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SECURITIES LITIGATION & CONSULTING GROUP

Structured Products Research Report

Report Prepared On: 12/13/12

Reverse Convertible Notes linked to General Motors Corporation

Structured Product Details

Name	Reverse Convertible Notes linked to General Motors Corporation
Issue Size	$377,000
Issue Price	$1,000
Term	3 Months
Annualized Coupon	20.00%
Pricing Date	June 25, 2008
Issue Date	June 30, 2008
Valuation Date	September 25, 2008
Maturity Date	September 30, 2008
Issuer	Credit Suisse
CDS Rate	108.08 bps
Swap Rate	2.79%
Reference Asset	General Motors Corporation's stock
Initial Level	$12.81
Trigger Price	$7.69
Conversion Price	$12.81
Dividend Rate	7.52%
Implied Volatility	86.82%
Delta[1]	0.42
Fair Price at Issue	$912.71
Realized Return	21.75%
CUSIP	22542DEA4
SEC Link	www.sec.gov/Archives/edgar/data/1053092/000104746908007797/a2186629z424b2.htm

Description

Credit Suisse issued $377,000 of Reverse Convertible Notes linked to General Motors Corporation on June 30, 2008 at $1,000 per note.

These notes are Credit Suisse-branded reverse convertibles. Reverse convertibles pay periodic interest coupons and at maturity convert into shares of the reference security if the price of the reference stock at the notes' maturity is below its price when the notes were issued and had closed below a specified "trigger" during the term of the notes.

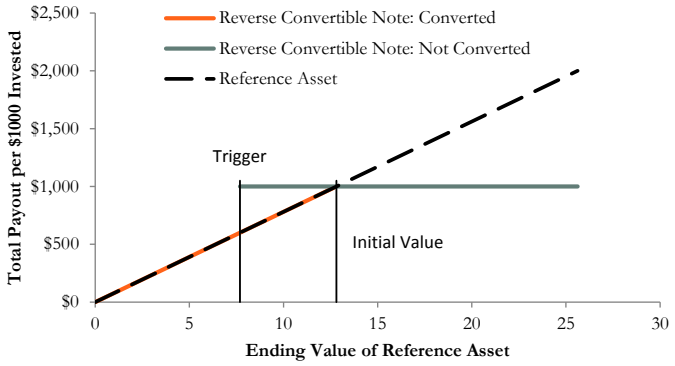
These 3-month notes pay monthly coupons at an annualized rate of 20.00%. In addition to the monthly coupons, at maturity on September 30, 2008 investors will receive the market value of 78.06 shares of General Motors Corporation's stock if on September 25, 2008 General Motors Corporation's stock price closes below $12.81 (General Motors Corporation's stock price on June 25, 2008) and had ever closed at or below $7.69 during the term of the notes. Otherwise, investors will receive the $1,000 face value per note.

Valuation

This Credit Suisse reverse convertible linked to General Motors Corporation's stock can be valued as a combination of a note from Credit Suisse and a short down-and-in, at-the-money put option on General Motors Corporation's stock. For reasonable valuation inputs this note was worth $912.71 per $1,000 when it was issued on June 30, 2008 because investors were effectively being paid only $40.06 for giving Credit Suisse an option which was worth $127.35.

There is no active secondary market for most structured products. Structured products, including this note, therefore are much less liquid than simple stocks, bonds, notes and mutual funds. Investors are likely to receive less than the structured product's estimated market value if they try to sell the structured product prior to maturity. Our valuations do not incorporate this relative lack of liquidity and therefore should be considered an upper bound on the value of the structured product.

Payoff Curve at Maturity



The payoff diagram shows the final payoff of this note given General Motors Corporation's stock price (horizontal axis). For comparison, the dashed line shows the payoff if you invested in General Motors Corporation's stock directly.

Related Research

Research Papers:
www.slcg.com/research.php

- *"Are Structured Products Suitable for Retail Investors?"* December 2006.
- *"Structured Products in the Aftermath of Lehman Brothers,"* November 2009.
- *"What TiVo and JP Morgan Teach Us about Reverse Convertibles,"* June 2010.

