "customers" are tailored to the specific needs of each Customer Asset Class requirements, therefore; the time of contract maturity may range from 30 days to 8 years.

DISCIPLINE

The Fund adheres to a strict disciplined investment approach implementing 16 key strategic conditions of doing business for homeowners and 20 for businesses. Managers understand that all cases are not the same and all cases are not repairable. In the event the fund model does not fit a particular situation, managers will always provide our best recommendation(s) for a solution.

- Example 1. Property held in title within a Life Estate.
Possible best recommendation: Seek legal counsel
- Example 2. Single-wide Manufactured Home.
Possible best recommendation: Contact original seller or finance company to refinance or possible renegotiation of loan terms.
- Example 3. Houses of worship.
Possible best recommendation: Suggest they obtain legal representation and acquaint them with the possibility of renegotiating loan terms.

DISTINCTION

The Fund managers are the only managers in the world that exercise direct involvement and participation in the rehabilitation of the asset to bring about solid scalable results.

EXIT STRATEGY

The LMI fund has three exit strategies for its clients: Client-to-Client Stock Trade, Client-to-Fund Trade and Loan Fund Against Contract.

CRITERIA

The Fund “Customer Criteria”:

1. One to Four Family Owner-Occupied Primary Residential Homes;
2. Up to 100% LTV with 6% Sellers Concession;
3. Six (6) months seasoning required on refinances
 - a. If a purchase, seller must be vested in title for a minimum of 6 months
4. The SFI service may only be enacted when the customer is 60 or more days delinquent on their primary residential mortgage note;
5. The SFI service is only applicable to primary residential property owners;
6. Term commitments are required for service to any and/or all homeowners;
7. Service is not guaranteed, and homeowner eligibility is at the sole discretion of SFI;
8. Full income and asset verification loans only.

EXPENSES

The Fund carries a recurring 60% charge on the monthly dividend value of the contract (where applicable) and a single back-end load charge of 50% which includes all administration and service operational expenses incurred through the duration of each human asset contracts until maturity. There are no sales fees nor are there service charges for LMI intra-market trades. LMI Portfolio financing is available on a case-by-case basis and said expense ratios will be determine by the most current federal reserves rate.

WHAT IS THE LMI FUND?

Definition

LMI is the acronym for Loss Mitigation Investments, a servicing and investment line within the financial industry to stop and correct investors distressed mortgage fixed income loss; The process of converting bad debt into an investment to create good debt.

Actions

The LMI Fund is a boutique private equity and Parental Capitalist fund administrator under STABLEFOOTING CAPITAL, (a subsidiary) that buys and closes out distressed fixed income debt obligations and converts them into a modified forward contract securities or stock derivative which utilizes the underlying cash flow of its HUMAN ASSET income as a single-stock future, regulated by leveraging the income ability, time horizon and evaluated future home asset price toward its contract settlement date.

Although the LMI also trades on margins, the modifications will allow for dividends (on long-term contracts) due to its exclusivity and market size. To avoid conflict of interest, each futures contract is pre-determined by a certified legal professional retained independently by the “customer/end-user” and governed by an independent, not for profit third party source entitled the “CONCERNED CONSUMER BOARD (CCB)” in full cooperation with any and all regulatory agencies.



The LMI fund offers specialized LOSS MITIGATION EQUITY DERIVATIVE that sells and trades on a closed (to the general public) Stablefooting intranet exchange platform until the asset is fully repaired and is capable for reentry into the common and larger CDOs markets.

The contract settlement date occurs when the customer purchases their new mortgage debt obligation.

The fund acts as the MASTER WIDGET for its “customers” with a surrender bill of lading for default contracts.

The funds impact changes its “customers” and “clients” credit quality by the balance of “full dollar restoration”.

WHAT THE LMI FUND IS “NOT”:

The LMI fund is NOT a special purpose vehicle (SPV), special purpose entity (SPE), nor a special purpose company (SPC).

The LMI fund DOES NOT pool and/or repackage cash flow as under structured financing or securitization instruments nor does the fund issue tranches.

The LMI is NOT an off-balance sheet Orphan structure/shelters. Banks liabilities can be better reported due to the reduction in on balance sheet risk.

The LMI fund utilizes a “Salvage and Restructure principal” within its environment, which is unique to the broader financial markets where the standard principals of measurements are NOT applicable, citing the use of:

- Credit Rating Agencies for funds worthiness;
- Pay off formulas like, but not limited to, forward rate agreements;
- Swaps valuations are NOT applicable;
- The fund DOES NOT offer Put options;
- The fund DOES NOT charge stocks sales commissions;

How does the fund generate its earnings?

The fund and, the investor equally, share the rate of return on each individual “investment” contract’s strike price. Where the 50% to our clients would generate real earnings that range from high single digits to double high single digits returns on investment that were going to yield NO RETURNS.

The fund makes it money first: on an investment hedge platform towards the mitigation against CDOs loss and second: on a trade platform for safe speculation trades, where, if the value of the contracts at the contract settlement date is greater than its strike price; The difference between the strike price and the spot price will determine the moneyness of the contract and divide its added gains by three; one-third of the windfall to the customer/end-user, 1/3 to the investor/client, and 1/3 to its servicing facilitator/SFI.



Pricing

The second marketing price is set by the financial conditions of the Human Asset income, worthiness, and the hard assets appraised value at the time of the contract settlement date.

The fund is driven by:

A team of managers who have an affinity for resolving depressed financial challenges and specialize in distressed financial human asset development as a skill set, trained exclusively by Stablefooting under the guidance and protection of the Stablefooting patented methodology of Salvage and Restructure.

The funds Commitment:

Managers are committed to be the best and to stay ahead of the curve thanks in part to our direct-source business model, which allows the managers to attract and recruit the next generation of AAA managers who possess the same on-going drive, disciplines and dedication to go beyond the standard and provide our clients with the latest in cutting edge technologies and innovations enabling our clients to have a lifetime of premium portfolio returns.

Target Markets for “End-User Customers”:

- Depository Banks
- Mortgage Originators
- Secondary Markets
- Bond Mortgage Holders
- Bankruptcy Attorneys
- Government Agencies of Property Tax liens

Target Markets for “CLIENT CONTRACT PURCHASERS”:

- REMIC – Real Estate Mortgage Investment Conduit
- REIT – Real Estate Investment Trust
- Freddie Mac – Federal Home Loan Mortgage Corporation
- Fannie Mae – Federal National Mortgage Association
- Ginnie Mae – Government National Mortgage Association
- Banks
- Hedge Funds
- Insurance Companies
- Pension Funds
- Mutual Funds
- Government Agencies
- Central Banks
- High Net Worth Individuals
- Private Equity
- Philanthropy Trusts
- Endowments
- Foreign Governments
- Other Specialty Investors who trade or invest in Credit Default Swaps, Equity Swaps, Derivatives, Collateralized Mortgage Obligations (CMO), Asset-Backed Securities (ABS), Mortgage Backed Securities (MBS), Collateralized Debt Obligation (CDO)



General Investment and Privacy Policy

Stablefooting, Inc. Does Not accept investments from the general public. Investor eligibility in Stablefooting Capital is generally required to be “Qualified Purchasers” by definition of the United States Investment Company Act of 1940. Investor eligibility in Stablefooting, Inc. Loss Mitigation Investing and Parental Capital Funds must meet the definition of an “Accredited or Certified Investor” as defined by the CAPCO statutes and rules of the state in which the fund is based.

Privacy Policy

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