PRESS RELEASE

Federal Deposit Insurance Corporation ● Each Depositor insured to at least $250,000

FOR IMMEDIATE RELEASE
August 19, 2010

Media Contact:
Greg Hernandez (202) 898-6993
mediarequests@fdic.gov

FDIC Selects Consortium as Winning Bidder of $1.7 Billion Amtrust CADC Portfolio

Consortium Comprises Oaktree Capital Management-controlled Venture, Toll Brothers Inc., and Milestone Asset Opportunity LLC

The Federal Deposit Insurance Corporation (FDIC) has closed on a sale of 40 percent equity interest in a limited liability company (LLC) created to hold approximately $1.7 billion of primarily non-performing commercial acquisition, development and construction loan assets and owned real estate out of AmTrust Bank. The winning bidder of the Structured Transaction is a three-party consortium made up of PMO Loan Acquisition Venture LLC ("PMO"), controlled by Oaktree Capital Management LP, Toll Brothers Inc, and Milestone Asset Opportunity LLC (collectively the "PMO Consortium") at a price of approximately 40 percent of the balance of the portfolio.

As an equity participant, the FDIC, as Receiver for AmTrust Bank, will retain a 60 percent stake in the LLC and share in the returns on the assets. The FDIC offered 1:1 leverage financing, inclusive of a financing facility resulting in the creation of $311.8 million of original principal amount of Purchase Money Notes issued by the LLC. While 75 percent of the notes, $233.9 million, will be guaranteed by the FDIC in its corporate capacity, it is unlikely that a call will ever be necessary on this guarantee. This is primarily due to restrictions in the priority of payments limiting distributions to the equity partners until the purchase money notes are paid in full as well as the relatively high level of over collateralization of the notes.

Additionally, the FDIC has funded a development funding account that will supplement contributions by the PMO Consortium to finance certain permitted development activities related to the assets. The sale was conducted on a competitive basis on either a 40 percent leveraged ownership interest or a 20 percent unleveraged ownership interest in the newly-formed LLC.

The FDIC, as Receiver for the failed bank, will convey to the LLC a portfolio of approximately $1.7 billion CADC loans and owned real estate, of which about 78 percent are ADC loans with the remainder being owned real estate. In aggregate, 78 percent of the loans are delinquent. Thirty one percent of the assets in the portfolio is located in Florida, 16 percent in Nevada, 14 percent in Arizona, 13 percent in California, and the remaining 26 percent is located in other states.

The bid received from the PMO Consortium was determined to be the offer that resulted in the least cost to the Receivership. As the LLC's managing equity owner, the PMO Consortium will provide for the management, servicing, and ultimate disposition of the LLC's assets.

AmTrust bank failed on December 4, 2009, and the FDIC immediately entered into a purchase and assumption agreement with New York Community Bank, Westbury, New York, to assume all the deposits and approximately $9 billion of the assets. This transaction completes the sale of the majority of the remaining assets of AmTrust Bank.