



Corporate Policies and Procedures Manual
Corporate Governance: Regulation FD; Disclosure Policies

NEW YORK MORTGAGE TRUST & SUBSIDIARIES

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INTRODUCTION

New York Mortgage Trust (together with its subsidiaries, the “Company”) is committed, consistent with legal and regulatory requirements, to maintaining an active and open disclosure policy with its shareholders and potential investors. This policy regards communications with shareholders, analysts and others.

Adoption of an “As-If” Public Culture. Although the policies as outlined herein are effective once the Company is newly capitalized as a publicly listed company or upon a successful private equity raise, these policies are also effective immediately during the Company’s formation phase leading up to the completion of its IPO and/or private equity raise. Thus, although statements and policies herein may describe activities once public, during the formation phase of the Company, these same policies apply as-if the Company were public.

BACKGROUND

The Securities and Exchange Commission’s Regulation FD prohibits the selective disclosure of material non-public information to certain enumerated persons. The regulation is intended to eliminate situations where a company may disclose important non-public information, such as earnings warnings, to securities analysts or selected institutional investors, before disclosing the information to the general public.

Regulation FD requires that whenever:

1. the Company or a person acting on behalf of the Company -
2. discloses material nonpublic information -
3. to certain specified persons (including broker-dealers, analysts and shareholders):
4. the Company must simultaneously disseminate the information to the public.

If the Company learns that it has unintentionally disclosed material nonpublic information, it must publicly disseminate the information within 24 hours.¹

During Formation - Prohibited nonpublic information would include selected disclosure of the status of the capital raise, information regarding the performance of NYMC, etc. to selected parties. Also to be avoided is any “hype” regarding NYMC. NYMC activities and marketing in the “normal course of business” are allowed but should be carefully reviewed with senior management in advance of any release. For an IPO, keep in mind that the offering document (S-11) itself will have information which will be broadly disseminated and, once publicly filed, the release or discussion of information contained therein is generally acceptable.

1. In the case of an unintentional disclosure, the disclosure must be made “promptly,” which means as soon as reasonably practicable, but no later than either 24 hours after discovery of the unintentional disclosure or prior to the commencement of the next day’s trading on the New York Stock Exchange, if later. Rule 101(d).

As a result of this regulation, the Company is adopting this policy. This policy applies to every Company employee and is a supplement to the Company's insider trading policy. [Once public] This policy will be posted in the "Investor Relations" section of the Company's web site to evidence that the Company has such a policy and to allow employees to refer to a publicly available document as the reason for any reluctance to provide certain Company information to others.

SUMMARY

General

As part of the Company's fiduciary capacity as a publicly traded entity, certain practices and rules are already in place to ensure the prompt, accurate, and public dissemination of important operating and financial information to investors and the marketplace. However, Regulation FD requires representatives of the Company to more carefully evaluate their corporate comments, audience and methods of dissemination, particularly those comments on "earnings guidance."

Regulation FD

Regulation FD is specific: whenever an issuer, or person acting their behalf, discloses material nonpublic information to specified persons (generally securities market professionals or holders of the issuer's securities who may trade on the basis of such information), the issuer must make public disclosure of that same information, either simultaneously or promptly. Simultaneous disclosure is required for "intentional" disclosures whereas prompt disclosure is for "non-intentional" disclosures. A selective disclosure is intentional when the person making the disclosure either knows, or is reckless in not knowing, that the information is both material and nonpublic.

Persons Covered

Regulation FD covers persons including any senior official of the company (such as the President, CEO, CFO, directors, etc.) or any other officer, employee, or agent of the company who regularly communicates with market professionals or shareholders who may trade on the information. As a matter of course, such employees include investor relations personnel.

Audience Covered

Shareholders include any holder of the company's securities who, under the circumstances, foreseeably could trade on the information, regardless of the number of shares owned. Such shareholders include both individual and institutional investors. Market professionals include broker-dealers, investment advisors, institutional investment managers, mutual funds, hedge funds and any analysts or other persons associated with these types of entities.

