



PRESS RELEASE

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FDIC Selects Colony Capital, LLC as Winning Bidder for Equity Interest in \$137 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 \$137 million from five failed bank receiverships. The winning bidder of the FDIC Multibank CRE Venture Loan and REO Structured Transaction 2010-2, Western Pool is Colony Milestone Co-Investment Partners, L.P., Los Angeles, California, (Colony), with a purchase price of approximately 60.10 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 stake 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, as receiver, Purchase Money Notes in the original principal amount of approximately \$42.6 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 198 distressed commercial real estate loans, of which more than 38 percent are non-performing. Collectively, the loans have an unpaid principal balance of approximately \$137 million. Seventy-eight percent of the collateral in the portfolio is located in Utah. 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-278-2010**

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 15 months.

