

## MARKET VIEW:

Activity increased in virtually every Specialty Finance sector over the past 12 months, primarily as the result of improved debt availability. For middle market finance companies, this has been a welcome change in the landscape. Twelve to twenty four months ago, the ability to obtain reliable warehouse financing, the lifeblood for finance companies, was limited to a small group of senior lenders, but mostly credit opportunity funds, hedge funds, family offices and high net worth individuals. Today there are an increasing number of interested lenders across all areas creating strong competition among lenders and allowing borrowers to negotiate better terms and greater flexibility.

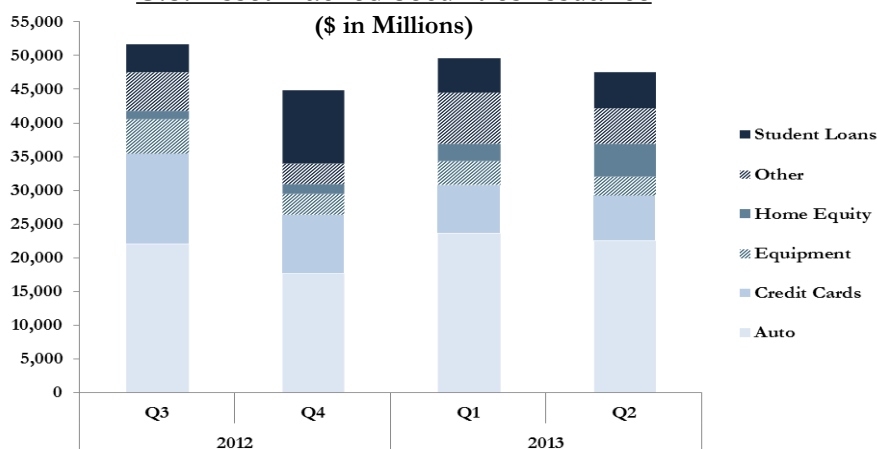
However, the market still has its challenges. The CFPB and state attorney generals continue to scrutinize consumer lenders and bring actions that leave a regulatory haze over the market. Until this clears up, there will be choppy waters for certain sub-sectors of lenders, and there will be a greater level of scrutiny to satisfy buyers, investors and lenders.

## FIXED INCOME

### MARKET OBSERVATIONS:

- U.S. fixed income instruments had their worst quarter in nine years, with the Barclays Aggregate Bond Index posting a return of -2.32%, largely due to the Federal Reserve's signal of tapering Quantitative Easing (QE) and ending the bond-purchasing program by mid-2014.
- There was a large selloff in credit in Q2 2013, with most fixed-income asset classes yielding negative returns, leading to a sharp rise in volatility
  - Investors pulled \$2.2 billion out of U.S. corporate investment-grade bond funds in June, marking the first month of outflows since August 2011
  - The net outflow from junk bond funds was \$11.4 billion in June, which represents the largest outflow since tracking began in 1992

### U.S. Asset-Backed Securities Issuance



### Fixed Income Overview:

#### ■ Asset Backed Securities

- Following an increase of 10.8% in issuance last quarter, ABS issuance remained roughly the same from Q1 2013 (\$49.7 billion) to Q2 2013 (\$49.4 billion)
  - Auto sector led total issuance with \$23.5 billion in the first quarter of 2013 followed by: Credit Cards: \$6.7 billion, Student Loans \$6.2 billion, Other: \$5.1 billion, Home Equity: \$4.8 billion, and Equipment: \$3.1 billion

## FIXED INCOME

### ■ Corporate Bond Market

- Issuance of corporate bonds dropped 9.0% to \$333.7 billion in the second quarter of 2013 from \$366.7 billion in the first quarter of 2013

