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(54) **SYSTEMS AND METHODS FOR TRADING AND ORIGINATING FINANCIAL PRODUCTS USING A COMPUTER NETWORK**

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Publication Classification

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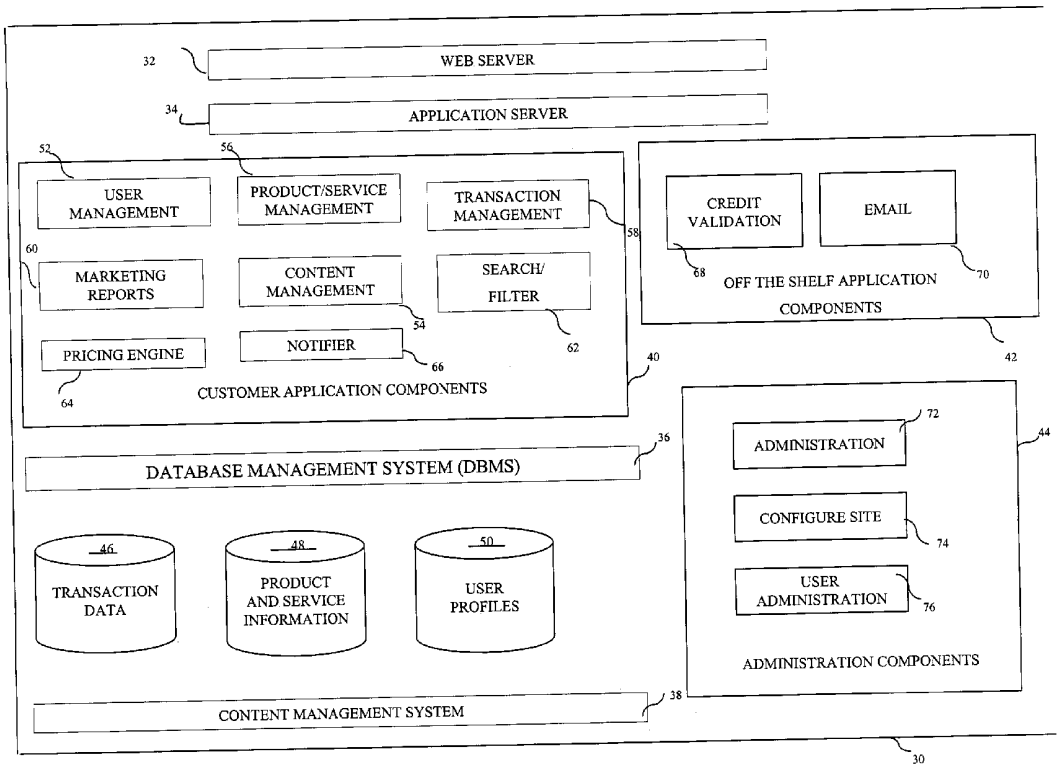
(52) **U.S. Cl.** **705/37**

(57) **ABSTRACT**

The invention relates to systems and methods for trading products and services over a computer network, such as the Internet. In one embodiment, the invention provides a method for trading financial products over a computer network. The item information is received from a seller, the item information is displayed to an interested user, and a bid is displayed to users if the bid is acceptable. The close of the bidding is extended by a predetermined amount of time if a new bid is entered within a certain period of time. Users of the system receive updates of the status of the bidding on an item. Items can be offered to bidders by each individual component of the item or the components can be offered in aggregate. The system can selectively display the bid history of an item to selected users, and the system can track the users by certain user information, as well as block a certain user's access to the system based on the user's information.



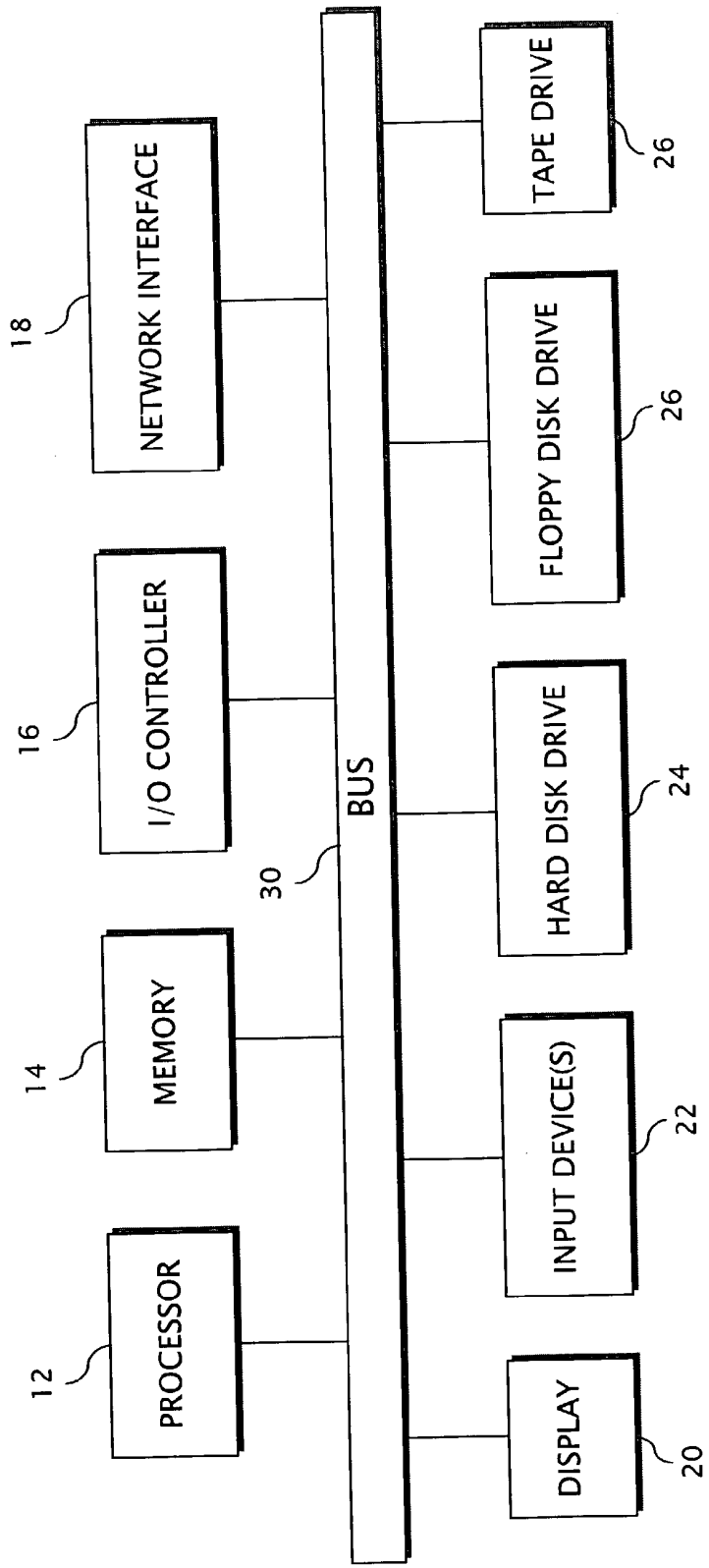

NETWORK INTERFACE
18
I/O CONTROLLER
16
MEMORY
14
PROCESSOR
12
BUS
30
TAPE DRIVE
26
FLOPPY DISK DRIVE
26
HARD DISK DRIVE
24
INPUT DEVICE(S)
22
DISPLAY
20
10

FIG. 1

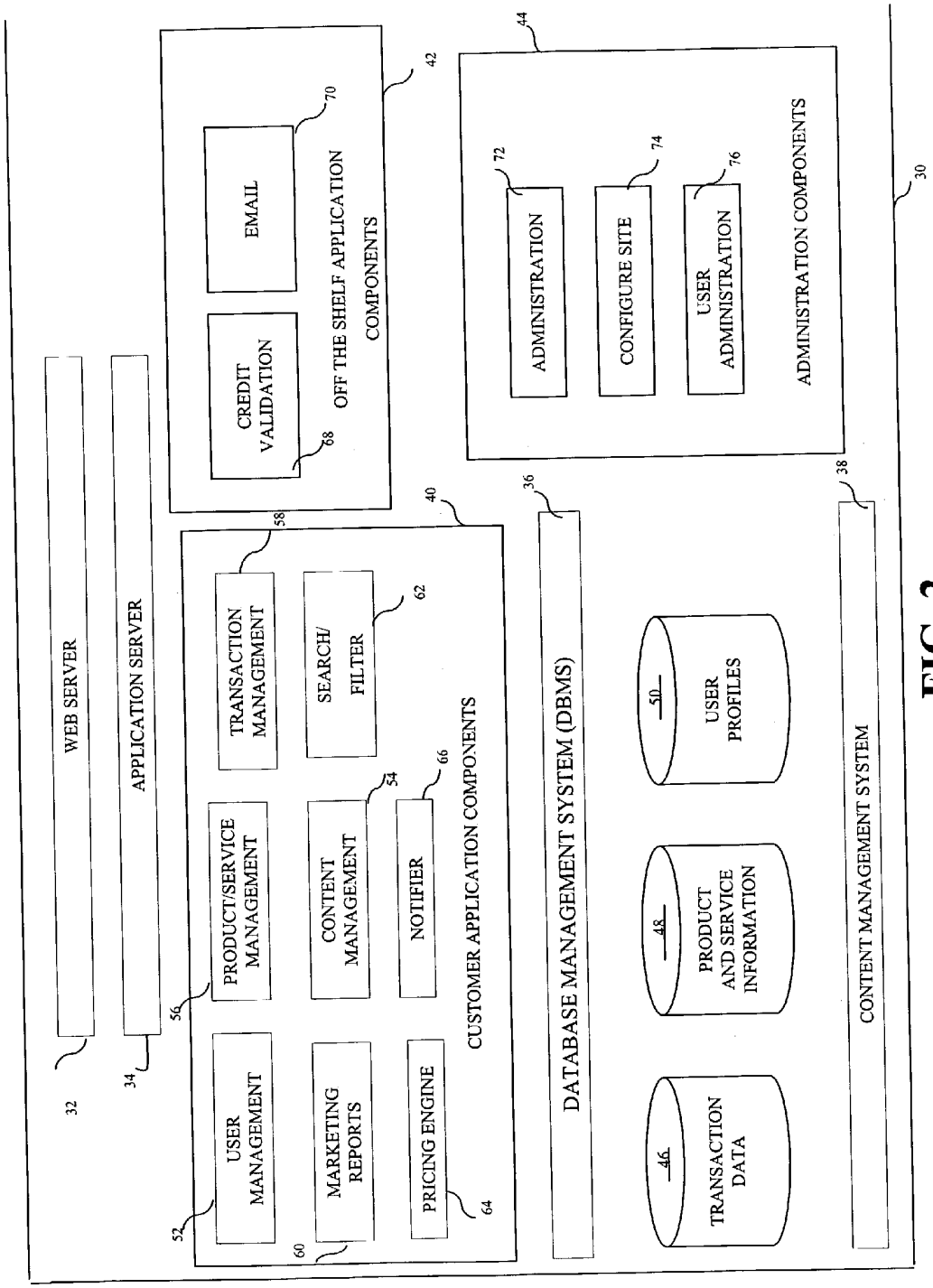

WEB SERVER
32
APPLICATION SERVER
34
OFF THE SHELF APPLICATION COMPONENTS
42
CREDIT VALIDATION
68
EMAIL
70
ADMINISTRATION COMPONENTS
44
ADMINISTRATION
72
CONFIGURE SITE
74
USER ADMINISTRATION
76
30
CUSTOMER APPLICATION COMPONENTS
40
TRANSACTION MANAGEMENT
58
SEARCH/ FILTER
62
PRODUCT/SERVICE MANAGEMENT
56
CONTENT MANAGEMENT
54
NOTIFIER
66
USER MANAGEMENT
52
MARKETING REPORTS
60
PRICING ENGINE
64
DATABASE MANAGEMENT SYSTEM (DBMS)
36
USER PROFILES
50
PRODUCT AND SERVICE INFORMATION
48
TRANSACTION DATA
46
CONTENT MANAGEMENT SYSTEM
38

FIG. 2

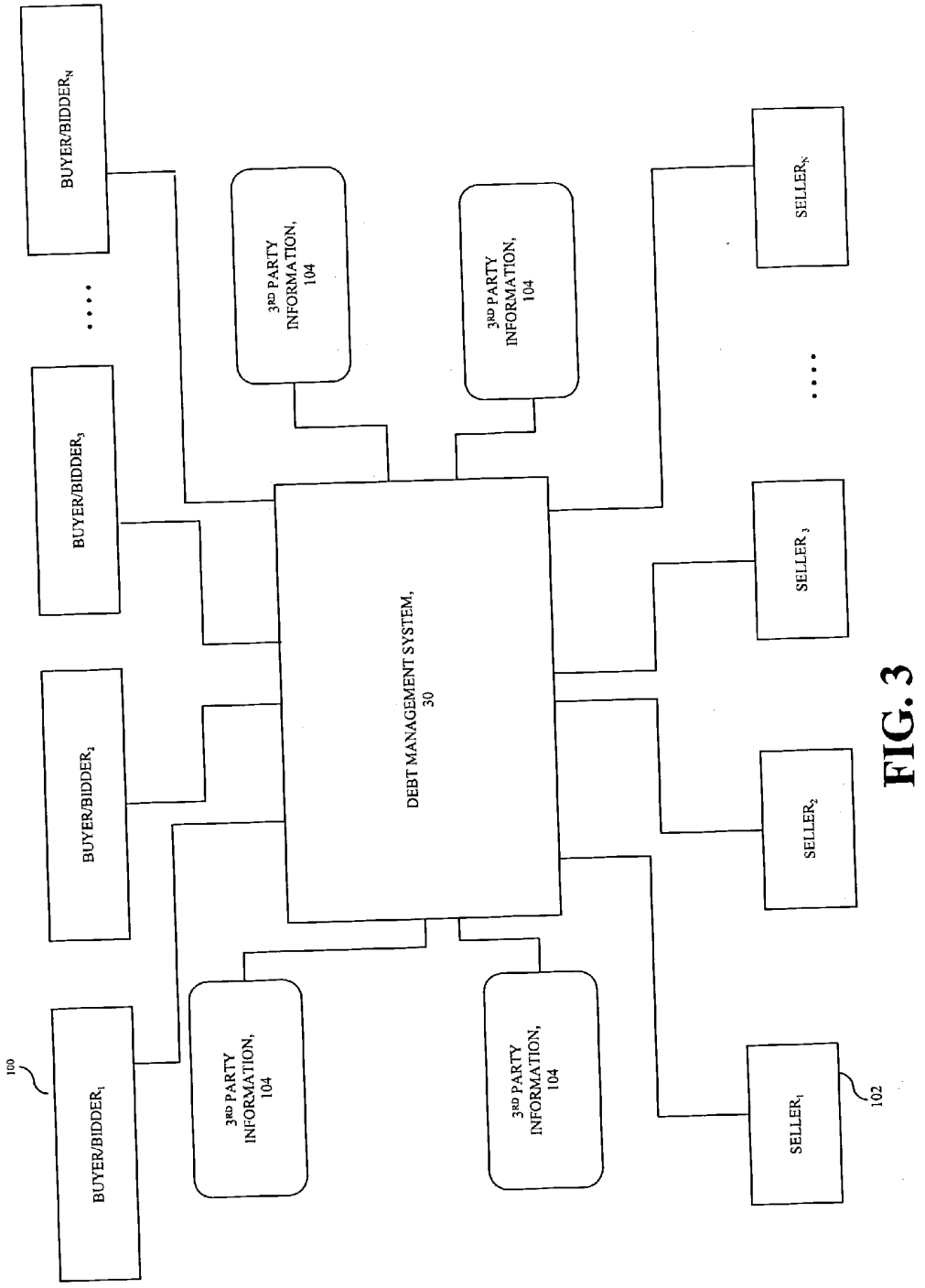

BUYER/BIDDER$_N$
BUYER/BIDDER$_3$
BUYER/BIDDER$_2$
BUYER/BIDDER$_1$
100
3RD PARTY INFORMATION, 104
3RD PARTY INFORMATION, 104
3RD PARTY INFORMATION, 104
3RD PARTY INFORMATION, 104
DEBT MANAGEMENT SYSTEM, 30
SELLER$_N$
SELLER$_3$
SELLER$_2$
SELLER$_1$
102

FIG. 3

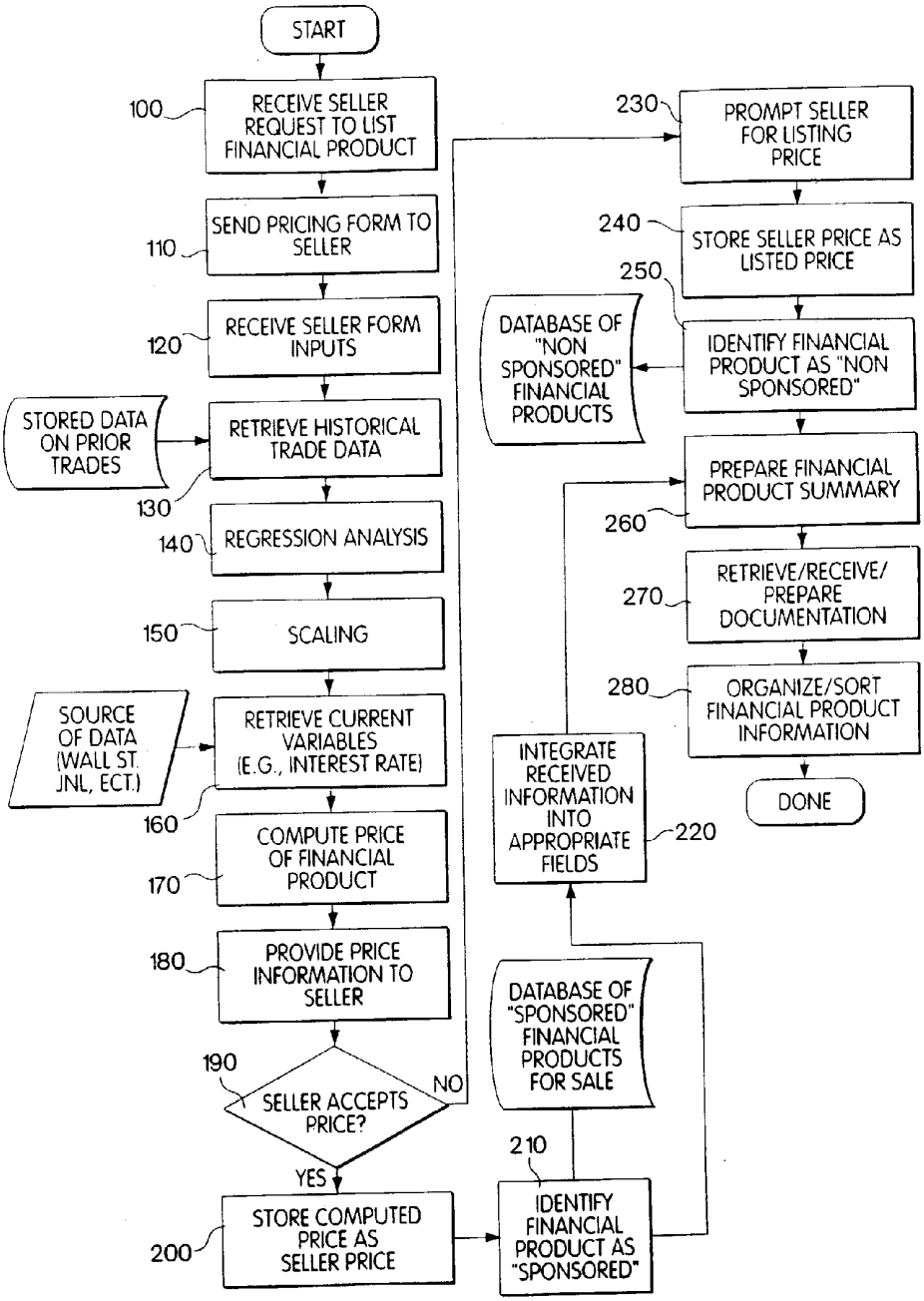

START
100
RECEIVE SELLER REQUEST TO LIST FINANCIAL PRODUCT
110
SEND PRICING FORM TO SELLER
120
RECEIVE SELLER FORM INPUTS
STORED DATA ON PRIOR TRADES
RETRIEVE HISTORICAL TRADE DATA
130
140
REGRESSION ANALYSIS
150
SCALING
SOURCE OF DATA (WALL ST. JNL, ECT.)
RETRIEVE CURRENT VARIABLES (E.G., INTEREST RATE)
160
COMPUTE PRICE OF FINANCIAL PRODUCT
170
180
PROVIDE PRICE INFORMATION TO SELLER
190
SELLER ACCEPTS PRICE?
NO
YES
200
STORE COMPUTED PRICE AS SELLER PRICE
DATABASE OF "SPONSORED" FINANCIAL PRODUCTS FOR SALE
210
IDENTIFY FINANCIAL PRODUCT AS "SPONSORED"
INTEGRATE RECEIVED INFORMATION INTO APPROPRIATE FIELDS
220
230
PROMPT SELLER FOR LISTING PRICE
240
STORE SELLER PRICE AS LISTED PRICE
250
DATABASE OF "NON SPONSORED" FINANCIAL PRODUCTS
IDENTIFY FINANCIAL PRODUCT AS "NON SPONSORED"
PREPARE FINANCIAL PRODUCT SUMMARY
260
270
RETRIEVE/RECEIVE/ PREPARE DOCUMENTATION
280
ORGANIZE/SORT FINANCIAL PRODUCT INFORMATION
DONE

Fig. 4

debt
TheDebtExchange
Please visit us at:
www.debtx.com
NAME:
CITY:
PHONE:
COMPANY:
ADDRESS:
STATE:
ZIP:
FAX:
EMAIL:
Complete and Return to: sales@debtx.com
Please attach most recent asset sumary report.
Seller's Reference Number
Documentation
City:
State
Current Principal Balance
Current Principal Balance As Of Date:
Facility Type
Loan Type
Availability Under Facility
Origination Date
If you need more rels, please copy the last few rows to add as many as needed
282

Fig. 5A

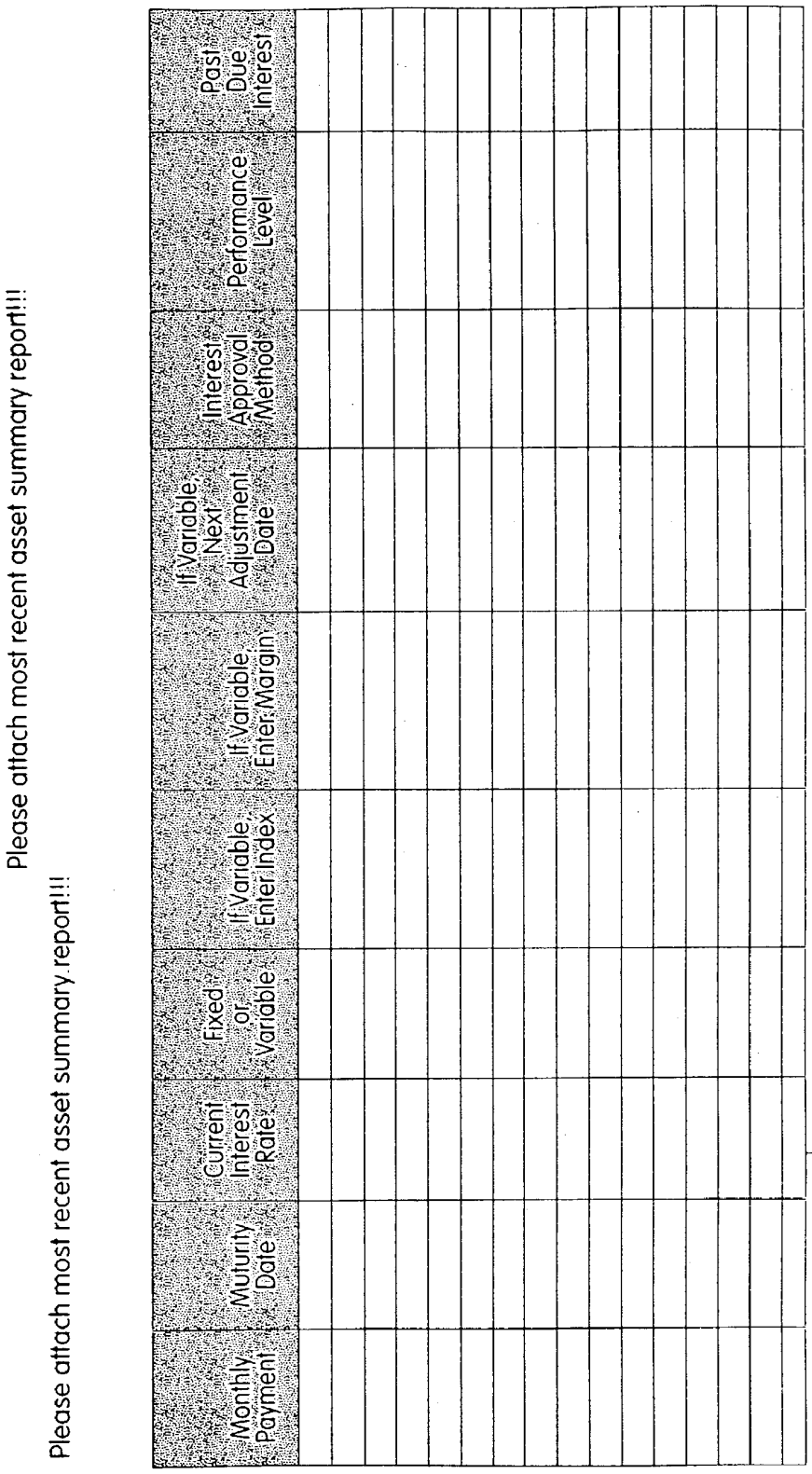

Please attach most recent asset summary report!!!
Please attach most recent asset summary report!!!
Monthly Payment
Maturity Date
Current Interest Rate
Fixed or Variable
If Variable, Enter Index
If Variable, Enter Margin
If Variable, Next Adjustment Date
Interest Approval Method
Performance Level
Past Due Interest
284

Fig. 5B

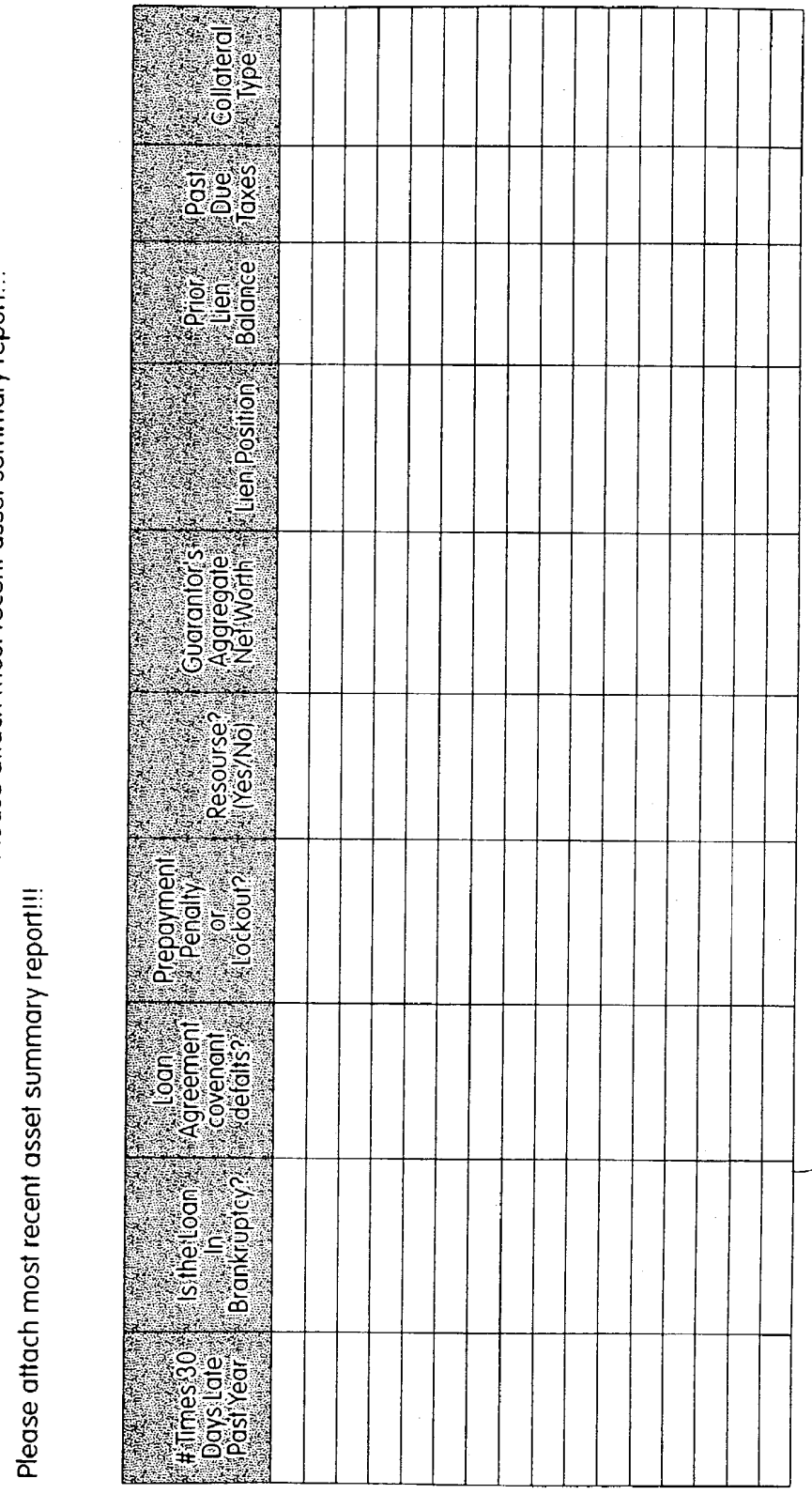

Please attach most recent asset summary report!!!
Please attach most recent asset summary report!!!
Times 30 Days Late Past Year
Is the Loan in Bankruptcy?
Loan Agreement covenant defaults?
Prepayment Penalty or Lockout?
Resourse? (Yes/No)
Guarantor's Aggregate Net Worth
Lien Position
Prior Lien Balance
Past Due Taxes
Collateral Type
286

Fig. 5C

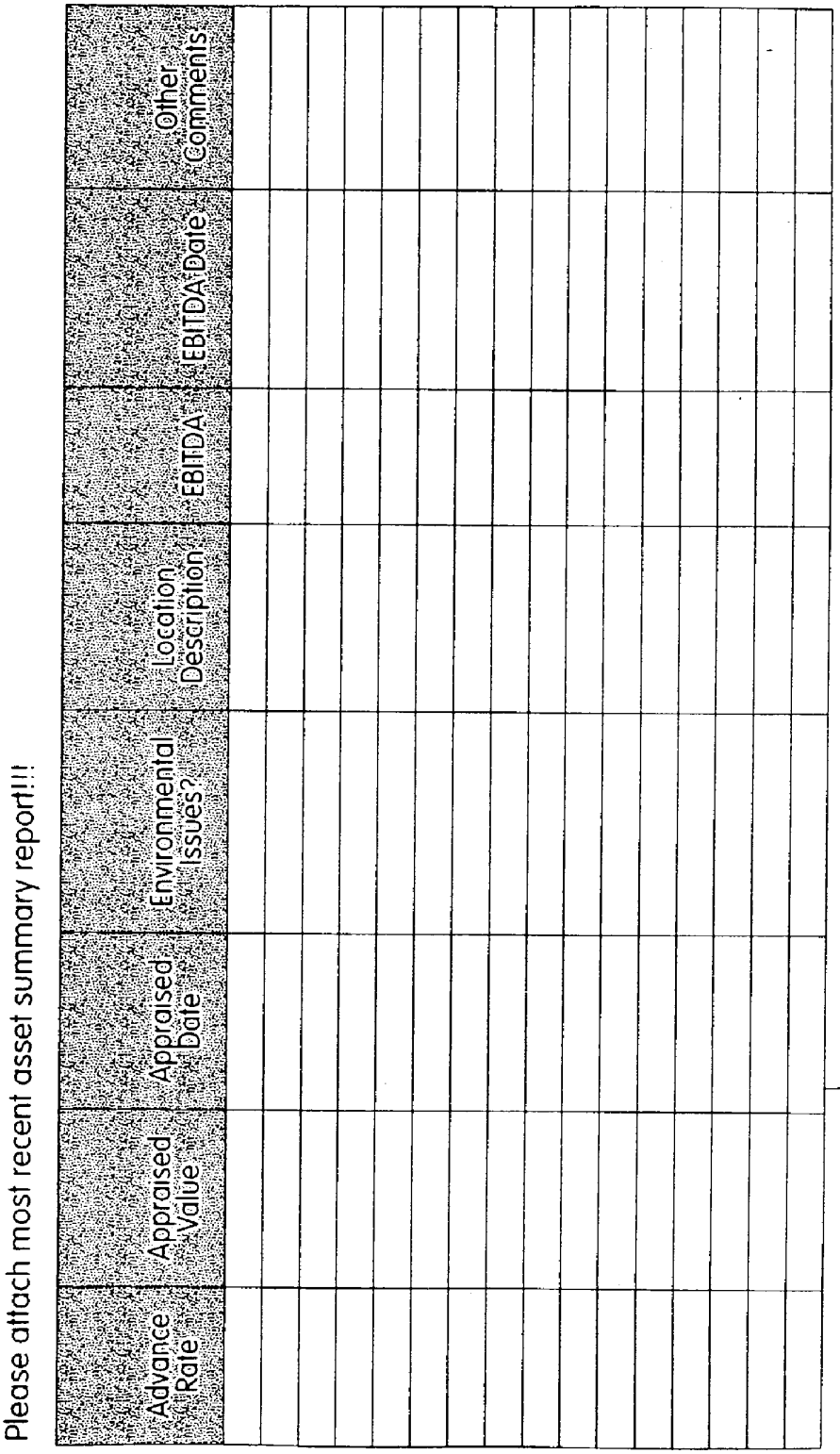

Please attach most recent asset summary report!!!
Advance Rate
Appraised Value
Appraised Date
Environmental Issues?
Location Description
EBITDA
EBITDA Date
Other Comments
288

Fig. 5D

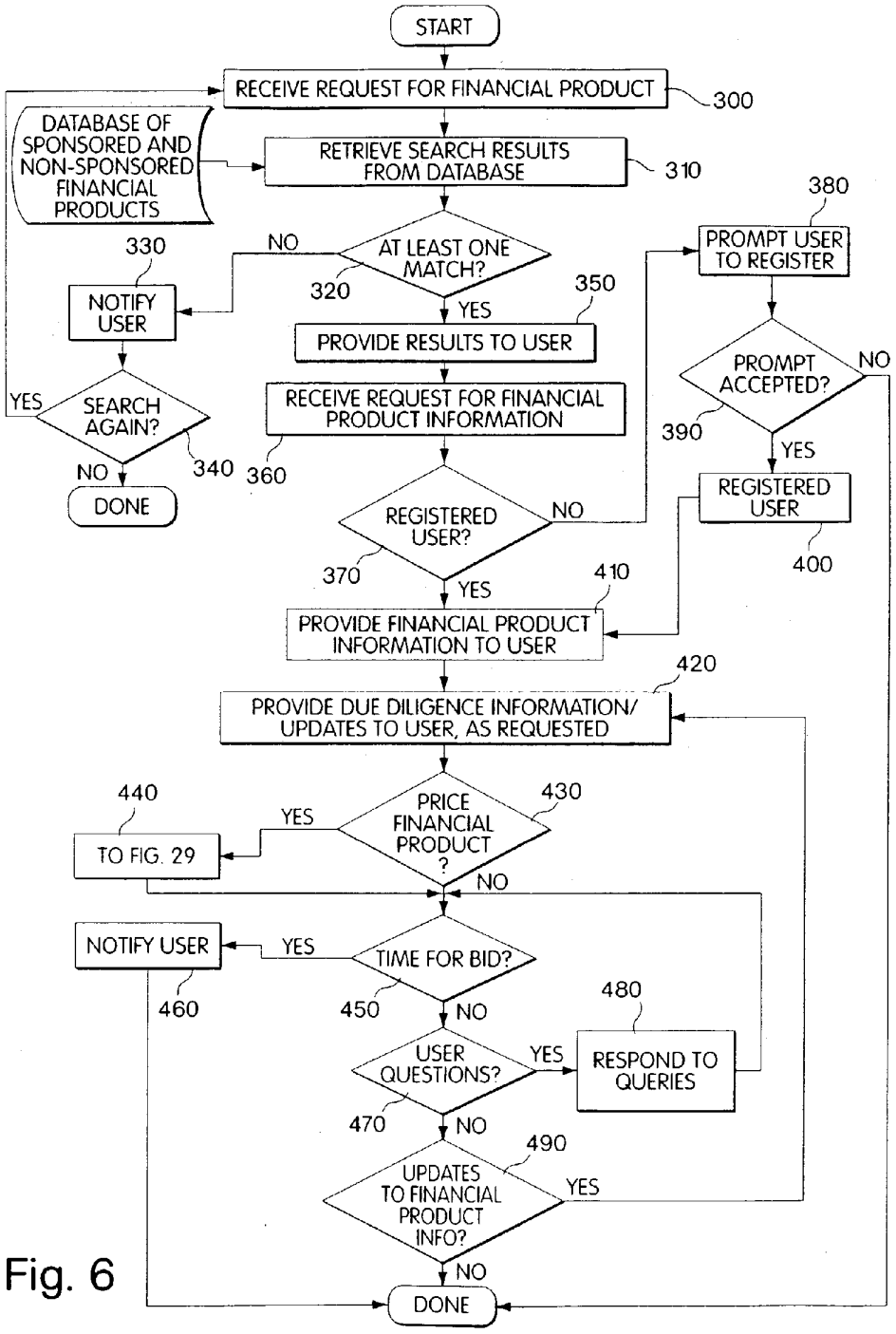

START
RECEIVE REQUEST FOR FINANCIAL PRODUCT
300
DATABASE OF SPONSORED AND NON-SPONSORED FINANCIAL PRODUCTS
RETRIEVE SEARCH RESULTS FROM DATABASE
310
AT LEAST ONE MATCH?
320
NO
YES
330
NOTIFY USER
SEARCH AGAIN?
340
YES
NO
DONE
350
PROVIDE RESULTS TO USER
RECEIVE REQUEST FOR FINANCIAL PRODUCT INFORMATION
360
REGISTERED USER?
370
NO
YES
380
PROMPT USER TO REGISTER
PROMPT ACCEPTED?
390
NO
YES
REGISTERED USER
400
410
PROVIDE FINANCIAL PRODUCT INFORMATION TO USER
420
PROVIDE DUE DILIGENCE INFORMATION/ UPDATES TO USER, AS REQUESTED
PRICE FINANCIAL PRODUCT ?
430
YES
440
TO FIG. 29
NO
NOTIFY USER
YES
TIME FOR BID?
450
460
NO
480
USER QUESTIONS?
YES
RESPOND TO QUERIES
470
NO
490
UPDATES TO FINANCIAL PRODUCT INFO?
YES
NO
DONE

