



PRESS RELEASE

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FDIC Selects CoFin Milestone North Funding, LLC Winning Bidder for an Equity Interest in \$204 Million in Commercial Real Estate Loans *The Cogsville Group Participates as an Equity Partner*

The Federal Deposit Insurance Corporation (FDIC) has closed on a sale of a 40 percent equity interest in a newly-formed limited liability company (LLC) created to hold assets with an unpaid principal balance of approximately \$204 million from twelve failed bank receiverships. The winning bidder of the FDIC Multibank CRE Venture Loan and REO Structured Transaction 2010-2, Northern Pool is CoFin Milestone North Funding, LLC, Los Angeles (Colony) with a purchase price of approximately 27.00 percent of the unpaid principal balance. The Cogsville Group, LLC, New York, N.Y., (Cogsville) is minority-owned and partnered with Colony to establish the overall winning bidding structure for this transaction.

As an equity participant, the FDIC will retain a 60 percent equity interest in the LLC and share in the returns on the assets. The FDIC offered 1:1 leverage financing to the LLC, which will issue to the FDIC Purchase Money Notes in the original principal amount of approximately \$28.5 million. The sale was conducted on a competitive basis with the FDIC receiving bids for either a 40 percent ownership interest or a 20 percent ownership interest in the LLC.

The FDIC as receiver for the failed banks will convey to the LLC a portfolio of approximately 557 distressed commercial real estate loans, of which more than 50 percent are non-performing. Collectively, the loans have an unpaid principal balance of approximately \$204 million. Eighty-two percent of the collateral in the portfolio is located in Michigan. As the LLC's manager, Colony will manage, service, and ultimately dispose of the LLC's assets.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-279-2010

The bid received from Colony has been determined to be the offer that resulted in the greatest net return to the participating receiverships. All of the loans were from banks that failed during the past 20 months.