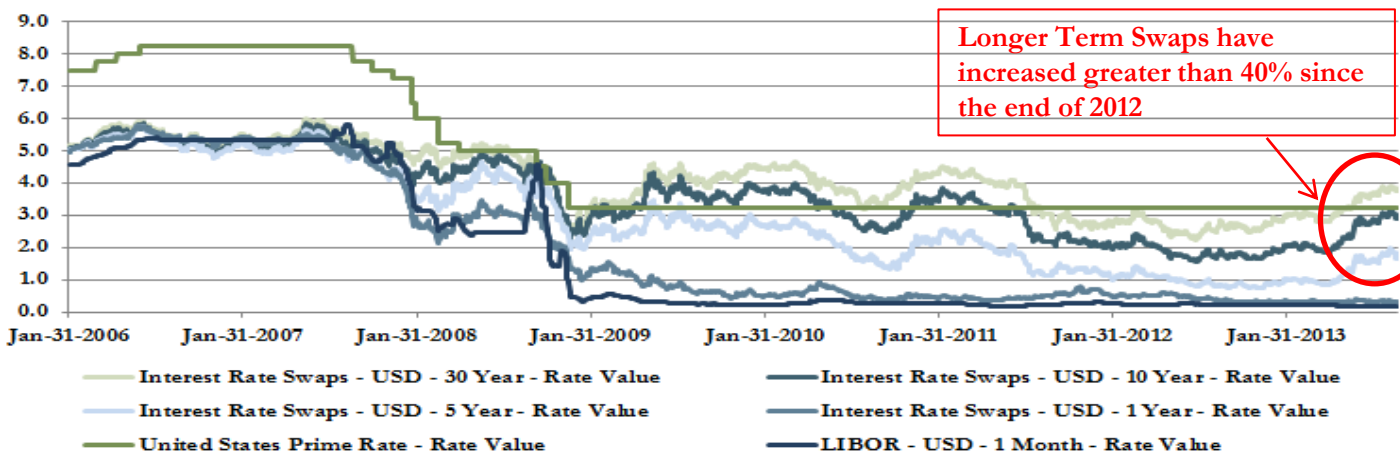
### ■ Mortgage-Related Securities

- Issuance of mortgage-related securities decreased 7.0% from \$582.4 billion in the first quarter of 2013 to \$541.4 billion in the second quarter of 2013 due to a decrease in agency issuance

### ■ Collateralized Loan Obligations

- Despite production of new U.S. Collateralized Loan Obligations hitting a new post-crisis record (\$27.9 billion) in the first quarter of 2013, production dropped to \$17.2 billion in the second quarter, mostly due to the implementation of new rules by the FDIC

## INTEREST RATES



### MARKET COMMENTS:

- In an address to Congress' Joint Economic Committee on May 22<sup>nd</sup>, 2013, Ben Bernanke, Chairman of the Federal Reserve, commented that the Federal Reserve will consider tapering its current policy of monthly asset purchases of \$85B later in 2013 if the economy continues to show growth and stability. These comments caused investors to flee treasuries, triggering interest rates across many different asset classes to increase. On September 18<sup>th</sup>, Chairman Bernanke announced that the Federal Reserve would postpone the start of tapering until stronger economic growth. These comments caused stocks to hit new highs and bond yields to decrease.
- The expected reduction in quantitative easing has caused the rates on longer term instruments to increase significantly over the past 4 months. Starting in May rates started to rise.

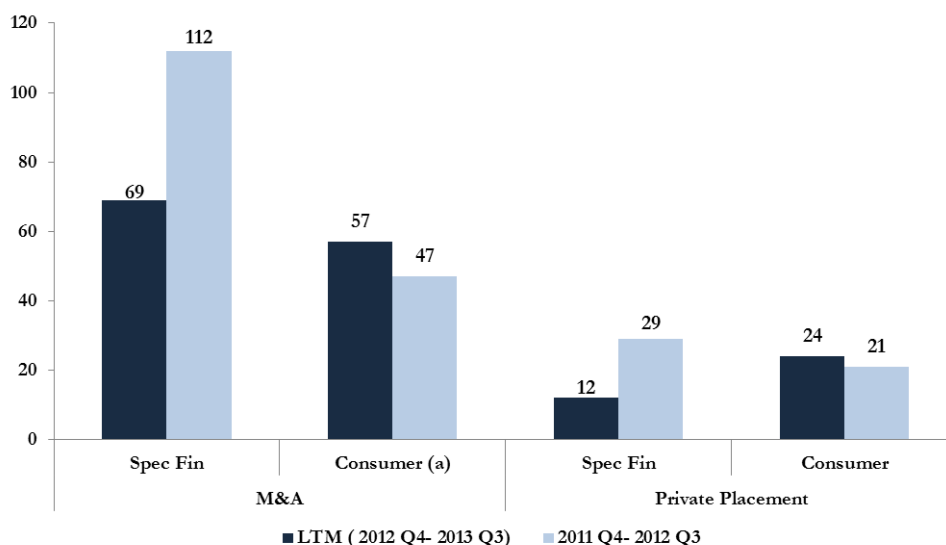
- *Fixed Rate Swaps* occur between two parties exchanging a set of fixed-rate payments and floating-rate payments based on the LIBOR as a reference rate; the rate is the percentage over the LIBOR that one side agrees to pay.
- *LIBOR* is the most used benchmark for short-term interest rates and is derived from an average of the most creditworthy banks' interbank deposit rates.
- *Prime Rate* is the rate that creditworthy customers receive from commercial banks and is largely determined by the federal funds rate.