Fig. 6

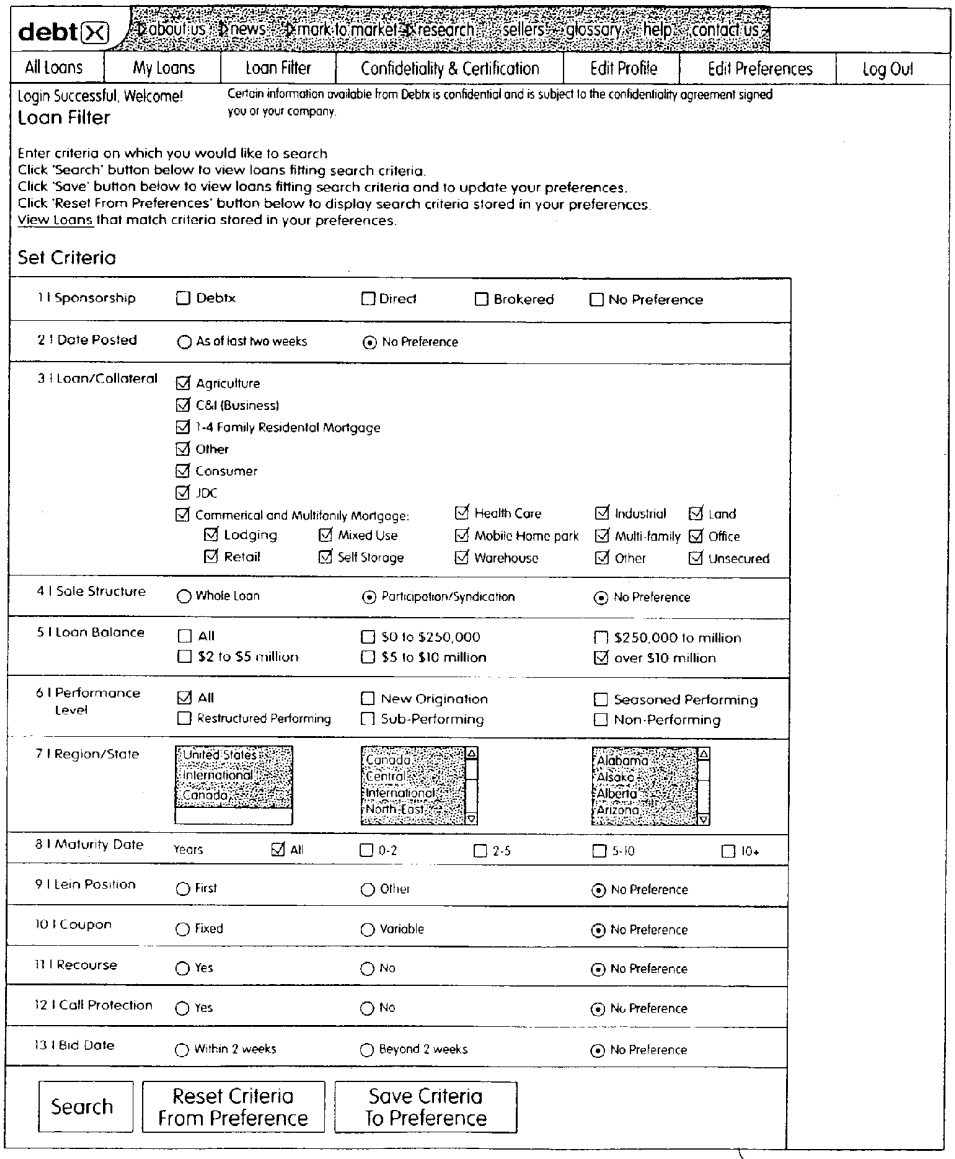

debtX
about us
news
mark-to-market
research
sellers
glossary
help
contact us
All Loans
My Loans
Loan Filter
Confidentiality & Certification
Edit Profile
Edit Preferences
Log Out
Login Successful, Welcome!
Certain information available from Debtx is confidential and is subject to the confidentiality agreement signed you or your company.
Loan Filter
Enter criteria on which you would like to search
Click 'Search' button below to view loans fitting search criteria.
Click 'Save' button below to view loans fitting search criteria and to update your preferences.
Click 'Reset From Preferences' button below to display search criteria stored in your preferences.
View Loans that match criteria stored in your preferences.
Set Criteria
1 | Sponsorship
Debtx
Direct
Brokered
No Preference
2 | Date Posted
As of last two weeks
No Preference
3 | Loan/Collateral
Agriculture
C&I (Business)
1-4 Family Residential Mortgage
Other
Consumer
JDC
Commerical and Multifamily Mortgage:
Health Care
Industrial
Land
Lodging
Mixed Use
Mobile Home park
Multi-family
Office
Retail
Self Storage
Warehouse
Other
Unsecured
4 | Sale Structure
Whole Loan
Participation/Syndication
No Preference
5 | Loan Balance
All
$0 to $250,000
$250,000 to million
$2 to $5 million
$5 to $10 million
over $10 million
6 | Performance Level
All
New Origination
Seasoned Performing
Restructured Performing
Sub-Performing
Non-Performing
7 | Region/State
United States
International
Canada
Canada
Central
International
North-East
Alabama
Alaska
Alberta
Arizona
8 | Maturity Date
Years
All
0-2
2-5
5-10
10+
9 | Lein Position
First
Other
No Preference
10 | Coupon
Fixed
Variable
No Preference
11 | Recourse
Yes
No
No Preference
12 | Call Protection
Yes
No
No Preference
13 | Bid Date
Within 2 weeks
Beyond 2 weeks
No Preference
Search
Reset Criteria From Preference
Save Criteria To Preference
500

Fig. 7

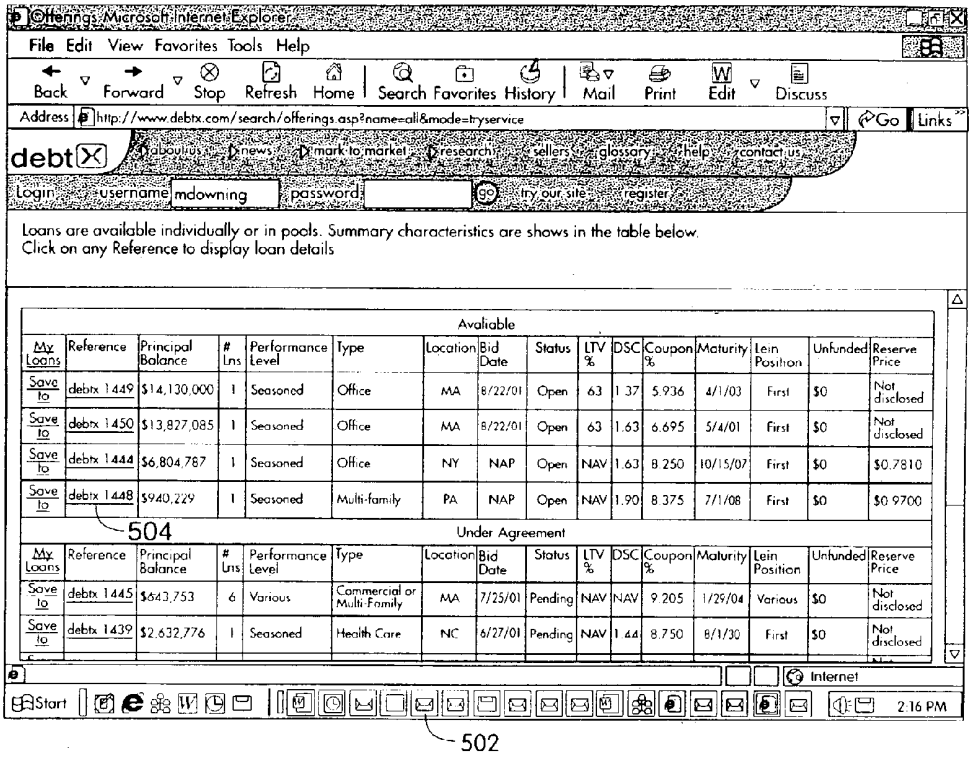

Offerings Microsoft Internet Explorer
File Edit View Favorites Tools Help
Back Forward Stop Refresh Home Search Favorites History Mail Print Edit Discuss
Address http://www.debtx.com/search/offerings.asp?name=all&mode=tryservice
Go Links
debtX
aboutus news mark to market research sellers glossary help contact us
Login username mdowning password try our site register
Loans are available individually or in pools. Summary characteristics are shows in the table below.
Click on any Reference to display loan details
Avaliable
My Loans | Reference | Principal Balance | # Lns | Performance Level | Type | Location | Bid Date | Status | LTV % | DSC | Coupon % | Maturity | Lein Position | Unfunded | Reserve Price
Save to | debtx 1449 | $14,130,000 | 1 | Seasoned | Office | MA | 8/22/01 | Open | 63 | 1.37 | 5.936 | 4/1/03 | First | $0 | Not disclosed
Save to | debtx 1450 | $13,827,085 | 1 | Seasoned | Office | MA | 8/22/01 | Open | 63 | 1.63 | 6.695 | 5/4/01 | First | $0 | Not disclosed
Save to | debtx 1444 | $6,804,787 | 1 | Seasoned | Office | NY | NAP | Open | NAV | 1.63 | 8.250 | 10/15/07 | First | $0 | $0.7810
Save to | debtx 1448 | $940,229 | 1 | Seasoned | Multi-family | PA | NAP | Open | NAV | 1.90 | 8.375 | 7/1/08 | First | $0 | $0.9700
504
Under Agreement
My Loans | Reference | Principal Balance | # Lns | Performance Level | Type | Location | Bid Date | Status | LTV % | DSC | Coupon % | Maturity | Lein Position | Unfunded | Reserve Price
Save to | debtx 1445 | $643,753 | 6 | Various | Commercial or Multi-Family | MA | 7/25/01 | Pending | NAV | NAV | 9.205 | 1/29/04 | Various | $0 | Not disclosed
Save to | debtx 1439 | $2,632,776 | 1 | Seasoned | Health Care | NC | 6/27/01 | Pending | NAV | 1.44 | 8.750 | 8/1/30 | First | $0 | Not disclosed
Internet
Start
2:16 PM
502

Fig. 8

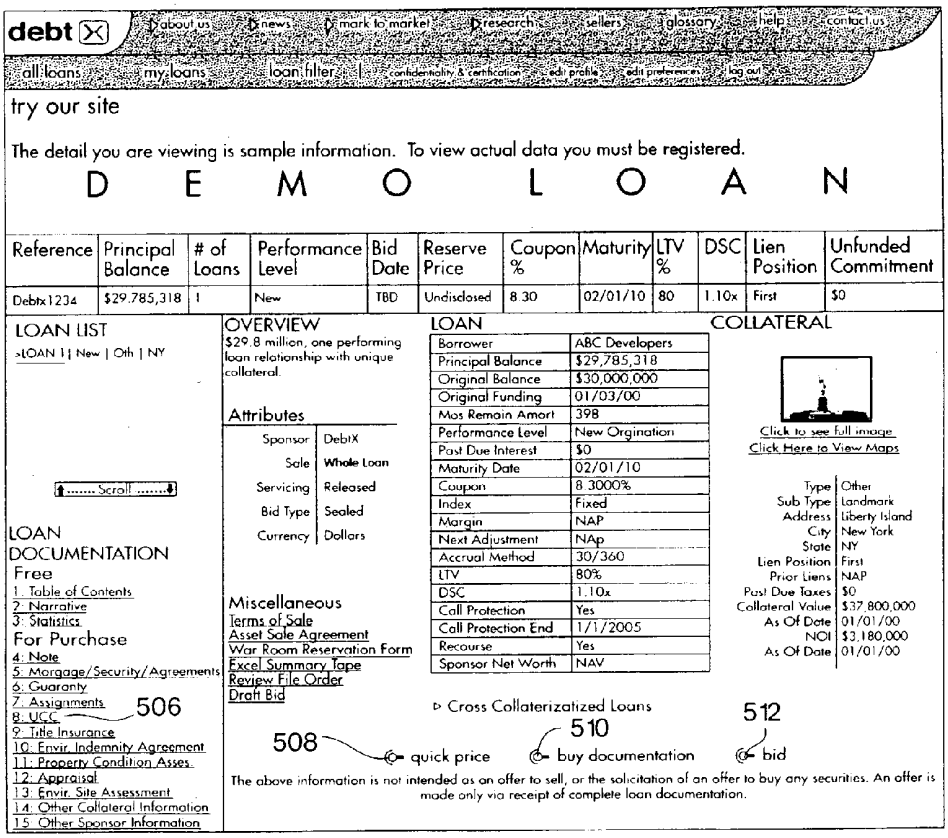

debt
about us
news
mark to market
research
sellers
glossary
help
contact us
all loans
my loans
loan filter
confidentiality & certification
edit profile
edit preferences
log out
try our site
The detail you are viewing is sample information. To view actual data you must be registered.
D E M O L O A N
Reference
Principal Balance
# of Loans
Performance Level
Bid Date
Reserve Price
Coupon %
Maturity
LTV %
DSC
Lien Position
Unfunded Commitment
Debtx1234
$29.785,318
1
New
TBD
Undisclosed
8.30
02/01/10
80
1.10x
First
$0
LOAN LIST
>LOAN 1 | New | Oth | NY
Scroll
LOAN DOCUMENTATION
Free
1: Table of Contents
2: Narrative
3: Statistics
For Purchase
4: Note
5: Mortgage/Security/Agreements
6: Guaranty
7: Assignments
8: UCC
506
9: Title Insurance
10: Envir. Indemnity Agreement
11: Property Condition Asses
12: Appraisal
13: Envir. Site Assessment
14: Other Collateral Information
15: Other Sponsor Information
OVERVIEW
$29.8 million, one performing loan relationship with unique collateral.
Attributes
Sponsor DebtX
Sale Whole Loan
Servicing Released
Bid Type Sealed
Currency Dollars
Miscellaneous
Terms of Sale
Asset Sale Agreement
War Room Reservation Form
Excel Summary Tape
Review File Order
Draft Bid
LOAN
Borrower ABC Developers
Principal Balance $29,785,318
Original Balance $30,000,000
Original Funding 01/03/00
Mos Remain Amort 398
Performance Level New Orgination
Past Due Interest $0
Maturity Date 02/01/10
Coupon 8.3000%
Index Fixed
Margin NAP
Next Adjustment NAp
Accrual Method 30/360
LTV 80%
DSC 1.10x
Call Protection Yes
Call Protection End 1/1/2005
Recourse Yes
Sponsor Net Worth NAV
COLLATERAL
Click to see full image
Click Here to View Maps
Type Other
Sub Type Landmark
Address Liberty Island
City New York
State NY
Lien Position First
Prior Liens NAP
Past Due Taxes $0
Collateral Value $37,800,000
As Of Date 01/01/00
NOI $3,180,000
As Of Date 01/01/00
Cross Collaterizatized Loans
508
quick price
510
buy documentation
512
bid
The above information is not intended as an offer to sell, or the solicitation of an offer to buy any securities. An offer is made only via receipt of complete loan documentation.

Fig. 9

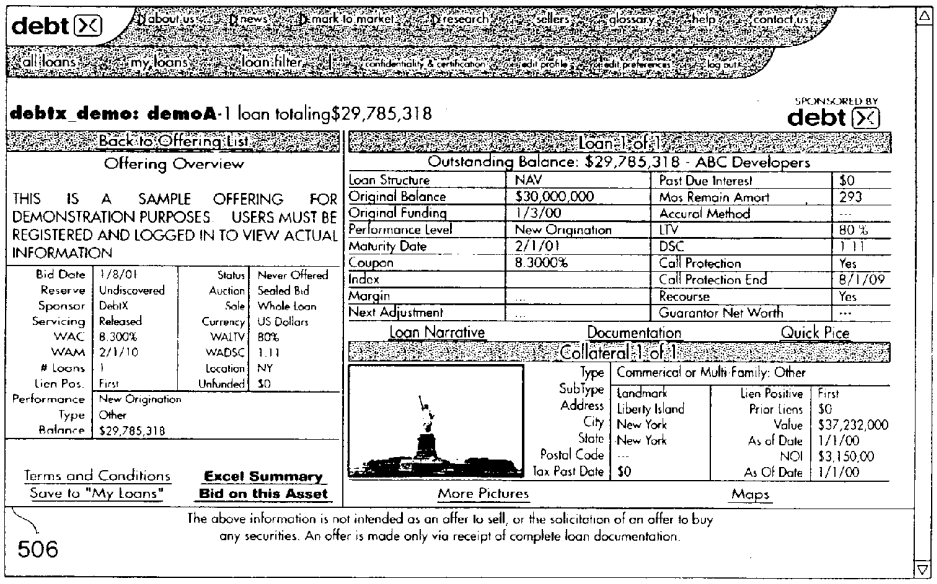

debt
about us
news
mark to market
research
sellers
glossary
help
contact us
all loans
my loans
loan filter
debtx_demo: demoA-1 loan totaling$29,785,318
SPONSORED BY
debt
Back to Offering List
Offering Overview
THIS IS A SAMPLE OFFERING FOR DEMONSTRATION PURPOSES USERS MUST BE REGISTERED AND LOGGED IN TO VIEW ACTUAL INFORMATION
Bid Date 1/8/01
Reserve Undiscovered
Sponsor DebiX
Servicing Released
WAC 8.300%
WAM 2/1/10
Loans 1
Lien Pos. First
Status Never Offered
Auction Sealed Bid
Sale Whole Loan
Currency US Dollars
WALTV 80%
WADSC 1.11
Location NY
Unfunded $0
Performance New Origination
Type Other
Balance $29,785,318
Terms and Conditions
Save to "My Loans"
Excel Summary
Bid on this Asset
Loan 1 of 1
Outstanding Balance: $29,785,318 - ABC Developers
Loan Structure NAV
Original Balance $30,000,000
Original Funding 1/3/00
Performance Level New Origination
Maturity Date 2/1/01
Coupon 8.3000%
Index
Margin ...
Next Adjustment ...
Past Due Interest $0
Mos Remain Amort 293
Accural Method ...
LTV 80 %
DSC 1.11
Call Protection Yes
Call Protection End 8/1/09
Recourse Yes
Guarantor Net Worth ...
Loan Narrative
Documentation
Quick Pice
Collateral 1 of 1
Type Commerical or Multi Family: Other
SubType Landmark
Address Liberty Island
City New York
State New York
Postal Code ...
Tax Past Date $0
Lien Positive First
Prior Liens $0
Value $37,232,000
As of Date 1/1/00
NOI $3,150,00
As Of Date 1/1/00
More Pictures
Maps
The above information is not intended as an offer to sell, or the solicitation of an offer to buy any securities. An offer is made only via receipt of complete loan documentation.
506

Fig. 10

debt X
TheDebtExchange

Narrative

Ms. Liberty

Reference Number	Outstanding Principal	Monthly P&I Payment	Interest Rate	Maturity Date	LTV	DSC	Recourse (Y/N)
1776	$29,785,318	$237,538	8.30%	02/01/10	80%	1.1x	Yes

Loan Description/History
This loan is a stand-alone note, which was originated on January 3, 2000 in the amount of $30,000,000 with a current principal balance of $29,785,318 amortizing on a 25 year schedule. Interest is fixed to maturity in February, 2010. The monthly payment is $237,538.26. The loan was funded to repay a bridge loan provided for the recent refurbishment of the site.

Collateral Description
Situated on a 4.2 acre island in a convenient location, this site is easily accessible by regularly scheduled water transport. Assembly was completed in 1886, having been shipped over in 214 crates aboard the French Frigate Isere. Designed by Frederci-Auguste Bartholdi, and made of steel, copper and concrete, the statue now features an elevator, gift shop, museum and lots of stairs. The structure is 151 feet tall, and weighs over 225 tons. Renovations were completed between 1984 and 1986. Excellent views are provided from the 25 windows on the upper floors.

Tax Issues/Escrows
The National Park Service has kept taxes current and paid timely. An abatement was recently filed, citing the assessment considerably exceeding the recent appraisal.

LTV/DSC
Based upon the recent appraisal, loan-to-value is 80%. The 11.3% cap utilized was based in part upon the estimated seasonality of the cash pow if admissions were to be charged at the site (the Park Service does not charge an admission fee). Based upon an estimated fee of $1.00 and 4.2 million visitors per year, with a 25% expense ratio, NOI is $3,150,000. Debt service annually is $2,850,456 resulting in a 1.105x debt service coverage, on an estimated basis.

Payment History
Paid as agreed, with all payments received via wire prior to the due date.

Sponsor Discussion
The National Park Service operates 373 parks throughout the United States, covering over 83 million acres, including Yellowstone, Grand Canyon National Park, the Boston Harbor Islands, and the Whitehouse. The Service has over 15,000 full-time employees, and an operating budget of approximately $1.7 billion.

Fig. 11

SAMPLE STATISTICS PAGE

Offering Name Offering Number Loan ID*	Loan Name Loan Type Loans in Offering

Sale Structure Servicing Retained/Released Bid Date	Bid Type Reserve Price Index	Specific Sponsor Seller Reference Number Seller Name

Performance Level Borrower Street Borrower City Borrower State Borrower Zip Form of Borrowing Entity Cross-Collateralized Loans	Original Funding Date Currency Type Original Note Amount First Loan Payment Due Date Prepayment Lock-out End Date Yield Maintenance End Date Prepayment Terms Description

Prepayment Penalty Matrix	
Prepayment Penalty	Prepayment Penalty End Date

Current Balance Current Balance as of Date Unfunded Commitments Current Maturity Date Amort Mos Remaining) Total Scheduled P&I Due Payment Frequency Grace Days Allowed Paid To Date Date Last Pmt Received # Days Interest Past Due Total Payment Last 12 Mos # Time 30 Days Late # Time 60 Days Late # Time 90 Days Late Date of Last Modification Modification Code Date Default Letter Sent	Current Interest Rate Servicer and Trustee Fee Rate Interest Rate Type Next Rate Adjustment Date Interest Accrual Method Code Per Diem Interest ARM Index Code ARM Margin Periodic Rate Increase Limit Periodic Rate Decrease Limit Lifetime Rate Cap Lifetime Rate Floor Rate Reset Frequency In Bankruptcy? Bankruptcy Date Recourse (Y/N)

Guarantor Number	Guarantor Name	Type	Net Worth	Net Worth Date

Escrow Type	Current Balance	As of Date

Fig. 12

Additional Financial Information

FICO Score	Total Assets
	Cash
Debt To Worth	Intangible/Related Party Assets
Senior Debt to Tangible Worth	Tangible Assets
Current Ratio	Current Assets
Quick Ratio	Tangible Current Assets
Other Covenants	
	Total Liabilities
Total Unqualified Value	Current Liabilities
Collateral Advance Rate	Senior Debt
Reporting Frequency	Subordinated Debt

Collateral Information

Collateral Number	Name
Collateral Type Code	Address
Collateral Sub-Type	City
Lien Position	State
Prior Lien Balance	Zip Code
Past Due Taxes	

Year Built	Ground Lease (Y/S/N)
Year Last Renovated	Total Reserve Balance
Net Square Feet	Most Recent Appraisal Value
# Of Units/Beds/Rooms	Most Recent Appraisal Date
Number of Floors	
	Assessed Value
Number of Parking Spaces	Date Asset Expected to Be
Land Area (square feet)	Resolved or Foreclosed

Credit Tenant Lease	Most Recent Revenue
Most Recent Occupancy	Most Recent Operating Expenses
Number of Tenants	Most Recent NOI
Occupancy/# Tenants as of	Most Recent Financial As of Start
Date Lease Rollover Review	Most Recent Financial As of End
% Sq. Feet expiring 1-12 mos	Most Recent Financial Indicator
% Sq. Feet expiring 13-24 mos	Preceding Fiscal Year As of Start
% Sq Feet expiring 25-36 mos	Preceding FY Revenue
% Sq. Feet expiring 37-48 mos	Preceding FY Operating Expenses
% Sq. Feet expiring 49-60 mos	Preceding FY Year NOI
Largest Tenant	Preceding FY Physical Occupancy
SF of Largest Tenant	Second Preceding FY Start
2nd Largest Tenant	Second Preceding FY Revenue
SF of 2nd Largest Tenant	Second Preceding FY Op. Exp.
3rd Largest Tenant	Second Preceding Fiscal Year NOI
SF of 3rd Largest Tenant	Second Preceding FY Occupancy
Fiscal Year End Month	Most Recent NCF

Date of Last Inspection	Preceding Fiscal Year NCF
Environmental Report Type	Second Preceding FY NCF
Environmental Report Year	

Fig. 13

THIS DOCUMENT AFFECTS THE RESPECTIVE LEGAL RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO. ACCORDINGLY, THE PARTIES SHOULD CONSULT THEIR ATTORNEYS BEFORE EXECUTING THIS DOCUMENT.

PROMISSORY NOTE

$30,000,000

Anytown, New York
As of January 3rd, 2000

FOR VALUE RECEIVED ABC DEVELOPERS, LLC, a New York limited liability company, as maker, having its principal place of business at 123 Main Street, Anytown, New York 12233 ("Borrower"), hereby unconditionally promises to pay to the order of XYZ LENDING COMPANY, a New York corporation, having an address at 100 Middle Road, Big City, New York 33345 ("Lender"), or at such other place as the holder hereof may from time to time designate in writing, the principal sum of THIRTY MILLION AND 00/100 DOLLARS ($30,000,000.00) in lawful money of the United States of America with interest thereon to be computed from the date of this Note at the Applicable Interest Rate (defined below) in accordance with the terms of this Note.

ARTICLE I - Payment Terms

Borrower agrees to pay sums under this Note in installments as follows:

(a) a payment of interest only on February 1, 2000;

(b) a constant payment of $220,805.43 on March 1, 2000 and on the first day of each calendar month thereafter up to and including January 1, 2010 (each, a "Payment Date"); each of the payments to be applied as follows: (i) first, to the payment of interest computed at the Applicable Interest Rate; and (ii) the balance toward the reduction of the principal sum; and

(c) the balance of the principal sum and all interest thereon on February 1, 2010 (the "Maturity Date").

ARTICLE 2 - Interest

The interest rate on this Note is eight and three tenths percent (8.30%) per annum (the "Applicable Interest Rate"). Interest on the principal sum of this Note shall be calculated by multiplying the actual number of days elapsed in the applicable period by a daily rate based upon a three hundred sixty (360) day year.

PROVIDED BY:
THACHER PROFFITT & WOOD
NEW YORK, NEW YORK 10048

Fig. 14

POLICY OF TITLE INSURANCE

Issued by

NATIONAL TITLE INSURANCE COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATION, NATIONAL TITLE INSURANCE COMPANY, a Blank corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;

2. Any defect in or lien or encumbrance on the title;

3. Unmarketability of the title;

4. Lack of a right of access to and from the land;

5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;

6. The priority of any lien or encumbrance over the lien of the insured mortgage;

7. Lack of priority of the lien of the insured mortgage over any statutory lien for services, labor or material:

(a) arising from an improvement or work related to the land which is contracted for or commenced prior to Date of Policy, or

(b) arising from an improvement or work related to the land which is contracted for or commenced subsequent to Date of Policy, and which is financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance;

8. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the insured mortgage in the named insured assignee free and clear of all liens

The Company will also pay the costs, attorney's fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Condition and Stipulations.

[Witness clause optional]

NATIONAL TITLE INSURANCE COMPANY

BY: _____
PRESIDENT

BY: _____
SECRETARY

ALTA LOAN POLICY (10/17/92

Fig. 15

Fig. 16

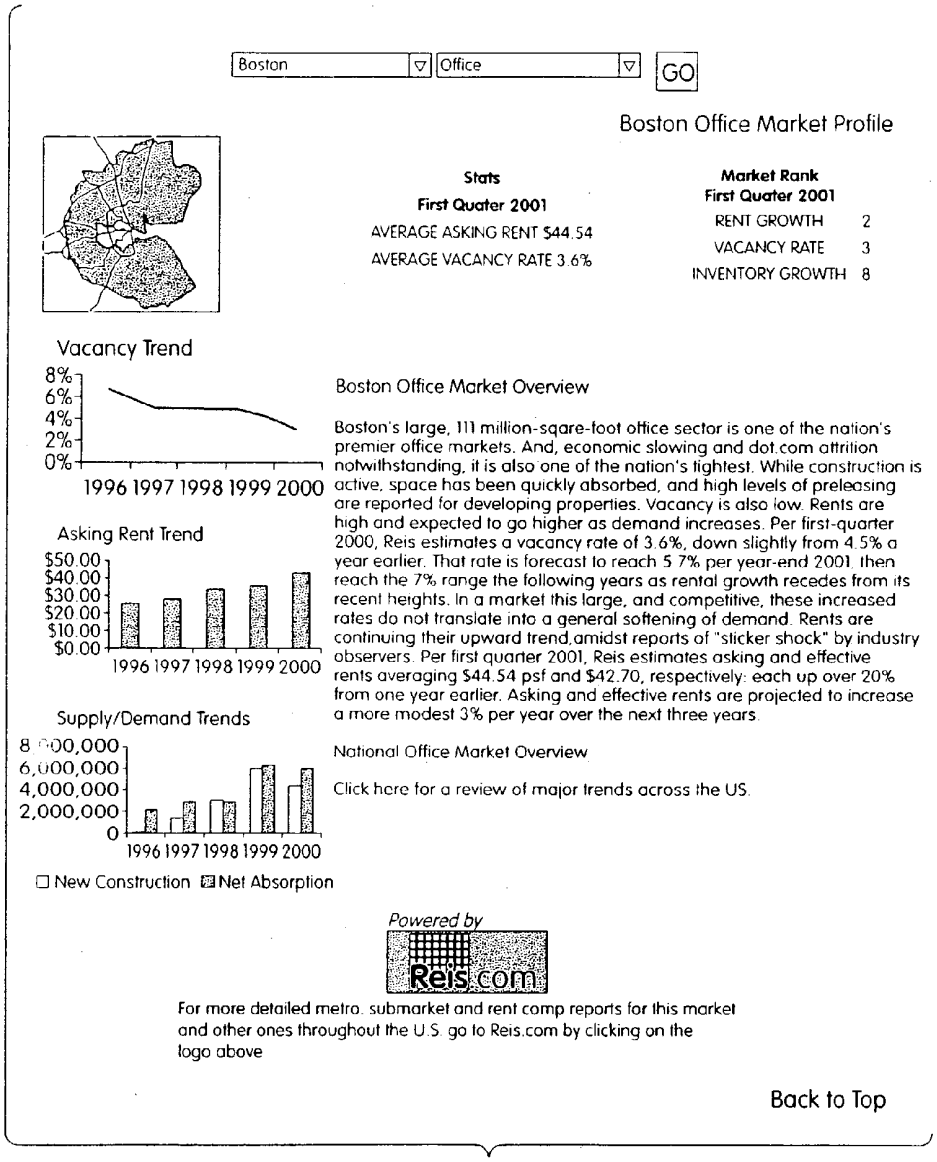

Boston
Office
GO
Boston Office Market Profile
Stats
First Quater 2001
AVERAGE ASKING RENT $44.54
AVERAGE VACANCY RATE 3.6%
Market Rank
First Quater 2001
RENT GROWTH 2
VACANCY RATE 3
INVENTORY GROWTH 8
Vacancy Trend
8%
6%
4%
2%
0%
1996 1997 1998 1999 2000
Asking Rent Trend
$50.00
$40.00
$30.00
$20.00
$10.00
$0.00
1996 1997 1998 1999 2000
Supply/Demand Trends
8,000,000
6,000,000
4,000,000
2,000,000
0
1996 1997 1998 1999 2000
New Construction
Net Absorption
Boston Office Market Overview
Boston's large, 111 million-sqare-foot office sector is one of the nation's premier office markets. And, economic slowing and dot.com attrition notwithstanding, it is also one of the nation's tightest. While construction is active, space has been quickly absorbed, and high levels of preleasing are reported for developing properties. Vacancy is also low. Rents are high and expected to go higher as demand increases. Per first-quarter 2000, Reis estimates a vacancy rate of 3.6%, down slightly from 4.5% a year earlier. That rate is forecast to reach 5.7% per year-end 2001, then reach the 7% range the following years as rental growth recedes from its recent heights. In a market this large, and competitive, these increased rates do not translate into a general softening of demand. Rents are continuing their upward trend,amidst reports of "sticker shock" by industry observers. Per first quarter 2001, Reis estimates asking and effective rents averaging $44.54 psf and $42.70, respectively: each up over 20% from one year earlier. Asking and effective rents are projected to increase a more modest 3% per year over the next three years.
National Office Market Overview
Click here for a review of major trends across the US.
Powered by
Reis.com
For more detailed metro, submarket and rent comp reports for this market and other ones throughout the U.S. go to Reis.com by clicking on the logo above
Back to Top

Fig. 17

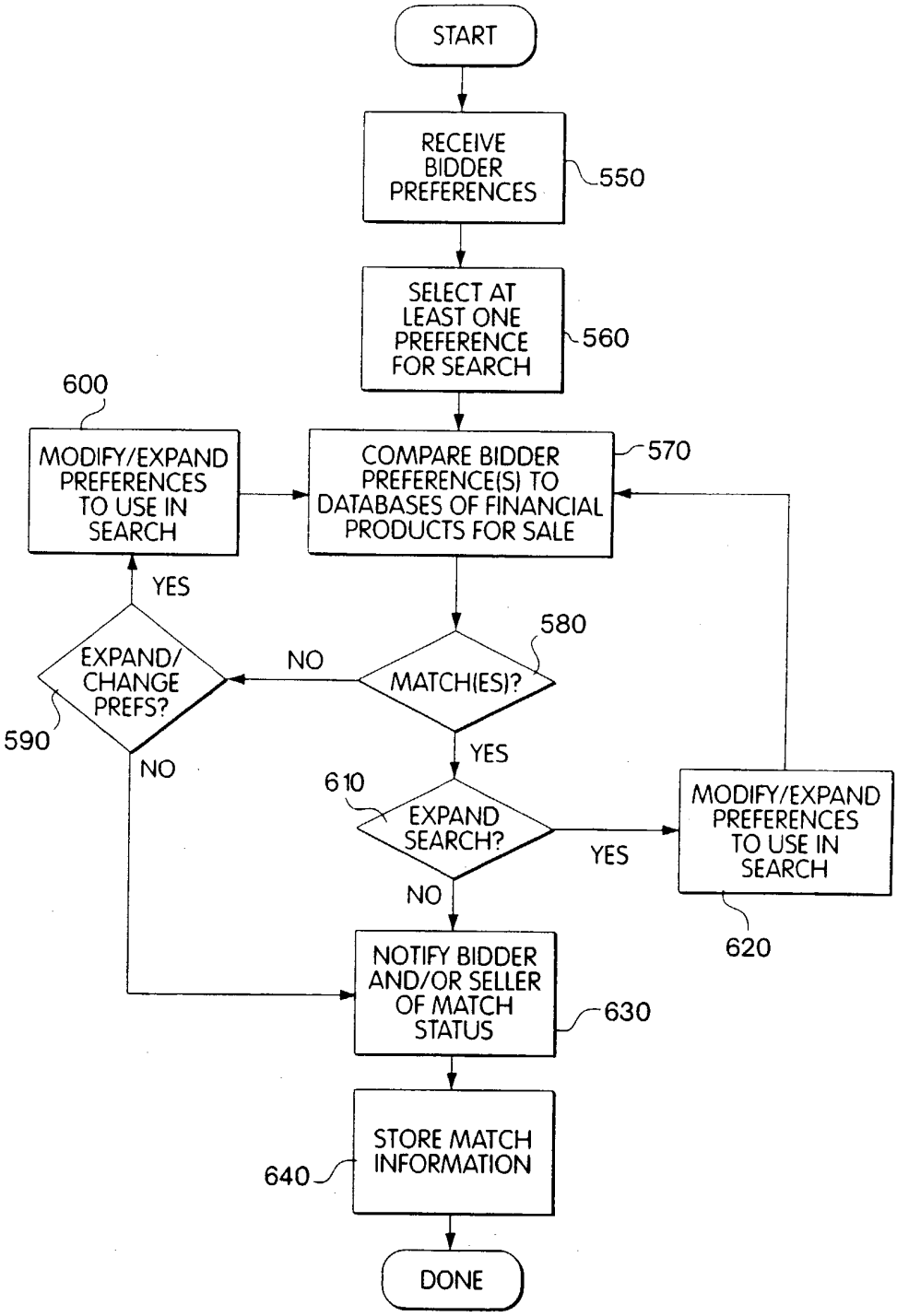

START
RECEIVE BIDDER PREFERENCES
550
SELECT AT LEAST ONE PREFERENCE FOR SEARCH
560
600
MODIFY/EXPAND PREFERENCES TO USE IN SEARCH
COMPARE BIDDER PREFERENCE(S) TO DATABASES OF FINANCIAL PRODUCTS FOR SALE
570
YES
580
EXPAND/ CHANGE PREFS?
NO
MATCH(ES)?
590
NO
YES
610
EXPAND SEARCH?
YES
MODIFY/EXPAND PREFERENCES TO USE IN SEARCH
620
NO
NOTIFY BIDDER AND/OR SELLER OF MATCH STATUS
630
STORE MATCH INFORMATION
640
DONE

Fig. 18

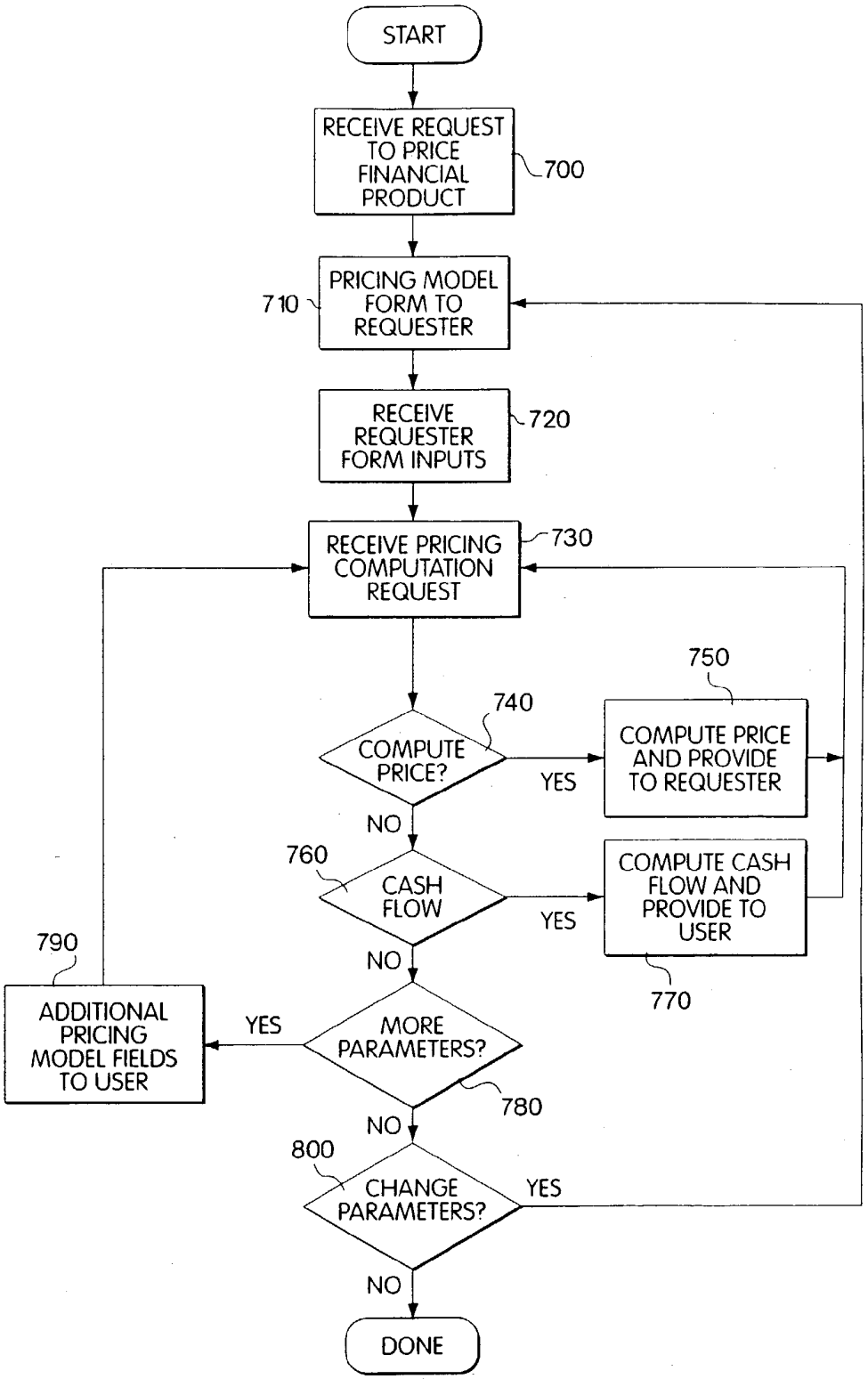

START
RECEIVE REQUEST TO PRICE FINANCIAL PRODUCT
700
PRICING MODEL FORM TO REQUESTER
710
RECEIVE REQUESTER FORM INPUTS
720
RECEIVE PRICING COMPUTATION REQUEST
730
750
740
COMPUTE PRICE?
YES
COMPUTE PRICE AND PROVIDE TO REQUESTER
NO
760
CASH FLOW
YES
COMPUTE CASH FLOW AND PROVIDE TO USER
770
NO
790
ADDITIONAL PRICING MODEL FIELDS TO USER
YES
MORE PARAMETERS?
780
NO
800
CHANGE PARAMETERS?
YES
NO
DONE

Fig. 19

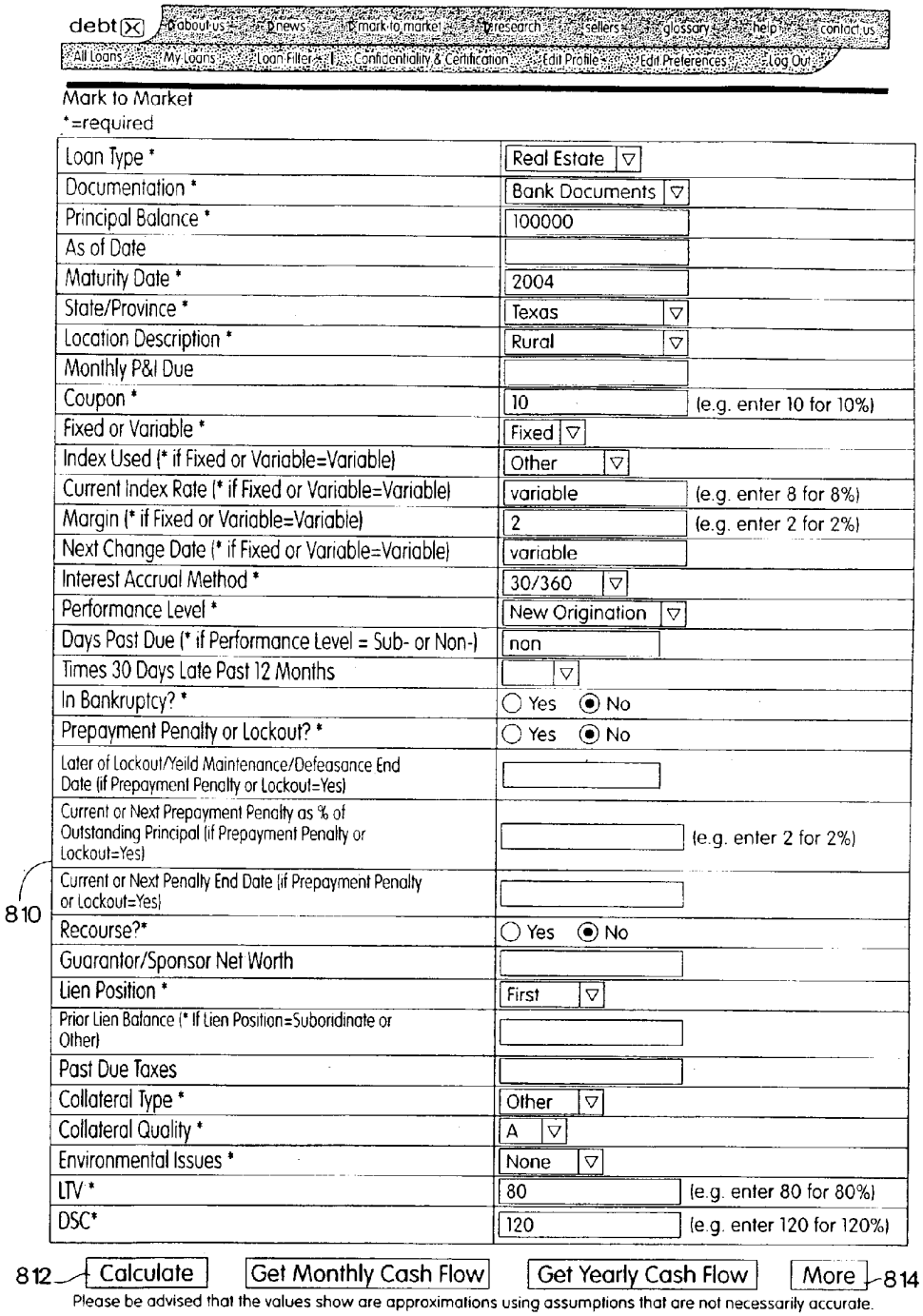

debt
about us
news
mark to market
research
sellers
glossary
help
contact us
All Loans
My Loans
Loan Filter
Confidentiality & Certification
Edit Profile
Edit Preferences
Log Out
Mark to Market
*=required
Loan Type *
Real Estate
Documentation *
Bank Documents
Principal Balance *
100000
As of Date
Maturity Date *
2004
State/Province *
Texas
Location Description *
Rural
Monthly P&I Due
Coupon *
10
(e.g. enter 10 for 10%)
Fixed or Variable *
Fixed
Index Used (* if Fixed or Variable=Variable)
Other
Current Index Rate (* if Fixed or Variable=Variable)
variable
(e.g. enter 8 for 8%)
Margin (* if Fixed or Variable=Variable)
2
(e.g. enter 2 for 2%)
Next Change Date (* if Fixed or Variable=Variable)
variable
Interest Accrual Method *
30/360
Performance Level *
New Origination
Days Past Due (* if Performance Level = Sub- or Non-)
non
Times 30 Days Late Past 12 Months
In Bankruptcy? *
Yes
No
Prepayment Penalty or Lockout? *
Yes
No
Later of Lockout/Yeild Maintenance/Defeasance End Date (if Prepayment Penalty or Lockout=Yes)
Current or Next Prepayment Penalty as % of Outstanding Principal (if Prepayment Penalty or Lockout=Yes)
(e.g. enter 2 for 2%)
Current or Next Penalty End Date (if Prepayment Penalty or Lockout=Yes)
810
Recourse?*
Yes
No
Guarantor/Sponsor Net Worth
Lien Position *
First
Prior Lien Balance (* If Lien Position=Subordinate or Other)
Past Due Taxes
Collateral Type *
Other
Collateral Quality *
A
Environmental Issues *
None
LTV *
80
(e.g. enter 80 for 80%)
DSC*
120
(e.g. enter 120 for 120%)
812
Calculate
Get Monthly Cash Flow
Get Yearly Cash Flow
More
814
Please be advised that the values show are approximations using assumptions that are not necessarily accurate.

