



# PRESS RELEASE

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

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## FDIC Announces Winning Bidder for Small Investor Program Sale

### FOR IMMEDIATE RELEASE

The Federal Deposit Insurance Corporation (FDIC) has closed on the third sale in its Small Investor Program (SIP). The competitive bidding process involved the sale of a 25 percent initial equity stake in a limited liability company (LLC) formed by the FDIC in its receivership capacity to hold certain loans of the Bank of Whitman, Colfax, Washington, which failed on August 5, 2011.

The loans transferred to the LLC consisted of 62 performing and non-performing commercial real estate loans, commercial acquisition and development and construction loans, as well as performing and non-performing residential acquisition, development and construction loans. The collateral is located primarily in Washington, Idaho and Utah, and has an aggregated unpaid principal balance (UPB) of \$101,007,866.

The purchaser of the initial equity stake in the LLC was Mariner Real Estate Partners III, LLC, Leawood, Kansas, which is a minority-owned business.

Mariner paid approximately \$13.6 million (net of working capital) in cash for its initial 25 percent stake in the LLC; its bid valued the loans at approximately 54 percent of the aggregate UPB. Mariner will provide for the management, servicing and ultimate disposition of the LLC's loans.

The SIP sale was conducted on a competitive basis. Nine groups submitted bids on an unleveraged basis for an initial 25 percent equity interest in the newly formed LLC. The receivership for the Bank of Whitman will hold the remaining 75 percent equity interest until all equity is returned. After the return of a multiple of the equity, the receivership's



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](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://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-2-2012

interest in the LLC will decrease to 50 percent and the Private Owner Interest will correspondingly increase to 50 percent. The bid submitted by Mariner was determined to be the offer that maximized the value of the loans to the receivership. The sale closed on January 11, 2012.

The SIP transactions are designed to appeal to small investors by offering geographically concentrated, smaller sized asset pools. The unique structural features allow these transactions to be more accessible to a larger universe of bidders thus increasing participation while maintaining a level playing field for all investors.

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.

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