## MERGERS AND ACQUISITIONS

### MARKET OBSERVATIONS:

- Consumer Finance M&A increased 21% LTM versus prior year and private placements have increased 14%, in the face of overall M&A market slowdown.
- Total US M&A transactions have decreased both in count and value, down 15.5% and 31.5% respectively, due to ongoing uncertainty and macroeconomic pressure, including fiscal and tax issues, slow economic growth.
- Total US M&A transactions below \$500M accumulated deal value dropped to \$26.7B in Q2 2013, a 13.2% decrease from Q1 2013, whereas the average premium paid in the middle market increased almost 10% in Q2 2013 compared to Q1 2013.
- U.S. M&A transaction count during Q2 2013 contracted to 2,240 deals, down 15.5% from Q1 2013; aggregate transaction value decreased to \$212.2B during Q2 2013, down from 31.5% from Q1 2013.
- Excluding Credit Unions, which are considered Specialty Finance companies in the statistics below, the overall trends for Specialty and Consumer Finance businesses continue to outperform the overall market.

### Market Trends for Specialty and Consumer Finance Companies



### RECENT SPECIALTY FINANCE TRANSACTIONS:

- *September 16<sup>th</sup>* - **Rockbridge Growth Equity, LLC** acquired **Rapid Financial Services, LLC**, a capital provider to small businesses based in Bethesda, Maryland. Rockbridge Growth Equity, LLC is a Detroit-based private equity firm that invests in financial, consumer-direct marketing, and sports, media and entertainment' industries.
- *September 4<sup>th</sup>* - **Carfinco Financial Group Inc.** (TSX:CFN) acquired **Persian Acceptance Corporation**, an indirect lender in the sub-prime retail automotive industry based in Massachusetts. Persian Acceptance Corporation will receive \$9 million in cash, \$500,000 in common shares and an additional \$2 million over the next two years. Carfinco Financial Group provides consumer vehicle loans to borrowers unable to obtain financing through traditional lending sources. Persian Acceptance Corporation will function as a subsidiary of Carfinco Financial Group.

(a) Consumer refers to companies who operate consumer loan, personal credit agencies and offer fund transfers clearance, and exchange services.