Fig. 20

Loan Modeling

Select Performance Scenario, and enter fields as appropriate. Depress the "Calculate" button to display an estima price for the loan based on the input assumptions.

Perform As Agreed
Performance Scenario: Perform as Agreed

Yield to maturity must be entered

***=Required Fields**
*** Yield to Maturity:**
(e.g. 10 for 10%) 10
Override Maturity Date:
(min 6 mos, max 20 years from today) 02/08/02

Calculate | Get Monthly Cash Flow | Get Annual Cash Flow | >>Back

Loan Information:

Loan Type	Comm & Multifam Mtg	Days Past Due	0
Documentation	Bank Documents	Times 30 Days Late Past 12 Months	0
Principal Balance	$5,000,000	In Bankruptcy?	N
As of Date	---	Prepayment Penalty or Lockout?	N
Maturity Date	9/19/01	Lockout/Yield Maintenance End Date	NAP
State	Massachusetts	Current or Next Prepayment Penalty	NAP
Location Description	Suburb - Excellent	Current or Next Penalty End Date	NAP
Monthly P & I Due	$0	Recourse?	N
Coupon	15.0000%	Guarantor/Sponsor Net Worth	$0
Fixed or Variable	Fixed	Lien Position	First
Index Used	NAP	Prior Lien Balance	$0
Current Index Rate	NAP	Past Due Taxes	$0
Margin	NAP	Collateral Type	Land
Next Change Date	NAP	Collateral Quality	A
Interest Accrual Method	30/360	Environmental Issues	None
Performance Level	Seasoned Performing	LTV	100.00%
		DSC	1.00x

Please by advised that the value shown is an approximation using assumptions that are not necessarily accurate.

Fig. 21

Loan Modeling

Select Performance Scenario, and enter fields as appropriate. Depress the "Calculate" button to display an estimat price for the loan based on the inpiut assumptions.

Perform As Agreed Performance Scenario: Perform as Agreed **99.3 cents on the dollar.**

***=Required Fields**

*** Yield to Maturity: (e.g. 10 for 10%)** 10

Override Maturity Date: (min 6 mos, max 20 years from today) 02/08/02

Calculate | Get Monthly Cash Flow | Get Annual Cash Flow | Back

Loan Information:

Loan Type	Comm & Multifam Mtg	Days Past Due	0
Documentation	Bank Documents	Times 30 Days Late Past 12 Months	0
Principal Balance	$5,000,000	In Bankruptcy?	N
As of Date	---	Prepayment Penalty or Lockout?	N
Maturity Date	9/19/01	Lockout/Yield Maintenance End Date	NAP
State	Massachusetts	Current or Next Prepayment Penalty	NAP
Location Description	Suburb - Excellent	Current or Next Penalty End Date	NAP
Monthly P & I Due	$0	Recourse?	N
Coupon	15.0000%	Guarantor/Sponsor Net Worth	$0
Fixed or Variable	Fixed	Lien Position	First
Index Used	NAP	Prior Lien Balance	$0
Current Index Rate	NAP	Past Due Taxes	$0
Margin	NAP	Collateral Type	Land
Next Change Date	NAP	Collateral Quality	A
Interest Accrual Method	30/360	Environmental Issues	None
Performance Level	Seasoned Performing	LTV	100.00%
		DSC	1.00x

Please by advised that the value shown is an approximation using assumptions that are not necessarily accurate.

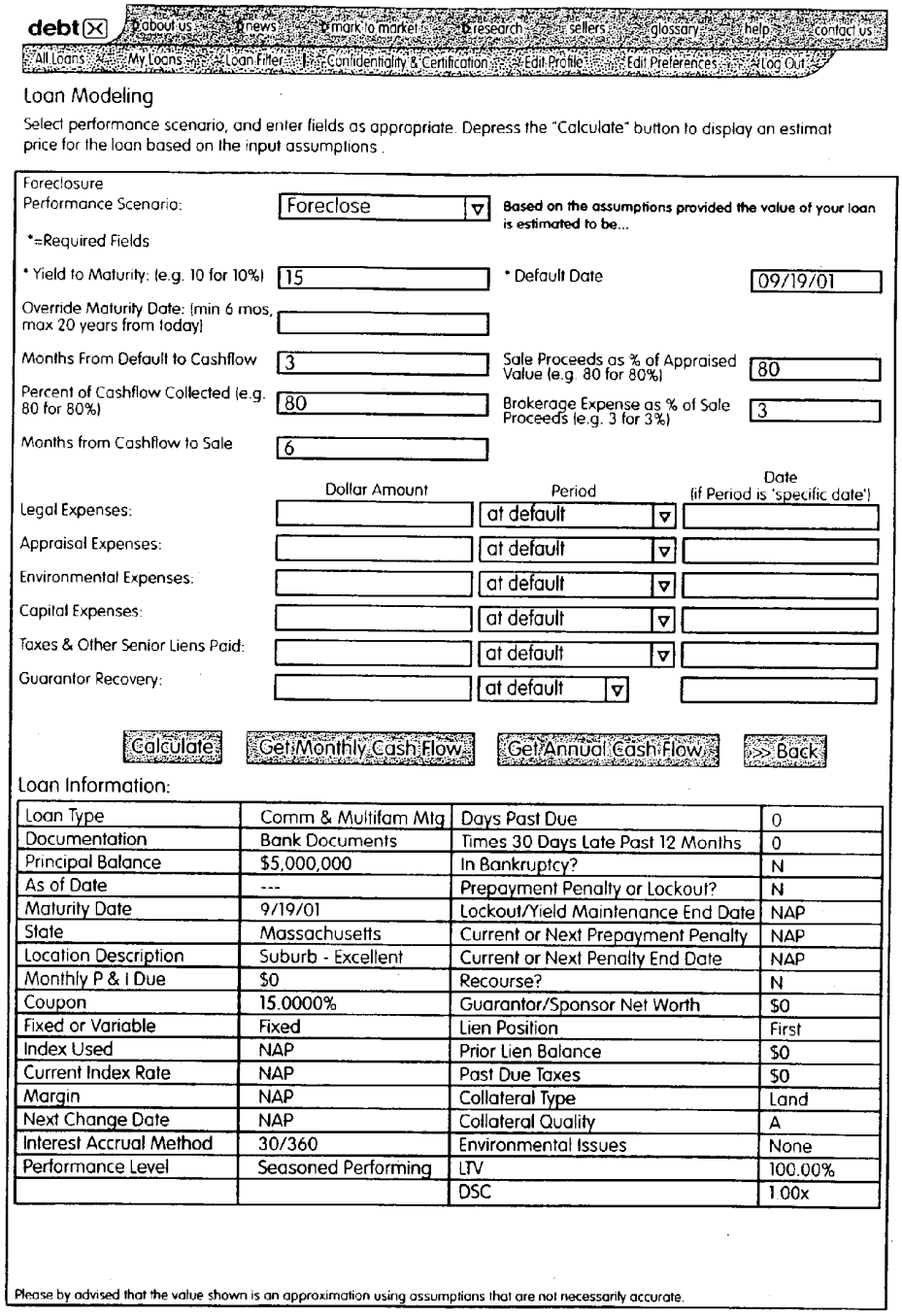
Fig. 22

debtX
The DebtExchange
an Name

Asset Specific Information						Resolution Scenario	Performed as Agreed	
Loan Type	Comm & Multifam Mtg	0		Recourse?	N			
Documentation	Bank Documents	0		Guarantor Net Worth	$0			
Principal Balance	$100,000	0		Lien Position	First			
As of Date	12/31.99	Interest Accrual Method	0/	Prior Lien Balance				
Maturity Date	08/31/01	Performance Level	New Origination	Past Due Taxes	$0			
State	Massachusetts	Current Days Past Due	0	Collateral Type	Land			
Location Description	NAV	Time 30 days late past yr	3	Collateral Quality	A			
Monthly P&I Due	0.00	In Brankruptey?	N	Environmental Issues	Minor	Expenses/Recoveries	Amounts	Date
Coupon	10.0000%	Prepay Penalty/Lockout?	N	LTV	80%	Legal Expenses	$0	at extension/restructure
Fixed or Variable	Fixed	0		Collateral Value	$125,000	Appraisal Expenses	$0	at extension/restructure
0		0		DSC	1.20	Environmental Expenses	$0	at extension/restructure
		0		Monthly NOI	$0	Capital Expenses	$0	at extension/restructure
Discount Rate						Taxes/Other Liens	$0	at extension/restructure
Discount Rate	10.0%			Sensitivity Increments	0.10%	Guarantor Recovery	$0	at extension/restructure

Months in Period	12	12	12	12	12	12	12	12	12	12	12	108
Period Ending	08/31/02	08/31/03	08/31/04	08/31/05	08/31/06	08/31/07	08/31/08	08/31/09	08/31/10	08/31/11	08/31/12	08/31/21
SCHEDULED PAYMENTS												
Sched Principal Balance Begin	$100,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Scheduled Interest Payments	833	0	0	0	0	0	0	0	0	0	0	0
Scheduled Principal Pmnts	-833	0	0	0	0	0	0	0	0	0	0	0
Scheduled P&I Payments	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Balloon	100,833	0	0	0	0	0	0	0	0	0	0	0
Total Scheduled Payments	100,833	0	0	0	0	0	0	0	0	0	0	0
Sched Principal Balance End	0	0	0	0	0	0	0	0	0	0	0	0
INFLOWS	08/31/02	08/31/03	08/31/04	08/31/05	08/31/06	08/31/07	08/31/08	08/31/09	08/31/10	08/31/11	08/31/12	08/31/13
Actual Beginning Bal	100,000	0	0	0	0	0	0	0	0	0	0	0
Scheduled Payments	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Balloon	100,833	0	0	0	0	0	0	0	0	0	0	0
Total Cash Available	100,833	0	0	0	0	0	0	0	0	0	0	0
Beginning Acrete Balance	0	0	0	0	0	0	0	0	0	0	0	0
Acrete Balance Paid	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Available	100,833	0	0	0	0	0	0	0	0	0	0	0
Actual Interest Due	833	0	0	0	0	0	0	0	0	0	0	0
Actual Interest Paid	833	0	0	0	0	0	0	0	0	0	0	0
Interest Accreted	0	0	0	0	0	0	0	0	0	0	0	0
Ending Acrete Balance	0	0	0	0	0	0	0	0	0	0	0	0
Actual Principal Paid	100,000	0	0	0	0	0	0	0	0	0	0	0
Recognized Principal Loss	0	0	0	0	0	0	0	0	0	0	0	0
Recognized Interest/Acrete Loss	0	0	0	0	0	0	0	0	0	0	0	0
Actual Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0
Prepayment Penalty	0	0	0	0	0	0	0	0	0	0	0	0
Guarantor Recovery	0	0	0	0	0	0	0	0	0	0	0	0
Total Inflows	100,833	0	0	0	0	0	0	0	0	0	0	0
OUTFLOWS												
Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0
Appraisal Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Environmental	0	0	0	0	0	0	0	0	0	0	0	0
Capital Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Taxes & Other Senior Liens	0	0	0	0	0	0	0	0	0	0	0	0
Brokerage Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Total Outflows	0	0	0	0	0	0	0	0	0	0	0	0
NET CASH FLOWS	$100,833	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	High	Medium	Low		Sensitivity Annty	9.90%	10.00%	10.00%				
					NPV	100,008	100,000	99,992				
					Which equates 1	$1.000	$1.000	$1.000 on the dollar				

Fig. 23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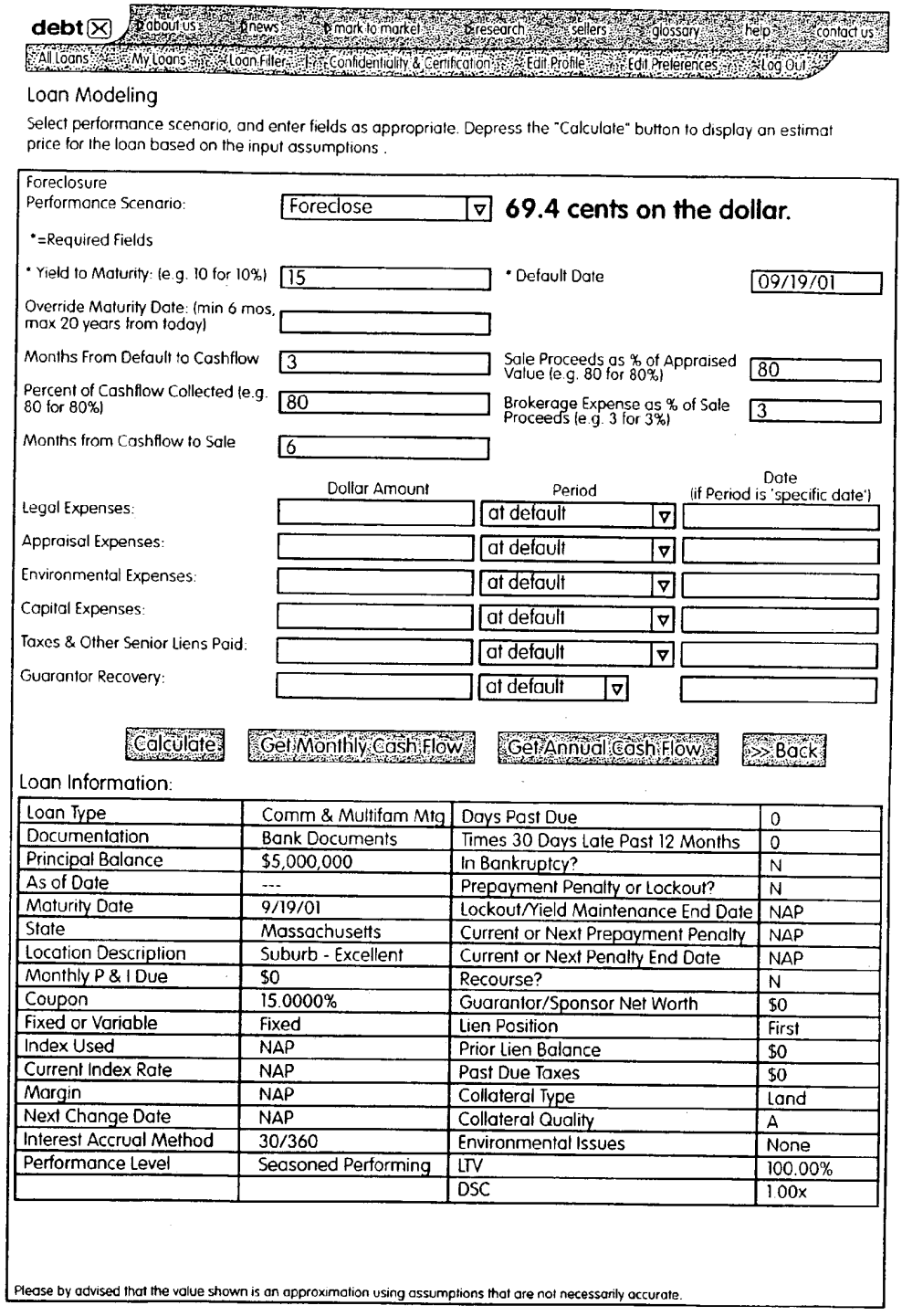
Edit Profile
Edit Preferences
Log Out
Loan Modeling
Select performance scenario, and enter fields as appropriate. Depress the "Calculate" button to display an estimat price for the loan based on the input assumptions .
Foreclosure
Performance Scenario:
Foreclose
Based on the assumptions provided the value of your loan is estimated to be...
*=Required Fields
* Yield to Maturity: (e.g. 10 for 10%)
15
* Default Date
09/19/01
Override Maturity Date: (min 6 mos, max 20 years from today)
Months From Default to Cashflow
3
Sale Proceeds as % of Appraised Value (e.g. 80 for 80%)
80
Percent of Cashflow Collected (e.g. 80 for 80%)
80
Brokerage Expense as % of Sale Proceeds (e.g. 3 for 3%)
3
Months from Cashflow to Sale
6
Dollar Amount
Period
Date (if Period is 'specific date')
Legal Expenses:
at default
Appraisal Expenses:
at default
Environmental Expenses:
at default
Capital Expenses:
at default
Taxes & Other Senior Liens Paid:
at default
Guarantor Recovery:
at default
Calculate
Get Monthly Cash Flow
Get Annual Cash Flow
>> Back
Loan Information:
Loan Type
Comm & Multifam Mtg
Days Past Due
0
Documentation
Bank Documents
Times 30 Days Late Past 12 Months
0
Principal Balance
$5,000,000
In Bankruptcy?
N
As of Date

Prepayment Penalty or Lockout?
N
Maturity Date
9/19/01
Lockout/Yield Maintenance End Date
NAP
State
Massachusetts
Current or Next Prepayment Penalty
NAP
Location Description
Suburb - Excellent
Current or Next Penalty End Date
NAP
Monthly P & I Due
$0
Recourse?
N
Coupon
15.0000%
Guarantor/Sponsor Net Worth
$0
Fixed or Variable
Fixed
Lien Position
First
Index Used
NAP
Prior Lien Balance
$0
Current Index Rate
NAP
Past Due Taxes
$0
Margin
NAP
Collateral Type
Land
Next Change Date
NAP
Collateral Quality
A
Interest Accrual Method
30/360
Environmental Issues
None
Performance Level
Seasoned Performing
LTV
100.00%
DSC
1.00x
Please by advised that the value shown is an approximation using assumptions that are not necessarily accurate.

Fig. 24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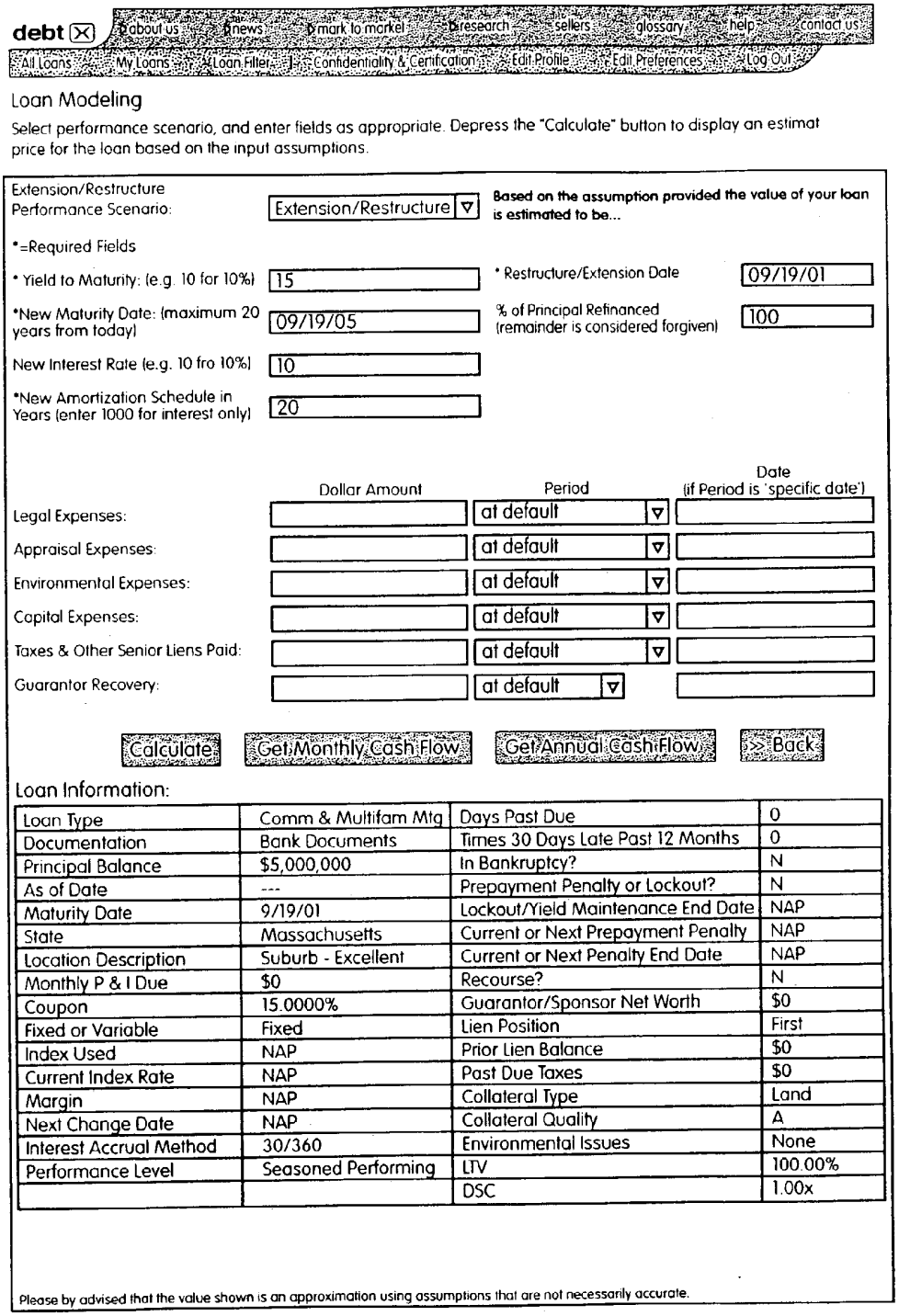
Edit Profile
Edit Preferences
Log Out
Loan Modeling
Select performance scenario, and enter fields as appropriate. Depress the "Calculate" button to display an estimat price for the loan based on the input assumptions .
Foreclosure
Performance Scenario:
Foreclose
69.4 cents on the dollar.
*=Required Fields
* Yield to Maturity: (e.g. 10 for 10%)
15
* Default Date
09/19/01
Override Maturity Date: (min 6 mos, max 20 years from today)
Months From Default to Cashflow
3
Sale Proceeds as % of Appraised Value (e.g. 80 for 80%)
80
Percent of Cashflow Collected (e.g. 80 for 80%)
80
Brokerage Expense as % of Sale Proceeds (e.g. 3 for 3%)
3
Months from Cashflow to Sale
6
Dollar Amount
Period
Date (if Period is 'specific date')
Legal Expenses:
at default
Appraisal Expenses:
at default
Environmental Expenses:
at default
Capital Expenses:
at default
Taxes & Other Senior Liens Paid:
at default
Guarantor Recovery:
at default
Calculate
Get Monthly Cash Flow
Get Annual Cash Flow
>> Back
Loan Information:
Loan Type
Comm & Multifam Mtg
Documentation
Bank Documents
Principal Balance
$5,000,000
As of Date

Maturity Date
9/19/01
State
Massachusetts
Location Description
Suburb - Excellent
Monthly P & I Due
$0
Coupon
15.0000%
Fixed or Variable
Fixed
Index Used
NAP
Current Index Rate
NAP
Margin
NAP
Next Change Date
NAP
Interest Accrual Method
30/360
Performance Level
Seasoned Performing
Days Past Due
0
Times 30 Days Late Past 12 Months
0
In Bankruptcy?
N
Prepayment Penalty or Lockout?
N
Lockout/Yield Maintenance End Date
NAP
Current or Next Prepayment Penalty
NAP
Current or Next Penalty End Date
NAP
Recourse?
N
Guarantor/Sponsor Net Worth
$0
Lien Position
First
Prior Lien Balance
$0
Past Due Taxes
$0
Collateral Type
Land
Collateral Quality
A
Environmental Issues
None
LTV
100.00%
DSC
1.00x
Please by advised that the value shown is an approximation using assumptions that are not necessarily accurate.

Fig. 25



Loan Type	Comm & Multifam Mtg	Days Past Due	0
Documentation	Bank Documents	Times 30 Days Late Past 12 Months	0
Principal Balance	$5,000,000	In Bankruptcy?	N
As of Date	---	Prepayment Penalty or Lockout?	N
Maturity Date	9/19/01	Lockout/Yield Maintenance End Date	NAP
State	Massachusetts	Current or Next Prepayment Penalty	NAP
Location Description	Suburb - Excellent	Current or Next Penalty End Date	NAP
Monthly P & I Due	$0	Recourse?	N
Coupon	15.0000%	Guarantor/Sponsor Net Worth	$0
Fixed or Variable	Fixed	Lien Position	First
Index Used	NAP	Prior Lien Balance	$0
Current Index Rate	NAP	Past Due Taxes	$0
Margin	NAP	Collateral Type	Land
Next Change Date	NAP	Collateral Quality	A
Interest Accrual Method	30/360	Environmental Issues	None
Performance Level	Seasoned Performing	LTV	100.00%
		DSC	1.00x

Fig. 26

Loan Modeling

Select performance scenario, and enter fields as appropriate. Depress the "Calculate" button to display an estimate price for the loan based on the input assumptions.

Extension/Restructure Performance Scenario: Extension/Restructure **85.1 cents on the dollar.**

*=Required Fields

* Yield to Maturity: (e.g. 10 for 10%)	15	* Restructure/Extension Date	09/19/01
*New Maturity Date: (maximum 20 years from today)	09/19/05	% of Principal Refinanced (remainder is considered forgiven)	100
New Interest Rate (e.g. 10 fro 10%)	10		
*New Amortization Schedule in Years (enter 1000 fro interest only)	20		

	Dollar Amount	Period	Date (if Period is specific date)
Legal Expenses:		at default	
Appraisal Expenses:		at default	
Environmental Expenses:		at default	
Capital Expenses:		at default	
Taxes & Other Senior Liens Paid:		at default	
Guarantor Recovery:		at default	

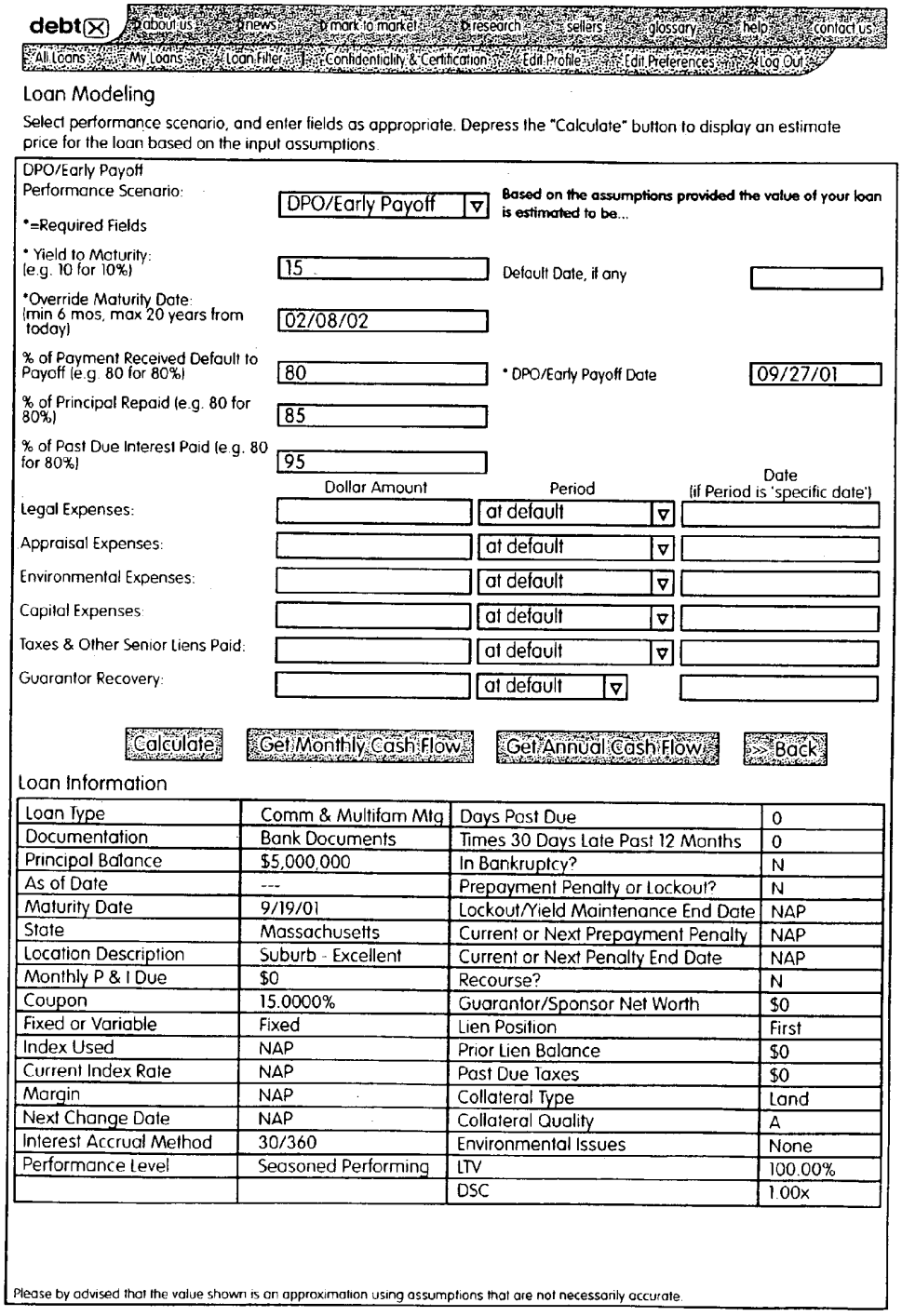
Calculate | Get Monthly Cash Flow | Get Annual Cash Flow | >> Back

Loan Information:

Loan Type	Comm & Multifam Mtg	Days Past Due	0
Documentation	Bank Documents	Times 30 Days Late Past 12 Months	0
Principal Balance	$5,000,000	In Bankruptcy?	N
As of Date	---	Prepayment Penalty or Lockout?	N
Maturity Date	9/19/01	Lockout/Yield Maintenance End Date	NAP
State	Massachusetts	Current or Next Prepayment Penalty	NAP
Location Description	Suburb - Excellent	Current or Next Penalty End Date	NAP
Monthly P & I Due	$0	Recourse?	N
Coupon	15.0000%	Guarantor/Sponsor Net Worth	$0
Fixed or Variable	Fixed	Lien Position	First
Index Used	NAP	Prior Lien Balance	$0
Current Index Rate	NAP	Past Due Taxes	$0
Margin	NAP	Collateral Type	Land
Next Change Date	NAP	Collateral Quality	A
Interest Accrual Method	30/360	Environmental Issues	None
Performance Level	Seasoned Performing	LTV	100.00%
		DSC	1.00x

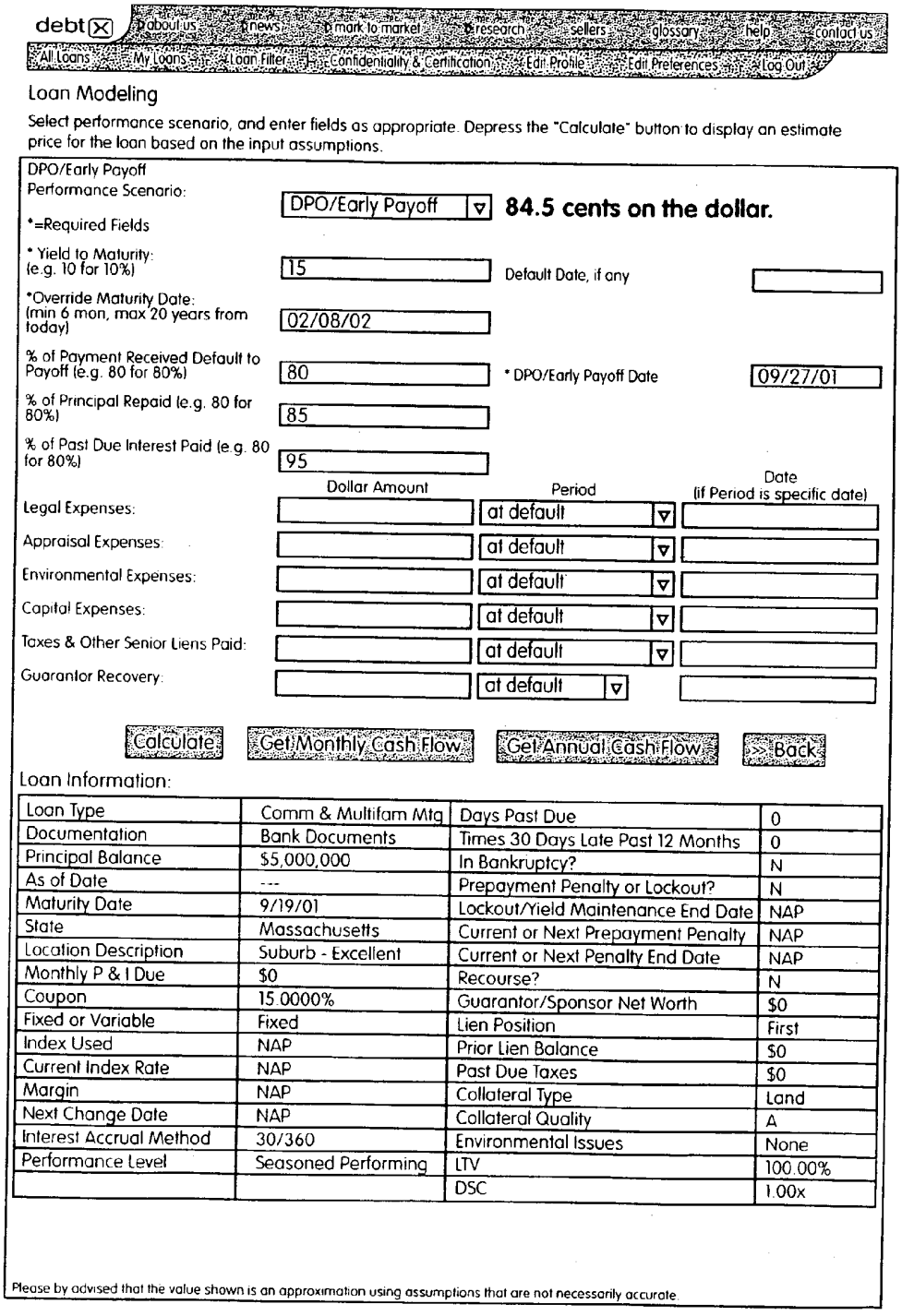
Please by advised that the value shown is an approximation using assumptions that are not necessarily accurate.

Fig. 27


debt
about us
news
mark to market
research
sellers
glossary
help
contact us
All Loans
My Loans
Loan Filter
Confidentiality & Certification
Edit Profile
Edit Preferences
Log Out
Loan Modeling
Select performance scenario, and enter fields as appropriate. Depress the "Calculate" button to display an estimate price for the loan based on the input assumptions.
DPO/Early Payoff
Performance Scenario:
DPO/Early Payoff
Based on the assumptions provided the value of your loan is estimated to be...
*=Required Fields
* Yield to Maturity: (e.g. 10 for 10%)
15
Default Date, if any
*Override Maturity Date: (min 6 mos, max 20 years from today)
02/08/02
% of Payment Received Default to Payoff (e.g. 80 for 80%)
80
* DPO/Early Payoff Date
09/27/01
% of Principal Repaid (e.g. 80 for 80%)
85
% of Past Due Interest Paid (e.g. 80 for 80%)
95
Dollar Amount
Period
Date (if Period is 'specific date')
Legal Expenses:
at default
Appraisal Expenses:
at default
Environmental Expenses:
at default
Capital Expenses:
at default
Taxes & Other Senior Liens Paid:
at default
Guarantor Recovery:
at default
Calculate
Get Monthly Cash Flow
Get Annual Cash Flow
>> Back
Loan Information
Loan Type
Comm & Multifam Mtg
Documentation
Bank Documents
Principal Balance
$5,000,000
As of Date

Maturity Date
9/19/01
State
Massachusetts
Location Description
Suburb - Excellent
Monthly P & I Due
$0
Coupon
15.0000%
Fixed or Variable
Fixed
Index Used
NAP
Current Index Rate
NAP
Margin
NAP
Next Change Date
NAP
Interest Accrual Method
30/360
Performance Level
Seasoned Performing
Days Past Due
0
Times 30 Days Late Past 12 Months
0
In Bankruptcy?
N
Prepayment Penalty or Lockout?
N
Lockout/Yield Maintenance End Date
NAP
Current or Next Prepayment Penalty
NAP
Current or Next Penalty End Date
NAP
Recourse?
N
Guarantor/Sponsor Net Worth
$0
Lien Position
First
Prior Lien Balance
$0
Past Due Taxes
$0
Collateral Type
Land
Collateral Quality
A
Environmental Issues
None
LTV
100.00%
DSC
1.00x
Please by advised that the value shown is an approximation using assumptions that are not necessarily accurate.

