



# SOUTHPORT ASSET MANAGEMENT

- Southport Asset Management is an SEC registered investment advisor that provides bank restructuring advisory services and equity capitalization to regulatory constrained community and regional banks.
- Southport engages in financial institution and portfolio due diligence for potential acquirers of both solvent institutions and capital impaired or regulatory controlled institutions. The firm possesses the technical expertise for comprehensive portfolio analysis in combination with practical experience resulting from management and disposition of over \$6 billion in troubled and non-performing assets over a seven-year period.
- Its affiliated firm has developed an institutional quality, best-in-class platform to efficiently acquire and deliver residential properties from national banks. The properties are delivered vacant, with clean title, and on a selective and consistent basis. This platform is comprised of the nation's best-in-class real estate operators in select markets that are pursuing the scaled acquisition of residential properties to be held for rent.
- The platform operators provide sustainable homeownership or rental opportunities to low to moderate income households in an effort to stabilize neighborhoods and prevent blight.

# SFR NEIGHBORHOOD STABILIZATION

- Our residential REO Disposition platform allows banks to dispose of their assets to a nationally recognized non-profit housing company with several unique benefits.
  - We acquire at the highest prices in the industry
  - We serve the mission of the Neighborhood Stabilization Program
  - We do immediate comprehensive rehabilitation of property
  - We rent to LMI households in the community, with preference to those foreclosed
  - We provide credit counseling for homeownership preparation
  - We provide transparent reporting of the transaction and property management
  - Our best in class technology expedites efficient transactions and management
  - We operate on small profit margins that funds more nonprofit programming
  - We provide an "end game" solution to the housing crisis
  - **We have over \$4 billion of buying power**
- Our program fulfills the broad mission of the Obama Administration and the policy goals of the "Neighborhood Stabilization Program" without the crippling red tape associated with federal programs.

# BANK RESTRUCTURING

- Southport Asset Management inc, was formed in 1984 to perform workout, disposition and asset management functions for corporate, institutional and regulatory clients.
- Restructured in 2009 by the former principals provide bank asset management services under the Southport name, now expanded to include mortgage backed securities, cdo,rmbs cmbs as affiliated Southport Advisors, LLC.
- The principals have extensive experience of commercial and investment banking, fund management, us investment real estate advisory services and insurance restructuring activities.
- The principals have managed assets and completed resolutions and dispositions valued at \$ 6 billion.
- Southport Asset Management is also the parent company of Southport Structured Finance, LTD of London, a registered/FSA licensed company which markets and provides mortgage backed securities advisory services to institutions with us asset backed holdings.
- Southport is an SEC Registered Investment Advisor and Nevada licensed insurance marketing organization.
- Southport Advisors is a Florida Limited Liability Company.

# PORTFOLIO ASSET PURCHASE OPTIONS

- Direct bank asset or portfolio purchase
  - Limited by availability and bank capital considerations
- FDIC bid invitation
  - Limited and highly competitive
  - Disposition restrictions
  - 85% to be securitized and sold as mortgage backed securities fractional bond interests. No direct assets can be purchased
  - Only limited open market, junior debt only
- Bank asset purchase/ equity contribution plan with banks with troubled portfolios
  - Solution for banks with regulatory constraints
  - Over 700 banks on regulatory problem list
- Direct FDIC closed invitation with assisted bank take overs and unpurchased portfolios
  - Insider bid opportunity
- Mortgage backed securities management/acquisition with securitized trusts- commercial and residential
  - 90% of all mortgage backed assets



# TARGET PRIORITIES

- Institutions with immediate regulatory concerns
- Quality franchise and management
- Regional affiliation for future bank consolidation
- “Good” troubled and/or classified portfolios
  - OREO
  - Residential and commercial mortgages
  - Commercial loans secured by real estate or other assets
- Acceptable bank equity structure
  - Low debt and/or trust preferred/tarp considerations
  - Convertible preferred structure availability
  - Stock control considerations
  - Regulatory shareholder approval
    - Bank holding company over 24.9%
    - Individual shareholders over 9.9%
    - Individual shareholders under 9.9%

# THE BANK PORTFOLIO ACQUISITION PROBLEM

- Bank portfolio valuation
  - Unpaid principal balance of assets
  - Bank carried or book value
    - Write downs
    - Write offs
    - Reserves
    - Tax considerations
- Portfolio acquisition valuation
  - Due diligence
    - Appraisal
    - BPO
    - Site visit
- Portfolio bid pricing analysis
- Impact on bank capital of differential between bank carried value and acquisition bid (loss)