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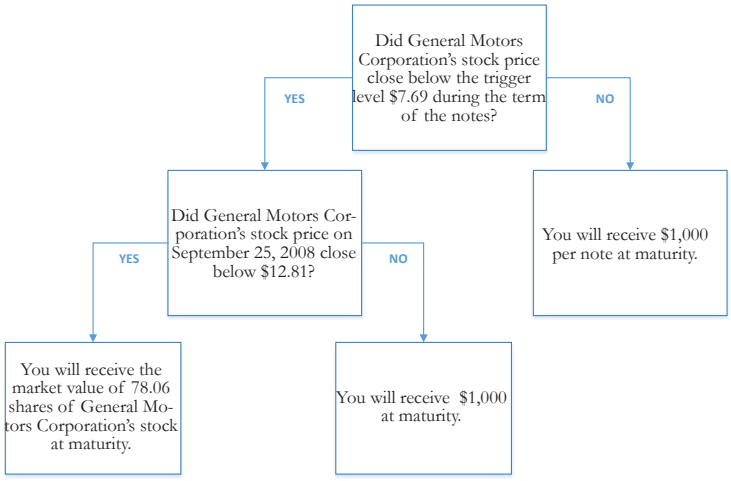
Principal Payback Table

General Motors Corporation's Stock	Converted Note Payoff	Non-Converted Note Payoff
$0.00	$0.00	
$1.28	$100.00	
$2.56	$200.00	
$3.84	$300.00	
$5.12	$400.00	
$6.41	$500.00	
$7.69	$600.00	$1,000.00
$8.97	$700.00	$1,000.00
$10.25	$800.00	$1,000.00
$11.53	$900.00	$1,000.00
$12.81	**$1,000.00**	**$1,000.00**
$14.09	$1,000.00	$1,000.00
$15.37	$1,000.00	$1,000.00
$16.65	$1,000.00	$1,000.00
$17.93	$1,000.00	$1,000.00
$19.22	$1,000.00	$1,000.00

Maturity Payoff Diagram



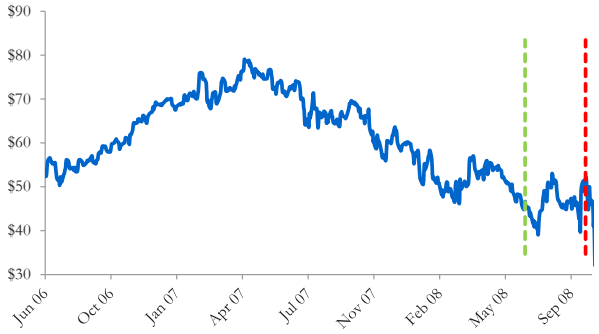
The contingent payoffs of this Reverse Convertible Note.

Analysis

This reverse convertible's 20.00% coupon rate is higher than the yield Credit Suisse paid on its straight debt but, in addition to Credit Suisse's credit risk, investors bear the risk that they will receive shares of General Motors Corporation's stock when they are worth substantially less than the face value of the note at maturity.