Fig. 28


debt
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research
sellers
glossary
help
contact us
All Loans
My Loans
Loan Filter
Confidentiality & Certification
Edit Profile
Edit Preferences
Log Out
Loan Modeling
Select performance scenario, and enter fields as appropriate. Depress the "Calculate" button to display an estimate price for the loan based on the input assumptions.
DPO/Early Payoff
Performance Scenario:
DPO/Early Payoff
84.5 cents on the dollar.
*=Required Fields
* Yield to Maturity: (e.g. 10 for 10%)
15
Default Date, if any
*Override Maturity Date: (min 6 mon, max 20 years from today)
02/08/02
% of Payment Received Default to Payoff (e.g. 80 for 80%)
80
* DPO/Early Payoff Date
09/27/01
% of Principal Repaid (e.g. 80 for 80%)
85
% of Past Due Interest Paid (e.g. 80 for 80%)
95
Dollar Amount
Period
Date (if Period is specific date)
Legal Expenses:
at default
Appraisal Expenses:
at default
Environmental Expenses:
at default
Capital Expenses:
at default
Taxes & Other Senior Liens Paid:
at default
Guarantor Recovery:
at default
Calculate
Get Monthly Cash Flow
Get Annual Cash Flow
>> Back
Loan Information:
Loan Type
Comm & Multifam Mtg
Documentation
Bank Documents
Principal Balance
$5,000,000
As of Date

Maturity Date
9/19/01
State
Massachusetts
Location Description
Suburb - Excellent
Monthly P & I Due
$0
Coupon
15.0000%
Fixed or Variable
Fixed
Index Used
NAP
Current Index Rate
NAP
Margin
NAP
Next Change Date
NAP
Interest Accrual Method
30/360
Performance Level
Seasoned Performing
Days Past Due
0
Times 30 Days Late Past 12 Months
0
In Bankruptcy?
N
Prepayment Penalty or Lockout?
N
Lockout/Yield Maintenance End Date
NAP
Current or Next Prepayment Penalty
NAP
Current or Next Penalty End Date
NAP
Recourse?
N
Guarantor/Sponsor Net Worth
$0
Lien Position
First
Prior Lien Balance
$0
Past Due Taxes
$0
Collateral Type
Land
Collateral Quality
A
Environmental Issues
None
LTV
100.00%
DSC
1.00x
Please by advised that the value shown is an approximation using assumptions that are not necessarily accurate.

Fig. 29

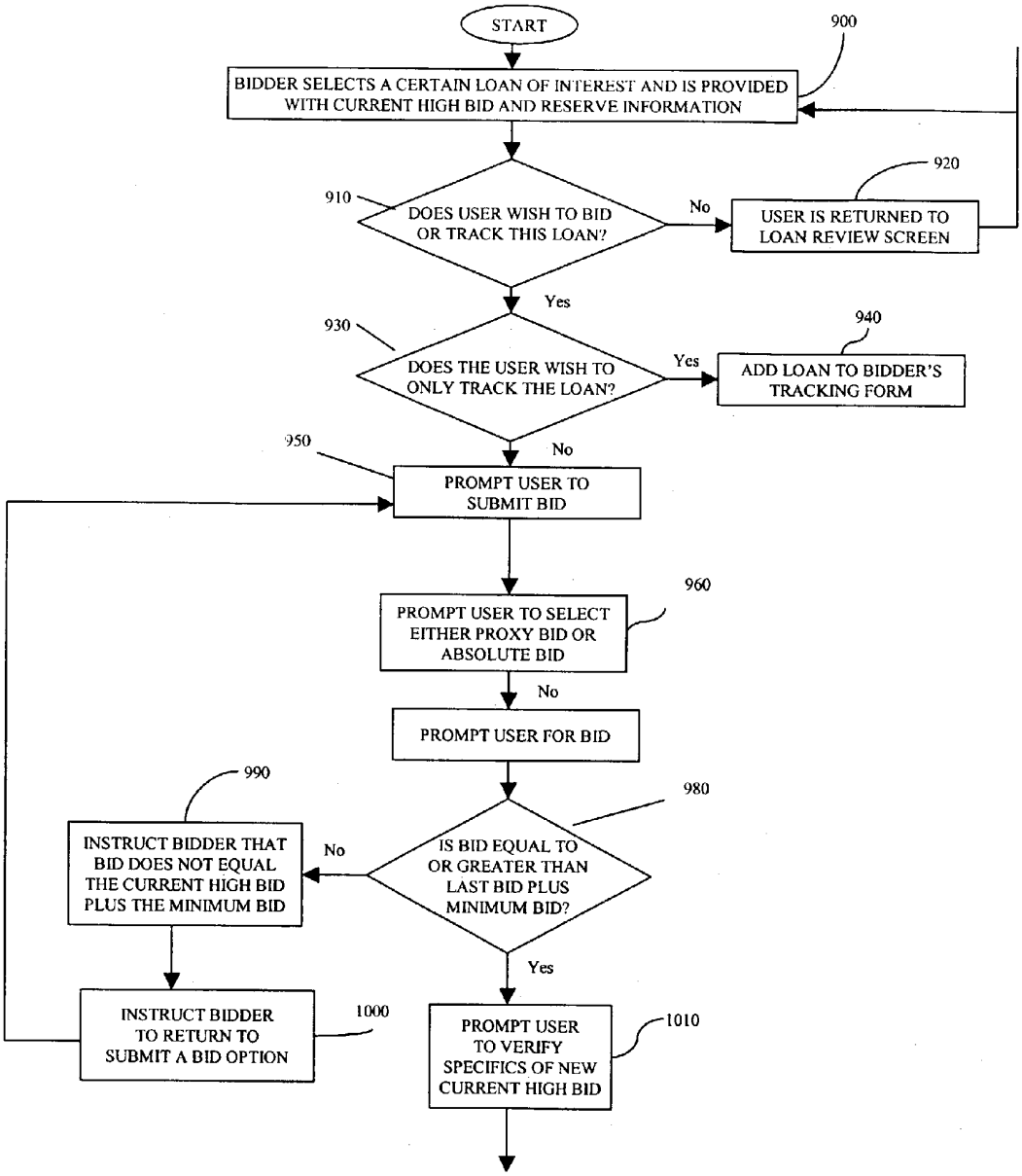
START
900
BIDDER SELECTS A CERTAIN LOAN OF INTEREST AND IS PROVIDED WITH CURRENT HIGH BID AND RESERVE INFORMATION
910
DOES USER WISH TO BID OR TRACK THIS LOAN?
No
920
USER IS RETURNED TO LOAN REVIEW SCREEN
Yes
930
DOES THE USER WISH TO ONLY TRACK THE LOAN?
Yes
940
ADD LOAN TO BIDDER'S TRACKING FORM
No
950
PROMPT USER TO SUBMIT BID
960
PROMPT USER TO SELECT EITHER PROXY BID OR ABSOLUTE BID
No
PROMPT USER FOR BID
980
IS BID EQUAL TO OR GREATER THAN LAST BID PLUS MINIMUM BID?
No
990
INSTRUCT BIDDER THAT BID DOES NOT EQUAL THE CURRENT HIGH BID PLUS THE MINIMUM BID
Yes
1000
INSTRUCT BIDDER TO RETURN TO SUBMIT A BID OPTION
1010
PROMPT USER TO VERIFY SPECIFICS OF NEW CURRENT HIGH BID

FIG. 30A

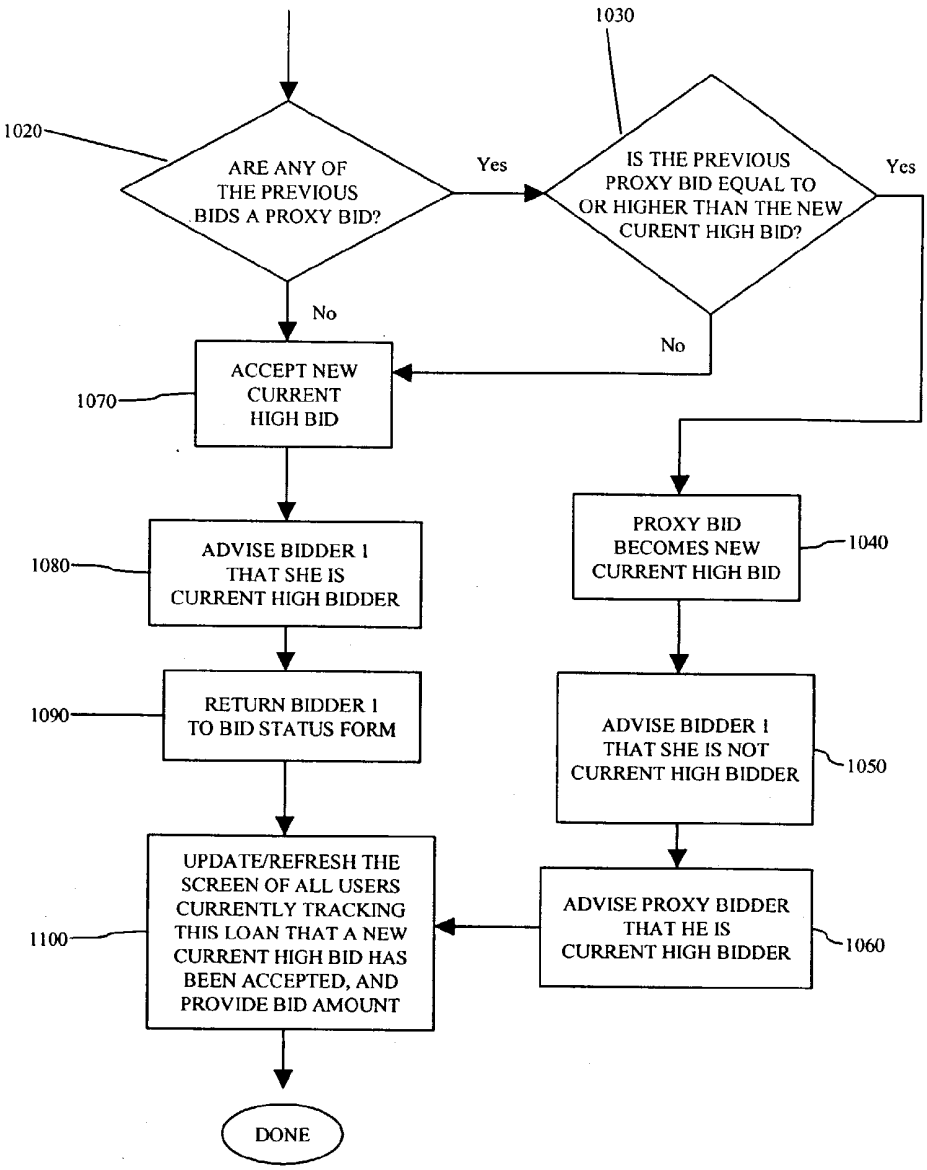
1020
ARE ANY OF THE PREVIOUS BIDS A PROXY BID?
Yes
1030
IS THE PREVIOUS PROXY BID EQUAL TO OR HIGHER THAN THE NEW CURENT HIGH BID?
Yes
No
No
1070
ACCEPT NEW CURRENT HIGH BID
1080
ADVISE BIDDER 1 THAT SHE IS CURRENT HIGH BIDDER
1090
RETURN BIDDER 1 TO BID STATUS FORM
PROXY BID BECOMES NEW CURRENT HIGH BID
1040
ADVISE BIDDER 1 THAT SHE IS NOT CURRENT HIGH BIDDER
1050
ADVISE PROXY BIDDER THAT HE IS CURRENT HIGH BIDDER
1060
1100
UPDATE/REFRESH THE SCREEN OF ALL USERS CURRENTLY TRACKING THIS LOAN THAT A NEW CURRENT HIGH BID HAS BEEN ACCEPTED, AND PROVIDE BID AMOUNT
DONE

FIG. 30B

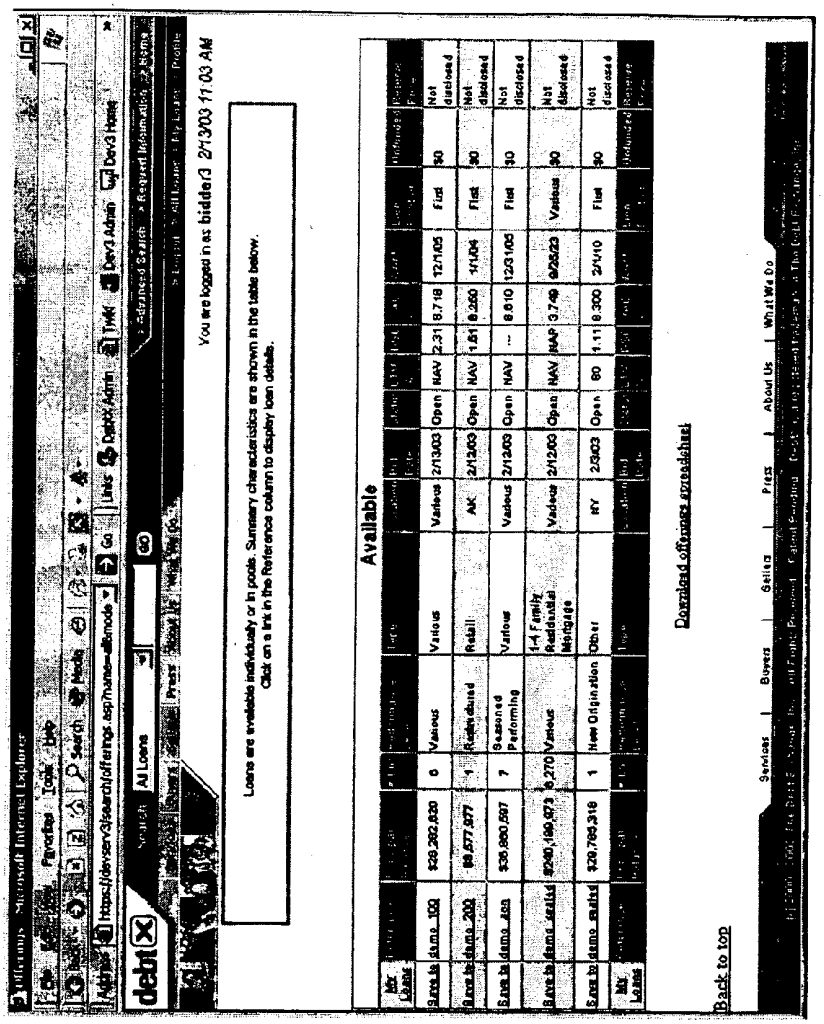
debtX
You are logged in as bidder3 2/13/03 11:03 AM
Loans are available individually or in pools. Summary characteristics are shown in the table below.
Click on a link in the Reference column to display loan details.
Available
Download offerings spreadsheet
Back to top

FIG. 31

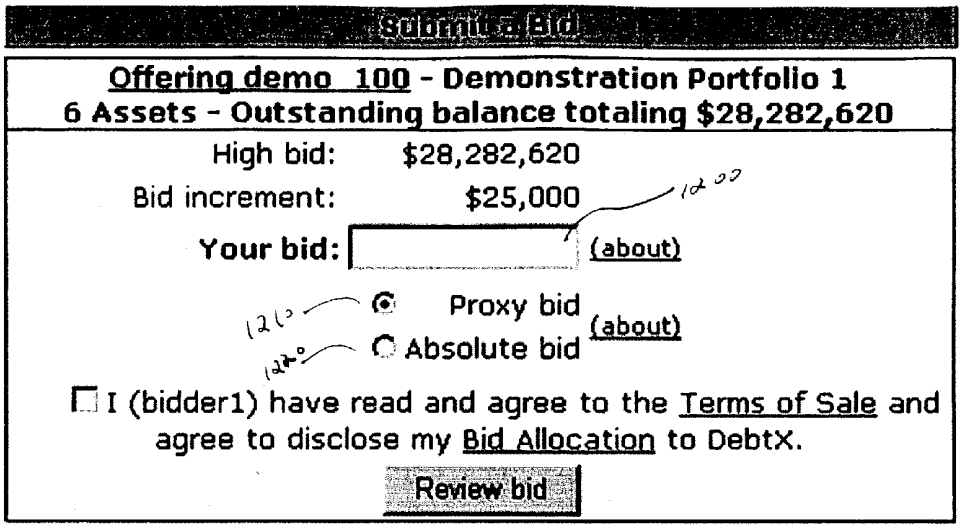
Submit a Bid
Offering demo 100 - Demonstration Portfolio 1
6 Assets - Outstanding balance totaling $28,282,620
High bid: $28,282,620
Bid increment: $25,000
Your bid:
(about)
Proxy bid
Absolute bid
(about)
I (bidder1) have read and agree to the Terms of Sale and agree to disclose my Bid Allocation to DebtX.
Review bid

FIG. 32

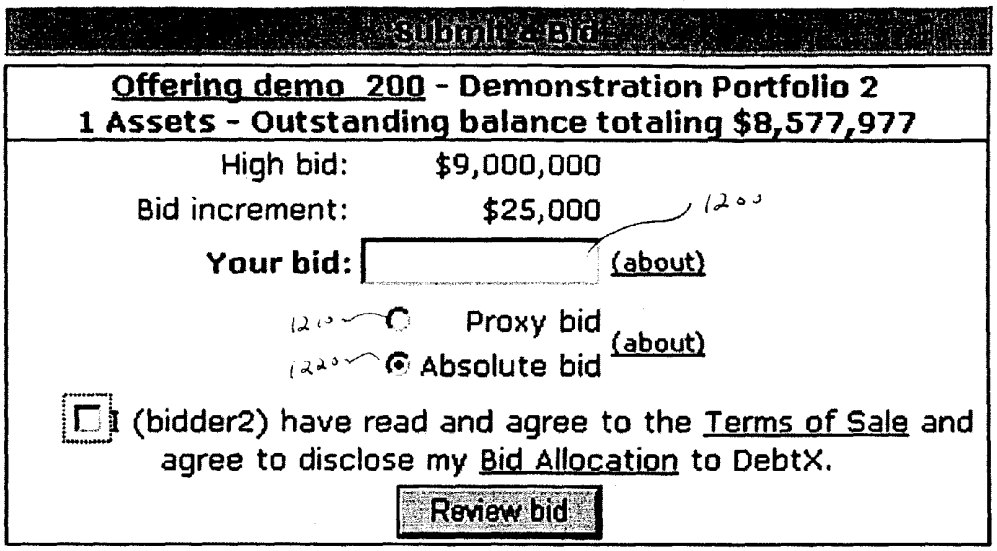
Submit a Bid
Offering demo 200 - Demonstration Portfolio 2
1 Assets - Outstanding balance totaling $8,577,977
High bid: $9,000,000
Bid increment: $25,000
1205
Your bid:
(about)
1210
Proxy bid
1220
Absolute bid
(about)
(bidder2) have read and agree to the Terms of Sale and agree to disclose my Bid Allocation to DebtX.
Review bid

FIG. 33

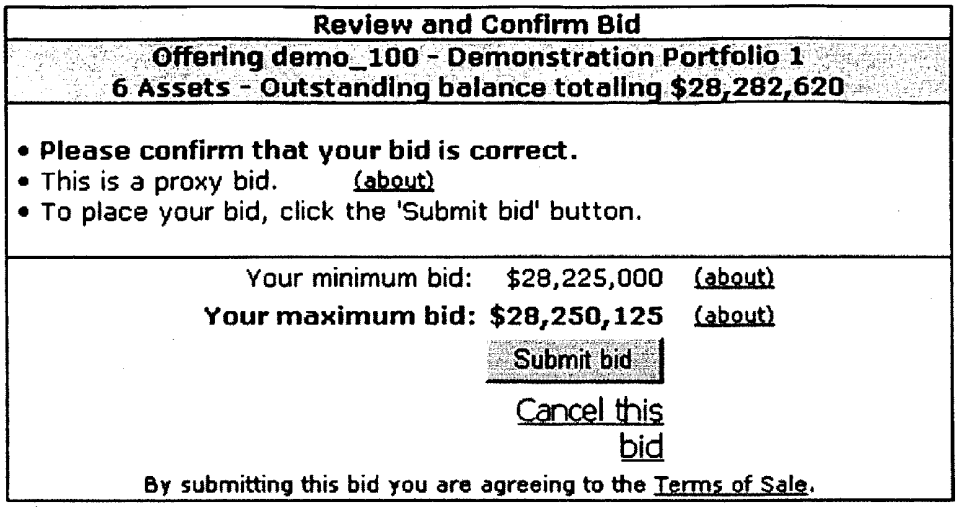
Review and Confirm Bid
Offering demo_100 - Demonstration Portfolio 1
6 Assets - Outstanding balance totaling $28,282,620
• Please confirm that your bid is correct.
• This is a proxy bid. (about)
• To place your bid, click the 'Submit bid' button.
Your minimum bid: $28,225,000 (about)
Your maximum bid: $28,250,125 (about)
Submit bid
Cancel this bid
By submitting this bid you are agreeing to the Terms of Sale.

FIG. 34

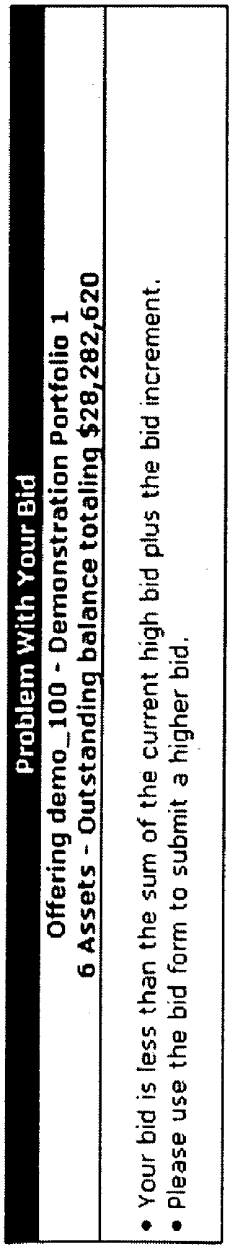
Problem With Your Bid
Offering demo_100 - Demonstration Portfolio 1
6 Assets - Outstanding balance totaling $28,282,620
• Your bid is less than the sum of the current high bid plus the bid increment.
• Please use the bid form to submit a higher bid.

FIG. 35

New Bid Status

demo_100 - Demonstration Portfolio 1

• Although your new bid is the high bid in this auction, your new bid is not the winning bid because the Aggregate Offering bid is winning all of the offerings. (why?)

	Absolute Bid	Winning	High Bid	Proxy Max	Bid Date
Your New Bid	$28,282,620	No	Yes	Not Applicable	Jan-28-2003 15:15:23 EST

Back to Bid Form

FIG. 36

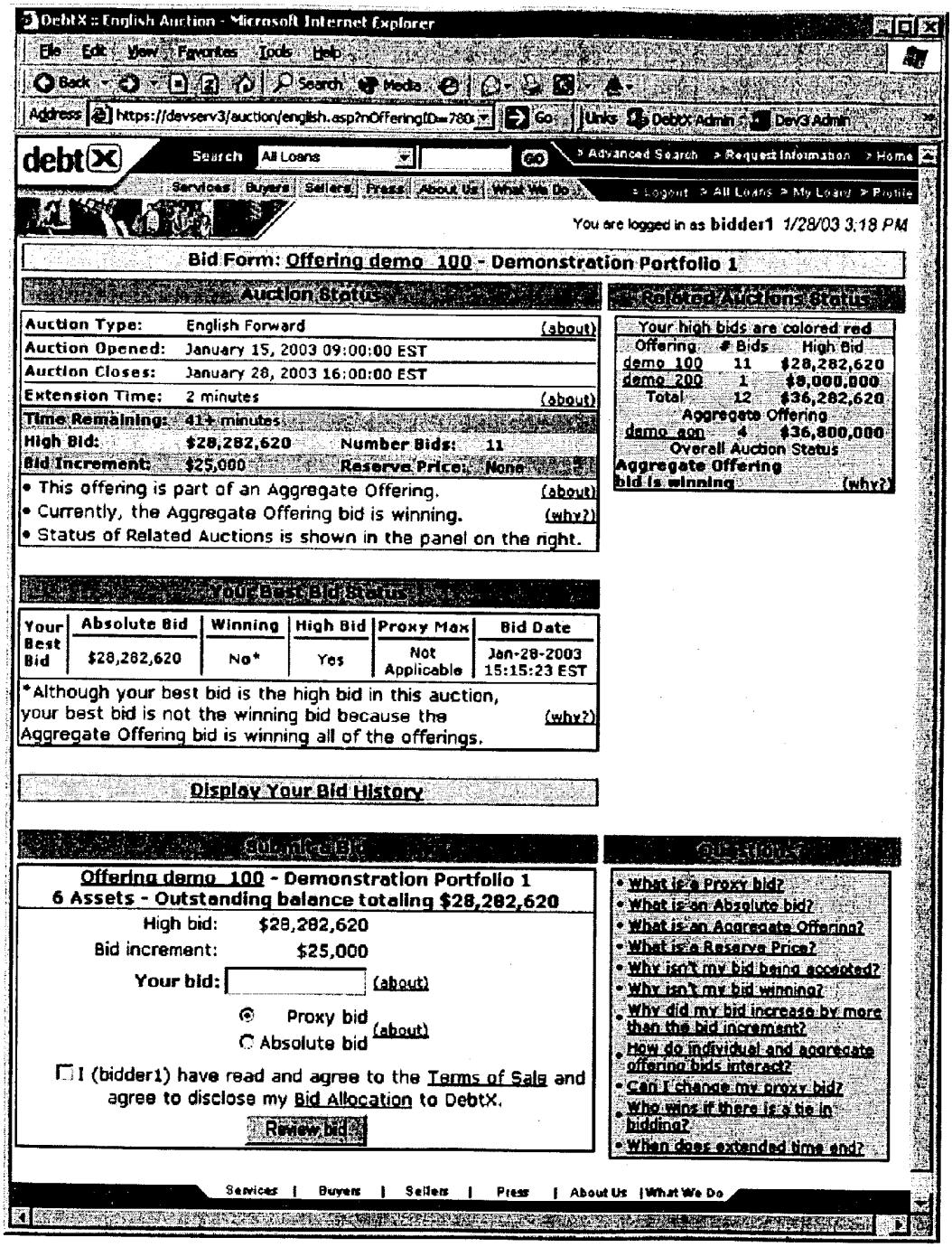
DebtX :: English Auction - Microsoft Internet Explorer
File Edit View Favorites Tools Help
Address https://devserv3/auction/english.asp?nOfferingID=780
debtX
Search All Loans GO
> Advanced Search > Request Information > Home
Services Buyers Sellers Press About Us What We Do
> Logout > All Loans > My Loans > Profile
You are logged in as bidder1 1/28/03 3:18 PM
Bid Form: Offering demo_100 - Demonstration Portfolio 1
Auction Status
Auction Type: English Forward (about)
Auction Opened: January 15, 2003 09:00:00 EST
Auction Closes: January 28, 2003 16:00:00 EST
Extension Time: 2 minutes (about)
Time Remaining: 41+ minutes
High Bid: $28,282,620 Number Bids: 11
Bid Increment: $25,000 Reserve Price: None
• This offering is part of an Aggregate Offering. (about)
• Currently, the Aggregate Offering bid is winning. (why?)
• Status of Related Auctions is shown in the panel on the right.
Related Auctions Status
Your high bids are colored red
Offering # Bids High Bid
demo_100 11 $28,282,620
demo_200 1 $8,000,000
Total 12 $36,282,620
Aggregate Offering
demo_agg 4 $36,800,000
Overall Auction Status
Aggregate Offering bid is winning (why?)
Your Best Bid Status
Your Best Bid | Absolute Bid | Winning | High Bid | Proxy Max | Bid Date
$28,282,620 | No* | Yes | Not Applicable | Jan-28-2003 15:15:23 EST
*Although your best bid is the high bid in this auction, your best bid is not the winning bid because the Aggregate Offering bid is winning all of the offerings. (why?)
Display Your Bid History
Offering demo_100 - Demonstration Portfolio 1
6 Assets - Outstanding balance totaling $28,282,620
High bid: $28,282,620
Bid increment: $25,000
Your bid: (about)
Proxy bid (about)
Absolute bid
I (bidder1) have read and agree to the Terms of Sale and agree to disclose my Bid Allocation to DebtX.
Review bid
Questions
• What is a Proxy bid?
• What is an Absolute bid?
• What is an Aggregate Offering?
• What is a Reserve Price?
• Why isn't my bid being accepted?
• Why isn't my bid winning?
• Why did my bid increase by more than the bid increment?
• How do individual and aggregate offering bids interact?
• Can I change my proxy bid?
• Who wins if there is a tie in bidding?
• When does extended time end?
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FIG. 37

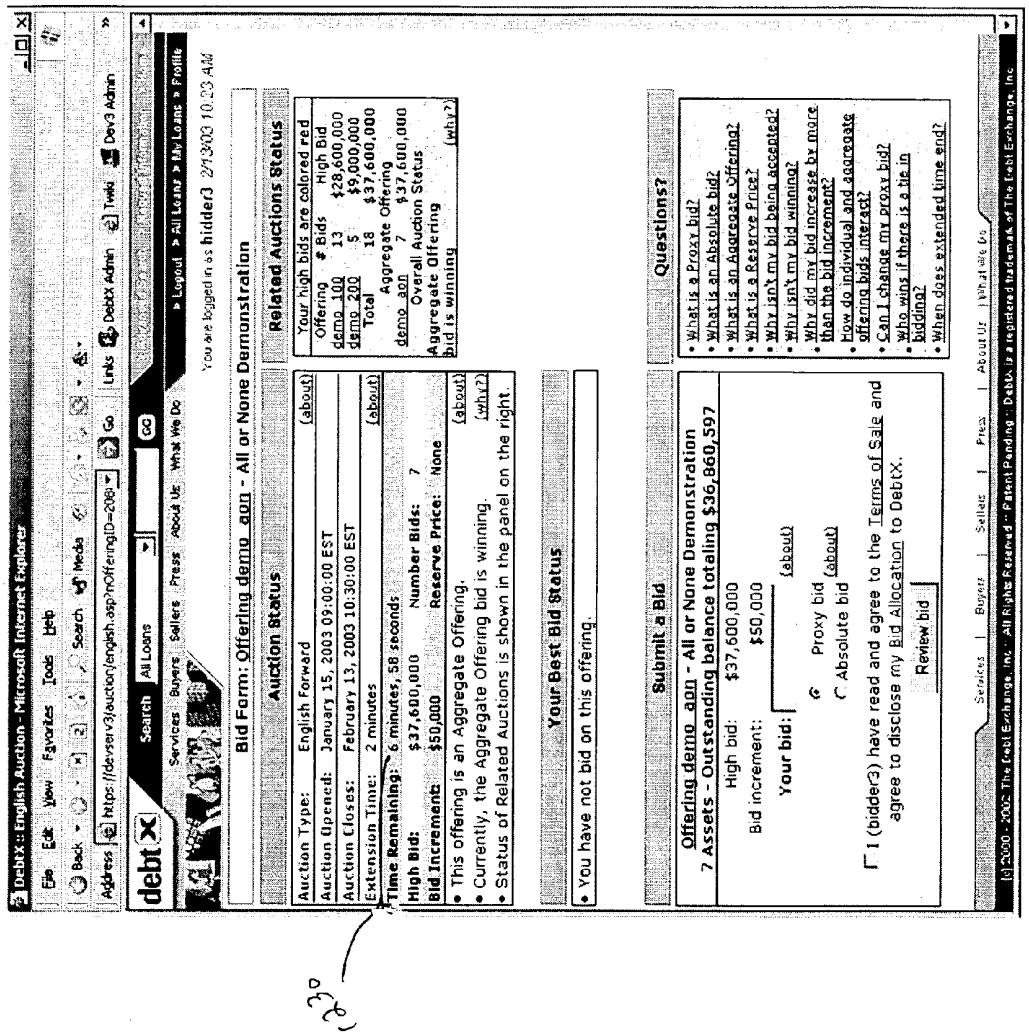
DebtX :: English Auction - Microsoft Internet Explorer
Bid Form: Offering demo_aon - All or None Demonstration
Auction Status
Related Auctions Status
Your Best Bid Status
Submit a Bid
Questions?
Offering demo_aon - All or None Demonstration
7 Assets - Outstanding balance totaling $36,860,597
High bid: $37,600,000
Bid increment: $50,000
Your bid:
Proxy bid
Absolute bid
I (bidder3) have read and agree to the Terms of Sale and agree to disclose my Bid Allocation to DebtX.
Review bid
Time Remaining: 6 minutes, 58 seconds
High Bid: $37,600,000
Number Bids: 7
Bid Increment: $50,000
Reserve Price: None
This offering is an Aggregate Offering.
Currently, the Aggregate Offering bid is winning.
Status of Related Auctions is shown in the panel on the right.
You have not bid on this offering.
Your high bids are colored red
Aggregate Offering bid is winning
What is a Proxy bid?
What is an Absolute bid?
What is an Aggregate Offering?
What is a Reserve Price?
Why isn't my bid being accepted?
Why isn't my bid winning?
Why did my bid increase by more than the bid increment?
How do individual and aggregate offering bids interact?
Can I change my proxy bid?
Who wins if there is a tie in bidding?
When does extended time end?
30

FIG. 38

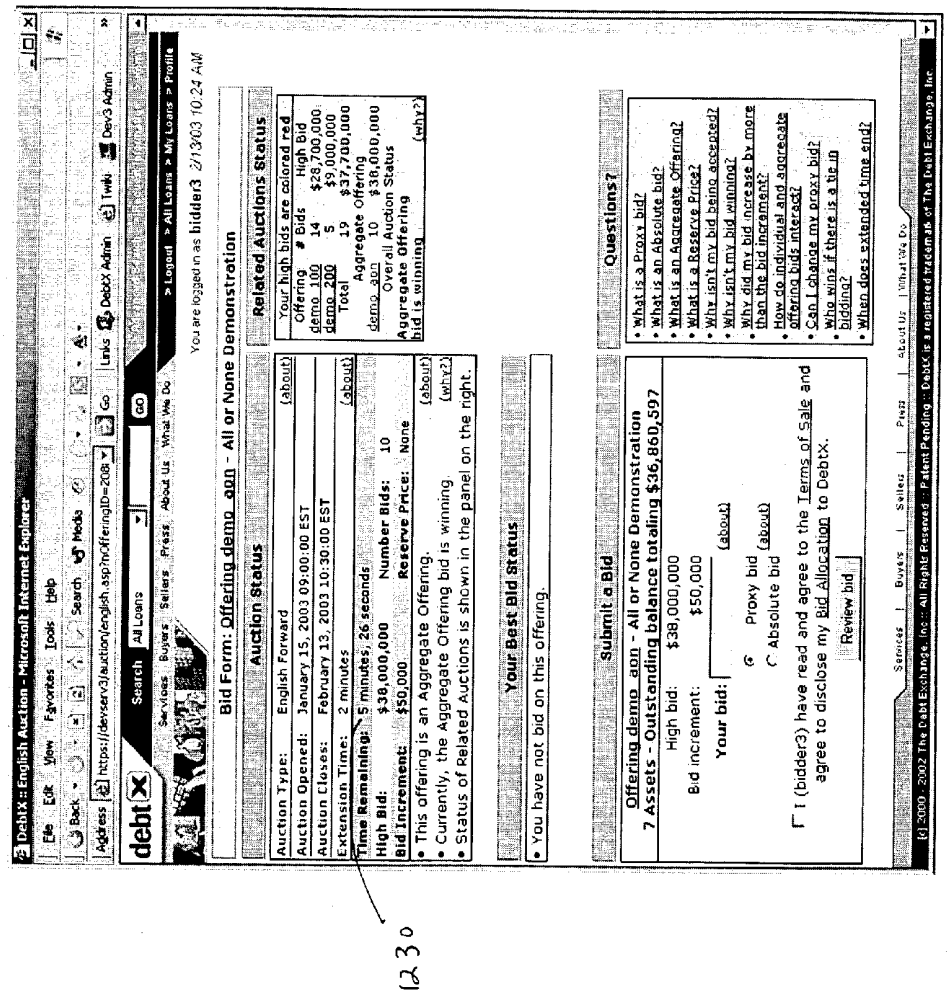
DebtX :: English Auction - Microsoft Internet Explorer
debt X
Bid Form: Offering demo_aon - All or None Demonstration
Auction Status
Related Auctions Status
Your best Bid Status
Submit a Bid
Questions?
1230

FIG. 39

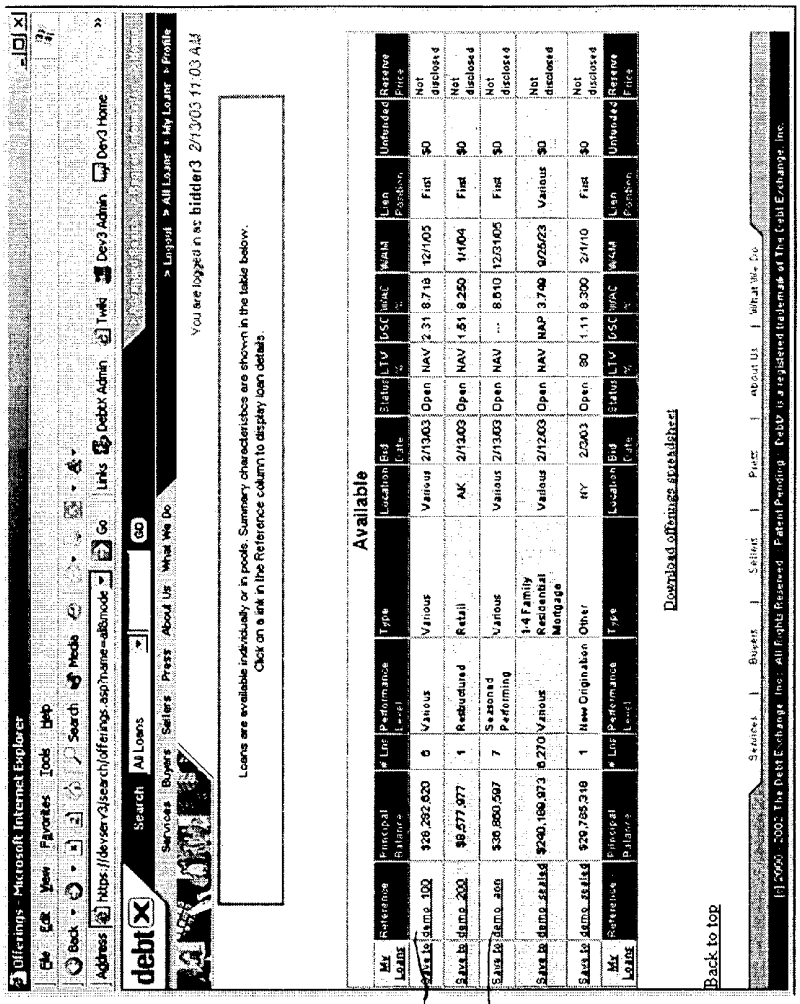
Offerings - Microsoft Internet Explorer
debtX
Search All Loans
Services Buyers Sellers Press About Us What We Do
> Logout > All Loans > My Loans > Profile
You are logged in as: bidder3 2/13/03 11:03 AM
Loans are available individually or in pools. Summary characteristics are shown in the table below.
Click on a link in the Reference column to display loan details.
Available
Download offerings spreadsheet
Back to top
1310
1300

