



PRESS RELEASE

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FDIC Selects Colony Capital as Winning Bidder for Equity Interest in \$1.85 Billion in Commercial Real Estate Loans

The Cogsville Group Participates as Junior Equity Partner

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 assets with an unpaid principal balance of approximately \$1.85 billion from 22 failed bank receiverships. The winning bidder of the Multibank Structured Transaction is Colony Capital Acquisitions, LLC, Los Angeles, CA (Colony) with a price of approximately 59.00 percent of the unpaid principal balance. The Cogsville Group, LLC, New York, NY (Cogsville), a minority-owned investor, was Colony's junior equity partner.

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 and has agreed to guarantee Purchase Money Notes issued by the LLC in the original principal amount of \$545 million. The sale was conducted on a competitive basis, with the FDIC receiving a total of 6 bids from 4 bidders 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 banks will convey to the LLC a portfolio of approximately 1,660 distressed commercial real estate loans, of which approximately 50 percent are delinquent. Collectively, the loans have an unpaid principal balance of \$1.85 billion. Seventy-three percent of the collateral in the portfolio is located in Nevada, California, Colorado, Arizona and Georgia. As the LLC's managing equity owner, Colony will manage, service and ultimately dispose of the LLC's assets.

The bid received from Colony was determined to be the offer that resulted in the greatest return to the participating receiverships. All of the loans were from banks that failed during the past 23 months.



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-154-2010

The FDIC, through its Minority and Women Outreach Program, conducts Asset Purchaser, Investor and MDI Outreach Seminars across the country to facilitate participation by firms such as Cogsville in its ongoing asset and structured sales.