Material Nonpublic Information

Information is material if “there is a substantial likelihood that a reasonable shareholder would consider it important when making an investment decision, or if the information could be viewed as altering the total mix of available information.” Although the statement is subjective, the SEC has indicated the following items be carefully reviewed for materiality:

- Earnings information or earnings guidance;
- Mergers, acquisitions, tender offers, joint ventures or changes in assets;
- Changes in control or management;
- Change in auditors or notification that the auditor’s report can not be relied upon;
- New products, discoveries or developments regarding customers, suppliers, contracts, etc.;
- Events regarding the company’s securities (stock splits, changes in dividends, public or private sales of additional securities, default on senior securities, etc);
- Significant change in financial viability.

“Nonpublic information” is simply information that has not been distributed broadly to the investing public.

Intentional Disclosures

A disclosure is intentional if the person making the statement either knows, or is reckless in not knowing, before making the disclosure that the information is both material and nonpublic. Intentional disclosure to market professionals or investors must be made simultaneously (see Information Dissemination, below) to the public.

Unintentional Disclosures

A company must make public disclosure of material nonpublic information promptly after any senior official of the company learns of the unintentional disclosure and knows that the information was both material and nonpublic. The SEC deems “prompt” disclosure to be within 24 hours or before the beginning of the next trading day, whichever is later.

If company officials immediately realize that they have unintentionally selectively disclosed material public information, they may be able to obtain the recipient’s agreement not to disclose or trade on the information until the company has publicly disseminated the information. This agreement must be express and may be either written or oral (written is preferable).

Earnings Guidance

The SEC specifically warns against communications with an analyst or a small group of analysts regarding earnings estimates. Such discussions involve a “high degree of risk under Regulation FD.” Any kind of earnings guidance – even signaling that the company may or may not meet previous estimates – may result in liability under Regulation FD. The SEC notes that these cautions apply both to direct guidance on earning forecasts and also on indirect guidance.

Similarly, if the company reviews analyst reports (draft form or otherwise), the SEC will likely regard comments (and even confirmation that there are no comments) as material nonpublic information. “Entanglement” and “adoption” theories of liability hold that where a company has either been too involved with the preparation or review of a report, or distributes or otherwise appears to approve a report, it may become liable for the contents of the report.

Statements Excluded from Regulation FD

Regulation FD does not apply to statements made to:

- “temporary” insiders – bankers, attorneys, accountants and other persons who owe the company a duty of trust or confidence;
- rating agencies;
- persons who expressly agree not to disclosure or trade on the information;
- the media (see special comment below); or
- customers or suppliers.

Media Disclosure

Note that although disclosing material nonpublic information to the media will not trigger the disclosure requirements under Regulation FD, disclosing such information only to the media generally will not be a substitute for issuing a press release to taking other steps to publicly disseminate material nonpublic information.

Public Offering and Private Placements

Regulation FD does not apply to statements made in connection some registered public offerings but does apply to oral and written information provided in connection with private placements and other non-registered offerings. As a result, roadshows and one-on-one meetings for registered underwritten offerings are generally exempt from disclosure requirements under Regulation FD (but will continue to be subject to all existing prohibitions and public disclosure requirements applicable to public offerings under the Securities Act of 1933 and related rules). Further, the exemption is not available for registered secondary offerings, DRIP plans, employee benefit plan offerings and exercises of outstanding options, warrants or convertible securities.

Information Dissemination

Posting information on a website alone is not sufficient to effect public disclosure; however, the use of electronic media in conjunction with other methods should be considered. Public disclosure can be made by the following methods:

- Any method or combination thereof, that is “reasonably designed to effect a broad and non-exclusionary distribution of information to the public.” Such methods may include either or both of the following if the public has adequate advance notice and access:
- Dissemination of a press release through a widely circulated wire or news service; or
- An announcement during a press conference or conference call.
- A filing of the information on Form 8-K with the SEC.

Failure to Comply with Regulation FD

- Enforcement of Regulation FD by the SEC may be in the form of:
 - Administrative action seeking a cease-and-desist order;
 - A civil action seeking an injunction and/or civil money penalties;
 - An enforcement action against the company and its officials.

POLICY

Reducing the flow of communications would be counterproductive to maintaining good investor relations and the business of the companies. A consistent dialogue is – and will always be – crucial to attracting and maintaining investor support. At the same time, Regulation FD will require more forethought in having private conversations and may lead to the disclosure of more information publicly.