FIG. 40

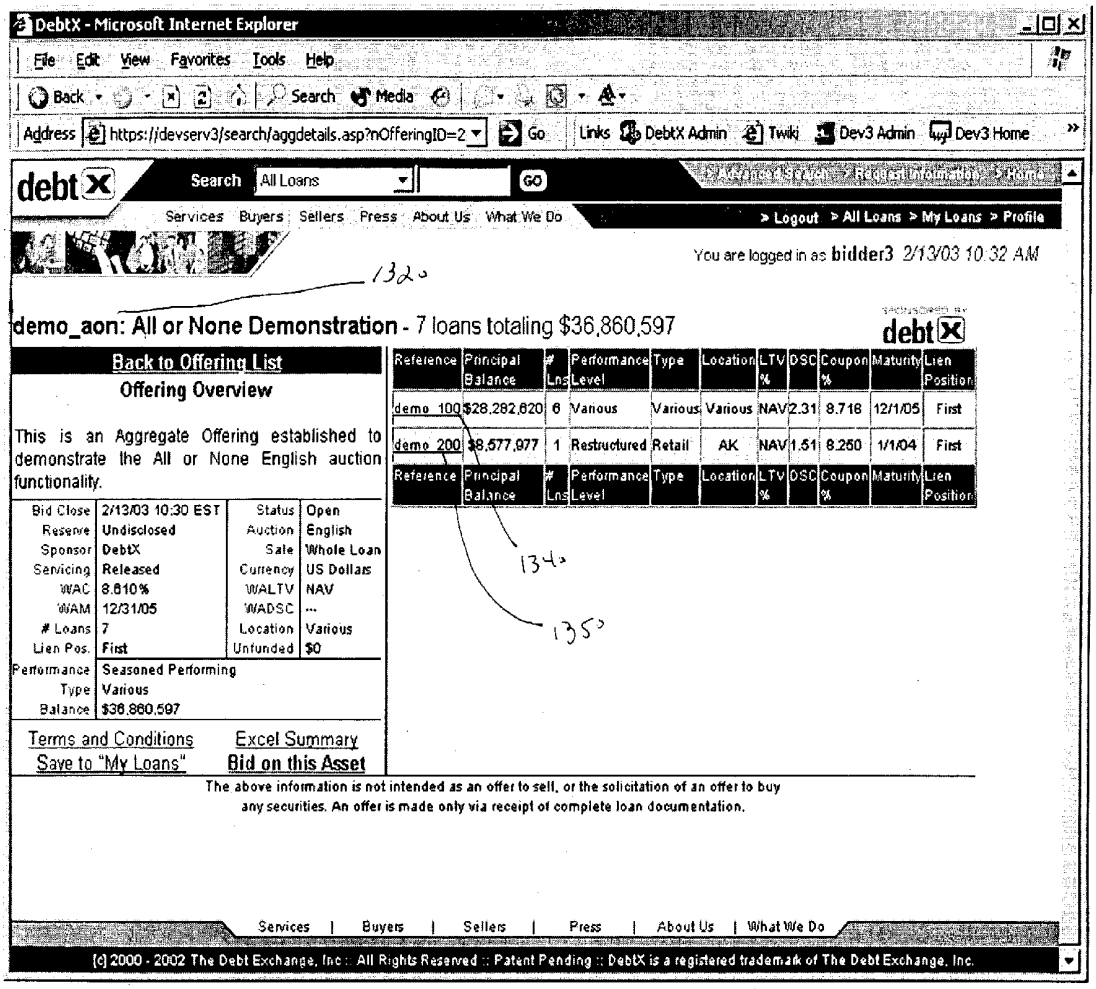
DebtX - Microsoft Internet Explorer
File Edit View Favorites Tools Help
Back Search Media
Address https://devserv3/search/aggdetails.asp?nOfferingID=2
Go
Links DebtX Admin Twiki Dev3 Admin Dev3 Home
debtX
Search All Loans GO
Services Buyers Sellers Press About Us What We Do
» Logout » All Loans » My Loans » Profile
You are logged in as bidder3 2/13/03 10:32 AM
132
demo_aon: All or None Demonstration - 7 loans totaling $36,860,597
Back to Offering List
Offering Overview
This is an Aggregate Offering established to demonstrate the All or None English auction functionality.
Bid Close 2/13/03 10:30 EST
Reserve Undisclosed
Sponsor DebtX
Servicing Released
WAC 8.610%
WAM 12/31/05
Loans 7
Lien Pos. First
Status Open
Auction English
Sale Whole Loan
Currency US Dollars
WALTV NAV
WADSC ...
Location Various
Unfunded $0
Performance Seasoned Performing
Type Various
Balance $36,860,597
Terms and Conditions
Save to "My Loans"
Excel Summary
Bid on this Asset
Reference Principal Balance # Lns Performance Level Type Location LTV % DSC Coupon % Maturity Lien Position
demo_100 $28,282,820 6 Various Various Various NAV 2.31 8.716 12/1/05 First
demo_200 $8,577,977 1 Restructured Retail AK NAV 1.51 8.250 1/1/04 First
134
135
The above information is not intended as an offer to sell, or the solicitation of an offer to buy any securities. An offer is made only via receipt of complete loan documentation.
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FIG. 41

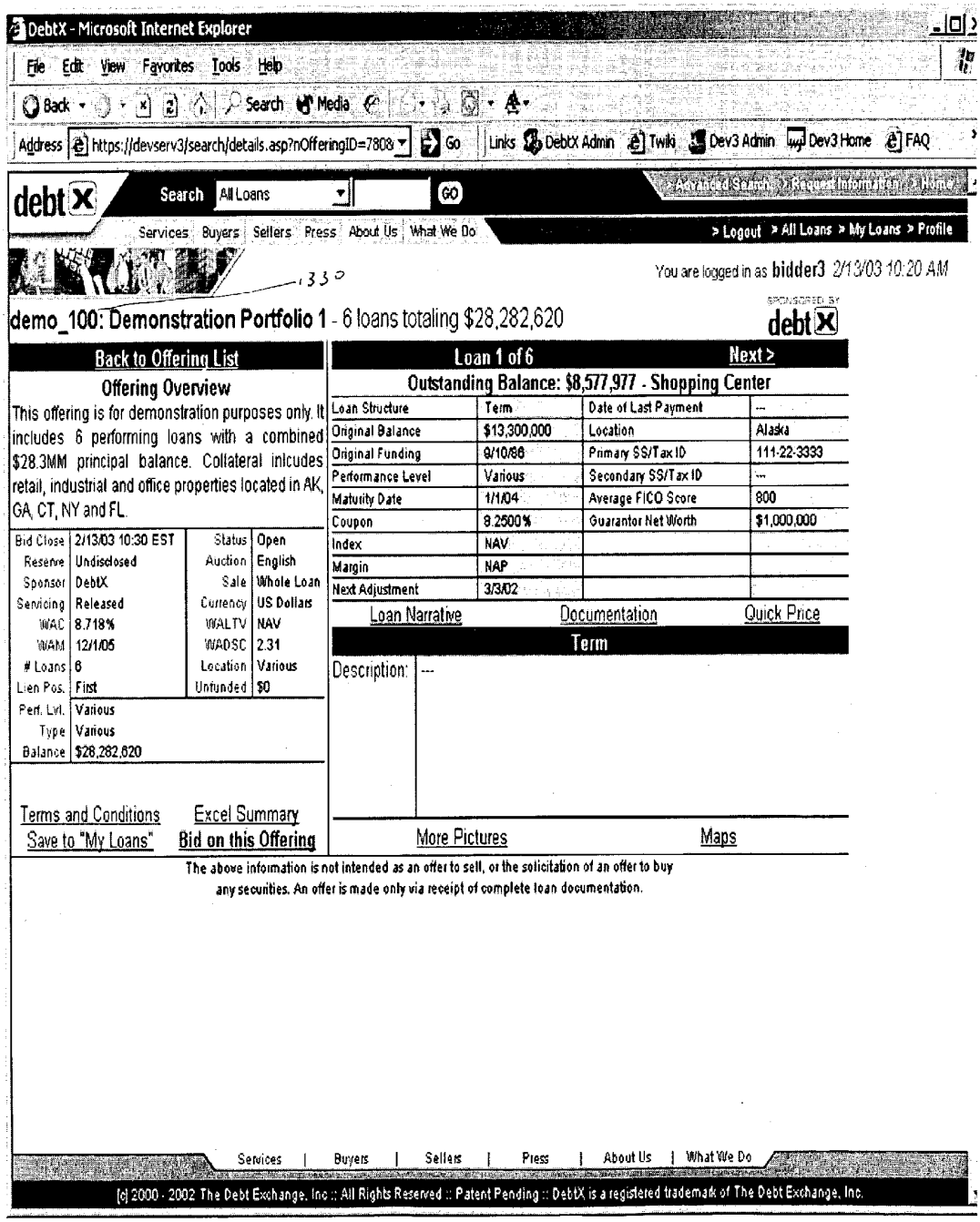
DebtX - Microsoft Internet Explorer
File Edit View Favorites Tools Help
Back Search Media
Address https://devserv3/search/details.asp?nOfferingID=780&
Go
Links DebtX Admin Twiki Dev3 Admin Dev3 Home FAQ
debtX
Search All Loans
GO
Services Buyers Sellers Press About Us What We Do
> Logout » All Loans » My Loans » Profile
1330
You are logged in as bidder3 2/13/03 10:20 AM
demo_100: Demonstration Portfolio 1 - 6 loans totaling $28,282,620
SPONSORED BY debtX
Back to Offering List
Offering Overview
This offering is for demonstration purposes only. It includes 6 performing loans with a combined $28.3MM principal balance. Collateral inlcudes retail, industrial and office properties located in AK, GA, CT, NY and FL.
Bid Close 2/13/03 10:30 EST
Reserve Undisclosed
Sponsor DebtX
Servicing Released
WAC 8.718%
WAM 12/1/05
Loans 6
Lien Pos. First
Status Open
Auction English
Sale Whole Loan
Currency US Dollars
WALTV NAV
WADSC 2.31
Location Various
Unfunded $0
Perf. Lvl. Various
Type Various
Balance $28,282,620
Terms and Conditions
Save to "My Loans"
Excel Summary
Bid on this Offering
Loan 1 of 6
Next >
Outstanding Balance: $8,577,977 - Shopping Center
Loan Structure
Original Balance
Original Funding
Performance Level
Maturity Date
Coupon
Index
Margin
Next Adjustment
Term
$13,300,000
9/10/86
Various
1/1/04
8.2500%
NAV
NAP
3/3/02
Date of Last Payment
Location
Primary SS/Tax ID
Secondary SS/Tax ID
Average FICO Score
Guarantor Net Worth
Alaska
111-22-3333
800
$1,000,000
Loan Narrative
Documentation
Quick Price
Term
Description: ---
More Pictures
Maps
The above information is not intended as an offer to sell, or the solicitation of an offer to buy any securities. An offer is made only via receipt of complete loan documentation.
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FIG. 42

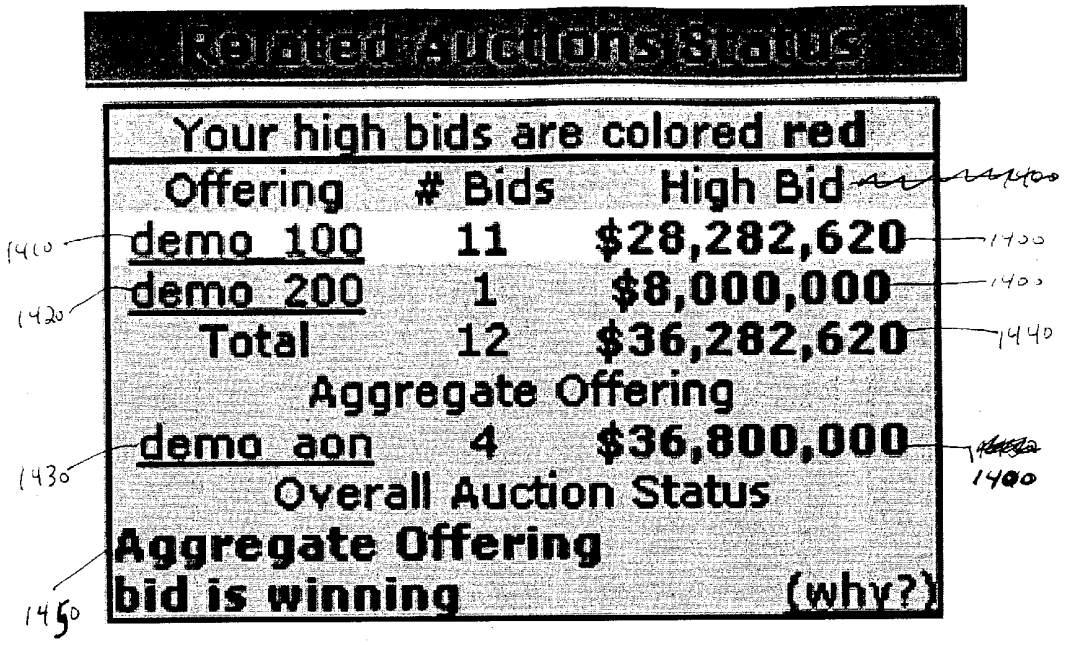
Related Auctions Status
Your high bids are colored red
Offering # Bids High Bid
demo 100 11 $28,282,620
demo 200 1 $8,000,000
Total 12 $36,282,620
Aggregate Offering
demo aon 4 $36,800,000
Overall Auction Status
Aggregate Offering
bid is winning (why?)
1410
1420
1430
1450
1400

FIG. 43

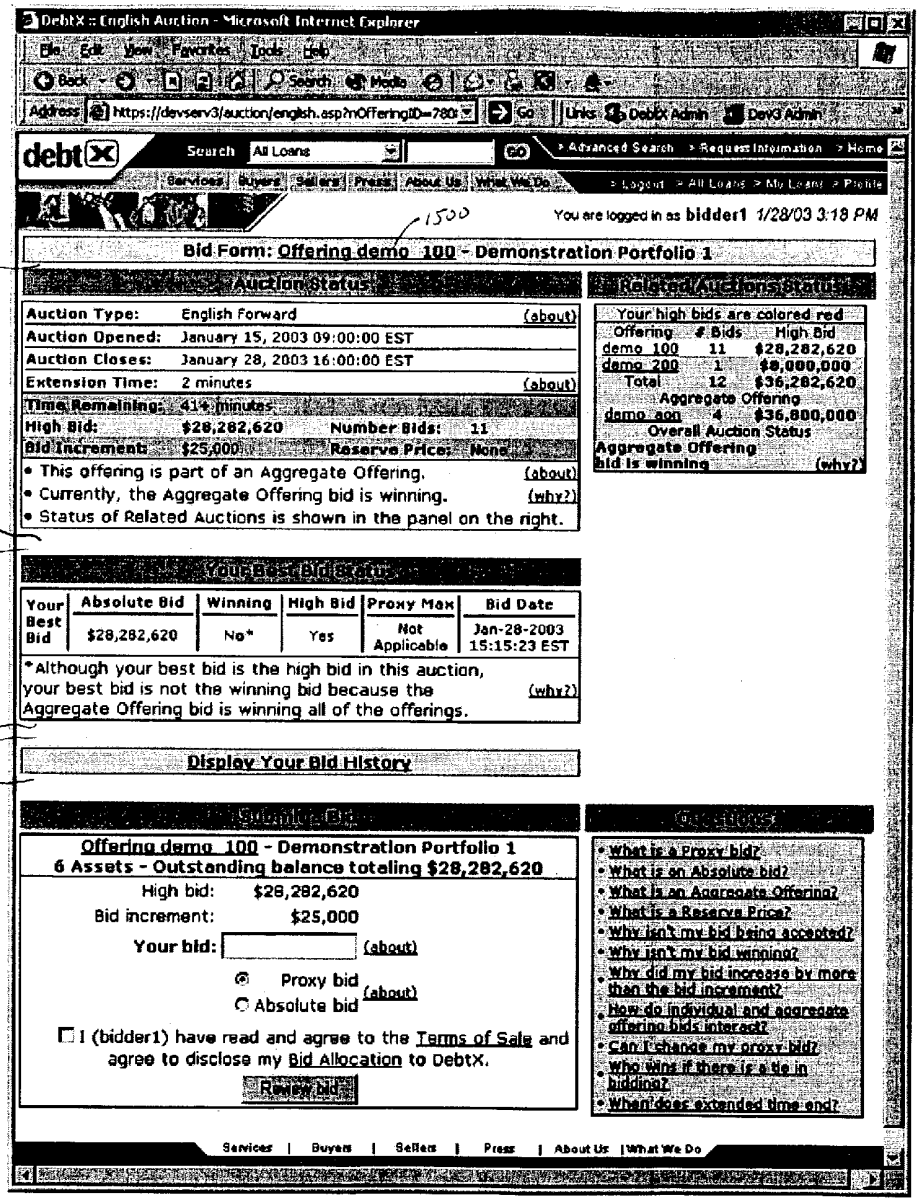
DebtX :: English Auction - Microsoft Internet Explorer
debtX
You are logged in as bidder1 1/28/03 3:18 PM
Bid Form: Offering demo 100 - Demonstration Portfolio 1
Auction Status
Auction Type: English Forward (about)
Auction Opened: January 15, 2003 09:00:00 EST
Auction Closes: January 28, 2003 16:00:00 EST
Extension Time: 2 minutes (about)
Time Remaining: 41+ minutes
High Bid: $28,282,620 Number Bids: 11
Bid Increment: $25,000 Reserve Price: None
• This offering is part of an Aggregate Offering. (about)
• Currently, the Aggregate Offering bid is winning. (why?)
• Status of Related Auctions is shown in the panel on the right.
Related Auctions Status
Your high bids are colored red
Offering # Bids High Bid
demo 100 11 $28,282,620
demo 200 1 $8,000,000
Total 12 $36,282,620
Aggregate Offering
demo aon 4 $36,800,000
Overall Auction Status
Aggregate Offering bid is winning (why?)
Your Best Bid Status
Your Best Bid | Absolute Bid | Winning | High Bid | Proxy Max | Bid Date
$28,282,620 | No* | Yes | Not Applicable | Jan-28-2003 15:15:23 EST
*Although your best bid is the high bid in this auction, your best bid is not the winning bid because the Aggregate Offering bid is winning all of the offerings. (why?)
Display Your Bid History
Submit Bid
Offering demo 100 - Demonstration Portfolio 1
6 Assets - Outstanding balance totaling $28,282,620
High bid: $28,282,620
Bid increment: $25,000
Your bid: (about)
Proxy bid (about)
Absolute bid
I (bidder1) have read and agree to the Terms of Sale and agree to disclose my Bid Allocation to DebtX.
Review bid
Questions
What is a Proxy bid?
What is an Absolute bid?
What is an Aggregate Offering?
What is a Reserve Price?
Why isn't my bid being accepted?
Why isn't my bid winning?
Why did my bid increase by more than the bid increment?
How do individual and aggregate offering bids interact?
Can I change my proxy bid?
Who wins if there is a tie in bidding?
When does extended time end?
Services | Buyers | Sellers | Press | About Us | What We Do
1500
1510
1502
1503
1501

FIG. 44

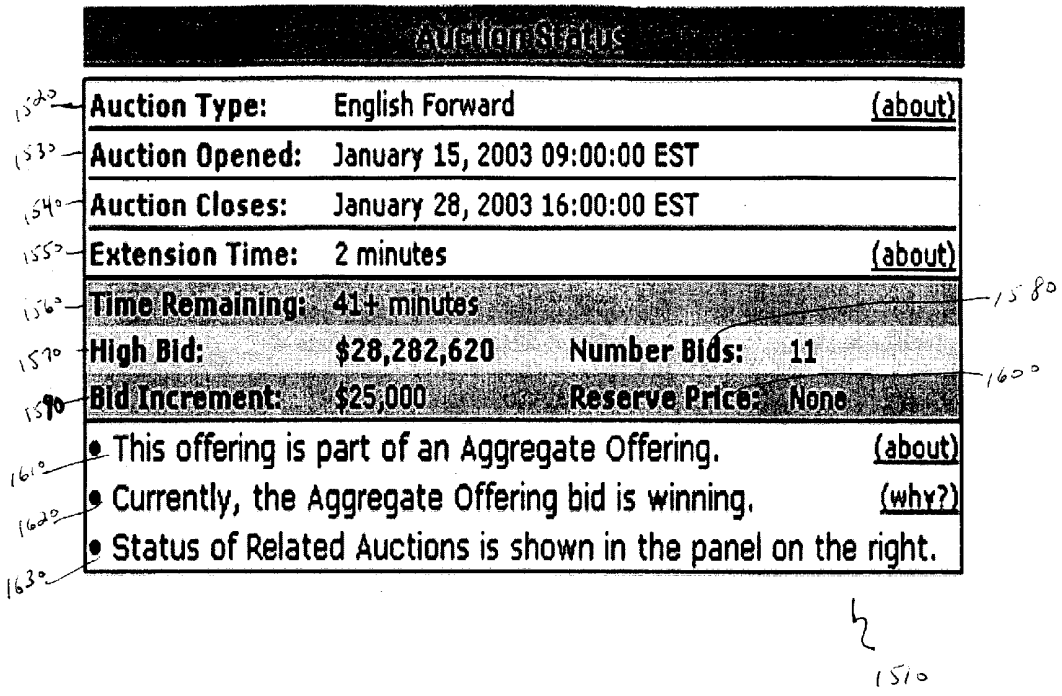
Auction Status
Auction Type: English Forward (about)
Auction Opened: January 15, 2003 09:00:00 EST
Auction Closes: January 28, 2003 16:00:00 EST
Extension Time: 2 minutes (about)
Time Remaining: 41+ minutes
High Bid: $28,282,620 Number Bids: 11
Bid Increment: $25,000 Reserve Price: None
• This offering is part of an Aggregate Offering. (about)
• Currently, the Aggregate Offering bid is winning. (why?)
• Status of Related Auctions is shown in the panel on the right.
1520
1530
1540
1550
1560
1570
1580
1590
1600
1610
1620
1630
1510

FIG 45

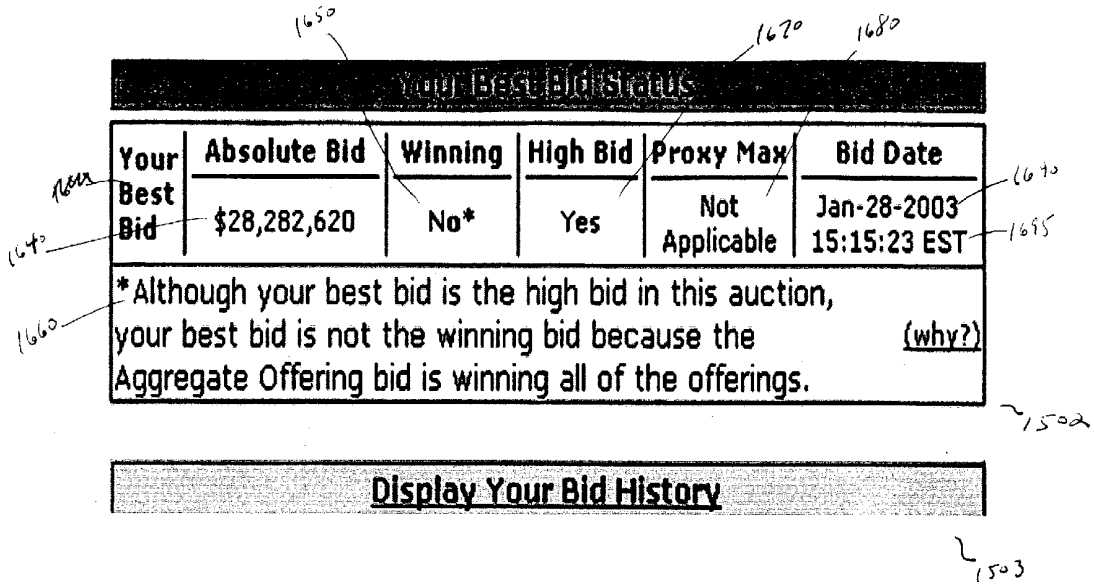
1650
1670
1680
Your Best Bid Status
Your Best Bid
Absolute Bid
Winning
High Bid
Proxy Max
Bid Date
$28,282,620
No*
Yes
Not Applicable
Jan-28-2003 15:15:23 EST
*Although your best bid is the high bid in this auction, your best bid is not the winning bid because the Aggregate Offering bid is winning all of the offerings.
(why?)
1502
Display Your Bid History
1503

FIG. 46

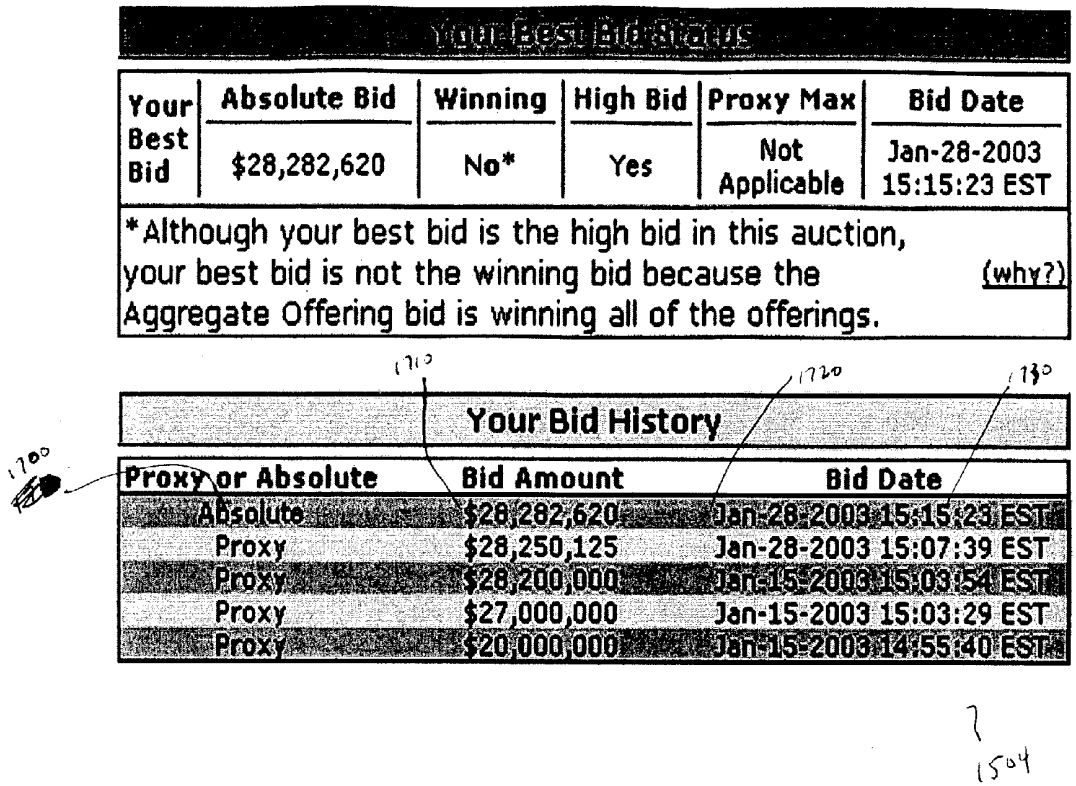
Your Best Bid Status
Your Best Bid
Absolute Bid
$28,282,620
Winning
No*
High Bid
Yes
Proxy Max
Not Applicable
Bid Date
Jan-28-2003 15:15:23 EST
*Although your best bid is the high bid in this auction, your best bid is not the winning bid because the Aggregate Offering bid is winning all of the offerings.
(why?)
1710
1720
1730
1700
Your Bid History
Proxy or Absolute
Bid Amount
Bid Date
Absolute $28,282,620 Jan-28-2003 15:15:23 EST
Proxy $28,250,125 Jan-28-2003 15:07:39 EST
Proxy $28,200,000 Jan-15-2003 15:03:54 EST
Proxy $27,000,000 Jan-15-2003 15:03:29 EST
Proxy $20,000,000 Jan-15-2003 14:55:40 EST
1504

FIG. 47

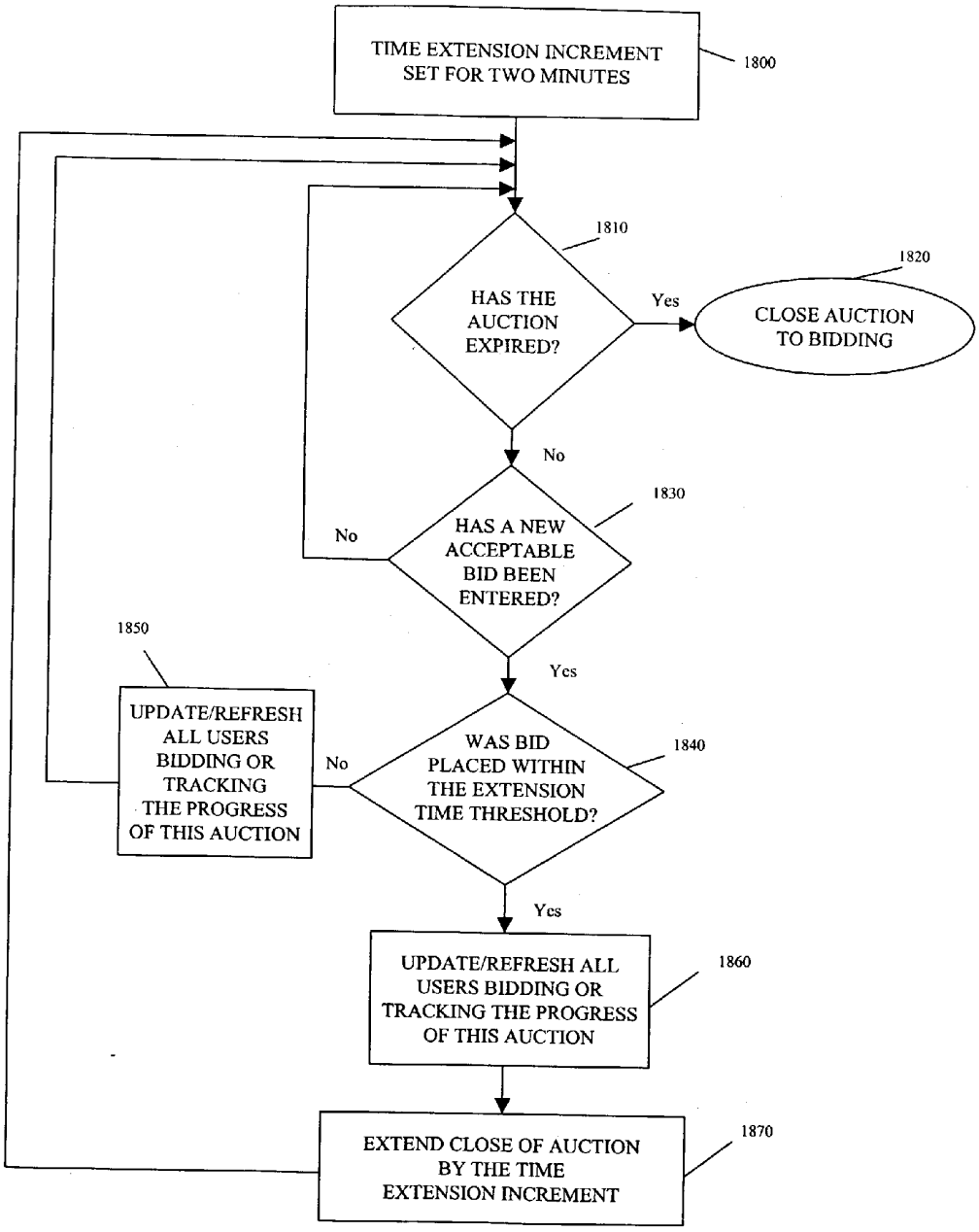
TIME EXTENSION INCREMENT SET FOR TWO MINUTES
1800
1810
HAS THE AUCTION EXPIRED?
Yes
1820
CLOSE AUCTION TO BIDDING
No
1830
HAS A NEW ACCEPTABLE BID BEEN ENTERED?
No
Yes
1850
UPDATE/REFRESH ALL USERS BIDDING OR TRACKING THE PROGRESS OF THIS AUCTION
WAS BID PLACED WITHIN THE EXTENSION TIME THRESHOLD?
1840
No
Yes
UPDATE/REFRESH ALL USERS BIDDING OR TRACKING THE PROGRESS OF THIS AUCTION
1860
EXTEND CLOSE OF AUCTION BY THE TIME EXTENSION INCREMENT
1870

FIG. 48

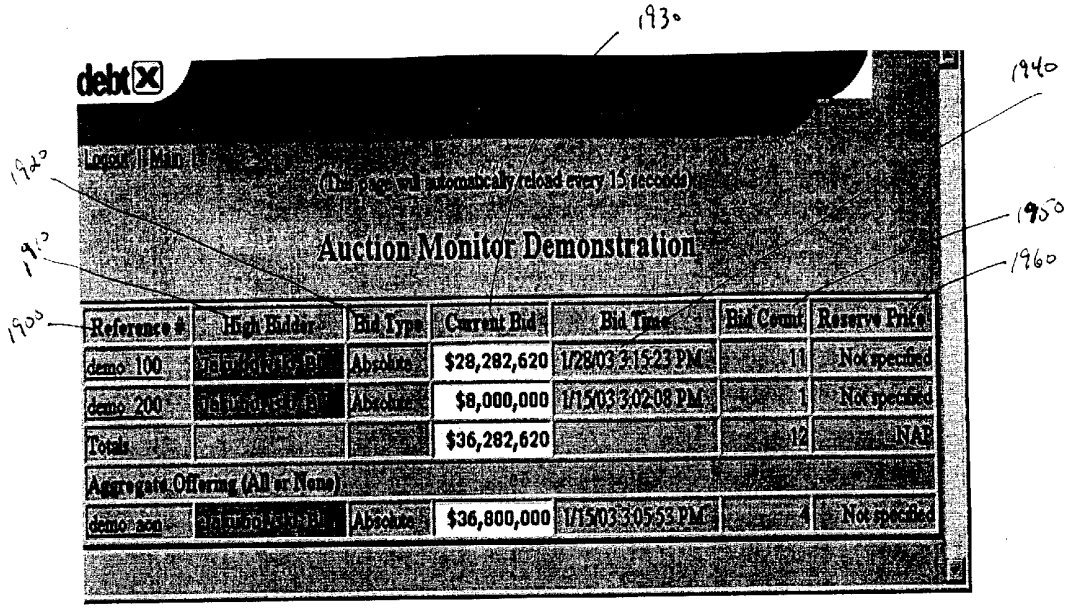
1930
1940
1920
1950
1910
1960
1900
debtX
Auction Monitor Demonstration
Reference #
High Bidder
Bid Type
Current Bid
Bid Time
Bid Count
Reserve Price
demo 100
Absolute
$28,282,620
1/28/03 3:15:23 PM
11
Not specified
demo 200
Absolute
$8,000,000
1/15/03 3:02:08 PM
1
Not specified
Totals
$36,282,620
12
NAP
Aggregate Offering (All or None)
demo aon
Absolute
$36,800,000
1/15/03 3:05:53 PM
4
Not specified

FIG. 49

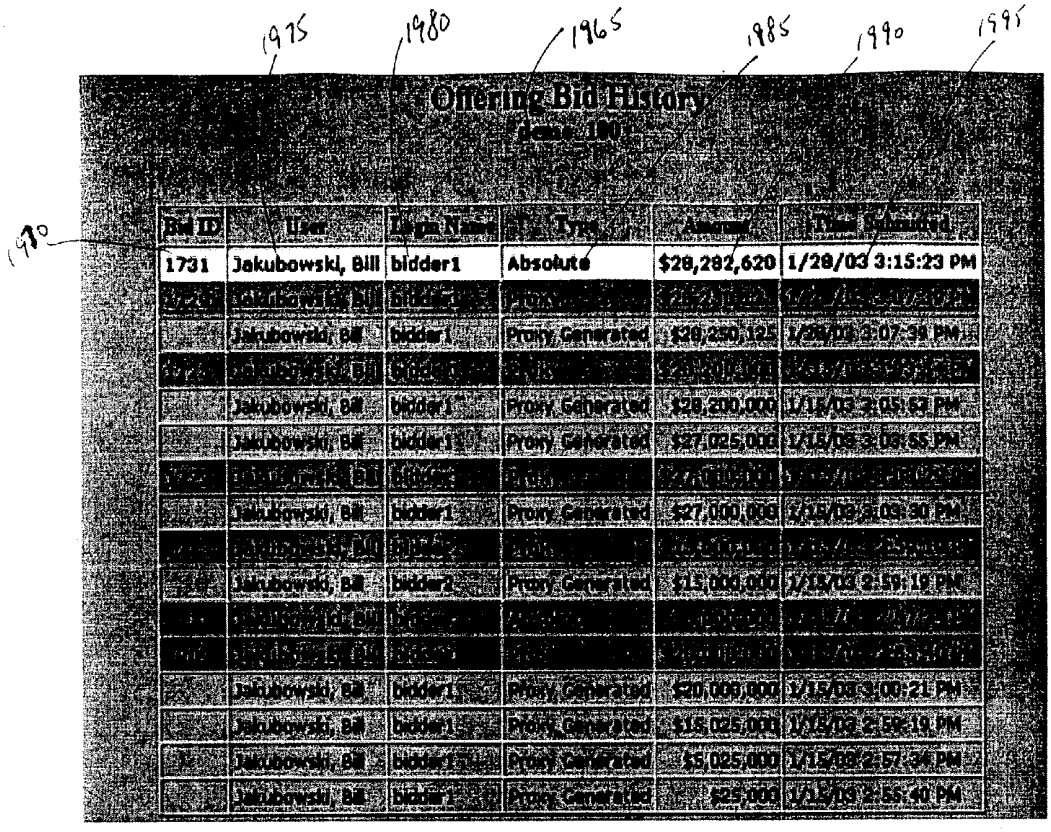
1975
1980
1965
1985
1990
1995
1910
Offering Bid History
Bid ID
User
Login N...
Type
Amount
Time Submitted
1731
Jakubowski, Bill
bidder1
Absolute
$28,282,620
1/28/03 3:15:23 PM
Jakubowski, Bill
bidder1
Proxy Generated
$28,250,125
1/28/03 3:07:39 PM
Jakubowski, Bill
bidder1
Proxy Generated
$28,200,000
1/15/03 2:05:53 PM
Jakubowski, Bill
bidder1
Proxy Generated
$27,025,000
1/15/03 2:05:55 PM
Jakubowski, Bill
bidder1
Proxy Generated
$27,000,000
1/15/03 2:05:50 PM
Jakubowski, Bill
bidder2
Proxy Generated
$15,000,000
1/15/03 2:59:19 PM
Jakubowski, Bill
bidder1
Proxy Generated
$30,000,000
1/15/03 3:00:21 PM
Jakubowski, Bill
bidder1
Proxy Generated
$15,025,000
1/15/03 2:59:19 PM
Jakubowski, Bill
bidder1
Proxy Generated
$5,025,000
1/15/03 2:57:34 PM
Jakubowski, Bill
bidder1
Proxy Generated
$25,000
1/15/03 2:55:40 PM

FIG. 50

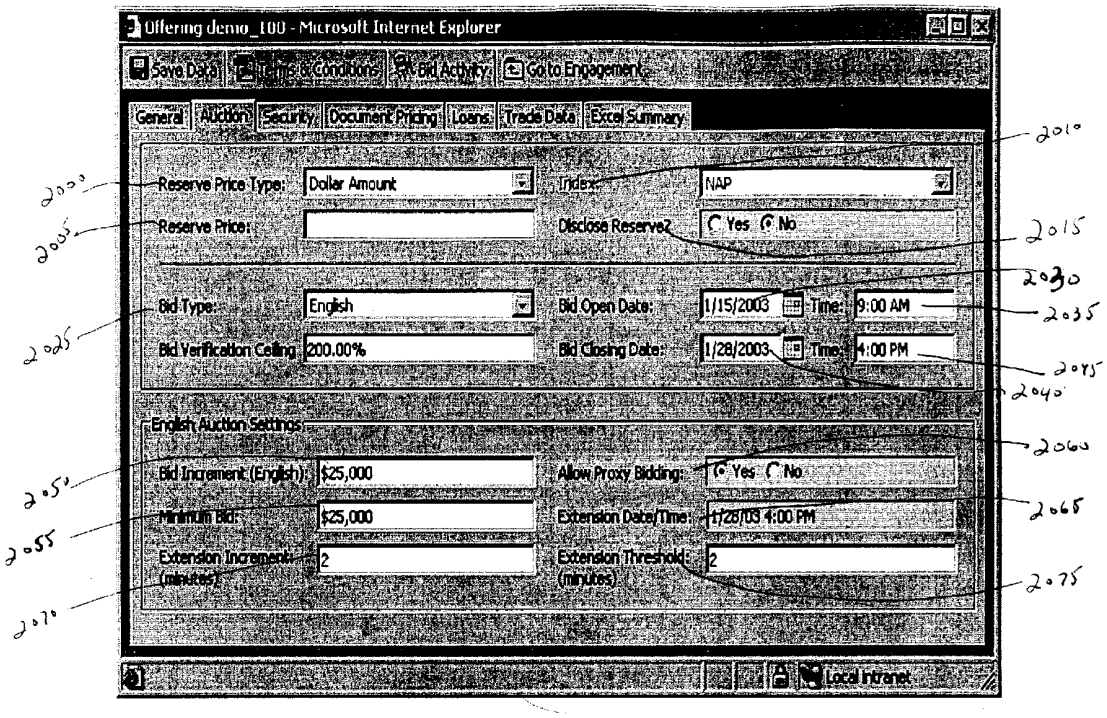
Offering demo_100 - Microsoft Internet Explorer
Save Data
Terms & Conditions
Bid Activity
Go to Engagement
General
Auction
Security
Document Pricing
Loans
Trade Data
Excel Summary
Reserve Price Type:
Dollar Amount
Index:
NAP
Reserve Price:
Disclose Reserve?
Yes
No
Bid Type:
English
Bid Open Date:
1/15/2003
Time:
9:00 AM
Bid Verification Ceiling:
200.00%
Bid Closing Date:
1/28/2003
Time:
4:00 PM
English Auction Settings
Bid Increment (English):
$25,000
Allow Proxy Bidding:
Yes
No
Minimum Bid:
$25,000
Extension Date/Time:
1/28/03 4:00 PM
Extension Increment (minutes):
2
Extension Threshold (minutes):
2
Local intranet
2000
2005
2010
2015
2020
2025
2030
2035
2040
2045
2050
2055
2060
2065
2070
2075

FIG. 51

SYSTEMS AND METHODS FOR TRADING AND ORIGINATING FINANCIAL PRODUCTS USING A COMPUTER NETWORK

CROSS REFERENCE TO RELATED APPLICATION

[0001] This application is a continuation-in-part of U.S. Non-Provisional application Ser. No. 09/928,109 entitled "System and Method for Trading and Originating Commercial Loans Using a Computer Network" filed Aug. 10, 2001, which claims priority to U.S. Provisional Application Serial No. 60/224,240 entitled "System and Method for Trading and Originating Commercial Loans Using a Computer Network" filed Aug. 10, 2000, the contents of both of which are incorporated herein by reference in their entirety.