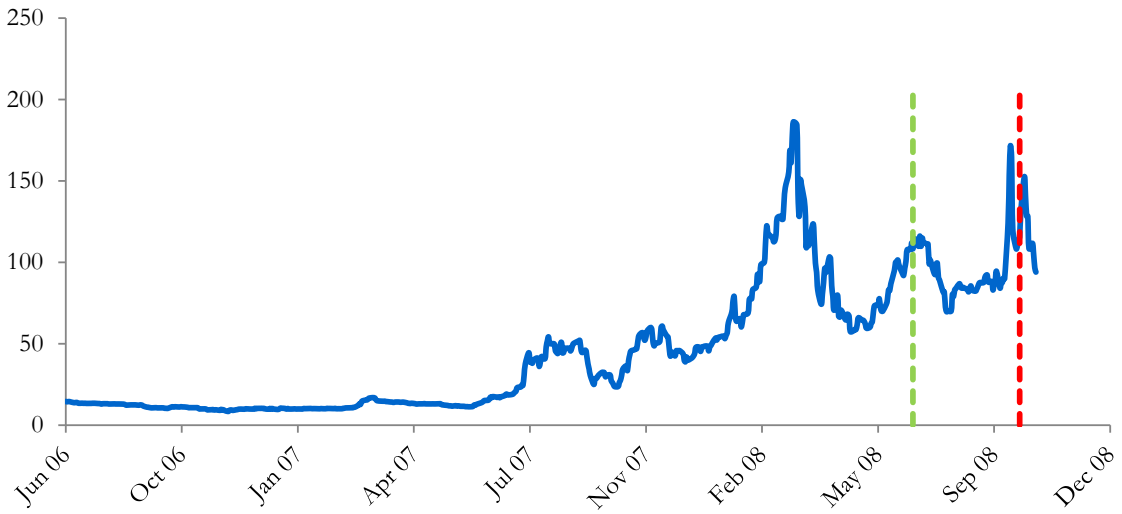
Investors purchasing reverse convertibles effectively sell put options to Credit Suisse and post the note's issue price as collateral to secure satisfaction of the investors' obligations under the option contracts. Credit Suisse pays investors a "coupon" that is part payment for the put options and part interest on the investors' posted collateral. This reverse convertible is fairly priced if and only if the excess of the reverse convertible's "coupon rate" above the interest Credit Suisse pays on its straight debt equals the value of the put option investors are giving to Credit Suisse. Whether the reverse convertible is suitable or not is equivalent to whether selling put options on the reference stock at the option premium being paid by Credit Suisse was suitable for the investor.

Credit Suisse's Stock Price



The graph above shows the adjusted closing price of the issuer Credit Suisse for the past several years. The stock price of the issuer is an indication of the financial strength of Credit Suisse. The adjusted price shown above incorporates any stock split, reverse stock split, etc.

Credit Suisse's CDS Rate



Credit default swap (CDS) rates are the market price that investors require to bear credit risk of an issuer such as Credit Suisse. CDS rates are usually given in basis points (bps). One basis point equals 0.01%. Higher CDS rates reflect higher perceived credit risk, higher required yields, and therefore lower market value of Credit Suisse's debt, including outstanding Reverse Convertible Note. Fluctuations in Credit Suisse's CDS rate impact the market value of the notes in the secondary market.

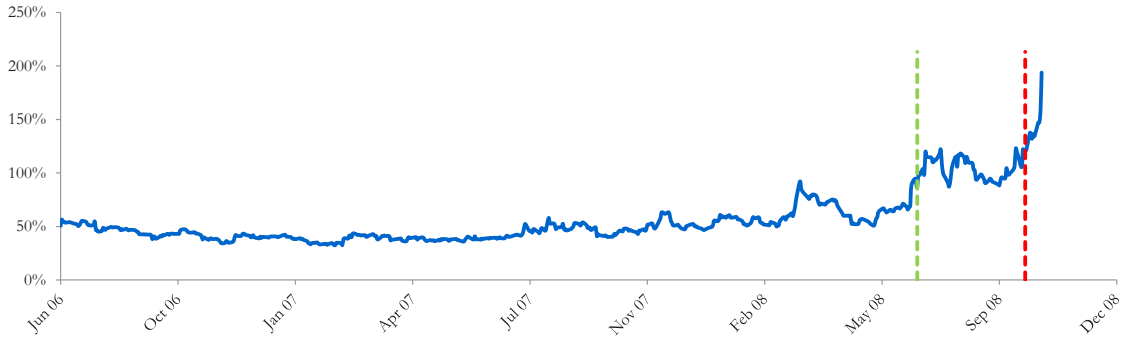
General Motors Corporation's Stock Price

The graph above shows the historical levels of General Motors Corporation's stock for the past several years. The final payoff of this note is determined by General Motors Corporation's stock price at maturity. Higher fluctuations in General Motors Corporation's stock price correspond to a greater uncertainty in the final payout of this Reverse Convertible Note.

