



PRESS RELEASE

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FDIC Announces Winning Bidders for its Small Investor Program Pilot Sale

The Federal Deposit Insurance Corporation (FDIC) has closed on the first sales in its Small Investor Program (SIP). The pilot SIP involved two competitive sales of equity interests (each, a Private Owner Interest) in two limited liability companies (LLCs), each formed by the FDIC in its receivership capacity to hold certain assets of FirstTier Bank located in Louisville, Colorado, that failed on January 28, 2011.

The assets transferred by the FirstTier receivership to the LLCs consist of 213 loans pooled by loan type. A pool of performing and non-performing commercial real estate loans and commercial acquisition and development and construction loans and credit facilities (the CRE/CADC assets) were transferred to one LLC and a pool of performing and non-performing residential acquisition, development and construction loans and credit facilities (the RADC assets) were transferred to the other LLC.

The purchaser of the Private Owner Interest in the LLC holding the CRE/CADC assets was Acorn Loan Portfolio Private Owner IV, LLC. (Acorn), Los Angeles, CA, which is owned by Calista Corporation, a minority-owned business, FACP Mortgage Investments, LLC and entities controlled by Oaktree Capital Group Holdings. The purchaser of the Private Owner Interest in the LLC holding the RADC assets was HRC SVC Pool II Acquisition LLC (HRC), New York, an entity controlled by Hudson Realty Capital LLC, a minority and women owned business.

Acorn paid a total of approximately \$25.6 million (net of working capital) in cash for its initial 25 percent equity stake in the LLC holding the CRE/CADC assets; its bid valued the CRE/CADC assets at approximately 65 percent of the aggregate unpaid principal balance (UPB) of such assets. The CRE/CADC assets are comprised of 116 loans with an aggregate UPB of approximately \$158 million with the highest concentration in



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-130-2011**

Colorado (96 percent). Acorn will provide for the management, servicing and ultimate disposition of the LLC's assets.

HRC paid a total of approximately \$14.9 million (net of working capital) in cash for its initial 25 percent equity stake in the LLC holding the RADC assets; its winning bid valued the RADC assets at approximately 43 percent of the aggregate UPB of such assets. The RADC assets are comprised of 97 loans with an aggregate UPB of approximately \$139 million with the highest concentration in Colorado (95 percent). HRC will provide for the management, servicing and ultimate disposition of the LLC's assets.

The pilot SIP sales were conducted on a competitive basis, offering bidders the option to bid on either or both a leveraged structure (for a 50 percent equity interest) and an unleveraged structure (for an initial 25 percent equity interest). A total of 13 groups submitted bids to purchase an equity interest in one or both of the newly-formed LLCs. Since both winning bids were unleveraged, the Private Owner of each LLC initially will hold a 25 percent Private Owner Interest in such LLC and the FirstTier receivership will hold the remaining 75 percent equity interest until all equity is returned. After the return of equity, the receivership's interest in each LLC will decrease to 50% and the Private Owner Interest will correspondingly increase to 50%.

This pilot program was geared towards the small investor and offered smaller sized asset pools and unique structural features to make it more accessible for smaller investors and increase participation in structured sales while maintaining a level playing field for all investors.

The bids submitted on behalf of Acorn and HRC were determined to be the offers that maximized the value of the assets to the FirstTier receivership. The sale closed on August 4, 2011.

Additional information on the FDIC's SIP and other structured transactions can be found at the FDIC's [website, www.FDIC.gov](http://www.FDIC.gov). under Asset Sales – Financial Asset Sales.