FIELD OF THE INVENTION

[0002] Embodiments of the present invention generally relate to systems and methods for trading or auctioning products, such as commercial loans or real assets such as boats, and services such as software development. More specifically, embodiments of the present invention are directed to a data processing system for buying, selling, trading, originating and providing information on such products and services over a computer network, such as the Internet. More specifically, embodiments of the present invention are directed to a data processing system which contains improved operating abilities which aid the bidder, the seller and the trading entity, such as an auction house, in the conduct of that auction.

BACKGROUND OF THE INVENTION

[0003] Auctions have long been held as a way for a seller of a product or service to obtain the highest price for the item they are selling. There are many types of auctions, such as a closed auction, a Dutch auction and an English forward auction. An English forward auction allows bidders to submit successively increasing bids until the auction closes. The bidder holding the highest bid at the close of the auction, wins the offering or item being auctioned. A typical English forward auction begins with the seller setting a reserve price and a minimum bid. The reserve price is the minimum amount the seller will accept in return for the item being offered, and the minimum bid is the smallest increase in a bid a new bidder must make for an item in order for the bid to be accepted by the seller and/or the auction house. Next a bidder makes a bid for the item being offered. If the bid offered meets the minimum bid, that bid will typically be accepted and automatically becomes the current high bid subject to existing proxy bids as explained herein.

[0004] After the first bid is accepted, the next bid in an English forward auction will be accepted only if it meets or exceeds the minimum bid. At this point the new bid must at least equal if not exceed the amount of the current high bid plus the amount of the bid increment. For example, if the current high bid is $15,000, and the bid increment is set at $1,000, a bidder must bid at least $16,000 to become the current high bidder. Bids are typically ranked in order of the amount bid. However, if two bidders submit acceptable bids that are equal in amount, the bidder who first submitted the acceptable bid will be awarded the status of current high bidder. Simply because a bidder is the current high bidder when an auction closes does not mean that bidder will necessarily win that auction. Rather the current high bid must also meet or exceed the seller's reserve price in order to win the auction. If the current high bid fails to meet the reserve price when the auction closes, the seller is typically under no obligation to sell that item to that bidder.

[0005] An absolute bid is a single, static bid. Therefore, if a second bidder places a bid that is higher than a first bidder's absolute bid, and the second bidder then becomes the current high bidder, the first bidder must manually submit a new acceptable bid in order to become the current high bidder. Alternatively, the auction entity could provide for a proxy feature, which allows the bidder to specify the maximum amount that he is willing to bid for an offering. For example, in an auction where the reserve price is set at $15,000 and the minimum bid is set at $1,000, Bidder B will replace Bidder A (who opened the bidding at $17,000) as the current high bidder if Bidder B bids $18,000.

[0006] However, if Bidder A had previously submitted a proxy bid of $35,000, the auction house or auction system will automatically execute a $19,000 bid on behalf of Bidder A. That $19,000 bid represents an amount equal to the current high bid plus the minimum bid, thereby overtaking Bidder B and making Bidder A the current high bidder. Thereafter, each time another bidder properly outbids Bidder A, the auction house or auction system will place another proxy bid on behalf of Bidder A until Bidder A's maximum of $35,000 is reached. In order to thereafter become the current high bidder again, Bidder A would have to manually submit a new bid. However, Bidder A would not know of this need to manually submit a new bid in excess of his proxy maximum unless he was not only monitoring the progress of the bidding, but also continually executed a screen refresh of the auction house or auction system's bid status web page.

[0007] Therefore, it would be advantageous to have a system which automatically refreshed a bidder's bid status web page with the current status of the bidding in which any bidder was tracking or participating when either there was a change in the bidding status, or when a bidder's proxy maximum had been outbid or upon expiration of a predetermined time period. It would also be advantageous if the auction house or auction system sent alerts to a bidder who was tracking or bidding on an item being auctioned off, but not monitoring that auction live.

[0008] Another problem with current auction systems is that an offering with a larger number of items will not obtain as high a price as possible if the items were offered individually. For example, a car collector owns a large collection of rare cars and desires to sell them via an auction. Because of limited available time the seller could only monitor a single aggregate sale of all the cars. While advantageous in terms of time for the seller, it is not advantageous in terms of maximizing her pricing premium because only bidders with large financial resources can participate in the auction. However, smaller bidders who could bid on one or two items contained in the aggregate offering, could serve to drive up the price of the entire offering if their bids could be accepted as a single bid.

[0009] Therefore, it would be advantageous if an auction system existed where a number of similar items could be offered both individually and aggregately, whereby the seller

could accept the largest total bid, regardless of whether it came from a single bidder on the aggregate offering, or from the sum of all the individual bidders combined.

[0010] In certain automated auction systems, the auction house presents parties interested in the auction of a certain item with the bid history of that offering. The bid history typically displays to the other bidders or to interested parties at least the bidder's name, the amount bid by each bidder and the time the bidder placed their bid. However, by providing all the bidders interested in an offering with information regarding the other parties also interested in that offering, such as their user name or handle, the bidders could collude with each other against the seller. Such collusion results in the seller not receiving the absolute highest possible bid for each item they offered for auction. Therefore, it would be advantageous to have an auction system that allowed the seller or the auction system to block single bidder or all bidders from viewing or receiving any or all information regarding the other bidders bidding on a given offering.

[0011] Another problem with current auction systems is that although bidders must log onto an auction system using a log-in name and password, that password is typically not secure. For example, competitors for the same item being auctioned off might somehow determine the password of another competitor. They might then use that password to withdraw their competitor's bid, thereby leaving the unscrupulous bidder with the winning bid. Therefore, it would be advantageous to have an auction system which knows the IP address of a given user, and only grants that user access to the auction system if the user's log-in and password are submitted from a previously registered IP address. Even if the IP address were randomly assigned by the Internet provider it would still be advantageous to track the user by that IP address assigned by the Internet provider for the reasons discussed herein.

[0012] Similarly, it would be advantageous to be able to track a user by their IP address or other identifiers assigned by the auction system as the users move throughout the auction web site. Tracking the user through the web site allows the auction house to gather data regarding products of interest to the user, and allows subsequent data mining of the data gathered. Additionally, employing a user's IP address or other identifier to determine their identity and whether they are logging in from a pre-approved location, thereby boosting security for all users and the auction house.

[0013] When bidders are interested in bidding on a certain offering or item, they typically log onto the auction system and find their way to the web page detailing that specific offering or item. However, once the user receives that information as it exists at that time, the user is not presented any updated information regarding that offering afterwards. Therefore, if the potential bidder wanted to bid on a selected offering, but wanted to wait until the last possible second to do so, he might be lulled into thinking that a certain bid could successfully win the auction. For example, Bidder D pulls up the web page for Offering #443, and that web page lists the current high bid at $550, and states that the time remaining is 1 minute and 20 seconds. Because the figure displayed as the current high bid is not updated by the auction system, Bidder D might be lulled into thinking it is safe to wait until 5 seconds before the close of the auction on Offering #443 to submit a bid of $560. Unfortunately for Bidder D, other bidders could have been placing bids during that last 1 minute and 20 seconds without Bidder D's knowledge. This scenario might result in Bidder D submitting her bid of $560 at 5 seconds prior to the auction closing, but the current high bid with 5 seconds to go before the auction closes is actually $595. Accordingly, Bidder D would lose that auction. Therefore, it would be advantageous if the web page of all bidders interested in the auction of a certain item or offering be updated either after a predetermined amount of time, or each time a new bid is placed on that item or offering.

[0014] Another problem with current auction systems is that the seller or auction house will set a date and/or time at which the auction will end. In order to aid the bidders to ensure that their bid is placed prior to the auction's close, the seller or auction entity may choose to display the time remaining during which bids will continue to be accepted by the auction entity. However, bidders will often wait until the last possible second to submit their bid. Doing so presents various disadvantages. For example, if a Bidder G waits until the last possible second to submit his bid, it might not be processed and accepted before the auction period ends. Accordingly, Bidder G will not have his higher bid accepted by the auction system, and loses the auction. Similarly, even if Bidder G's last second bid is accepted by the auction system, Bidder G might still lose the auction to Bidder H if Bidder H had previously submitted a proxy bid with a limit higher than Bidder G's last-second bid. Such an auction system which automatically ends and accepts no more bids after a certain point in time is also disadvantageous to the seller because she could have received a higher price for the item being auctioned if the auction had not ended until every bidder that wished to participate submitted their best and final bid and that bid was accepted.

[0015] Therefore, it would be advantageous if an auction system existed which extended the closing of an auction by a predetermined amount of time each time a bidder attempted to submit a new bid, thereby ensuring that every entity submitted their best and final bid.

SUMMARY OF THE INVENTION

[0016] There are several significant problems with current systems which auction off products and services. One problem is that the auction systems fail to refresh a first bidder's web page displaying bid status information either automatically, or after a second bidder places a new bid. Moreover, the current auction systems do not allow for the auctioning of items as either individual offerings or as aggregated offerings. Furthermore, the current auction systems do not provide for the ability to limit the display to a given bidder of the pertinent information regarding the other bidders who are also bidding on the same offering. Nor do the current auction systems provide for either the ability to only allow user's access from a predetermined IP address, or track the users of that system by their IP address as they move throughout the auction system. Furthermore, the current auction systems do not provide for the ability to set the amount of time an auction is automatically extended by if a new bid is received on a given offering.

[0017] In at least one embodiment, the present invention provides an auction system which automatically refreshes and updates the bid status web page of all bidders that are

interested in a particular offering, either automatically or each time a new bid is placed on that offering. In this embodiment, the refresh of the information screen occurs regardless of whether the new bid was placed by a live bidder, or the bid was a proxy bid placed by the auction system. Moreover, an embodiment of the present invention provides users not actively tracking the auction with remote updates on the progress of bidding so that they can remotely update their bids if necessary.

[0018] In at least one embodiment, the present invention provides an auction house with the ability to selectively auction offerings as either individual offerings, or as an aggregate offering, and allows the auction house to accept the highest bid regardless of the format. In this embodiment, the user is informed whether or not a specific individual offering is part of an aggregated offering, thereby allowing the bidder to modify his bidding.

[0019] In at least one embodiment, the present invention provides an auction house with the ability to selectively display or not display to a bidder, information regarding other bidders that are bidding on the same offering. Additionally, this embodiment also allows the auction house to view the past bidding history of any given bidder.

[0020] In at least one embodiment, the present invention provides an auction system which determines when a new bid is placed on an offering prior to the closing of that offering, and extends the closing period for that specific offering, as well as all its related offerings, by a predetermined period of time.

[0021] These and other embodiments of the present invention help to ensure that bidders are not foreclosed from bidding on an offering simply because the time to do so was about to run out. These embodiments also ensure that the seller obtains the highest possible price for its offering or offerings. Moreover, these embodiments prevent bidders from colluding against a seller on a given offering. Furthermore, these embodiments allow the auction house

[0022] Furthermore, in at least one embodiment the present invention provides a method for trading products or services of interest over a computer network. The items are offered in an auction by a seller, a bid is received for the item being offered, the bid is displayed to all users of the auction, and the closing of the auction is extended by a period of time if a new bid is received during a predetermined period of time prior to the closing of the auction.

[0023] In at least one embodiment, the above method which includes offering an item for sale further includes allowing a bidder to bid on only a portion of the item being offered for sale, or bid on the entire item in aggregate. In another aspect, at least one embodiment of the invention further comprises updating the display of the received bid to display the current highest bid. In another aspect, at least one embodiment of the invention displays a received bid further comprises revealing the bid history for the item to selected users. In another aspect, at least one embodiment of the invention comprises tracking a bidder by their identifying information

[0024] In another aspect, in at least one embodiment, the invention comprises a computerized exchange or system for trading items, wherein the exchange is accessible using a computer network, comprising a server in operable communication with a bidder, the server is programmed for receiving requests from a bidder to accept a bid for an item offered for sale, a product and service information database in communication with the server for retrieving information on items meeting the bidder's search criteria, and customer application components for accepting and displaying bids received from the bidder on the items meeting the bidder's search criteria.

[0025] In another aspect, in at least one embodiment, the invention comprises a computerized system for trading financial products, comprising means for receiving information about at least one item for sale, the information, including due diligence information capable of fulfilling at least a portion of a request for due diligence on the financial product, means for displaying the information about the item to parties interested in purchasing items that match certain criteria, means for determining whether the bid on the item is acceptable, means for displaying the bid information to users of the system once the bid has been accepted on the item, means for updating the display of users of the system either periodically or when new bid has been accepted, means for extending the close of the exchange or auction of the item being sold by a predetermined amount of time when a new bid has been entered during a predetermined period of time prior to the closing of the exchange or auction; means for offering the item being sold on the exchange or auction either piecemeal (e.g., as components) or offering the item in aggregate; means for selectively displaying the bid history of a certain item being sold on the exchange or auction, and means for tracking a user or blocking the user's access to the exchange or auction based on their user information.

[0026] The foregoing and other objects, aspects, features, and advantages of the invention will become more apparent from the following description and from the appendices.

BRIEF DESCRIPTION OF THE FIGURES

[0027] The advantages and aspects of the present invention will be more fully understood in conjunction with the following detailed description and accompanying drawings, wherein:

[0028] **FIG. 1** is an illustration of a computer system in which at least one embodiment of the present invention can be embodied.

[0029] **FIG. 2** is a block diagram giving an architectural overview in accordance with one embodiment of the invention.

[0030] **FIG. 3** is a block diagram providing an overview of the interaction of the system of an embodiment of the invention with buyers, sellers, and third parties.

[0031] **FIG. 4** is a flow chart illustrating a process for pricing financial product, in accordance with an embodiment of the invention.

[0032] **FIGS. 5A through 5D** are representative screen shots illustrating a form for sellers to list a financial product, in accordance with an embodiment of the invention.

[0033] **FIG. 6** is a flow chart illustrating a process for searching for a financial product, in accordance with an embodiment of the invention;

[0034] **FIG. 7** is a representative screen shot illustrating an input form used to search for a financial product, in accordance with an embodiment of the invention;

[0035] **FIG. 8** is a representative screen shot illustrating the results of a search for a financial product, in accordance with an embodiment of the invention;

[0036] **FIG. 9** is a representative screen shot illustrating the financial product information provided to a user, in accordance with an embodiment of the invention;

[0037] **FIG. 10** is another representative screen shot illustrating the financial product information provided to a user, in accordance with an embodiment of the invention;

[0038] **FIG. 11** is a representative screen show illustrating financial product summary information provided to a user, in accordance with an embodiment of the invention;

[0039] **FIG. 12** is a representative screen show illustrating financial product statistical information provided to a user, in accordance with an embodiment of the invention;

[0040] **FIG. 13** is a representative screen show illustrating financial product information provided to a user, in accordance with an embodiment of the invention;

[0041] **FIG. 14** is a representative screen shot showing an example of a portion of the mortgage note documentation available to a user, in accordance with an embodiment of the invention;

[0042] **FIG. 15** is a representative screen shot showing an example of a portion of the title insurance documentation available to a user, in accordance with an embodiment of the invention;

[0043] **FIG. 16** is a representative screen shot showing an example of a picture of a property associated with a financial product for sale, which picture is available to a user, in accordance with an embodiment of the invention;

[0044] **FIG. 17** is a representative screen shot showing an example of third party information available to a user in accordance with an embodiment of the invention;

[0045] **FIG. 18** is a flowchart illustrating a process for searching a database of financial products, in accordance with an embodiment of the invention;

[0046] **FIG. 19** is a flowchart illustrating a process for pricing a financial product, in accordance with an embodiment of the invention;

[0047] **FIG. 20** is a representative screen shot illustrating a form for pricing a financial product, in accordance with an embodiment of the invention;

[0048] **FIG. 21** is a representative screen shot illustrating a form for performing a computation on a financial product, in accordance with an embodiment of the invention;

[0049] **FIG. 22** is a representative screen shot illustrating the results of the computation requested in the screen shot of **FIG. 21**, in accordance with an embodiment of the invention;

[0050] **FIG. 23** is a representative screen shot illustrating a spreadsheet showing yearly cash flow, in accordance with an embodiment of the invention;

[0051] **FIG. 24** is a representative screen shot illustrating a form for performing a foreclosure computation on a financial product, in accordance with an embodiment of the invention;

[0052] **FIG. 25** is a representative screen shot illustrating the results of the computation requested in the screen shot of **FIG. 23**, in accordance with an embodiment of the invention;

[0053] **FIG. 26** is a representative screen shot illustrating a form for performing an extension/restructure computation on a financial product, in accordance with an embodiment of the invention;

[0054] **FIG. 27** is a representative screen shot illustrating the results of the computation requested in the screen shot of **FIG. 25**, in accordance with an embodiment of the invention;

[0055] **FIG. 28** is a representative screen shot illustrating a form for performing a DPO/Early Payoff computation on a financial product, in accordance with an embodiment of the invention;

[0056] **FIG. 29** is a representative screen shot illustrating the results of the computation requested in the screen shot of **FIG. 27**, in accordance with an embodiment of the invention;

[0057] **FIGS. 30A and B** are a flowchart illustrating a process for bidding on a financial product, in accordance with an embodiment of the invention.

[0058] **FIG. 31** is a representative screen shot illustrating loans that are available for bidding, in accordance with an embodiment of the invention;

[0059] **FIG. 32** is a representative screen shot illustrating the proxy bid form, in accordance with an embodiment of the invention;

[0060] **FIG. 33** is a representative screen shot illustrating the submit a bid form used by bidders to submit a bid, in accordance with an embodiment of the invention;

[0061] **FIG. 34** is a representative screen shot illustrating the bid verification form used by bidders to verify their bid, in accordance with an embodiment of the invention;

[0062] **FIG. 35** is a representative screen shot illustrating the bid not accepted form informing a bidder that their bid had not been accepted, in accordance with an embodiment of the invention;

[0063] **FIG. 36** is a representative screen shot illustrating that a bid had been accepted and that the bidder was the current high bidder, in accordance with an embodiment of the invention;

[0064] **FIG. 37** is a representative screen shot illustrating the bid status form, in accordance with an embodiment of the invention;

[0065] **FIG. 38** is a representative screen shot illustrating the bid status form prior to submitting a bid, in accordance with an embodiment of the invention;

[0066] **FIG. 39** is a representative screen shot illustrating the bid status form after an new bid had been accepted on an offering, in accordance with an embodiment of the invention;

[0067] **FIG. 40** is a representative screen shot illustrating the results of a search for given search criteria, in accordance with an embodiment of the invention;

[0068] **FIG. 41** is a representative screen shot illustrating an aggregate offering, in accordance with an embodiment of the invention;

[0069] **FIG. 42** is a representative screen shot illustrating the a single offering, in accordance with an embodiment of the invention;

[0070] **FIG. 43** is a representative screen shot illustrating the status of related items being auctioned, in accordance with an embodiment of the invention;

[0071] **FIG. 44** is a representative screen shot illustrating a bid form, in accordance with an embodiment of the invention;

[0072] **FIG. 45** is a representative screen shot illustrating the auction status portion of the bid status form, in accordance with an embodiment of the invention;

[0073] **FIG. 46** is a representative screen shot illustrating the status of a bidder's best bid on a specific offering and illustrating the bid history link, in accordance with an embodiment of the invention;

[0074] **FIG. 47** is a representative screen shot illustrating the operation of the bid history link and form, in accordance with an embodiment of the invention; and

[0075] **FIG. 48** is a flowchart illustrating the operation of the automatic extension of the closing of an auction, in accordance with an embodiment of the invention.

[0076] **FIG. 49** is a representative screen shot of the summary view of the Auction Monitor Form, in accordance with an embodiment of the present invention.

[0077] **FIG. 50** is a representative screen shot of the detailed view of the bidding history of a specific auction, in accordance with an embodiment of the present invention.

[0078] **FIG. 51** is a representative screen shot of the detailed view of the Setup Form, in accordance with an embodiment of the present invention.

[0079] The drawings are not necessarily to scale, emphasis instead generally being placed upon illustrating the principles of the invention.

DETAILED DESCRIPTION

[0080] Although any one of the available auction methods could be used to auction various products and services, such as a closed auction, the present invention as it pertains to an English forward auction is the preferred method because sellers realize a premium in the pricing of their offerings when using an online English forward auction format. For example, in the auction of commercial loans, sellers have realized a 13% pricing premium when using the inventive online English auction format, as compared to when the offerings were conducted by sales representatives using other methods or means of selling, such as telephones, faxes and email.

[0081] The pricing premium is the amount of proceeds a seller receives that is in excess of an offering's reserve price. This pricing premium has been maximized for items that are uniform or homogenous in nature and that can be valued with relative accuracy. For example, in regard to an offering class of commercial loans, the pricing premium is greater for loan packages that are clean performing loans.

[0082] The inventive embodiment achieves an increased pricing premium because the online English auction format enhances competition by increasing the bidder's level of control and ability to compete. Specifically, the inventive embodiment in an online English auction format garners an increased number of bidders and bidder activity on comparison to a closed auction format. This increased bidding results in subsequent increased pricing premiums. Although simply increasing the number of bidders will not necessarily lead to higher proceeds, the increased level of participation will positively impact other competitive issues, thereby driving up the pricing premium.

[0083] Typically, the bidding in an English forward auction is open. Therefore, in other auction systems all the participants bidding on a specific offering or item know the cover bid and the bidder's identity or handle, at any time they access the offering's web page. Additionally, every bidder can view how other bidders are participating in a specific offering by viewing the bid history web page, which displays the history for all bidders. Such market feedback allows each bidder to validate their own level of participation and provides a comfort level that their own bid is not out of market. However, too much information about other bidders may cause a bidder to suspend their bidding. In the preferred embodiment the bidding is anonymous. Therefore, a bidder can only learn limited information about the auction, such as the current high bid. By not providing the bidder with other bidders' bid histories for a given item, each bidder only knows that she is competing against at least one or more bidders, but cannot determine where any other bidder dropped out of the bidding competition. This satisfies the requirement that allows the bidder know that her bid is not out of market, but prevents a bidder from experiencing "buyer's remorse" by comparing her own bid to those bidders who dropped out of the competition at a lower bid amount. Because of this, the present invention results in higher pricing premiums. The present invention also creates higher pricing premiums by preventing the bidders from learning each other's identity. Therefore, collusion among the bidders is prevented. Similarly, by extending the close of the auction each time a new bid is received, the present invention ensures that each bidder submits their best and final offer. Consequently, the offering is sold to the genuine highest bidder, thereby increasing the pricing premium.

[0084] The present invention accomplishes these and other improvements by employing the system described herein and in the cross-referenced applications. As used herein, the Internet refers at least to a collection of networks and gateways that use the transmission control protocol/Internet protocol (TCP/IP) suite of protocols to communicate with one another. The World Wide Web (WWW) refers at least to a set of inter-linked hypertext documents residing on hypertext transport protocol (HTTP) servers. As used herein, the WWW also refers at least to documents accessed on secure servers, such as HTTP servers (HTTPS), which provide for encryption and transmission through a secure port. WWW documents, which may be referred to herein as web pages, can, for example, be written in hypertext markup language (HTML). As used herein, the term "web site" refers at least to one or more HTML documents and associated files, scripts, and databases that may be presented by an HTTP or HTTPS server on the WWW. The term "web browser" refers at least to software that lets a user view HTML documents and access files and software related to

those documents. The term "web page" refers to the display of one page of a web site which displays one or more of the HTML documents and/or data from the associated files, scripts and databases.

[0085] Systems and methods in accordance with the invention can be implemented using any type of general purpose computer system, such as a personal computer (PC), laptop computer, server, workstation, personal digital assistant (PDA), mobile or wireless communications device, interconnected group of general purpose computers, and the like, running any one of a variety of operating systems. An example of a general-purpose computer system **10** usable with at least one embodiment of the present invention is illustrated in **FIG. 1**.

[0086] Referring briefly to **FIG. 1**, the general purpose computer system **10** includes a central processor **12**, a main memory unit **14** for storing programs and/or data, an input/output controller **16**, a network interface **18**, a display device **20**, one or more input devices **22**, a fixed or hard disk drive unit **24**, a tape drive unit **26**, a tape drive unit **28**, and a data bus **30** coupling these components to allow communication therebetween.

[0087] The central processor **12** can be any type of microprocessor, such as a PENTIUM processor, made by Intel of Santa Clara, Calif. The display device **20** can be any type of display, such as a liquid crystal display (LCD), cathode ray tube display (CRT), light emitting diode (LED), and the like, capable of displaying, in whole or in part, the outputs generated in accordance with the systems and methods of the invention. The input device **22** can be any type of device capable of providing the inputs described herein, such as keyboards, numeric keypads, touch screens, pointing devices, switches, styluses, and light pens. The network interface **18** can be any type of a device, card, adapter, or connector that provides the computer system **10** with network access to a computer or other device, such as a printer. In one embodiment of the present invention, the network interface **18** enables the computer system **10** to connect to a computer network such as the Internet.

[0088] Those skilled in the art will appreciate that computer systems embodying the present invention need not include every element shown in **FIG. 1**, and that equivalents to each of the elements are intended to be included within the spirit and scope of the invention. For example, the computer system **10** need not include the tape drive **28**, and may include other types of removable media drives, such as compact disk read-only memory (CD-ROM) drives. CD-ROM drives can, for example, be used to store some or all of the databases described herein.

[0089] In at least one embodiment of the invention, one or more computer programs define the operational capabilities of the computer system **10**. These programs can be loaded into the computer system **10** in many ways, such as via the hard disk drive **24**, the floppy disk drive **26**, the tape drive **28**, or the network interface **18**. Alternatively, the programs can reside in a permanent memory portion (e.g., a read-only-memory (ROM)) chip) of the main memory **14**. In another embodiment, the computer system **9** can include specially designed, dedicated, hard-wired electronic circuits that perform all functions described herein without the need for instructions from computer programs.

[0090] In at least one embodiment of the present invention, the computer system **10** is part of a client-server system, in which a client sends requests to a server and a server responds to requests from a client. That is, the computer system **10** can be either a client system or a server system. In one embodiment, the invention is implemented at the server side and receives and responds to requests from a client, such as a reader application running on a user computer.

[0091] The client can be any entity, such as a the computer system **10**, or specific components thereof (e.g., terminal, personal computer, mainframe computer, workstation, handheld wireless device, electronic book, personal digital assistant, peripheral, etc.), or a software program running on a computer directly or indirectly connected or connectable in any known or later-developed manner to any type of computer network, such as the Internet. For example, a representative client is a personal computer that is x86-, PowerPC.R™., PENTIUM-based, or RISC-based, that includes an operating system such as IBM.R™, LINUX, OS/2.R™. or MICROSOFT WINDOWS (made by Microsoft Corporation of Redmond, Wash.) and that includes a Web browser, such as MICROSOFT INTERNET EXPLORER, NETSCAPE NAVIGATOR (made by Netscape Corporation, Mountain View, Calif.), having a Java Virtual Machine (JVM) and support for application plug-ins or helper applications. A client may also be a notebook computer, a handheld computing device (e.g., a PDA), an Internet appliance, a telephone, an electronic reader device, or any other such device connectable to the computer network.

[0092] The server can be any entity, such as the computer system **10**, a computer platform, an adjunct to a computer or platform, or any component thereof, such as a program that can respond to requests from a client. Of course, a "client" can be broadly construed to mean one who requests or gets the file, and "server" can be broadly construed to be the entity that downloads the file. The server also may include a display supporting a graphical user interface (GUI) for management and administration, and an Application Programming Interface (API) that provides extensions to enable application developers to extend and/or customize the core functionality thereof through software programs including Common Gateway Interface (CGI) programs, plug-ins, servlets, active server pages, server side include (SSI) functions and the like.

[0093] Embodiments of the invention can be implemented using computer technologies such as software applications, computer-readable program media, data structures, carrier wave signals, user interfaces, and application program interfaces. For example, software embodying the present invention, in one embodiment, resides in at least one application running on the computer system **10**. In at least one embodiment, the present invention is embodied in a computer-readable program medium usable with the computer system **10**. In at least one embodiment, the present invention is embodied in a data structure stored on a computer or a computer-readable program medium. In addition, in one embodiment, the present invention is embodied in a transmission medium, such as one or more carrier wave signals transmitted between the computer system **10** and another entity, such as another computer system, a server, a wireless network, etc. The present invention also is embodied in an application programming interface (API) or a user interface. In addition, the present invention, in one embodiment, is embodied in a data structure.

[0094] In at least one embodiment, the invention provides a system that enables interaction between a number of parties that can participate in transactions involving auctions or involving financial products, such as debt transactions. In accordance with at least one embodiment of the invention, analysts, bidders and sellers of products or services, as well as other interested parties can access a computerized system via a website or portal, over a computer network to access a variety of debt related features and functions. At least some embodiments of the invention provide features and functions whereby potential buyers can search for, view information about, obtain documentation for, originate, and bid on, products and services. These products can include by way of example and limitation, boats, stamps or tickets to sporting events, which are offered for auction to bidders by sellers. These products can also include financial products such as commercial loans, offered for sale by sellers. The services offered for auction can include development of software, or medical services.

[0095] In addition, at least some embodiments of the invention provide features and functions whereby potential sellers can upload information about their offering. These embodiments also allows potential sellers to list, compute a price for, provide documentation for, originate, and accept bids on the offered products and services, which include commercial loans. Further, at least some embodiments of the invention permit users, including buyers, sellers, and entities that are neither buyers nor sellers, to search for, price, and obtain information about the offerings put up for auction, which include financial products.

[0096] Throughout this disclosure, the terms "buyer" and "bidder" are used interchangeably, although it should be understood that at least some embodiments of the invention, as described herein, the "buyer" is the "bidder" that wins the bidding process. Also throughout this disclosure the term "auction house" and auction system are used interchangeably, and mean the entity which accepts offerings from sellers and provides bidders with the opportunity to bid on those offerings.

[0097] **FIG. 2** is a block diagram giving an architectural overview of a system **30** implemented in accordance with one embodiment of the present invention. The system **30** of **FIG. 2** is made available to potential bidder, sellers and other users, in at least one embodiment, through a web site accessible to users of a global information network such as the Internet. The system **30**, in one embodiment, includes a set of infrastructure components which include but are not limited to a Web Server **32**, an Application Server **34**, a database management system (DBMS) **36**, and a Content Management System **38**. The system **30** also includes Application Components such as Custom Application Components **40** and Off-The-Shelf Shelf Application Components **42**, as well as includes Administration Components **44**. Moreover, the system **30** also includes Database Components, which include Transaction Data **46**, Product and Service Information database **48**, and User Profiles **50**. Each component or subsystem of the system **30** can be in operable communication with at least one other component of the system **30**, as necessary.

[0098] In one embodiment of the invention, the Web Server **32** includes the Microsoft Internet Information Server (IIS), manufactured by Microsoft Corporation, Redmond, Wash. The server software for the Microsoft IIS uses HTTP to deliver WWW documents, incorporates various functions for security, permits common gateway interface (CGI) programs, and provides for Gopher and file transfer protocol (FTP) services. However, those skilled in the art will recognize that other types of web server software may be used for the Web Server **32** in accordance with the invention. The Application Server **34**, in at least one embodiment, includes Microsoft Active Server Pages (ASP), which enable server side scripting (versus client-side scripting). An ASP can, for example, contain code written in visual basic script (VB Script) or JavaScript (Jscript). The Application Server **34** can also comprise other types of application server programs such as Unix-based CGI scripts.

[0099] The DBMS **36**, in one embodiment, is achieved using the Microsoft structured query language (SQL) system, but other DBMS systems, such as those manufactured by Oracle and Sybase, are of course usable in accordance with the invention. The content pages of the Content Management System **38**, in one embodiment, include a plurality of content pages, such as content pages displaying financial product information, due diligence documents, and third party information. Examples of some of these content pages are provided herein. In one embodiment, the web pages display various type of information in various formats. For example, the web pages displaying content include HTML templates, as well as and pages for dynamic and static content pages, a splash page, pages for each of the present invention's products or capabilities (e.g., user registration, viewing loan documents, etc.), link pages, and general content pages. This list of web content pages is not limiting; those skilled in the art will of course recognize that many other types of content pages can be provided in accordance with the invention.

[0100] Referring again to **FIG. 2**, the Custom Application Components **40** includes components developed to accomplish some of the functions of the system **30** performed by the present invention as described herein. In at least one embodiment, the Custom Application Components **40** includes components such as User Management **52**, Content Management **54**, Product/Service Management **56**, Transaction Management **58**, Marketing Reports **60**, Search/Filter **62**, Pricing Engine **64**, and a Notifier **66**.

[0101] User Management **40** is a subsystem providing user management functions for users of the system **30**. These users can include buyers and sellers of any type of product or service that can conceivably be sold at auction. In at least one embodiment, these users can be sellers and potential sellers of financial products, buyers and potential buyers of financial products, so-called market observers (users who can view the transactions occurring on the site and/or the financial products available on the site, but who are not necessarily participating in any transactions), visitors, "guest" users, auditing personnel, etc. For example, in at least one embodiment, the User Management **40** subsystem provides an interface to data such as user profile data, user preference data, stored search/filter results, lists of financial products for which a user has purchased due diligence or other information, a user registration component to handle initial site registration, login/authentication functions, an interface that allows a system administrator or quality control person to "activate" the ability for a Buyer or Seller to conduct transactions, and the like.

[0102] Content Management **54** is a subsystem providing interface to the Content Management System (CMS) **38** that allows for the management of all of the content related to the items listed within the system **30** which are being auctioned off. In the preferred embodiment, the Content Management System **38** manages all of the content related to the financial products listed with the system **30**. Content Management **54**, in at least one embodiment, includes a dynamic data-driven user content display component to handle access to and display of the site content based on the type of user (buyer, Seller, Quality Control Rep, Admin, etc.). In addition, Content Management **54**, in one embodiment, includes an interface permitting the management and download of templates used by Sellers to prepare the documentation for financial products they want to sell, along with the ability to upload this information to the site. Examples of this interface are provided herein.

[0103] Product/Service Management **56** is a subsystem for allowing a Seller to specify a product or service that they wish to offer for auction. In the preferred embodiment the Product/Service Management **56** subsystem allows the Seller to specify the financial product they wish to offer for auction (e.g., loan, security, certificate of deposit, mutual fund, etc.). The Product/Service Management **56** subsystem also allows a Buyer to specify the type of product or service that they are interested in bidding on. In the preferred embodiment the Product/Service Management **56** subsystem allows the Buyer to select or specify the type of financial product she is interested in buying. The Product/Service Management **56** subsystem also matches Buyers to Sellers based on the criteria specified by each.

[0104] Product/Service Management **56** subsystem, in at least one embodiment, includes screens and forms used to collect information about the product or service being offered for auction by the Seller. For example, if the item being offered for auction by the Seller was a car, the Product/Service Management **56** subsystem can include features such as vehicle registration reports from every Department of Motor Vehicles from every state it was ever registered in, accident reports for the entire time the vehicle was owned by any particular user, as well as any other information which can be provided by the Seller, a third party, and/or, the administrator of the system **30**, including pricing of the product or service being offered. In the preferred embodiment the Product/Service Management **56** subsystem can include features such as financial product summaries, detailed financial product information (such as pictures, maps, text and spreadsheets), which can be provided by the Seller, a third party, and/or, the administrator of the system **30**, and financial product pricing. In addition, the Product/Service Management **56** subsystem, in one embodiment, includes all screens and logic to display financial product information to potential Buyers. These features and functions are illustrated and described more fully herein and in the cross-referenced applications.

[0105] The pricing of a product or service can be provided in a number of ways. For example, if the product is a car, the most commonly accepted method of pricing that car would be to have the Seller enter certain characteristics of the car, and compare those characteristics to a similarly situated car in the Blue Book. Once a similarly situated car was located in the Blue Book, the Pricing Engine subsystem **64** could suggest to the Seller that they offer their car for about the same price as the Blue Book value. Alternatively, if the product being auctioned off was a package of commercial loans, the financial product pricing in accordance with the preferred embodiment of the present invention can be determined by using the Pricing Engine subsystem **64**, described more fully herein and in the cross-referenced applications. In at least one embodiment, the financial product pricing is determined by an analyst (i.e., a person). In at least one embodiment, the financial product price is determined using a combination of information from both the Pricing Engine **64** and the analyst. However, in at least one embodiment, the Pricing Engine **64** is entirely automatic.

[0106] In one embodiment of the invention, the characteristics of the car being sold and the Seller's offering price are provided to a prospective Buyer or other user. In a preferred embodiment of the present invention, financial product information pertaining to the commercial loan package is provided in summary form to a prospective Buyer or other user. In one embodiment the summary form of the commercial loan package is generated automatically, using templates a user receives from information provided in forms filled out by a Seller. In at least one embodiment, the summary form of financial product information is created at least in part by an individual accessing the information.

[0107] Buyers can obtain detailed information and/or materials about a product or service as well. For example, in regard to a financial product the potential Buyer could find certain due diligence information, such as certificates of insurance. Alternatively, the potential Buyer of a medical service could find out whether the doctor had ever been charged with malpractice, or ever had her license revoked by a state licensing board. In at least one embodiment, a fee can be charged for at least some of the detailed information about the product or service being auctioned off. In addition, in one embodiment of the invention, Buyers cannot bid on or purchase a financial product for sale unless the system **30** has proof that the Buyer has at least been provided with the appropriate due diligence information. This feature, provided in at least one embodiment of the invention, can help to satisfy National Association of Securities Dealers (NASD) requirements. For example, in one embodiment, this proof is satisfied by a Buyer's purchasing the due diligence materials. Examples of these materials and this process are discussed in more detail either herein or in the cross-referenced applications.

[0108] In at least one embodiment, Product/Service Management subsystem **56** includes an interface permitting a Seller to upload data and materials related to the product or service offered for auction. In at least one embodiment, a user can request the generation of a detailed summary of the product or service the Seller is offering for sale, so that potential buyers can have access to that information. As noted previously, the generation of the detailed product or service summary can be automated, can be accomplished by one or more persons, or a combination of the two. In at least one embodiment, selected individuals (called "Quality Control" representatives and managers) are assigned to manage and monitor one or more products or services associated with one or more Sellers. Therefore, in at least this embodiment, the Product/Service Management subsystem **56** includes screens and logic to allow a Quality Control Representative to view the list of products and/or services they are responsible for. In at least this embodiment the

Quality Control Manager can allocate and assign loans to Quality Control Representatives.