Realized Payoff

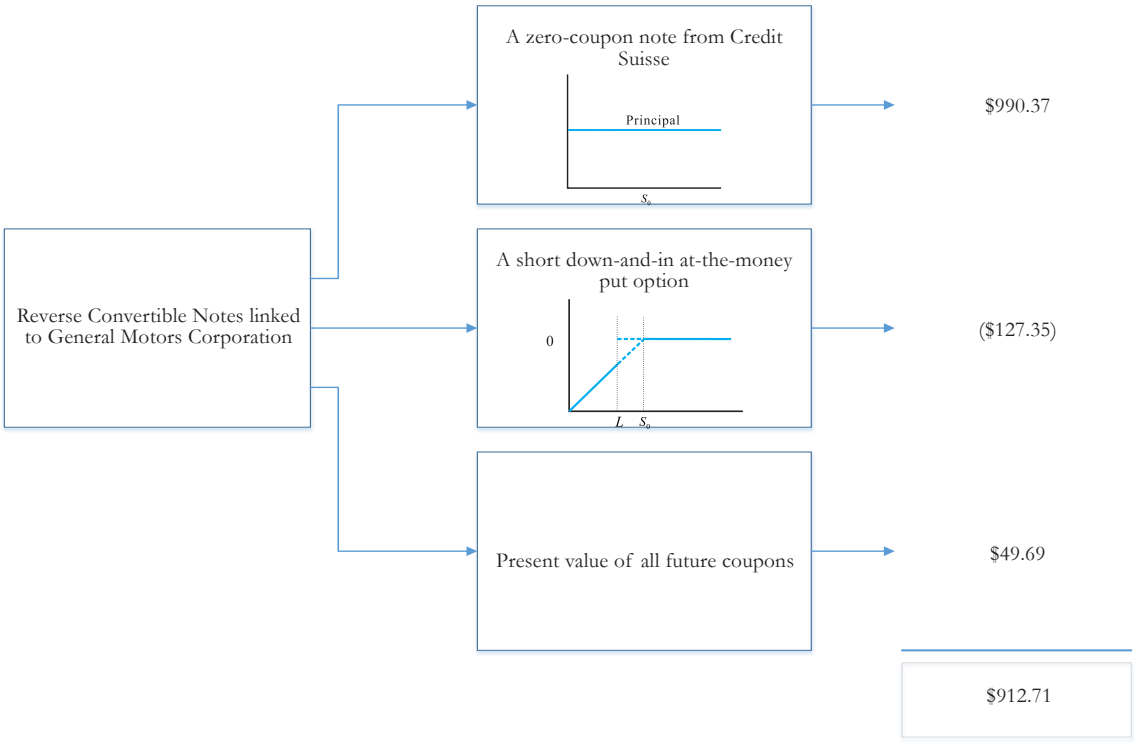
This note matured on September 30, 2008 and investors received $1,000.00 per note.

Reference Asset General Motors Corporation's Stock's Implied Volatility



The annualized implied volatility of General Motors Corporation's stock on June 25, 2008 was 86.82%, meaning that options contracts on General Motors Corporation's stock were trading at prices that reflect an expected annual volatility of 86.82%. The higher the implied volatility, the larger the expected fluctuations of General Motors Corporation's stock price and of the Note's market value during the life of the Notes.

Decomposition of this Reverse Convertible Note



This note can be decomposed into different components, and each component can be valued separately. The chart above shows the value of each component of this Reverse Convertible Note.

1. Delta measures the sensitivity of the price of the note to the General Motors Corporation's stock price on June 25, 2008.
2. CDS rates can be considered a measure of the probability that an issuer will default over a certain period of time and the likely loss given a default. The lower the CDS rate, the lower the default probability. CDS rate is given in basis points (1 basis point equals 0.01%), and is considered as a market premium, on top of the risk-free rate, that investors require to insure against a potential default.
3. Fair price evaluation is based on the Black-Scholes model of the General Motors Corporation's stock on June 25, 2008.
4. Calculated payout at maturity is only an approximation, and may differ from actual payouts at maturity.
5. Our evaluation does not include any transaction fees, broker commissions, or liquidity discounts on the notes.