Authorized Spokespersons

1. The only persons authorized to speak on behalf of the Company to securities analysts, broker-dealers, shareholders and any other Enumerated Persons (as described below) are the Company’s Chairman, Chief Financial Officer, and the designated Senior Vice President of Investor Relations responsible for the Company or other persons specifically designated by them to speak with respect to a particular topic or purpose (each an “Authorized Spokesperson”).²
2. To the extent practicable, Authorized Spokespersons must contact the Investor Relations Department before having conversations with securities analysts, broker-dealers and shareholders (or any other Enumerated Persons) in order to review as much of the precise substance of the intended communication as possible.

² In a Telephone Interpretation, the SEC states that if a company has a policy that limits which senior officials are authorized to speak to enumerated persons, then disclosures by senior officials who are not authorized to speak under the policy will not be subject to Regulation FD. See Division of Corporation Finance, Securities and Exchange Commission, Manual of Publicly-Available Telephone Interpretations, Fourth Supp. (with Additional Interpretations Added December 2000 (Oct. 2000, Dec. 2000), Question 14, at <http://www.sec.gov/interps/telephone/phonesupplement4.htm> (the “Regulation FD Telephone Interpretations”). Such selective disclosures, the

Interpretation states, if made in breach of a duty of trust or confidence to the company, which is outside the scope of Regulation FD may trigger liability under insider trading laws. Id.

3. Pre-written speeches, written statements, presentations and other external communications should, to the extent practicable, be reviewed by the CFO, General Counsel (internal or external) and designated Investor Relations officer.
4. Common Sense - If you think that a piece of information may be material and it has not been disclosed to the general public, consider carefully whether you should engage in further discussion in a nonpublic setting.

Disclosure to "Enumerated Persons"

1. Regulation FD prohibits selective disclosure to specific persons, including (a) broker- dealers and persons associated with them, including investment analysts; (b) investment advisers, certain institutional investment managers and their associated persons; and (c) investment companies, hedge funds, and affiliated persons.
2. Selective disclosure is also prohibited if made to any shareholder under circumstances in which it is reasonably foreseeable that the shareholder would purchase or sell securities on the basis of the information.
3. Communications in the ordinary course of business with customers, suppliers or strategic partners, as well as communications with news organizations or the government, are not covered by the regulation.

Day-to-Day Communications

1. Inquiries from analysts, shareholders and other Enumerated Persons received in any department other than the Investor Relations Department and the offices of the Chairman or Chief Financial Officer must be forwarded to the Senior Vice President of Investor Relations, or, in his or her absence, the Chief Financial Officer or another Authorized Spokesperson. Under no circumstances should any attempt be made to handle these inquiries without prior authorization from an Authorized Spokesperson.
2. Planned conversations should always include a second person, if practicable, and shall include at least one Authorized Spokesperson. It should be determined in advance whether it is intended that any material non-public information be disclosed. If so, the material non-public information should be disclosed prior to or simultaneously with the planned conversation by the issuance of a press release and/or the filing or "furnishing" of a report on a Form 8-K. While other means reasonably designed to provide broad, non-exclusionary distribution of the information to the public are available, the a press release and/or Form 8-K report unquestionably provides for broad dissemination of information.
3. To the extent practicable, the Investor Relations Department will maintain a written record of each call received and a summary of the discussion.

4. The Investor Relations Department will identify the most commonly asked questions and types of information sought and will prepare and circulate written responses to those questions to Authorized Spokespersons and update such written responses as necessary. To the extent the Authorized Spokesperson simply follows or refers to the script, the written record of the call only needs to identify the caller and note that the script was followed.

Public Disclosure of Significant Company Information

1. Any time an Authorized Spokesperson determines to disclose or discuss Company information with anyone, particularly an analyst, broker-dealer or shareholder, there must be a determination made whether the information is material. Material information is any information that a reasonable shareholder would consider important in a decision to buy, hold, or sell securities. In short, it is any information that could reasonably affect the price of the Company's securities. Both positive and negative information may be material.
2. Possible material information or events include, but are not limited to:
 - o earnings information and quarterly results;
 - o guidance on earnings estimates;
 - o mergers, acquisitions, tender offers, joint ventures, or changes in assets;
 - o new investments or financings or developments regarding investments or financings;
 - o changes in auditors or auditor notification that the issuer may no longer rely on an audit report;
 - o events regarding the Company's securities (e.g., defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of shareholders, public or private sales of additional securities or information related to any additional funding);
 - o bankruptcies or receiverships; and
 - o regulatory approvals or changes in regulations and any analysis of how they affect the Company.