[0109] For example, a Quality Control Representative can assist a bidder with questions about a financial product for sale, any information regarding or documentation for the financial product being auctioned off, questions about the bidding process, or questions about the Seller offering a certain financial product. Quality Control Representatives, in one embodiment, have access to at least a portion, if not all, of the Seller and Buyer information (including, for example, lists of financial products that a Buyer has bid on, lists of documentation associated with a given financial product, etc.), and can monitor the bidding process for one or more financial products. Quality Control Managers, in one embodiment, have access to at least a portion of the Seller and Buyer information, as well, and further have access to and can monitor the actions of the Quality Control Representatives.

[0110] Transaction Management **58**, in one embodiment, is a subsystem that provides for the handling and tracking of transactions, such as between Buyers and Sellers. In the preferred embodiment, the Transaction Management subsystem **58** handles and tracks among other things, which Bidder won a certain offering and what price the bidding closed at. Transaction Management subsystem **58** includes substantially all screens and logic to allow a Buyer to bid on or to buy a specific product or service offered by a Seller. The Transaction Management subsystem **58** also allows the Seller to accept or reject a specific bid from a Buyer. In at least one embodiment, the Transaction Management subsystem **58** includes logic and/or rules that permit the system **30** to take action on behalf of a Buyer or a Seller. For example, Transaction Management subsystem **58** can include logic whereby it is authorized to accept a bid from a Buyer on behalf of a Seller if a specified condition (e.g., price) is met. In a similar example, Transaction Management subsystem **58** can include logic whereby it is authorized to place bids for a financial product on behalf of a Buyer, in accordance with one or more conditions.

[0111] In one embodiment, Transaction Management subsystem **58** includes logic to implement one or more types of auctions of a financial product offered for sale, including sealed- bid format and English forward auction format. In one embodiment, the sealed bid format presents the bidder with a form with which to enter the bid, and provide any contingencies attached to the bid. Such a contingency would state "This bid is valid if the seller can substantiate that the borrower is willing to close on September **19, 2001**." In the English auction format, bids are accepted without contingencies.

[0112] In one embodiment, the Transaction Management subsystem **58** can also include the logic and screens required to allow Buyers and Sellers to end or close the transaction (either by completing it or aborting it) using the system **30**. In at least one embodiment, however, closing the transaction is accomplished outside of the system **30**.

[0113] Referring again to **FIG. 2**, the Marketing Reports subsystem **60** includes logic and forms to interface with tools such as Crystal Reports (available from Crystal Decisions, Inc. of Palo Alto, Calif.) and the like to generate ad hoc marketing reports. In one embodiment, the Marketing Reports subsystem **60** includes design and implementation within Crystal Reports or similar tool containing approximately twelve standard marketing reports.

[0114] The Search/Filter subsystem **62** is a component that matches search criteria provided by a user, such as a Buyer or third party, with information provided by a Seller regarding the product or service to be auctioned off. Preferably the Seller provided information would have been previously uploaded into the system **30**. In one embodiment, searches (also referred to herein as a product or service "filter," e.g., "a loan filter") are filtered by one or more criteria. For example, the Search/Filter subsystem **62** of one embodiment can filter a search for a boat by criteria which include Make, Model, Year Built, Length, Condition and Geographic Location. Similarly, the preferred embodiment can filter a search for a certain package of loans according to Geographical Location, Loan Type, Loan Amount, Interest Rate Range, Maturity Status, Loan Quality (four subcategories), and/or other criteria, as those skilled in the art will appreciate. Examples of searches and filtering in accordance with an embodiment of the invention are provided herein and/or in the cross-referenced applications. In one embodiment, the Search/Filter subsystem **62** includes substantially all forms and logic to perform the search function and present the information back to the user (e.g., a Buyer) conducting the search.

[0115] The Pricing Engine **64** is a subsystem that computes a price for the object being auctioned off, and offers that computed price to Sellers, Buyers, Analysts or Quality Control Reps. In one embodiment, the Pricing Engine subsystem **64** would accept from the Seller the characteristics of the car being offered at auction, compare those characteristics to similarly situated cars which are stored in the Product and Service Information database **48**, and suggest a price that modifies the Blue Book price according to the characteristics that differ from the car being auctioned off. In the preferred embodiment where a loan is being offered for auction, the Pricing Engine subsystem **64** uses loan data received from the Seller, information (such as the current prime interest rate) obtained from third parties, historical financial product trade information, and/or information provided by an Analyst to generate data that is used to compute a price for the offered loan. For example, in one embodiment, such data is provided to a spreadsheet program, such as MICROSOFT EXCEL (available from Microsoft Corporation of Redmond, Wash.), to price the loan. The resulting calculations are stored in the Product and Service Information database **48** and thereby made available to the Buyers, the Seller, Analysts or Quality Control Reps.

[0116] The Pricing Engine subsystem **64**, in one embodiment, includes substantially all screens and logic to allow a user to specify the loan to "price." In one embodiment, the Pricing Engine **64** also bases its computations on additional loan pricing parameters, such as those provided by a Seller or an Analyst. In one embodiment, the Pricing Engine **64** includes a "back-end" process that runs an instance of MICROSOFT EXCEL using the loan data, captures the MICROSOFT EXCEL output, and stores the information in the Product and Service Information database **48**. Examples of the operation of the Pricing Engine **64**, in accordance with an embodiment of the invention, are provided herein and in the cross-referenced applications. The Pricing Engine subsystem **64**, in one embodiment, includes logic to generate

notifications to parties (e.g., Buyers, Sellers, etc.) to a transaction or potential transaction.

[0117] In at least one embodiment, the Pricing Engine **64** can provide a substantially "quick" estimate of the value of the product or service being offered. This feature is referred to in the example embodiment shown herein and in the cross-referenced applications as "Quick Price". The price estimate is based at least in part on one or more assumptions. For example, the assumption might be that car being auctioned is in good and working order. Similarly, an assumption for another embodiment is that a given financial product being auctioned off will perform according to its stated terms. This feature is explained more fully herein and/or in the cross-referenced applications.

[0118] In one embodiment, a Notifier subsystem **66** generates these and other notifications. For example, Sellers can be notified, such as by a telephone call, letter, electronic mail message ("email"), wireless transmission, facsimile ("fax"), automated message, or other appropriate notification whenever a Buyer has expressed interest in a financial product that the Seller is selling, such as when a Buyer has ordered due diligence materials relating to a financial product that the Seller is auctioning. In another example, when a Buyer who has viewed a product or service being auctioned off and ordered information corresponding to that product or service can be notified as to the closing date for bids on the desired product or service. In still another example, a bidder who has bid on a financial product can receive notifications as to who has "won" or "lost" the bidding process.

[0119] Referring again to **FIG. 2**, the Off-the-Shelf Application Components **42** can include virtually any type of application component, including those regularly used in electronic commerce web sites, such as Credit Validation **68** and E-Mail **70**. The Credit Validation subsystem **68**, on one embodiment, is an interface to an off-the-shelf credit card validation system used to handle the acceptance of payment for information about the product or service being auctioned off. For example, if the product being auctioned off is a car, the Bidder can pay for and obtain the vehicle's accident history and/or odometer readings for every year the car registered at a given department of motor vehicles. The Bidder can also pay, via the Credit Validation subsystem **68** for detailed financial product summaries, due diligence information, and other information provided to a Buyer or potential Buyer. Credit Validation subsystem **68**, in one embodiment, includes substantially all forms and logic to allow the Buyer to initiate the interaction with the Credit Validation **68**, and to authorize the purchase, such as via a credit card or other suitable payment mechanism.

[0120] In accordance with one embodiment of the invention, E-Mail **70** is an off-the-shelf component (such as MICROSOFT OUTLOOK) employed to allow a Buyer, Seller, or other entity to receive alerts from the system **30** when events impacting a product or service being auctioned off occurs. For example, a Buyer can receive notification when a new contingency has been added to the boat they might be interested in. Alternatively, a Bidder can receive notification when new due diligence materials become available, when a condition to the loan (e.g., term) has changed, when a bid higher than the Buyer's bid has been submitted, etc. The E-Mail subsystem **70**, in one embodiment, includes logic that detects these events and includes software to generate the e-mail using the commercial e-mail package.

[0121] The Administration Components **44** of at least one embodiment of the invention include Administration **72**, Configure Site **74**, and User Administration **76**. The Administration subsystem **72** is the administration tools used with the system **30**. For example, in one embodiment the administration tools are the standard administrative tools provided with the Web Server **32**, Application Server **34**, DBMS **36**, and Off-the-Shelf Components **42**. In another embodiment, depending on the final reporting requirements, Administration Components **44** include tools such as third party site monitoring or usage analysis/reporting tools.

[0122] The Configure Site subsystem **74** is, in one embodiment, a site configuration component. This is a set of tools to enable an entity such as a Site Administrator to configure the web site associated with the system **30**. Depending on specific requirements, these tools can be developed as a web-based application or as a standalone client/server application.

[0123] User Administration **76** is, in one embodiment, a user administration component and includes a set of tools to enable an entity such as a Site Administrator to administer users. User Administration **76** provides add, delete, and modify functions. Depending on specific requirements, User Administration **76** can, for example, be a web-based application or can operate as a standalone client/server application.

[0124] The components of the database for the system **30**, in accordance with one embodiment of the invention, include databases for Transaction Data **44**, Product and Service Information **48**, and User Profiles **50**. The Transaction Data database **44** contains information used to track all transactions that occur on the site between Bidders and Sellers of the products and services being auctioned off. The Transaction Data database **44** allows entities such as Quality Control personnel to obtain transaction history of any product or service offered for sale in connection with the system **30**. As will be explained herein and/or in the cross-referenced applications, the transaction history is, in one embodiment, used to help compute a price for the offered product or service.

[0125] The Product and Service Information database **48** contains information on each product or service being auctioned which was submitted to the site and, in at least one embodiment, includes links to all associated supporting materials for a given product or service. These supporting materials can include, for example, due diligence materials, summary information, related third party information such as maps and demographic profiles.

[0126] The User Profiles database **50** contains user profile information. In at least one embodiment, User Profiles **50** stores "site-wide" user attributes such as username, associated passwords, Buyer preferences, Seller preferences, payment information, etc. This information may vary depending on the type of user (e.g., Buyer vs. Seller vs. Quality Control, etc.).

[0127] In one embodiment, the configuration of **FIG. 2** is implemented using at least one web server, one application server, and one database server. In this embodiment, this configuration can be used regardless of whether NT or UNIX is used as the technology platform. This configuration has the ability to scale by adding additional web servers,

application servers, database servers and bandwidth. Moreover, these technology platforms have the ability to scale by adding additional processors, memory and disk space. In addition, in another embodiment, each database is segmentable and scaleable.

[0128] In yet another embodiment, the invention is implemented with fault tolerant features. For example, failure of the web servers and application servers of the system **30** are covered by complete machine redundancy (each of the initial machines is identical) coupled with an appropriate load balanced solution (such as the LOCAL DIRECTOR available from Cisco Systems of San Jose, Calif.).

[0129] In another example, failure of the database servers of the system **30** is covered by use of reliable components with built in redundancy (power supplies, CPUs, memory) as well as complete machine redundancy. In still another example, using a redundant array of independent disks (RAID) for the database and disk mirroring for the Web servers covers disk failure. In still another embodiment, the system of the invention is hosted at an appropriate data center (such as NaviSite or the like) with firewall services, load balancing services, burstable bandwidth, room for growth and appropriate network/infrastructure redundancy.

[0130] **FIG. 3** is a block diagram providing a perspective of how an embodiment of the system **30** of the present invention operates in an environment of Bidders **100** (referred to herein interchangeably as "Buyers" and "Bidders"), Sellers **102**, and third parties **104**. The Bidders **100** are entities, such as individuals or organizations, which want to buy or bid on the product or service being offered by the Seller **102**.

[0131] In accordance with one embodiment of the invention, a Bidder **100** is an entity, such as a person, organization, or other user of the system **30**, who is interested in getting information about (and possibly purchasing) a product or service, such as a boat or a loan, which is being sold by a Seller via an auction. A Buyer can bid on financial products available for sale by Sellers **102** via the auction house's system **30**. In one embodiment, the category of Buyers **100** includes both those entities that have registered with the system **30** ("registered Buyers") and those who have not ("Guests"). In one embodiment of the invention, Guests have limited ability to access the information that is available to registered Buyers. Also, **FIG. 3** illustrates, the auction house's system **30** is capable of interacting with any number of Bidders **100** and Sellers **102**. Although only four third parties **104** are illustrated in **FIG. 3**, any number of third parties **104** can interact with the system.

[0132] In accordance with one embodiment of the invention, a Seller **102** is an entity, such as a person or organization, offering one or more products or services, such as cars, boats, baseball cards, commercial loans, legal services, for sale. A Seller **102** also can be an entity, such as a broker or agent, authorized to act on behalf of another entity selling a given product or service.

[0133] A third party **104**, in accordance with one embodiment of the invention, is an entity, such as a person or organization, that provides information to the system **30** which is usable and/or useful to a Buyer **100** or a Seller **102** either contemplating or actively bidding on an offering. Some of this information can, for example, include "background" information of interest to a Buyer **100**. For example, such background information can include whether a doctor auctioning off his services has ever been sanctioned by a state medical board. Such information can also include statements and documents from insurance companies insuring a Seller **102**, as well as demographic organizations providing information about a physical location associated with a given financial product. Third parties **104** also can include suppliers of information used to price financial products. For example, such a supplier of financial information could include a website that provides information regarding Federal Money Funds rates. Those skilled in the art will recognize that, depending on the product or service being auctioned off, many different types of third parties can provide information that is relevant to that auction.

[0134] Other parties and entities (not shown in **FIG. 3**) that can interact with the system **30** include Analysts, Marketing personnel, Quality Control Personnel, and Site Administrators.

[0135] An Analyst is an entity that, in at least one embodiment, computes prices for the products or services being auctioned off by Sellers. The Analyst's computations can be based on factors that can include the profile of the loan, historical information, and external information. In one embodiment of the invention, the Analyst also can use a "black box" pricing calculator, such as one provided by another third party, or even the Pricing Engine **64** of **FIG. 2**. In another embodiment of the present invention, the system **30** does not employ an Analyst, but instead automatically computes prices for the product or service being auctioned off. This feature is described more fully herein and/or in the cross-referenced applications.

[0136] Marketing is, in one embodiment, an internal user associated with the administrator/owner of the system **30** and/or its associated website. This party can monitor Buyer/Seller activity and interests with an existing contact management system, such as ACT!, which is available from Internet Commerce Corporation of Scottsdale, Ariz.

[0137] Quality Control Personnel, in one embodiment of the invention, includes Quality Control Representatives and Quality Control Managers. The Quality Control Representative is an internal user associated with the administrator/owner of the system **30**, who can, if necessary, facilitate the relationship between Buyers **100** and Sellers **102**. This facilitation can, in one embodiment, include contacting the parties to resolve questions and disputes either may have. The Quality Control Manager is an entity, such a person, that can allocate loans among Quality Control Representatives.

[0138] In accordance with at least one embodiment of the invention, analysts, Buyers **100** and Sellers **102** of financial products, and other interested parties can access the system **30** via a website or a portal, over a computer network to access a variety of financial products, related features and functions. For example, in the case of a loan for sale, a Buyer **100** can view a Loan Summary page (described more fully below or in the cross-referenced applications), to view summaries of available loans and to get news related to loans, both specifically and generally. The Buyer **100** can also search for loans using one or more criteria.

[0139] Table 1 describes at least some of the types of features and services provided by a system implemented in

accordance with one embodiment of the invention. In the example of Table 1, the feature or function is shown along with the parties that can use the feature or function. These features and functions can, for example, be implemented as functions accessible to a user via "buttons," pull-down menus, links, and the like, provided on a web page. Many of these features and functions are illustrated and described in greater detail herein.

[0140] It should be understood, however, that Table 1 is not intended to limit the scope of the types financial product-related functions and features provided in accordance with the invention. Those skilled in the art will recognize that the features and functions of Table 1 are merely representative of the types of features and functions that can be provided and that many other features and functions will occur to those skilled in the art. In addition, those skilled in the art recognize that, in some embodiments, a given feature or function may not be accessible to a given type of user, or may be accessible to more or different users than listed.

TABLE 1

Services Offered in one embodiment of the invention

Actor	Feature	Description/Action
Buyer	Financial product Summary Page	View financial product summaries. Get general financial product-related News.
Buyer	Financial product Search	Search for financial product by: Geographic location, Financial product Type, Financial product Quality (four subcategories), Financial product Amount, interest rate, Maturity status, other dimensions as understood by those skilled in the art. The search criteria can be stored for each registered user and can become part of the profile.
Buyer	Price a Financial product	View financial product information within preset templates determined by business rules. Information presented can be filtered by profile and search criteria.
Buyer	Buyer Profile	Collect information such that manual buyer qualification process can be performed by personnel associated with the owner/administrator of the portal of the invention.
Buyer	Detailed Financial product	Views an overview of the information about a financial product they may be interested in purchasing. This information can be in the form of pictures, maps, text, and spreadsheets and can be available for view by a registered Buyer after the Buyer's payment is approved (for example, by credit card debit or payment plan confirmation).
Buyer	Detailed Documents	Views online detailed financial product documents, which may be in PDF-format or any other usable document format. In one embodiment, this information can be available in preview form (the first few pages of the detailed document) or in its entirety.
Buyer	Submit Bid	Allow a Buyer to submit all information required to bid on the specified financial product.
Buyer	Closure	Provide ability for Buyer to close the financial product by receiving an Invoice and Wiring and/or payment information.
Buyer	Alerts	Provide an alerting capability to send alerts to the Buyer when events impact his (potential) bid on financial products. For example, the alerts may include: a matching of Buyer criteria to an available financial product, updates in bid status, updates in financial product terms, Seller response (filtered by QC), existence of competing bids.
Seller	Request to Price a Financial product	Allows a Seller to create a financial product profile and enter criteria about the financial product for pricing by an Analyst. In one embodiment, this feature includes a calculator with counts (like that on Stock Xchange).
Seller	List a Price	Establish an intent to sell a financial product by establishing a price for the financial product and specifying a means of payment.
Seller	Seller Profile	Collect information such that personnel associated with the owner/administrator of the debt management system, website, or portal can perform a manual seller qualification.
Seller	Download Financial product Templates	Mechanism for Seller to download standard financial product data templates that they can use to provide standard information about a financial product. In one embodiment, these templates can be templates associated with word processing and/or spreadsheet applications, such as Microsoft Word and Microsoft Excel templates.
Seller	Upload Financial product Data	Ability of a Seller to upload standard financial product information data in a predetermined format, such as PDF format. In one embodiment, the data uploaded to the site is in PDF format files built from Microsoft Word and Microsoft Excel templates downloaded from the site. For example, this data can be original Financial product data or updates to Financial product data (if the Seller resells the Financial product). One reason for providing this material is so that the system (and/or an Analyst) can assemble a Detailed Summary Document after a request to do so is received from the Seller.
Seller	Request Detailed Summary Document	Ability of a Seller to request an Analyst to create a Detailed Financial product Summary of the financial product the Seller is offering, so that it is available to potential Buyers.
Seller	Closure	Provide ability for Seller to close the financial product deal.
Seller	Alerts	Provide an alerting capability to send alerts to the Seller when events impact his financial product. In one embodiment, these alerts include: changes in valuation, confirmation of financial product pricing by the Analyst, queries from Buyers, and Bids made (current highest Bid related information).
Analyst	Generate Detailed Summary Document	Generates a financial product's Detailed Summary Document at the request of a Seller and thereby makes the financial product available for sale to Buyers.
Analyst	Price Financial product	Calculates the price range of a financial product using the financial product profile provided by the Seller and a "black box" calculator associated with the owner/administrator of the web site. This process can be performed manually or automatically.
Marketing	Run Reports	Runs reports that compare the Buyer/Seller activity against the existing contact management tool (such as ACT!).
QC Rep	Qualify Seller	Use Seller-provided profile information and manual process to verify identity and billing information of a Seller. Perform an action on the site that "activates" a Seller who has previously registered on the site.
QC Rep	Qualify Buyer	Use Buyer-provided profile information and manual process to verify identity and billing information of a Buyer. Perform an action on the site that "activates" a Buyer who has previously registered on the site.
QC Rep	Financial product Queue	Simple-to-do list used to track the financial products the QC Rep is responsible for.
QC Rep	Report	Report capability to monitor the status of financial products.
QC Rep	Overview Process	Capability to track and monitor detailed financial product status to moderate Buyer/Seller interaction.

TABLE 1-continued

Services Offered in one embodiment of the invention

Actor	Feature	Description/Action
QC Rep	QC Log	Ability to view the activity log for a given financial product in order to track dependencies and Buyer/Seller interaction.
QC Management	Manage Financial product Assignments	Allocates and assigns financial products to Quality Control Reps and tracks their status.
Site Administration	Administration	Suite of administrative tools to enable site administrator to operate and monitor system. One embodiment includes basic site controls (e.g. start, stop, etc.), basic monitoring, usage reporting, etc.
Site Administration	User Administration	Add, delete, or modify User Profiles.

[0141] Although the examples for pricing, trading, analyzing, buying, and selling products and services described herein and in the cross-referenced applications are provided using the example of a commercial loan, the example of loans is not limiting. As noted previously, the type of product or service includes cars, boats, stamps, legal services, medical services and software development services. Moreover, the financial product auctioned off using the financial products described herein can be virtually any type of financial product, including commercial and residential loans, lines of credit, savings accounts, securities, bonds, insurance products, annuities, certificates of deposit, student loans, personal loans, and the like. The financial product can be a single product (e.g., a single loan) or a group of products (e.g., a group of loans, or a group of various types of financial products). Moreover, as described herein, at least some of the other types of actions provided by systems and methods of the present invention (such as pricing a financial product and bidding on a financial product) are similarly usable with at least some of these types of financial products.

[0142] **FIG. 4** is a flow chart illustrating one embodiment of a process for pricing a product or service, in accordance with the present invention. A Seller **102** can use this process to determine a price for the product or service he is auctioning off. Although **FIG. 4** illustrates one particular embodiment that pertains to auctioning a financial product, **FIG. 4** is applicable to any product or service that can be auctioned. Referring to **FIGS. 2, 3** and **4**, the process of **FIG. 4** begins when the system **30** receives the request of a Seller **102** to list a financial product for sale (step **100**). The Seller **102** can send the request to the system by sending a message from a computer, such as a personal computer or workstation, over a computer network or via a wireless device to the system **30**. In one embodiment, this is done by the Seller **102** going to a web page associated with the system **30**, and accessing various functions on the web page using links, buttons, pull down menus, etc., located on the web page.

[0143] When the system **30** receives the request (step **100**), it provides one or more forms to the Seller **102**, such as pricing forms, so that the Seller **102** can provide the system **30** with some of the information needed to compute a price for the financial product. **FIGS. 5A through 5D** are representative screen shots illustrating forms **282, 284, 286, 288** that the system **30** provides to the Seller **102**, in accordance with an embodiment of the invention. In one embodiment, the forms **282, 284, 286, 288** are constructed and arranged to automatically upload information that a Seller **102** has stored in another file, such as a spreadsheet file. In one embodiment, the system **30** stores a profile of the Seller **102**, such that portions of the forms **282, 284, 286, 288** can be "filled out" by the system in advance (e.g., "Seller's reference Number, Seller's name, etc.). The profile of a Seller **102**, in one embodiment, also stores other information provided by a Seller **102**, such as preferences, criteria for accepting bids, restrictions on bids (e.g., certain users may be prohibited from bidding), restrictions on access to information (bidders may be required to sign on and/or acknowledge specific conditions before receiving information), specification of type of bidding to occur (e.g., type of auction), permission for the system **30** to accept bids on behalf of the Seller **102**, etc. This type of information also can be provided in the forms **282, 284, 286, 288**.

[0144] Referring again to **FIG. 4**, after the system **30** sends the forms **282, 284, 286, 288** to the Seller **102** (step **110**) and receives a response (step **120**), the system **30** can compute a price for the financial product. In at least one embodiment, the Pricing Engine **64** uses data and characteristics about the financial product to compute the price for the financial product. The data and characteristics can include, but are limited to, parameters such as terms, time periods, conditions, locations, appraisals, discounts, liens, status, sponsors, servicing type, status, maturity, principal balance, financial product type, origination date, monthly payment, maturity date, interest rate, interest accrual method, and performance level.

[0145] As part of the price computation, the system **30** retrieves historical trade data (step **130**) that it has stored relating to prior trades. For example, the system **30** can use the Transaction Management subsystem **58** and query its Transaction Data database **46 (FIG. 2)** to retrieve this data. This data helps the system **30** to analyze the relationship and similarity between the financial product being offered for sale and previous trades of financial products having one or more similar characteristics. For example, a Seller **102** may be listing a residential mortgage for a property with an outstanding loan balance of $310,000, an interest rate of 8.65%, a 30-year term, with an excellent payment history, which is located in a suburban community. The system **30** could then search for prior trades of other residential mortgages sharing some or all of these characteristics. The prior trade history could, for example, provide data, such as cents on the dollar that the mortgage sold for on the secondary market, as well as provide what factor or factors had the greatest impact on the price of the previously sold mortgage.

[0146] Based on the retrieved historical trade data, the system performs regression analysis (step **140**) using both the historical trade data and the seller's inputs, to get an estimate for how at least a portion of the various characteristics of the financial product affects the price of the financial product.

[0147] Based on the results of the regression analysis, the system **30** then assigns a scaling factor (step **150**) to at least a portion of the characteristics (i.e., the various fields on the forms **282, 284, 286, 288**). The system **30** also takes into account external variables (step **150**), such as the U.S.

Federal Funds rate, U.S. prime rate, bond rate, U.S. Treasury bill rate, U.S. Treasury bond rate, U.S. Treasury note rate, S&P 500 index, Dow Jones Industrial Average, and NASDAQ Combined Composite Index. The system **30** can be provided with external variables from virtually any known source of the information, including trade journals such as the *Wall Street Journal, Bloomberg Business News,* etc. In one embodiment, the system **30** can automatically retrieve the information from a known location (such as on a computer network). In one embodiment, a user such as a system administrator also can provide the information to the system **30** via manual input.

[0148] Referring again to **FIG. 4**, the system **30** computes a price for the financial product (step **180**) and provides the price to the Seller **102** (step **180**). If the Seller **102** accepts the computed price (step **190**), the system **30** stores the computed price as the selling price (step **200**) of the financial product. In at least one embodiment, if the Seller **102** has accepted the computed price, the financial product is identified as a "sponsored" product (step **210**) and is stored as such. "Sponsored," in one embodiment, indicates to potential Buyers **100** at least that the price of the financial product can be relied on as having the approval of the entity sponsoring the website of the system **30**. This entity that is sponsoring the website on which the auction is taking place is also referred to herein as the auction house.

[0149] The price computed in **FIG. 4** can, in one embodiment, provide a benchmark for a Seller **102** to determine what price is appropriate for the financial product being auctioned off, given current market conditions and historical trade data. Sellers **102** can revisit the process of **FIG. 4** at any time and can get a price appropriate to the market conditions and trade history then in existence. This feature may help Sellers **102** recognize the true market value of their financial products.

[0150] If, however, the Seller **102** does not accept the computed price, the system **30** prompts the Seller **102** for their own price (step **230**), which the system **30** receives and stores as the listed price for the financial product (step **240**). In at least one embodiment of the present invention, financial products having seller-provided prices are identified in such a manner. Identifying financial products as having seller-provided prices allows potential Buyers **100** to determine that the financial product is not "sponsored" (step **250**) by the auction house. In at least one embodiment, products with seller-provided prices are labeled as "direct events."

[0151] After the system **30** has a price for the financial product (whether the system **30** computes it or whether the Seller **102** provides it), the system **30** prepares a summary of the financial product based on the information it has about the financial product (step **260**). In one embodiment, the summary is created by taking selected inputs from the forms **282**, **284**, **286**, **288** and putting them into a predetermined template. In at least one embodiment, the financial product summary is created automatically by the system **30**, without human intervention. In one embodiment, the summary is created in whole or in part by a person, such as an Analyst (as described previously) who reviews the information to create the financial product summary. Examples and illustrations of the loan summary are provided herein. For example, **FIG. 11** illustrates an example screen shot of a loan summary for an example loan for sale, in accordance with an embodiment of the invention.

[0152] The system **30** also prepares a set of documentation on the financial product being auctioned off (step **280**), so that potential Buyers **100** can view the documents and conduct any necessary due diligence. These documents include, for example, documents, such as those shown in Table 2 (which by way of example only shows documents used or relied upon in the sale of a loan):

TABLE 2

Documents provided for a Financial Product

	Document
1:	TABLE of Contents
2:	Narrative
3:	Statistics For Purchase
4:	Note
5:	Mortgage/Security Agreements
6:	Guaranty
7:	Assignments
8:	UCC
9:	Title Insurance
10:	Environ. Indemnity Agreement
11:	Property Condition Asses.
12:	Appraisal
13:	Environ. Site Assessment
14:	Other Collateral Information
15:	Other Sponsor Information

[0153] By comparison, a boat being auctioned off by an embodiment of the present invention would include at least the following documentation:

TABLE 3

Documents provided for a Boat

	Document
1:	TABLE of Contents
2:	Narrative
3:	Statistics For Purchase
4:	Title to Boat
5:	Mortgage/Security Agreements
6:	Warranty
7:	Mechanic's Assessment
8:	UCC
9:	Title Insurance
10:	Picture of Harbor
11:	Property Condition Asses.
12:	Appraisal
13:	Environ. Site Assessment
14:	Other Collateral Information
15:	Other Sponsor Information

[0154] Unlike known systems and web sites that simply act as "bulletin boards," in at least one embodiment, the present invention provides the unique ability to perform the entire due diligence and auction process online. Buyers **100** and other investors are immediately able to review complete, original loan documentation and other critical information directly through the system **30** of the invention, eliminating the time and costs associated with traditional due diligence methods. These traditional methods of due diligence include traveling to the location where all the due diligence information is held; manually searching for needed due diligence material; copying and/or scanning the due diligence material so that it can be reviewed at a later date

at a remote location; as well as traveling to the location of the product, property or service being offered and inspecting it to ensure it actually exists.

[0155] In addition to immediate information access, the features and advantages of the some embodiments of the invention (including at least the Quick Price feature, the financial product computation tools module, the Forward Loan workflow tools, and automated email alerts that notify users when information on a selected financial product is updated,) as described herein, may facilitate the evaluation and workflow processes associated with trading products and services.

[0156] In one embodiment, the system **30** queries the Seller **102** for the necessary documents, which the Seller **102** can provide to the system in many different ways, including electronic transmission, or physically mailing the actual documents (in paper form, on diskette or CD-ROMs, etc). In at least one embodiment, the Seller **102** can upload some or all of the information, which can include standard financial product information data, to the system **30** in predetermined formats such as Microsoft Word, Microsoft Excel, Adobe ACROBAT, and the like. In at least one embodiment, the seller-provided information includes due diligence information that is capable of fulfilling at least a portion of a buyer's need for due diligence on the financial product. In at least one embodiment, the due diligence information comprises an electronic representation of a physical due diligence document, such as an electronic image substantially replicating the physical due diligence document. This is accomplished, in at least one embodiment, by using a document format such as PDF. In at least one embodiment, the due diligence information is scanned to create electronic image files representing the physical due diligence documents.

[0157] In one embodiment, the data uploaded to the site is in PDF format files built from Microsoft Word and Microsoft Excel templates downloaded from the system **30**. For example, this data can be original product data or updates to product data (if the Seller **102** resells the product). After the necessary documentation and financial product information is received, the system **30** organizes the information (step **280**) for viewing and/or purchase by entities such as by potential Buyers **100**. In at least one embodiment, the system **30** uses a standardized format to organize the documents and/or the product or services summary, so that those accessing products, such as financial products, have a consistent view and interface. The system **30** also can, if applicable, add links to information from third parties **104** that is of interest and/or relevant to the product or service being auctioned off. Examples of these documents are provided and described herein (see, for example, FIGS. **9-17**).

[0158] **FIG. 6** is a flow chart illustrating an embodiment of the present invention which searches for a specific product or service. Any user of the system **30**, including Buyers **100**, Sellers **102**, third parties **104**, visitors, and site administrators can conduct this search. The search can locate, for example, financial products listed with the system **30** using the process of **FIG. 4**.

[0159] Referring to **FIGS. 2, 3**, and **6**, and by way of illustration only, the system **30** receives a request from a user for a financial product (step **300**). In another embodiment of the present invention, the user's request could be directed at a boat or legal services. The request can be for all listed financial products, or the request can be for financial products meeting one or more criteria. For example, in one embodiment, when a user accesses the system **30**, if the user has a profile stored on the system **30**, and the profile lists loan criteria, the system **30** can automatically bring up financial products meeting the stored criteria. Although not shown here, in one embodiment, a user may store the results of previous searches and bring those searches up, as part of step **300**.

[0160] The request of step **300**, in one embodiment, is in the form of a search form, presented to the user as part of a graphical user interface (GUI). For example, in one embodiment, the system **30** displays a search form capable of receiving user inputs. **FIG. 7** illustrates a representative screen shot of a search input form **500** used to search for a financial product, in accordance with an embodiment of the invention. The search form **500** shown in **FIG. 7** is provided by way of example only. Those skilled in the art will appreciate that many different types of form and inputs can be used for querying for a product or service which satisfies a user's requirements. For example, in one embodiment, the system **30** can store a profile of a given user, where the profile specifies criteria that a user may have concerning financial products of interest and, based on that profile, conduct a search for products or services automatically or upon request by a user.

[0161] Referring again to **FIG. 6**, based on the search criteria, the system **30** retrieves search results from its databases (step **310**) which match the search criteria. If there are no matches (step **320**), the system notifies the user (step **330**) and, if the user wants to search again (e.g., using different criteria) (step **340**), the system **30** conducts the search again. If the user does not want to search again, the process ends.

[0162] If there were matches to the search (step **320**), the system provides the results to the user (step **350**). **FIG. 8** is a representative example screen shot illustrating the search results **502** resulting from a search for a financial product, in accordance with an embodiment of the invention. As **FIG. 8** illustrates, selected information is provided about the financial products for sale, including the status of the financial product (e.g., "Available" or "Under Agreement"), the loan balance, the type, etc. In this example, a price for the financial product is not provided. As explained further herein, users are able to compute a price for the financial product based on specific requirements and terms. As with the processes of computing a price for Sellers **102**, Buyers **100** can use at least one embodiment of the invention to determine an appropriate price for a given financial product, given the current market conditions and the trade history of that offering, or in regard to similarly situated offerings. As discussed herein, the trade history of a particular offering can alternately be available and unavailable to a Bidder.

[0163] Referring again to **FIG. 6, a** user can request further information, including due diligence materials, about any financial product listed in the search results (step **360**). In at least one embodiment of the invention, if the user making such a request is not registered with the system **30** (step **370**), the user is prompted to register (step **380**) and, if the prompt is accepted (step **390**), the appropriate steps are taken to register the user (step **400**). If the user declines to

register, the process ends and further information about the financial product is not provided. Registration can require the user to provide specific types of information and may require the user to agree to, execute or otherwise acknowledge certain obligations, such as confidentiality obligations, relating to the information to be provided to the user.

[0164] Registration can include the user reviewing the terms of his or her registration, and, if desired, can review the terms in another format, such as PDF. At this point, the newly registered user can be added to the system **30** using various techniques. For example, the user might be required to print out a form, fill it in, and return it to the administrator of the system **30**. Alternatively, the system **30** can automatically enroll the user to the system, or the user can be added to the system using a combination of automatic enrollment and filling out forms. Those skilled in the art will appreciate that many different methods for registering users and assigning corresponding authentication information (for example, a username and password) are within the spirit and scope of the invention.

[0165] The process shown in steps **370**,**380**, **390**, and **400** also can be used in one embodiment to obtain additional information from users (registered or otherwise) where applicable. For example, a Seller **102** may have as a condition of its listing the requirement that the system obtain certain additional information from a user before providing some or all of its product or service information to a user.

[0166] Referring to **FIG. 6**, when the necessary conditions (e.g., registration or other conditions) are met, the system **30** provides information about the product or service to the user (step **410**). A user can, in one embodiment, request this information by "clicking" on a specific listing **504** in the results **502**. **FIGS. 9 and 10** are representative screen shots illustrating examples of the financial product information provided to a user, in accordance with an embodiment of the invention. As **FIGS. 9 and 10** illustrate, the types of information include (but are not limited to) an overview of the financial product, a summary of key information about the financial product, images of collateral (where applicable), a list of documentation available for the financial product (for free or for purchase), and terms of the sale or auction. Of course, those skilled in the art recognize that the information provided in the examples of **FIGS. 9 and 10** is not limiting.

[0167] In one embodiment, a user can obtain a "Quick Price"**508 (FIG. 9)** on the product or service. One example of the system **30** providing this "Quick Price" can be found when the system **30** performs a computation similar to the pricing computation performed in the process of **FIG. 4**. If the product being auctioned is a boat the system **30** could provide a dollar figure, while if the service being auctioned is a legal service, the system **30** could provide a billable hour and an accompanying estimate of the number of hours required to complete the task, or any combination thereof. Alternatively, if the product is a loan the system **30** can give a loan price to a user cents on the dollar, basis points, or other suitable measure.

[0168] In one embodiment of the invention, the financial product information includes listings for financial products called "Brokered events." Brokered events are identified by the specific broker sponsoring the deal and are subject to that broker's parameters, including bid type, setting the Reserve Price (if any) documentation, disclosure, and Asset Sale Agreement. Each broker that lists a financial product provides the system **30** with a written statement describing its offering philosophy. That statement can be posted on-line and accessed by an interested party.

[0169] Referring again to **FIG. 6**, the system **30** also can provide more information to the user about the listed product or service, such as loan documentation (step **420**) necessary for a buyer's due diligence. A user can obtain this information by clicking on the "buy documents" link **510** shown in **FIG. 9**. In some embodiments, the system **30** charges the user a fee for these documents. **FIGS. 11 through 17** are representative screen shots illustrating some of the types of information that can be provided as a due diligence document. **FIG. 11** is a representative screen shot illustrating a financial product's summary information provided to a user, in accordance with an embodiment of the invention. **FIG. 12** is a representative screen shot illustrating a financial product's statistical information provided to a user, in accordance with an embodiment of the invention. **FIG. 13** is a representative screen show illustrating a financial product's collateral information provided to a user, in accordance with an embodiment of the invention. **FIG. 14** is a representative screen shot showing an example of a portion of the mortgage note documentation available to a user, in accordance with an embodiment of the invention. **FIG. 15** is a representative screen shot showing an example of a portion of the title insurance documentation available to a user, in accordance with an embodiment of the invention. **FIG. 16** is a representative screen shot showing an example of a picture of a property associated with a financial product for sale, which picture is available to a user, in accordance with an embodiment of the invention.

[0170] In addition, in at least one embodiment of the invention, the financial product information provided by a Seller **102** is supplemented with value-added information provided by another entity, such as the administrator of the system **30** and/or third party information. **FIG. 17** is a representative screen shot showing an example of third party information available to a user in accordance with an embodiment of the invention. In **FIG. 17**, the example third party information includes general information provided relating to a geographic area where the collateral for a given financial product may be located.

[0171] Referring again to **FIG. 9**, when appropriate, a user can go from the financial product summary page to a bid process (such as that described in the process of **FIG. 30**), using the bid link **512**. However, in at least one embodiment of the invention, the system **30** tracks whether or riot a Bidder **100** who is attempting to bid on a financial product has obtained the due diligence materials. One reason for doing this is to insure that the Seller **102** and/or the system **30** have satisfied NASD requirements for disclosure prior to the sale of a financial product.

[0172] In at least one embodiment of the invention, if a user has obtained loan information, such as due diligence materials, the system **30** can provide the user with automatic updates for any additional information relevant to (or that the system **30** receives) about the loan. The updates can, for example, be provided periodically, or as needed, or at the request of a Seller **102**, or at the request of a Buyer **100**. Similarly, if the user obtained a report on a particular

physician from a state licensing board, if the system **30** receives additional relevant information about that physician, the system can provide those updates to the user or potential Bidder **100**.

[0173] Referring again to **FIG. 6**, the user can take other actions after receiving the results of the search (step **310**). For example, the user can compute a price for a listed financial product (step **430**), which is explained more fully herein and in the cross-referenced applications. This can be a quick price as described herein, or can be another pricing mechanism, such as that described below. However, if the time to bid for a financial product is approaching, or the time for bidding is a predetermined amount of time away (e.g., three days), the system **30** notifies the user reviewing the information (steps **450** and **460**).

