

Exhibit 47

From: Peter Stamos
Sent: Friday, October 25, 2002 10:08:15 AM
To: Ashok Chachra; Kevin Okimoto; Ellen T. Horing (E-mail); John D. Shuck (E-mail); David Katz; Saul B. Katz; Spiro Stamos
CC: Howard E. Wolf (E-mail); Derek Daley (E-mail); John and Susie Roos (E-mail)
Subject: Market Performance and SP Capital--Confidential

Confidential--Internal Use Only

SP Capital Team and Advisors:

Our September results--ending the worst quarter since the crash of '87--are promising. Of particular note, our market neutral managers earned 1.05% for the month and approximately 2.8% for the quarter. Perhaps even more impressive, our opportunistic fund, SP Trading, which is managed by David Katz, was up 1.3% for the month and approximately 2% for the quarter. In October, David is already up approximately 4.5%.

With our reallocation for October 1 (taking us to 63% market neutral) we should be well positioned for the fourth quarter. That said, I believe that our core fund ought to be in the 70-75% market neutral (relative value and highly hedged) range by January 1. We are expecting more capital investments for November and will allocate our funds accordingly. I also believe that we should set up the framework for a 'directional fund' by January 1, to be well positioned for some 3-5 year returns beginning in the first or second quarter of 2003.

Sept performance (preliminary, based on estimates):

Total return: -0.82%
Fund I: -0.90%
Fund II: -0.52%

Market Neutral: 1.05%
Event Driven: -0.02%
Equity Hedged: -3.48%
Opportunistic: 1.33%
Global: 0.00%

Thank you all for your great work and support.

Best regards,

Peter

Below is an informative observation from Ezra Merkin. May suggest that the trough--if not the bottom--has been reached or is near...

-----Original Message-----

From: J. Ezra Merkin [mailto:JEMerkin@gabrielcapital.com]
Sent: Tuesday, October 08, 2002 10:20 AM
Subject:

> I took a look at the SPX today to see how far it had dropped from its peak
> (49%) and coincidentally it turned out that the drop for the first time
> exceeded that of 1973 -74. Now I'm no Ned Davis, but that peak to trough
> percentage change would seem to make this market second only to that of
> the 1930's.
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