Furthermore, the adopting release states:

- "When an issuer official engages in a private discussion with an analyst who is seeking guidance about earnings estimates, he or she takes on a high degree of risk under Regulation FD. If the issuer official communicates selectively to the analyst nonpublic information that the company's anticipated earnings will be higher than, lower than, or even the same as what analysts have been forecasting, the issuer likely will have violated Regulation FD. This is true whether the information about earnings is communicated expressly or through indirect

- ‘guidance,’ the meaning of which is apparent though implied. Similarly, an issuer cannot render material information immaterial simply by breaking it into ostensibly non-material pieces.”
3. If the determination is made that the information that is going to be disclosed is material, a press release must be issued before or at the same time that the information is disclosed to the analyst, broker-dealer or shareholder. The press release may either disclose the material information or, if it is issued prior to disclosure to the analyst, broker-dealer or shareholder, may disclose that a conference call and/or webcast will be held to disclose the information. Any conference call and/or webcast must be given as much advance notice as practicable.

Earnings Calls

1. Adequate advance public notice shall be given of all quarterly earnings conference calls and/or webcasts.³ Notice shall include a press release issued to all major news wires and a posting on the Company’s website with information including the date, time, telephone number and webcast URL for the earnings call.⁴ The press release shall also state the period, if any, for which a replay of the webcast will be available.⁵
2. The quarterly earnings conference call and/or webcast will be open to analysts, media representatives and the general public. All participants will be allowed to submit questions.⁶ The conference call will be recorded and a tape and transcript of the call maintained by the Company for at least one year.⁷

³ See Regulation FD Telephone Interpretations, supra note 4, at Question 3 (“Public notice should be provided a reasonable period of time ahead of the conference call. For example, for a quarterly earnings announcement that the issuer makes on a regular basis, notice of several days would be reasonable. It is recognized, however, that the period of notice may be shorter when unexpected events occur and the information is critical or time sensitive.”).

⁴ The Company will also consider posting the conference call and webcast information with one of the public directories of investor conference calls such as BestCalls.com. The Company may also consider “push technology” capability to allow interested persons to subscribe for email alerts from the company covering such issues as earnings information, SEC filings and upcoming conference calls.

⁵ Footnote 73 of the Release encourages companies that webcast their conference calls to archive their webcasts for “some reasonable period of time” to enable persons who might have missed the original call or webcast to access the information at some later time. According to PR Newswire, the average archive period for webcasts is five to seven days. The Company will archive its webcast call for a period of no more than ten business days.

In anticipation of archiving its webcasts, the Company will orally recite the date of the conference call as part of its initial forward-looking information disclaimer in the call so that the date of the information discussed in the call is unmistakable to listeners of the archived webcast. In addition, because an archived webcast becomes a written communication, the Company will conspicuously include on its archive site the safe harbor language for written communications, which differs from the oral safe harbor language commonly recited at the beginning of conference calls.

⁶ Footnote 71 of the Release states that companies are not required to give all members of the public the opportunity to ask questions in a conference call; while some companies limit questions to analysts, the Company will endeavor to allow any conference call participant to ask questions.

⁷ As records and tapes would likely be discoverable in the context of a lawsuit or SEC enforcement action, the Company will make certain that the oral safe harbor language recited at the beginning of the call is included on the tape.

Guidance, Quiet Period and Analyst Reports

1. The Company will avoid giving earnings guidance in any form (including “soft” or indirect guidance) in nonpublic settings. Earning guidance may not necessarily be quantitative or specifically directed to earnings results. Such guidance may include comments as to originations volume, quality of earnings, etc. To the extent practicable, analysts will be requested to provide a written agenda or questions in advance to avoid inadvertent disclosures or to allow the preparation and simultaneous public release of information the Company is willing to disclose. Two company representatives, to the extent practicable, will be present during any analyst calls or meetings. Any guidance on earnings expectations will be limited to press releases and publicly available earnings calls.
2. Whenever the Company shall have issued earnings projections (which will ordinarily be issued through a press release and the filing of a Form 8-K), no employee will comment on those projections during the quarter. In response to any question about its earnings projections, Authorized Spokespersons will say that it is the Company’s policy not to comment on projections during the quarter. The Company will not comment on its intention to update these materials.
3. No Authorized Spokesperson shall provide “comfort” with respect to an earnings estimate or otherwise “walk the Street” up or down. If an analyst inquires as to the reliability of a previously, publicly disseminated projection, the spokesperson should follow the “no comment” policy.⁸
4. The Company will observe a “quiet period,” during which the Company shall not comment on the financial outlook for the Company. Unless senior management determines otherwise, the quiet period is designated as any time other than the week immediately following the Company’s periodic earnings disclosure for which any comment may have been made on the Company’s financial outlook.
5. Analyst reports will only be reviewed to correct errors that can be corrected by referring to publicly available, historical, factual information or to correct any mathematical errors. No other analyst feedback or guidance on earnings models may be communicated with an analyst. A written record should be kept of any comments provided on an analyst’s report.