[0174] A user can also submit questions to the system **30** about a product or service, and/or submit questions to the system **30** about any documentation that the user received about the services or products being auctioned off (step **470**). The queries can be submitted in many different ways, including via a message sent over a computer network, such as an email, via a telephone call or fax to an administrator of the system **30**, via a letter, or any other suitable means of communication. The system **30** can respond to the queries (step **480**) in similarly varied ways, and need not respond to the user in the manner in which a query was received. If necessary, in at least one embodiment, although not illustrated in **FIG. 6**, the system **30** can query a Seller **102** for any information or responses needed to respond to the query of a user. If the system **30** has updated financial product information (step **490**) to provide to a user, it can do so.

[0175] In at least one embodiment, the user can perform actions on the search results not illustrated here, such as "HIDE" and "UNHIDE". With the "HIDE" function, a user may filter the list of search results further by "hiding" any products or services that are not of interest. In this situation, if the user filters out boats over ten years old, subsequent user searches will "hide" all boats that are older than ten years. At any time, a user can "UNHIDE" search results to view all products and services that meet his search criteria.

[0176] It should be understood that, in accordance with various embodiments of the invention, steps **410** through **490** can be done in virtually any order and need not be completed in the order shown.

[0177] In at least one embodiment of the invention, the system **30** can perform searches of products or services automatically on behalf of any entity for which the system **30** has stored a set of preferences or a profile. This type of search can be done on a periodic basis, or every time a new financial product for sale or information about a financial product for sale is added to the system **30**, or any time any characteristic of a given product or service changes, or on a basis set by a user (e.g., weekly, daily, etc.). **FIG. 18** is a flowchart illustrating a process for automatically searching a database of financial products, in accordance with an embodiment of the invention.

[0178] As illustrated in **FIG. 18**, the system **30** receives one or more bidder preferences (step **550**), representing one or more criteria that a bidder has for the type of product or service he is looking for. In at least one embodiment, the bidder himself provides the bidder preferences. In at least one embodiment, the system **30** extrapolates at least one bidder preference based on the profile of the bidder. In at least one embodiment, the system extrapolates at least one bidder preference based on a bidder's trading history.

[0179] The system **30** selects at least one preference on which to search (step **560**), and searches its databases for products or services meeting the criteria in whole or in part (step **570**). If no matches are located (step **580**), the system can modify the criteria on which it searches (steps **590**, **600**). For example, if no matches were found using five criteria specified by a bidder, the system **30** could attempt a search using just four of the five criteria. In at least one embodiment, a user can specify whether or not the system **30** can attempt such changes to the criteria.

[0180] If matches were found (step **580**), the system **30** can still attempt to determine whether the search should be expanded (step **610**). For example, if just one or two matches were located, the system **30** may attempt to modify the criteria to expand the results to some predetermined number of matches (step **620**).

[0181] The system **30** notifies bidders of any matches (or lack thereof) (step **630**), and can, if desired, store the results of its searches (step **640**). The notification can be by any suitable means, including email messages, postings to a personalized web page (which the system **30** can maintain for a bidder), telephone messages, fax messages, pager messages, letters, so-called "Instant" messages sent to a mobile communications device, and the like. The stored results can be used, for example, at a later time, such as when a bidder logs on to the system **30** and seeks more information about the products or services being sold.

[0182] As noted previously, users of the system **30** (including at least Buyers **100**, Sellers **102**, and visitors/others) can price products or services offered for sale on the system **30**. **FIG. 19** is a flowchart illustrating a process for pricing a financial product, in accordance with an embodiment of the invention. As illustrated in **FIG. 19, a** user of the system can submit a request to the system **30** to price a product or service (step **700**), and the system **30** provides the user with a pricing model form (step **710**). **FIG. 20** is a representative screen shot illustrating a pricing form **810** for pricing a product or service in accordance with an embodiment of the invention. As **FIG. 20** indicates, users input the characteristics of the financial product they are interested in purchasing, such as the type of product, the principal balance, etc. Generally, the characteristics the user enters correspond to the information that the user has received about a financial product. However, in at least one embodiment, the user's entries can deviate from the listed information. For example, a user may want to calculate a cash flow for a financial product that assumes a different interest rate than currently listed for the product.

[0183] The system **30** receives the pricing computation request (step **730**), and, if requested (step **740**) computes a price (step **750**) for the desired product or service. In at least one embodiment, the computation is done in substantially the same way as the computation done for a Seller **102** seeking a price (see **FIG. 4**). For example, in **FIG. 20**, if the user presses the "calculate" button **812**, the system **30** returns a calculated price, such as in cents on the dollar, basis points, or other suitable measure, for the value of the financial product. **FIG. 21** is a representative screen shot

illustrating a form for performing a computation on a financial product, in accordance with an embodiment of the invention, and **FIG. 22** is a representative screen shot illustrating the results of the computation requested in the screen shot of **FIG. 21**, in accordance with an embodiment of the invention. In **FIG. 22**, the computation results in a price of "**99.3** cents on the dollar" for the listed financial product, which is a loan having a principal balance of five million dollars, performing as agreed.

[0184] Referring to **FIG. 19**, if the user requests "cash flow" (step **760**) the system **30** computes a cash flow, such as monthly or annually (step **770**). **FIG. 23** is a representative screen shot illustrating a spreadsheet showing yearly cash flow, in accordance with an embodiment of the invention.

[0185] Referring to **FIG. 19**, in at least one embodiment of the invention, a user can compute the price of a product or service based on addition parameters (step **780**), which the user can provide or which the system **30** can provide (step **790**). For example, the system **30** provides pull down menus permitting users to perform computations such as foreclosure, extension/restructure, and Direct Pay Off (DPO)/Early Payoff.

[0186] **FIG. 24** is a representative screen shot illustrating a form for performing a foreclosure computation on a financial product, in accordance with an embodiment of the invention, and **FIG. 25** is a representative screen shot illustrating the results of the computation requested in the screen shot of **FIG. 23**, in accordance with an embodiment of the invention. **FIG. 26** is a representative screen shot illustrating a form for performing an extension/restructure computation on a financial product, in accordance with an embodiment of the invention, and **FIG. 27** is a representative screen shot illustrating the results of the computation requested in the screen shot of **FIG. 25**, in accordance with an embodiment of the invention.

[0187] **FIG. 28** is a representative screen shot illustrating a form for performing an DPO/Early Payoff computation on a financial product, in accordance with an embodiment of the invention, and **FIG. 29** is a representative screen shot illustrating the results of the computation requested in the screen shot of **FIG. 27**, in accordance with an embodiment of the invention. Of course, the options provided are by way of example only and are not limiting. The additional parameters that can change the price computation can vary depending on the financial product.

[0188] In the preferred embodiment of the present invention, users are provided with the ability to bid on products and services which have been offered for auction by a Seller **102**. **FIG. 30** is a flowchart particularly illustrating a process for bidding on a financial product, however, the process in **FIG. 30** can also be employed to auction off any type of product or service. Moreover, the process illustrated in **FIG. 30** is more extensive than might otherwise be needed to implement such an auction.

[0189] The present invention illustrated by the embodiment in **FIGS. 30A and 30B** is implemented in accordance with a standard bidding policy to enable users to bid on a financial product, such as a loan, using the English forward auction format. However, in at least one embodiment of the present invention the Seller **102** can specify a bidding policy or bidding format to be employed in auctioning off their product or service. Table 4 lists examples of other bidding policies or bidding formats which can be used in accordance with some embodiments of the present invention. The various bidding policies or bidding formats listed in Table 4 can be implemented using various methods, in conjunction with the present invention:

TABLE 4

Example Bidding Policies and Formats

Sealed Bid	Bids must be received on or before the stated bid deadline and are not reviewed prior to the deadline. No bidder is aware of other bid amounts or conditions. A Sealed Bid forum may or may not be subject to a Reserve Price.
Modified Sealed Bid	Financial product is offered firm at a specified price for a specified period. Converts to Sealed Bid after firm offer period expires.
Open Auction	Bids are received on an ongoing basis up to the bid deadline. All bids and conditions are posted for all existing and potential bidders to review. Bidders may make multiple bids on any product or service provided that each subsequent bid is an improvement over the most recent bid submitted. An Open Auction may or may not be subject to a Reserve Price.
Indicative	Indicative bidding is generally a two-stage process whereby the seller/broker solicits a first round indication of what a buyer might pay for an asset. After a review of the indicative bids, the seller/broker generally chooses one or more bidders to confirm or improve their bid, usually requiring this be done within a specified period of time. The bidders chosen to participate in this second round are generally chosen based upon their bids and/or the seller/broker's opinion of their ability to close.
Negotiated	Buyers and Sellers negotiate the final sale price. This may be conducted before or after a request for Indicative Bids.
Firm Offer	A firm price is listed and the financial product will not sell until a bidder agrees to the listed price. The seller has the right to accept or reject nonconforming bids.

[0190] It should also be understood that the present invention can be implemented to accommodate virtually any transaction format that a Seller **102**, Buyer **100**, or other party (e.g., broker) wishes to utilize, including the ones listed in Table 4.

[0191] Although the present invention is modeled on the English forward bidding format, it is not a true English forward format because the bidding is not open. For example, while in a typical English forward auction all the bidders always know the current high bid at any given time and are able to see how other bidders are participating, in the present embodiment of the English forward auction, the bidding is anonymous to other bidders. Therefore, although a bidder or tracker can view the current high bid, the bidder/tracker does not know the identity of the other bidders. Nor can a given bidder/tracker view any bid history except their own on a given auction. This present embodiment of the typical English forward auction format is advantageous to the Seller because the bidders that take part in a given auction will submit higher bids in that auction than they would have if the auction had been open and they were able to view the bidding history of all bidders. The bidders will also submit bids that are higher than they would have if the auction had been conducted in a closed bidding format which employed sealed bids because the bidders are not able to ensure that their bid is in conformance with the bid's submitted by the other bidders.

[0192] The present embodiment of the English forward auction is also advantageous to bidders, when compared to

a closed bid format, because the format of the present embodiment allows all bidders to know when they have been outbid, and view the amount they need to bid in order to become the current high bidder. Therefore, they are able to submit increasingly higher bids as necessary prior to the close of a given auction. By comparison, in a sealed bid auction, bidders will only submit a single bid without knowledge of competing bids. Consequently, a bidder does not know whether his bid is high enough to win. Historically, bidders with a greater need to obtain assets have been empowered by the English forward auction format and consequently have driven prices for a given item higher than expected. In the following two examples, neither bidder could have been able to achieve their goal of winning the auction, had it been held in a closed format, because they could not have increased their bids appropriately.

[0193] In a first example, the present embodiment of the auction system **30** auctioned off three consecutive offerings of similar assets on the same day. Eight bidders participated on the first auction. One of those eight bidders indicated that he would only participate in the latter two auctions if he won the first auction because he needed to win all three offerings. The reason this bidder needed to win all three offerings was because he needed to achieve a critical mass of loan products in order to implement his exit strategy. Therefore, because he was able to view the current high bid, he was able to out bid all his competitors and win the first offering. And upon winning the first offering, he needed to win the next two offerings to meet his objective. This increased need to win the second two offerings on the part of that bidder, maximized the proceeds for the seller of at least the second two auctions, if not all three.

[0194] In a second example, the auction system **30** of the present invention conducted two auctions on the same day. Although the portfolios of both financial products being offered were similar, there was enough differentiation in the underlying assets that each auction appealed to bidders differently. Because of internal goals and internal budgetary constraints, one bidder needed to win one of the offerings, but did not want to win both. Therefore, when she was unsuccessful in the first of the two auctions, she became highly motivated to win the second auction. Because of her heightened motivation to win the second offering, this bidder increased the going price high enough on the second auction to ensure a win. Accordingly, the modified English format employed by the present invention not only benefited the winning bidder by allowing her to know how much she needed to bid in order to win, but it also benefited the seller because the winning bidder bid more than she would have had the auction been a closed format.

[0195] Because the present invention is offered to users via computer, via wireless and/or via the Internet, it results in increased participation in the auctions than if those same auctions were offered or conducted by telephone, email and the like. Therefore, the increased participation in each auction aids in increasing the pricing premiums for each offering. Although simply increasing the number of bidders will not necessarily lead to higher proceeds, the increased level of participation will positively impact other competitive issues, thereby driving up the pricing premium. These competitive issues include cost of capital, the ability to diversify portfolio holdings, or the ability to locate similar product.

[0196] In regard to the auctioning of financial products, the present invention is particularly well suited to offerings containing homogenous pools of performing loans. The present invention is especially well suited to auctioning financial products containing performing loans when the valuation of the underlying assets can be accurately calculated within a relatively narrow range.

[0197] Referring again to **FIGS. 30A and 30B**, the auction process begins with a user selecting a certain type of loan that she is interested in from the list of available loans (step **900**). **FIG. 31** is a representative screen shot of the Loan Review Form illustrating a form for potential bidders to review loans that meet their selection criteria previously entered into the system **30**, in accordance with an embodiment of the invention. After the user selects a loan of interest, the auction system **30** asks the user whether they wish to bid and/or track the selected loan (step **910**). If the user decides to not bid and/or track the selected loan, the auction system **30** returns the user to the point where she can select a new loan to track or bid on. If the user does wish to bid and/or track the selected loan, the system **30** asks the user whether they want to only track the selected loan (step **930**). If the user only wishes to track the loan, the system **30** adds the selected loan to the user's loan tracking screen (see **FIG. 43**) described herein (step **940**).

[0198] If the user decides to not only track the loan but bid on that loan, the auction system **30** asks the user to submit a bid (step **950**). Next the auction system **30** prompts the bidder to select whether their bid is an absolute bid, or proxy bid. **FIG. 32** is a representative screen shot of and illustrates the Submit A Big Form as prompted to the user, and asks the user to enter their bid **1200**, and indicates the bid is a proxy bid **1210**. **FIG. 33** is a representative screen shot of the Submit A Bid form after the user selects the absolute bidding format **1220** in accordance with an embodiment of the present invention. The system **30** at this point could perform the "due diligence investigation" and conduct the "conditions to bid" inquiry discussed in the cross-referenced applications.

[0199] Also the system **30**, after receiving the user's bid in steps **950-960**, checks to determine if the user's bid is equal to or greater than the sum of the last bid plus the amount of the minimum bid (step **980**). If the user's bid is not greater than or equal to the sum of the current high bid plus the minimum bid, the system **30** will inform the user of that fact (step **990**), and instruct the bidder to return to the point where she can submit a new bid (step **1000**). If the user's bid is greater than or equal to the sum of the current high bid plus the minimum bid, the system **30** will prompt the user to verify the specifics of their bid, which is now the new current high bid (step **1010**). **FIG. 34** is a representative screen shot of the Bid Verification Form illustrating a form for potential bidders to verify the criteria they are submitting as their bid on a previously selected loan, in accordance with an embodiment of the present invention. **FIG. 34** can also be used in conjunction with confirming the submission of a proxy bid.

[0200] The system **30** next determines whether any of the previously submitted bids are a proxy bid (step **1020**). If the system **30** had previously accepted a proxy bid, the system **30** then determines whether the previous proxy bid is equal to or greater than the new current high bid (step **1030**). For purposes of illustration but not limitation, it can be assumed

that the current high bid is equal to $100,000, and that the maximum value of a previously submitted proxy bid value is also $100,000. Because the proxy bid was submitted to the auction system **30** prior to the user's new current high bid, and because the two bids are equal in value, the system **30** accepts the proxy bidder as the new current high bidder (step **1040**). The system **30** advises the user that she is not the current high bidder (step **1050**), and then advises the proxy bidder that he is the current high bidder (step **1060**). **FIG. 35** is a representative screen shot of a type of the Bid Not Accepted Form illustrating a form which informs potential bidders that their bid had not been accepted by the auction system **30**, and attempts to explain why. **FIG. 36** is a representative screen shot of the Bid Confirmation Form illustrating a form that informs potential bidders that their bid had been accepted by the system **30**. The Bid Confirmation Form will also inform the bidder whether they are the current high bidder or winning bidder on a item, and whether or not they hold the winning bid in an Aggregate Offering, if applicable.

[**0201**] Alternatively, a similar version of step **1060** is the situation where the proxy bidder had previously submitted a proxy bid with a maximum value of $100,001 and the user submitted a bid of $100,000. Even if the minimum bid is set at $10,000, because the proxy bid had been entered previous to the user's bid, and because the proxy bid is higher than the user's bid, the system **30** will accept the proxy bid as the new current high bid.

[**0202**] If there were no proxy bids submitted, or the previously submitted proxy bids were less than the user's bid entered in steps **950-960**, the system **30** accepts the user's bid entered in steps **950-960** as the new current high bid (step **1070**). Upon accepting the new current high bid, the system **30** advises the user that her bid submitted in steps **950-960** had been accepted and that she is the current high bidder (step **1080**), see **FIG. 36**. The current high bidder can then monitor the status of her bid or bids using the form represented by **FIG. 37** (step **1090**). **FIG. 37** is a representative screen shot of the Bid Status Form illustrating a form which informs potential bidders of the status of all items they have bid on up until that point, as well as informs them of the status of items that they are tracking. As discussed herein, the form illustrated by **FIG. 37** contains detailed information on a specific loan, and provides highlight information on other loans in the "Related Auctions Status" section, that the bidder is interested in.

[**0203**] Upon accepting a new bid as the new current high bid, see steps **1040** and **1070**, the auction system **30** also updates or refreshes the Bid Status Form of every user or bidder that has either bid on or is tracking that item (step **1100**). **FIG. 38** is a representative screen shot of the user's Bid Status Form prior to a proxy bid of $38,000,000 in regard to steps **1040** through **1060** being accepted. The "Time Remaining"**1230** informs the user that six minutes and fifty-eight seconds remain in the bidding. **FIG. 39** is a representative screen shot of the user's Bid Status Form after the proxy bid of $38,000,000 in regard to steps **1040** through **1060** has been accepted. The "Time Remaining"**1230** informs the user that five minutes and twenty-six seconds remain in the auction.

[**0204**] An alternative embodiment of the present invention could simply send a page refresh to each user on an automated basis. For example, each user tracking and/or bidding on a loan could have their Bid Status Form (see **FIG. 37**) refreshed by the auction system **30** on a predetermined basis, such as every fifteen seconds.

[**0205**] The updating of all bidders' Bid Status Form once a new current high bid has been accepted by the auction system **30** or upon the expiration of a predetermined period of time is referred to herein as auto-refresh. This auto-refresh or update feature is important because as discussed herein, without that automatic update or refresh bidders/trackers who are interested in a certain product or service would not know that they are no longer the current high bidder. Similarly, without the automatic update or refresh, the bidders/trackers who are interested in a particular product of service might be misled into a false sense of security that the they could win an auction if they simply submitted an amount equal to the current high bid displayed on their screen plus the minimum bid, when in reality the current high bid surpassed that amount several minutes earlier.

[**0206**] One method in which the auto-refresh feature is made possible is because the system **30** previously stored the profile information of each user that is actively bidding on an offering's status, or that specified that they were tracking a specific loan regardless of whether they were tracking it live. Via the Custom Application Components **40**, the User Profile database **50** and the Administration Components **44** or comparable modules, the system **30** is able to determine which product or service each and every bidder is tracking and/or bidding on. Therefore, when the current high bid associated with that product or service being tracked is increased via a new bid, the auction system **30** can auto-refresh or update each of the Bid Status Forms or other applicable forms for each Bidder tracking a given loan. Similarly, the system **30** can send via its other components, such as the Off The Shelf Application Components **42**, an email, a page or other type of means by which a registered user of the system **30** tracking a given product or service learns that there is a new current high bid on that product or service of interest to them.

[**0207**] In another embodiment of the present invention, the auction system **30** can allow or deny access to the system **30** when a user attempts to log onto the system by combining, for example, their login information with the IP address of the location from which they are either attempting to login from, or bid from. For example, if a user previously registered with the system **30** and instructed the system **30** to only allow access from one location with a certain IP address or range of IP addresses, the system **30** would deny a login attempt from an unacceptable IP address. The system **30** could employ the information contained in at least the User Profile database **50** to accomplish this. Additionally, the user's IP address or user name allows the auction system **30** to track users as they move across the auction web site. Such tracking provides the auction house with various advantages, such as controlling a user's access, or data-mining the user's movements so that the auction house can market new products to that user.

[**0208**] As discussed herein and in the cross-referenced applications, the present invention auctions off various products and services. One of these products can be a financial product, such as a portfolio of loans. In a preferred embodiment of the present invention, these portfolios can be

auctioned off as a whole, which is referred to as an aggregate offering. Alternatively, the system **30** can auction off each loan package individually, wherein each loan package might consist of several loans.

[**0209**] For example, **FIG. 40** is a representative screen shot of the search results which match a user's criteria for a loan, which includes the loan offering "demo_aon"**1300**, and demo_100"**1310**, in accordance with an embodiment of the present invention. **FIG. 41** is a representative screen shot of the Aggregate Offering Form illustrating a form for potential bidders to review an offering (e.g., offering entitled "demo_aon"**1320**) containing several loans that can all be bid on at once, in accordance with an embodiment of the present invention. By comparison, **FIG. 42** is a representative screen shot of an individual offering form, detailing a given loan pool (e.g., loan pool demo_100 **1330**), which is a part of the aggregated loan portfolio "demo_aon," in accordance with an embodiment of the present invention.

[**0210**] There are several advantages to both embodiments. For example, if a large heterogeneous portfolio of financial products can be divided into several smaller pools of homogenous loans, as shown in **FIG. 42**, it benefits the bidder because the smaller homogeneous offerings encourage participation by smaller bidders who would not otherwise be able to afford to bid on the desired properties because of the prohibitive size of the entire portfolio. Moreover, the smaller homogeneous pools do not prohibit the larger bidders from participating in the auction because they can instead bid on the larger grouped offering. This increased participation for the smaller homogeneous pools by both small and large bidders also provides a benefit to the seller because the total closing price of each smaller pool will typically be larger than if just the large heterogeneous pool was auctioned off. Additionally, the large heterogenous pool of loans can also be auctioned off and bid on by larger bidders.

[**0211**] In one embodiment the seller could structure the auction as an aggregate bid, which is also referred to as an All-or-None auction. The terms aggregate or All-or-None mean that in order for a bidder to win the auction, he must successfully bid on the entire loan portfolio, otherwise he wins none of the loans.

[**0212**] One way this could occur begins with the screen shot illustrated by **FIG. 40**, which is a representative screen shot of the Search Results Form illustrating a form that returns the search results for criteria selected by a bidder, in accordance with an embodiment of the present invention. As shown in **FIG. 40**, the system **30** returns the listed loan packages as satisfying a bidder's search criteria. By clicking or selecting each individual loan package, the auction system **30** will display certain information regarding that loan package. For example, if the bidder selects demo_aon **1300** in **FIG. 40**, the system **30** will display **FIG. 41**, showing that demo_aon **1320** is an aggregated offering which is comprised of two loan packages—"demo_100 "**1340** and "demo_200 "**1350**. The total value of the aggregated loan is $36,860,597 because the sum of the two loans packages that comprise the demo_aon portfolio **1320** are valued at $28,282,620 for demo_100 **1340** and $8,577,977 for demo_200 **1350**.

[**0213**] Alternatively, the bidder could choose to review individual loan packages. **FIG. 42** depicts the first of six loans in the demo_100 **1330** loan package. Note that the outstanding balance of those six loans equals the value of the demo_100 **1330** portfolio.

[**0214**] Because the auction of the loan portfolio demo_aon **1320** is an aggregate or All-or-None offering comprised of the demo_100 **1340** and demo_200 **1350** loan packages, in order for one bidder to take the entire demo_aon **1320** portfolio, he would have to outbid the sum of the two closing bids on the demo_100 **1340** loan package and the demo_200 **1350** loan package. **FIG. 43**, which is a representative screen shot of the Related Auctions Status portion of the Bid Status Form as shown in **FIG. 37**, illustrates a form used by a Bidder or other user to keep track of all items they are interested in and/or have bid on, in accordance with an embodiment of the present invention. As illustrated in **FIG. 43**, the Bidder can see the High Bid **1400** for all three offerings that are related to the specific bid he is tracking (e.g., demo_100 **1410**) using the Bid Status form in **FIG. 37**. For example, as illustrated in **FIG. 43** the Bidder can view: the individual offerings demo_100 **1410** and demo_200 **1420**; as well as the aggregate offering demo_aon **1420**. Additionally, the auction system as illustrated in the Related Auction Status Form in **FIG. 43** will inform the bidder what the sum **1440** of the high bids for the individual offerings are as compared to the highest bid **1400** for the aggregate offering. The auction system as illustrated by the Related Auction Status Form in **FIG. 43** will also inform the bidder via the status portion **1450** whether or not the aggregate offering is currently the highest bid, or whether the sum of the individual loan packages making up the aggregate offering is the highest total.

[**0215**] As discussed herein, the system **30** allows the Seller and/or the system administrator to select whether a given offering will be an aggregate sale or an individual sale (see **FIG. 51**). Once the Seller and/or system administrator sets how the item will be offered during the auction, the system **30** employs the Administration Components **44** to set the offering accordingly. The Administration Components **44** also provide other functional capabilities to the system administrator. For example, the system administrator can set how much information a Bidder or Seller gets to view about an auction. As described herein, the preferred system only allows any one bidder to view the current high bid and his own bid history, thereby preventing any bidder from seeing anyone else's bids. Operating an auction in this fashion typically results in the Seller receiving higher bids and pricing premiums than if the bidders were allowed to view each others' bids.

[**0216**] Another embodiment of the present invention involves the auction system **30** providing a bidder or a party tracking the progress of a given auction with updates on the status of that auction. For example, as illustrated generally by **FIG. 44**, which is a representative screen shot of the Bidder's Bid Form **1501** for a given loan which the user is tracking and/or bidding on, in accordance with an embodiment of the present invention, the product being tracked in **FIG. 44** is the loan offering "demo_100 "**1500**. **FIG. 45**, which is a representative screen shot of the Auction Status portion **1510** of the Bid Form shown in **FIG. 44**, is one of the components of the auction system **30** as illustrated in **FIG. 44**. The Auction Status portion **1510** of the Bid Form, as illustrated in **FIG. 45**, provides an update on a selected loan (e.g., demo_100) to the user bidding and/or tracking

that loan, in accordance with an embodiment of the present invention. Notably, **FIG. 45** in regard to loan package demo_100, informs the user as to: what type of auction it is **1520**; when it opened **1530**; when it closes **1540**; the amount of extension time available **1550**; the time remaining **1560**; the current high bid **1570**; the number of bids **1580**; the bid increment **1590**; whether there is a reserve price **1600**; whether the offering is part of an Aggregate Offering **1610**; whether the amount of the Aggregate Offering bid is greater than the sum of the individual bids **1620**; and informs the Bidder that the status **1630** of the Related Auctions that he is interested in can be found in another portion of the Bid Form.

[**0217**] Another aspect of **FIG. 44** is the Your Best Bid Status portion **1502**. **FIG. 46** is a representative screen shot of the Your Best Bid Status portion **1502** of **FIG. 44**, and displays for the Bidder certain information pertaining to his best bid on loan offering demo_100. For example, it displays: the Bidder's best bid **1640** on the offering selected in **FIG. 44**; whether it is a currently winning bid **1650**; if the bid in not the current winning bid, it provides an explanation **1660** as to why; whether it is the high bid **1670**; what the Bidder's maximum proxy bid **1680** would be, if applicable; as well as the date **1690** and time **1695** of the his bid.

[**0218**] Another aspect of **FIG. 44** is the Display Your Bid History link **1503**. **FIG. 46** is a representative screen shot of a portion of the Bid Status Form which provides the link **1503** to the display of the Bidder's history, in accordance with an embodiment of the present invention. For example, the auction system **30** displays, as illustrated in **FIG. 46**, what the relevant portion of the Bid Status screen would look like prior to the user selecting that link **1503**. **FIG. 47** is a representative screen shot of a portion of the Bid Status Form which provides the Your Bid History **1504** form, in accordance with an embodiment of the present invention.

[**0219**] For example, when the Bidder selects the Display Your Bid History link **1503** as illustrated in **FIG. 46**, in accordance with an embodiment of the present invention, the auction system **30** expands the Bid Status portion of the Bid Form and displays Your Bid History **1504**, as shown in **FIG. 47**, all bids placed by the Bidder on a given loan, such as loan offering demo_100. In one embodiment of the present invention the auction system **30** will provide the Bidder, as shown in **FIG. 47**, information regarding whether the bid on the product or service of interest was a Proxy or Absolute bid **1700**; the bid amount **1710**; and the bid time **1720** and date **1730**. As discussed herein, the Bidder is only able to see his or her bid history and the bid history of any other Bidder.

[**0220**] Another embodiment of the present invention concerns the ability of the system **30** to automatically extend the closing of given auction by a certain amount of time when a new bidder is either in the process of entering a bid, or has entered a bid within a predetermined period prior to the closing of the auction. For example, as illustrated in **FIG. 48**, which is a representative illustration of this time extension function of the auction system **30**, in accordance with an embodiment of the present invention, the amount of time by which the closing of an auction of loan package demo_100 can be extended is set by either the system administrator, the system **30** or the Seller (step **1800**). For purposes of illustration only, the example illustrated in **FIG. 48** contains a time extension increment equaling two minutes, and an extension time threshold equaling three minutes. Throughout the conduct of that auction, the auction system **30** checks to determine whether the time to submit a bid on demo_100 has expired (step **1810**). If the time in which to submit a bid has expired, the auction for loan package demo_100 is closed to further bidding (step **1820**).

[**0221**] If the auction for the loan package demo_100 had not yet expired, the auction system **30** checks whether a new acceptable bid (i.e., exceeds the current high bid by at least the minimum bid) has been entered by any user bidding or tracking the progress of the auction of demo_100 (step **1830**). There are several embodiments in which this step can be accomplished. For example, for purposes of illustration only, the auction system **30** would only register that a new bid had been submitted if the Bidder actually typed in a bid in the "Your Bid" portion of the Submit A Bid Form (see **FIG. 33**) and clicked on the "Review Bid" link contained in the Submit A Bid Form. One skilled in the art would recognize that other embodiments are also possible.

[**0222**] If the auction system **30** determined that no bid had been entered, it would return to step **1810** and again determine whether the auction had expired. However, if the auction system **30** did determine that a new bid had been entered, the auction system **30** would then determine whether the Bidder placed that bid within the amount of time equal to or less than the time extension threshold value (step **1840**). For example, if the time extension threshold was set to three minutes, and the time remaining before the auction closed equaled four minutes, then the bid had not been placed within the time extension threshold and the auction system **30** would return to step **1810** after updating and/or refreshing the status screens of all users tracking the progress of that auction (step **1850**). Conversely, if the auction system **30** determined that a bid had been placed within thirty seconds of the auction closing, and was therefore within the three-minute time extension threshold, the auction system **30** would automatically update and/or refresh the status screens of all users tracking the progress of that auction (step **1860**), and then the auction system would extend the closing of the auction by the time extension increment of two minutes (step **1870**). Similarly, if the Bidder was attempting to place a bid thirty seconds before the close of the auction and was therefore within the time extension period, the auction system **30** would automatically extend the closing of the auction by the time extension increment of two minutes (step **1870**). After extending the close of the auction by at least the time extension increment, if not by the sum of the time extension increment plus the time remaining prior to the close of the auction, the system **30** returns to step **1810**. An alternative to steps **1850** and **1860** would be for the auction system **30** to update and/or refresh the screens of interested users after a predetermined time interval.

[**0223**] The preferred embodiment of the present invention includes the automatic extension feature to ensure that all bidders are able to continue submitting bids until they no longer want to participate. The automatic extension of the bidding feature benefits all the Bidders because they are not required to simply beat the other parties bidding in the same auction and see who could get their bid in closest to the closing of the auction. Instead, each Bidder can ensure their bid is accepted so long as it is entered prior to the close of

the auction. The preferred embodiment of the present invention which includes the automatic extension feature also benefits Sellers because by not closing the bidding at an arbitrary time, at which point some bidders might be locked out, all bidders can continue to bid until the highest possible price is achieved for the product or service being offered. Because this preferred embodiment ensures that auctions only close when no bids have been submitted within a certain number of minutes of the auction closing, the auction will remain open until the bidding is done.

[0224] In one example of the system **30** employing the time extension embodiment, several auctions were held in which the time extension increment was set to five minutes. In one such auction the auction system **30** extended the closing of the auction three times for a total of fifteen extra minutes. These three extensions resulted in a two percent increase in proceeds to the Seller, and a sixteen percent increase in the total number of bids. In another such auction employing the time extension embodiment, the auction system **30** extended the closing of the auction twenty-four times for a total extension duration of one hundred and twenty minutes. These twenty-four extensions resulted in a thirteen percent increase in proceeds to the Seller, and a thirty-eight percent increase in the total number of bids.

[0225] As discussed herein and in the cross-referenced applications, the auction system **30** allows the system administrator to monitor the activity of all users. These users can be tracked by the user's information stored in and handled by, for example, the available databases **46-50**, the Content Management System **38**, the Custom Application Components **40** and the Administration Components **44**. Similarly, the Sellers can use these modules and databases to track the progress of any selected auction it chooses. Moreover, the auction system **30** provides the ability for sellers and administrators to watch auction activity for all bidders on a live basis as the auction transpires.

[0226] **FIG. 49** is a representative screen shot of the summary view of the Auction Monitor Form, in accordance with an embodiment of the present invention. Similarly, **FIG. 50** is a representative screen shot of the Offering Bid History which provides a detailed view of the bidding history of a specific product or service being auctioned, in accordance with an embodiment of the present invention. In an embodiment of present invention, the auction system **30** includes reporting capabilities in the form of EXCEL data export functions which can be communicated to the modules described herein. The Auction Monitor Form (see **FIG. 49**) and the Offering Bid History form (see **FIG. 50**) include the update and/or auto-refresh function described herein, in that these forms are automatically refreshed and updated either periodically or each time a new bid is accepted by the auction system **30**. Refreshing the Auction Monitor Form and the Offering Bid History form ensures that not only the Bidders possess the most up to date information, but the Sellers and the system administrators possess that updated information as well.

[0227] As illustrated by **FIG. 49** and **FIG. 50**, the auction system can display to the Sellers and the system administrators information which includes: title information; login status (e.g., login name, date, time); logout button; navigation to one or multiple offerings; navigation to offering list; and an auction clock (countdown time remaining). The summary information that could be displayed to the Seller and system administrator regarding the loans currently being auctioned (see **FIG. 49**) could include: the reference name for each loan **1900**; the high bidder on that loan **1910**; the type of auction it is **1920**; the current high bid for that auction **1930**; the date and time the high bidder placed its bid **1940**; the number of bids placed **1950**; and the reserve price associated with the item **1960** (if applicable). Similarly, the auction system **30** could provide detailed information for each summarized product or service. As illustrated in **FIG. 50** for the financial product "demo_100," this detailed information could include: the loan identifier **1965**; the identifier assigned to each bid on that offering **1970**; the user placing that bid **1975**; the login name associated with that user **1980**; the type of bid placed **1985**; the amount bid **1990**; and the time and date **1995** each bid was placed.

[0228] The auction system **30** also allows the system administrator and/or seller with the proper privileges to configure the necessary settings for an auction of products and services. For example, **FIG. 51** is a representative screen shot of the Setup Form for the loan package "demo_100," in accordance with an embodiment of the present invention. One embodiment of the present invention illustrates that the system administrator and/or seller can access and set at least the following attributes of a product or service being auctioned: reserve price type **2000**; reserve price **2005**; index **2010**; whether the reserve should be disclosed **2015**; bid type **2020**; bid verification ceiling **2025**; bid open date **2030** and time **2035**; bid closing date **2040** and time **2045**; bid increment **2050**; minimum bid **2055**; whether proxy bidding is allowed **2060**; the time extension increment **2065**; at what point the extension time threshold should begin **2070**; and the amount of time the extension time threshold should be set at **2075**.

[0229] By posting products and services to websites and portals associated with some embodiments of the invention, sellers of various products and services, and in particular financial products, are able to reach the broadest qualified investor audience in the most efficient manner. In addition, buyers of products and services, in particular buyers and investors in financial products, benefit from the ability to access and evaluate investment opportunities, from a central location.

[0230] Variations, modifications, and other implementations of what is described herein will occur to those of ordinary skill in the art without departing from the spirit and the scope of the invention as claimed.

[0231] It should be understood that virtually any aspect of the embodiments of the invention described herein can be implemented using software, hardware, or in a combination of hardware and software. For example, at least the listed descriptions of "logic," referenced herein can be implemented in hardware, software or a combination.

[0232] As those skilled in the art will recognize, the invention described herein can be modified to accommodate and/or comply with any one or more of the above-described technologies and standards. In addition, variations, modifications, and other implementations of what is described herein can occur to those of ordinary skill in the art without departing from the spirit and the scope of the invention as claimed.

[0233] It should be understood that, in the Figures of this application, in some instances, a plurality of system ele-

ments or method steps may be shown as illustrative of a particular system element, and a single system element or method step may be shown as illustrative of a plurality of a particular systems elements or method steps. It should be understood that showing a plurality of a particular element or step is not intended to imply that a system or method implemented in accordance with the invention must comprise more than one of that element or step, nor is it intended by illustrating a single element or step that the invention is limited to embodiments having only a single one of that respective elements or steps. In addition, the; total number of elements or steps shown for a particular system element or method is not intended to be limiting; those skilled in the art will recognize that the number of a particular system element or method steps can, in some instances, be selected to accommodate the particular user needs.

[0234] It also should be noted that the previous illustrations of screen shots, together with the accompanying descriptions, are provided by way of example only and are not limiting. Those skilled in the art will recognize that many different designs of interfaces, screen shots, navigation patterns, and the like, are within the spirit and scope of the invention.

[0235] Although the invention has been described and pictured in a preferred form with a certain degree of particularity, it is understood that the present disclosure of the preferred form, has been made only by way of example, and that numerous changes in the details of construction and combination and arrangement of parts may be made without departing from the spirit and scope of the invention as hereinafter claimed.

1. A method for trading items over a computer network, comprising:

offering an item received from a seller in an auction;

receiving a bid for the item being offered;

displaying a received bid to all users of the auction; and

extending the closing of the auction by a period of time if a new bid is received during a predetermined period of time prior to the closing of the auction.

2. The method of claim 1 wherein the step of offering an item further comprises allowing a bidder to bid on a portion of the item or bid on the item in aggregate.

3. The method of claim 1 further comprising the step of updating the display of the received bid to display the current highest bid.

4. The method of claim 1 wherein the step of displaying a received bid further comprises revealing the bid history for the item to selected users.

5. The method of claim 1 further comprising the step of tracking a bidder by their identifying information.

6. A method for trading financial products over a computer network, comprising:

receiving seller information from a first client, the seller information relating to a financial product offered for sale on behalf of a seller, at least some of the seller information comprising due diligence information, the due diligence information capable of fulfilling at least a portion of a request for due diligence on the financial product;

storing the seller information about the financial product in a database;

providing a second client with an opportunity to obtain the due diligence information on behalf of a potential buyer of the financial product; and

storing a bid for the financial product from the second client in the database, if it can be shown that second client has obtained the due diligence information.

7. A computerized exchange for trading items, wherein the exchange is accessible using a computer network, comprising:

a server in operable communication with a bidder, the server programmed for receiving requests from a bidder to accept a bid for an item offered for sale;

a product and service information database in communication with the server for retrieving information on items meeting the bidder's search criteria; and

customer application components for accepting and displaying bids received from the bidder on the items meeting the bidder's search criteria.

8. A computerized exchange for trading financial products, wherein the exchange is accessible using a computer network, comprising:

a server in operable communication with a client, the server programmed for receiving requests from a client to price a financial product offered for sale;

a pricing engine in communication with the server, the pricing engine computing a price for the financial product offered for sale, the price based at least in part on at least one of the following: market information, information that the seller has provided about the financial product. information that the client provides about the financial product, due diligence information, and trade history information; and

a database storing information relating to the least one financial product offered for sale and the computed price for that financial product.

9. A computerized system for trading financial products, comprising:

means for receiving information about at least one item for sale, the information, including due diligence information capable of fulfilling at least a portion of a request for due diligence on the financial product;

means for displaying the information about the item to parties interested in purchasing items that match certain criteria;

means for determining whether the bid on the item is acceptable; and

means for displaying the bid information to users of the system once the bid has been accepted on the item.

10. A computerized system for trading financial products, comprising:

means for receiving information about at least one financial product for sale, the information, including due

diligence information capable of fulfilling at least a portion of a request for due diligence on the financial product;

means for computing a price on the financial product, the price based at least in part on at least one of the following: market information, information received about the financial product, due diligence information, and trade history information;

means for providing a potential bidder on the financial product with the due diligence information and a price for the financial product; and

means for storing a bid on the financial product if the bidder has received the due diligence information on the financial product.

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