# SOUTHPORT BANK PROJECT PROCESS

- Bank selection/referral to Southport
- Bank analysis
  - Call report,
  - Annual statements
  - Regulatory discussions
  - Franchise
  - Management
- Negotiate LOI with bank
- Southport bank computer analysis (risk capital slide)
- Classified loan portfolio analysis (asset list slide)
- OREO asset analysis (OREO summary slide)
- Southport investment analysis (investment analysis slide)
- Investment vehicle structure
  - Asset purchase
  - Stock purchase individual, company, holding company

# MANAGEMENT TEAM

## David A. DeLo, Chairman/CEO and Co-Managing Member

Mr. DeLo was a co-founder of Southport Financial Corporation with Connecticut Mutual Life Insurance in 1986, and President of Southport Asset Management Corporation, managing in excess of \$5 Billion USD for financial institutions, regulatory authorities and corporate pension accounts, retiring in 1994. Prior to that he was an investment consultant specializing in corporate finance, real estate financing and investment banking, including turn-arounds, workouts, debt restructuring and equity financing, and also President of a NASDAQ Broker/Dealer and Registered Investment Advisor, supervising over 800 brokers. In 1970 he was President of The Greenwich Group Inc, an investment banking firm that acquired a majority interest in Newburger Loeb & Co, Inc, a NYSE member firm and became Managing Partner. The firm was sold in 1979. Mr. DeLo also served on the staff of the Executive Office of the President under Lyndon Johnson, the Office of Economic Opportunity, and the Advisory Commission on Civil Disorders.

DeLo has been Chairman and Director of Newburger Loeb & Co, and Newport Balboa Savings, and a Director of Mariners Bancorp, Newport Harbor National Bank, OceanAir/American Eagle Airlines, Mid-Pacific/Panorama Air, America West Airlines, the University of California Irvine Foundation, the Special Care Animal Research Foundation and the National Small Business Alliance.

A graduate of the United States Naval Academy, DeLo was a naval officer for eight years, serving as an assistant football coach at the US Naval Academy, three afloat tours in Vietnam and Southeast Asia, the Special Projects (Polaris and Trident) Office, the Deep Submergence Group, American University School of Law in Washington DC, and the Advanced Sea Based Deterrent Group at the US Naval Postgraduate School, in Monterey, CA.

DeLo is a world-class ocean racer and circumnavigator, has participated in most of the notable world class events over the years as either owner, skipper or navigator, and also served as Syndicate Manager of the America's Challenge for the 1997 Whitbread Round the World Race, and has directed corporate fund raising for several Americas Cup challenges and defenses.

# MANAGEMENT TEAM

## A. Paul Shapansky, COO and Co-Managing Member

Mr. Shapansky is a financial services executive with 35 years of international experience in banking, healthcare, corporate finance, and information technology. As an experienced C-level corporate manager his responsibilities have included capital formation, strategic planning, financial & IT systems design and implementation, mergers & acquisitions, merger integration; equity/debt structuring and sourcing; private equity, institutional investment, strategic partnerships, venture capital; IPO's, secondary financing, and investor relations.

His functional skills include risk assessment, definition of information technology business requirements and technical design specification, strategic planning, and corporate restructuring. In his latest assignment as a Senior Integration Executive for JP Morgan Chase, since mid-2004 Mr. Shapansky has been coordinating all lines of business on the global integration of deposit and loan applications for the largest branch integration projects in the history of U.S. banking, including: BancOne, Bank of New York, Bear Stearns & Co., and Washington Mutual

Mr. Shapansky received his Bachelor of Commerce (Honors) in Actuarial Mathematics & Finance from the University of Manitoba, in Canada. He completed the requirements for Registered Investment Advisor registration and NASD licenses for Series 6, 7, 65 & 63, in addition to Life, Pension and Health Insurance registration, and is an Associate of the Society of Actuaries.

# MANAGEMENT TEAM

## William Utnehmer, Director of Capital Markets

Mr. Utnehmer serves as Director of Capital Markets for Southport responsible for raising institutional capital for the firm's acquisitions. Utnehmer has over twenty years experience in banking, investment, development and management. Utnehmer served as President of a national commercial real estate development company, pioneered the growth of a southern California award winning environmentally sustainable development company and served as managing partner of a San Francisco investment brokerage company. Utnehmer began his real estate career with Tishman Realty Corporation, one of the nation's premier commercial real estate developers.

