



## **The Cogsville Group and Colony Capital acquire \$341 million commercial real estate loans**

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The Cogsville Group, LLC and Colony Capital, LLC have closed on the purchase from the Federal Deposit Insurance Corp. (FDIC) of two portfolios of more than 700 commercial real estate loans acquired by the FDIC as receiver of 14 failed financial institutions. The two portfolios have an aggregate unpaid principal balance of \$341 million.

The transactions are the second and third purchases by Cogsville and Colony under a public-private partnership to date, and consist of both performing and non-performing loans. In this recent transaction, the portfolio, concentrated in the western U.S., was purchased at 60% of the unpaid principal balance, while the portfolio concentrated in the northern U.S. was purchased at 27%. Colony and Cogsville partnered with entities affiliated with WL Ross & Co. LLC and Invesco Ltd. and Mount Kellett Capital to acquire the portfolios. Milestone Advisors, LLC was hired as financial advisor to the FDIC on the sale of these assets.

Donald Cogsville, CEO of The Cogsville Group, said, "In 2010, Cogsville and Colony have acquired over 2,300 commercial real estate loans with balances of more than \$2 billion. This latest transaction is consistent with our strategy of seeking attractive returns from investments in distressed real estate, from the FDIC as well as banks, CMBS special servicers, insurance companies and other lenders."

The Cogsville Group is a minority-owned private equity firm that invests in real estate assets through its investment fund, Cogsville Capital Partners Fund I, L.P.

"The Western portfolio acquired today is concentrated in the Salt Lake City area, and we believe that Utah's young and well-educated workforce, coupled with the state's business-friendly policies, will continue to lead the nation in job creation and dramatically increase the value of this portfolio. The Northern portfolio is concentrated in Michigan, and we believe that the state is poised for renewed growth. Like the investors in the new GM, we are confident that America's auto industry still has its best days ahead of it," said Cogsville.

"We are pleased to broaden our relationship with The Cogsville Group and are excited about the synergies created by working together," said Paul Fuhrman, principal of Colony Capital.

"We look forward to continuing to work in the future with The Cogsville Group, which shares our enthusiasm for public-private transactions," said James Lockhart, vice chairman of WL Ross & Co.

"I believe this is a unique opportunity to purchase distressed real estate assets of commercial banks holding more than \$250 billion of non-performing loans, and of special servicers holding another \$70 billion. We expect these numbers to grow over the next two years as more of the \$1 trillion of commercial real estate loans originated since 2005 come due in a market that has seen prices fall more than 40%," said Cogsville.

The Cogsville Group, LLC, is a New York City-based private equity firm founded in 2007. The firm's investment fund, Cogsville Capital Partners Fund I, L.P., makes debt and equity investments in distressed real estate and invests in community banks to achieve competitive returns.

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