⁸ Whether a Company official can confirm an earnings estimate without violating Regulation FD depends upon three factors: (1) how far along the Company is in its earnings cycle, (2) the amount of time that has elapsed since the public disclosure of the initial estimate made in compliance with Regulation FD, and (3) whether there have been any intervening events since the initial estimate that would likely cause a reasonable investor to question the continued accuracy of the initial estimate. If there have been no material intervening events and the Company is not in the latter half of its quarter, a “reasonable investor” may not consider the confirmation of an earnings forecast made relatively close to the date of the initial estimate to be material. Such a confirmation would, therefore, not violate Regulation FD.

6. No Company employee should distribute (including a web link) copies of analysts' reports to anyone outside the Company.

Investment Banker Conferences/Roadshows

1. The policy described above will apply to communications between Authorized Spokespersons and Enumerated Persons at investment banker conferences and roadshows (other than roadshows undertaken in connection with a public offering of the Company's securities since Regulation FD does not apply to communications made "in connection with" a public offering). Accordingly, prior to the conference or roadshow, the company will disclose either through a press release, an open conference call or a webcast, or any combination of these methods, any material information that may be discussed or presented at the conference or the roadshow.
2. If it is determined that material nonpublic information may have been disclosed unintentionally during the conference or roadshow, General Counsel and the Chief Financial Officer should be notified. If the General Counsel and Chief Financial Officer determine that an inadvertent disclosure of material nonpublic information has occurred, a press release will be issued disclosing the information no later than either 24 hours after discovery of the unintentional disclosure or prior to the commencement of the next day's trading on the New York Stock Exchange, if later.

Press Release Policy

1. General Counsel and the Chief Financial Officer should review all press releases before they are distributed, particularly earnings releases and any releases involving forward-looking statements.
2. If a forward-looking statement has been made, i.e., one that has a forward intent and connotation upon which parties are expected to rely, and there is a clear meaning to that statement, an employee shall report to the General Counsel, Chief Financial Officer or Investor Relations any facts or events which might cause that meaning to change.
3. If a meeting or conference call is held after the issuance of a press release the purpose of which is to give analysts or major shareholders an opportunity to seek more information or ask questions concerning the information disclosed in a press release, the meeting or call shall be preceded by a press release as soon as the meeting or call is planned which shall announce such meeting or call and provide information including the date, time, telephone number and webcast URL for the meeting or call. The meeting or call shall be open to analysts, media representatives and the general public.
4. If a director, member of management or employee of the Company learns of information that causes him or her to believe that a disclosure may have been

misleading or inaccurate when made or may no longer be true, such person should report that information to the General Counsel and Chief Financial Officer.

5. Subsequent to any press release or other official disclosure, Investor Relations will undertake, within reason, efforts to ensure the accurate reporting (review of reports, common websites summarizing corporate information, common compilers and disseminators of research [Thompson Financial, Yahoo!, Bloomberg, etc.] of such disclosure and take corrective measures, when necessary.

Rumors: No Comment Policy

1. The Company will not comment on market rumors in the normal course of business. When it is learned that rumors about the Company are circulating, Authorized Spokespersons should state that it is Company policy to not comment on rumors. If the source of the rumor is found to be internal, General Counsel should be consulted to determine the appropriate response.

Monitor Trading

1. The trading activity of company stock will be monitored for unusual trading activity. In addition, Investor Relations will monitor the financial and news media for stories about the Company. Unusual trading volume or price swings may indicate the inadvertent disclosure of material information that may need to be remedied by a press release.

Violation of this Policy

1. Any violation of this policy shall be brought to the attention of the General Counsel and may constitute grounds for termination of employment.