



PRESS RELEASE

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October 18, 2012

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FDIC Announces Winning Bidder in Its Fourth Small Investor Program Sale

FOR IMMEDIATE RELEASE

The Federal Deposit Insurance Corporation (FDIC) has closed on the fourth sale in its Small Investor Program. The sale involved a competitive bidding process for an equity interest in a limited liability company (LLC). The LLC was formed by the FDIC in its receivership capacity to hold certain assets of the failed Tennessee Commerce Bank located in Franklin, TN, which was closed on January 27, 2012.

The FDIC placed a pool of 93 performing and non-performing commercial real estate loans, commercial acquisition, development and construction loans and credit facilities, and performing and non-performing residential acquisition, development and construction loans and credit facilities into the LLC. The aggregate unpaid principal balance of the pool is approximately \$166.2 million with the highest concentration of collateral in Tennessee.

The winning bidder of the equity stake was Tennessee Loan Acquisition Venture, LP (TLAV), Los Angeles, CA, which is owned by a minority-owned business and entities controlled by Oaktree Capital Management.

TLAV paid a total of approximately \$23.9 million (net of working capital) in cash for its initial 25 percent equity stake in the LLC. TLAV will provide for the management, servicing and ultimate disposition of the LLC's assets.

The sale was conducted on a competitive basis with thirteen bids received from ten investors on October 1, 2012. Best and Final Offers were received from seven of the original bidders on October 2 for an initial 25 percent ownership interest in the newly



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-117-2012

formed LLC. The participating FDIC receivership will hold the remaining 75 percent equity interest in the LLC until all equity is returned. After the return of equity, the FDIC's interest in the LLC will decrease to 50 percent and the Private Owner Interest will correspondingly increase to 50 percent.

The Small Investor Program offers smaller sized asset pools and unique structural features to make it more accessible to smaller investors and to increase participation in structured sales while maintaining a level playing field for all investors.

The bid submitted on behalf of TLAV was determined to be the offer that maximized the value of the assets to the creditors of the Tennessee Commerce Bank receivership. The sale closed on October 18, 2012.

Additional information on the FDIC's Small Investor Program and other structured transactions can be found at the FDIC's Web site, www.FDIC.gov under Asset Sales – Financial Asset Sales.