Utnehmer has extensive hands-on experience in acquiring, developing, financing and managing real estate within all asset classes. He has personally engineered and negotiated transactions on over an estimated aggregate value of over one billion dollars, and is particularly experienced with real estate workouts.

Utnehmer also served as Region 9 Designated Real Estate Services Provider for the General Services Administration and spent one year in Berlin, Germany lecturing on Real Estate Valuation in the Masters Program of the Department of Economics at Hochschule Anhalt. Utnehmer is a member of the State Bar of California, is a licensed California real estate broker, served as a member of the Counselors of Real Estate, University of Wisconsin Real Estate Alumni Association, Urban Land Institute, Westside Urban Forum, International Council of Shopping Centers, the U.S. Green Building Council and the Board of Trustees of the Westside Waldorf School.

## SOUTHPORT PRIOR ENGAGEMENTS IN TRANSACTIONAL STRUCTURING AND ASSET MANAGEMENT

- AMERICA FIRST FINANCIAL CORPORATION, SAN FRANCISCO,
- OCCIDENTAL SAVINGS AND LOAN ASSOCIATION, OMAHA, NE.
- FIRSTIER BANK, OMAHA, NEBRASKA
- EQUITABLE SAVINGS AND LOAN ASSOCIATION, FREMONT, NE
- PACIFIC SAVINGS AND LOAN, COSTA MESA, CA.
- TOWER BANK LTD., COCONUT GROVE, FLORIDA
- KEY BISCAYNE BANK FOR TOWER BANK.
- ZLOGAR & CO., DALLAS, TTX INSURANCE CO ACQUISITION
- SOUTHERN CALIFORNIA SAVINGS AND LOAN ASSOCIATION, LA
- EUREKA FEDERAL SAVINGS AND LOAN
- RESOLUTION TRUST CORPORATION \$2 B SAMDA
- FDIC/OTS RECEIVERSHIPS
  - RAMONA SAVINGS BANK, RAMONA CA
  - CONSOLIDATED SAVINGS BANK, PHOENIX, AZ
  - AMERICAN DIVERSIFIED, COSTA MESA, CA
  - SOUTHERN CALIFORNIA SAVINGS, LOS ANGELES CA
  - COMFED BANK, LOWELL, MASSACHUSETTS
  - CONNECTICUT BANK OF COMMERCE WESTPORT, CT
  - FIRST FEDERAL BANK, WATERBURY, CONNECTICUT
  - GOLDOME BANK, BUFFALO, N.Y.
- JUNK BOND PORTFOLIO ANALYSIS AND DISPOSITION
- HAWAII BANK MERGER ANALYSIS
- CORPORATE SUBORDINATED DEBT RESTRUCTURING
- CORPORATE SUBSIDIARIES RESTRUCTURING
- NEVADA GAMING LICENSEE
- CASINO OWNERSHIP AND RESTRUCTURING
- CORPORATE RESTRUCTURINGS
- SKI-RESORT RESTRUCTURING AND DISPOSITION
- CORPORATE "KEEP-WELL" AGREEMENT NEGOTIATIONS AND RELEASE WITH FSLIC
- CONGREGATE CARE FACILITIES ANALYSIS AND
- BANK RECAPITALIZATIONS CONSULTING
- BANK BAD ASSET PORTFOLIO ACQUISITION AND DISPOSITION
- INSURANCE COMPANY RECAPITALIZATION
- INSURANCE COMPANY PORTFOLIO MGT/DISPOSITION
- FOUNDATION 501C3 RESTRUCTURING AND MANAGEMENT
- FIRST INTERSTATE BANK, RENO, NEVADA RECEIVERSHIP
- RTC RECEIVERSHIPS
  - BANKMART, BRIDGEPORT, CONNECTICUT
  - WESTERN SAVINGS, PHOENIX, AZ.
  - PIMA SAVINGS, TUCSON, ARIZONA
  - SECURITY SAVINGS, PHOENIX, ARIZONA
  - SOUTHWEST SAVINGS ,PHOENIX, ARIZONA
  - MERABANK, PHOENIX, ARIZONA
  - LINCOLN SAVINGS, PHOENIX, ARIZONA

# SOUTHPORT FINAL SOLUTION



- MAXIMIZE BANK INVESTOR ROI
- MAXIMIZE RETURN ON ACQUIRED ASSETS
- RESTORE BANK TO WELL CAPITALIZED POSITION
- MAXIMIZE BANK STOCK/MARKET VALUATION

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