Source: Cap IQ,

## MERGERS AND ACQUISITIONS

- *August 20<sup>th</sup>*- **HelioPower, Inc.** acquired **Greenzu, Inc.**, an expert in developing innovative solar financing solutions for commercial and non-profit facilities. In 2007 HelioPower launched Helio Micro-Utility, its own energy project financing division. Greenzu's team will continue creating solar finance solutions as a part of Helio Micro-Utility business unit. Greenzu's co-founder, Amanda Holland will lead Helio Micro-Utility's investment fund management.
- *August 14<sup>th</sup>*- **Spectrum Equity Investors** and **TA Associates Management, L.P.**, acquired a minority stake in **Bats Trading, Inc.** Bats Trading is the world's third-largest equities exchange company that operates three stock markets, two in the United States and one in Europe, and an options market. Spectrum Equity is a growth equity firm and TA Associates is a growth private equity firm.
- *July 18*- **Emerald Asset Management** acquired **Direct Lending Capital, LLC**, a pioneer in investing in loans generated in the direct lending business. The company will now be called Emerald Direct Lending Capital, LLC and will be based out of Emerald's headquarters in Pennsylvania.
- *July 8<sup>th</sup>*- **Moneygram International Inc.** (NasdaqGS:MGI) acquired **Latino Services LLC**, a money transfer service company based in Atlanta. Latino Services will operate as a subsidiary of Moneygram International. The acquisition gives Moneygram an additional 10 stores and helps expand its reach in high potential emerging markets.
- *July 5<sup>th</sup>*- **Providence Bank** acquired certain assets from **AOR Insurance Services, LLC**. This will create a new business unit within Providence Bank, called Providence Bank Agency Finance, and they will provide financing services for insurance agencies and carriers.
- *June 28<sup>th</sup>*- **Athene Holding Ltd.** acquired **MidCap Financial Holdings, LLC**. MidCap Financial Holdings, LLC is a healthcare focused commercial finance company based in Bethesda, Maryland. MidCap is backed by Genstar Capital, LLC, Lee Equity Partners LLC, and Moelis Capital Partners LLC. Athene is a life insurance holding company under Apollo Global Management, LLC.
- *June 25<sup>th</sup>*- **Global Links Corp.** (OTCPK: GLCO) acquired **BXI Trading Exchange Inc.**, a barter trade exchange. Global Links hopes to restore BXI Trading Exchange to the world's largest barter trade exchange starting in October. Saul Yarmark, the former Chairman of BXI will re-join BXI to run day-to-day operations of the exchange.
- *June 24<sup>th</sup>*- **Cash America Pawn L.P.** signed an asset purchase agreement to acquire **TDP Superstores Corporation**. TDP Superstores Corporation operates 41 pawn superstores, under the name Top Dollar Pawn, for consumer loans in Texas, for \$103 million in cash.
- *June 11<sup>th</sup>*- **Milestone Partners**, sold its 95% stake in **Mariner Finance, LLC** to an investment group. According to Milestone, the transaction generated a five times return in excess of the original invested capital and a compounded annual growth rate of roughly 60%. Mariner Finance is a consumer finance company that offers various types of loans such as home, auto, personal, home improvement, and debt consolidation through its 57 operating branches in seven states.
- *June 4<sup>th</sup>*- **Umpqua Holdings Corporation** (Nasdaq:UMPQ), parent of Umpqua Bank and Umpqua Investments, Inc., acquired **Financial Pacific Leasing, LLC** for \$158 million in cash. Financial Pacific Leasing is a commercial equipment leasing and loan company based in Washington.

## MERGERS AND ACQUISITIONS

- *May 20<sup>th</sup>*- **Financial Funding, LLC** acquired **Amerifunding, LLC**, a private lending company, increasing the type of new loans Financial Funding offers. Financial Funding originates loans for office buildings, shopping centers, apartment buildings, hotel/motels, and condominiums and hopes to become a major player in the commercial lending space. Both companies are based out of New Jersey.
- *April 23<sup>rd</sup>*- **H.I.G Capital, LLC** acquired **Pegasus Financial Services, Inc.**, a processor of commissions paid by hotels and travel agencies, from Pegasus Solutions, Inc.. Prospect Capital Corporation provided \$34.4 million in senior secured financing for the transaction.
- *April 9<sup>th</sup>*- **GCP Capital Partners, LLC** completed a private placement of equity for **123 LumpSum Holdings, LLC**. 123 LumpSum Holdings is a leading originator of secondary structured settlement transactions. BPC acted as exclusive financial advisor on this transaction.
- *March 19<sup>th</sup>*- **Advance America, Cash Advance Centers Inc.** acquired **Express Financial Services, LLC** from Main St. Personal Finance, Inc. Express Financial Services provides payday advances for short-term financial needs and has more than 115 branch locations.
- *February 19<sup>th</sup>*- **Total System Services, Inc.** (NYSE:TSS) acquired **Netspend Holdings, Inc.** (Nasdaq: NTSP) for \$1.1 billion. Total System Services paid \$16 cash for each outstanding share of common stock of Netspend Holdings, a provider of general purpose reloadable prepaid debit and payroll cards, and alternative financial service solutions to underbanked and other consumers.
- *January 31<sup>st</sup>*- **Fifth Third Bancorp** (NasdaqGS: FITB) acquired the credit card portfolio and servicing operations from **Quad City Bank and Trust Company**. This allows Quad City Bank & Trust to enhance their credit card product offerings with Fifth Third Bancorp's expertise.
- *January 29<sup>th</sup>*- **iVoice Inc.** (OTCPK: IVOI) acquired **American Security Capital** from **American Security Resources Corp.** (OTCPK:ARSC). American Security Capital offers financing options to buyers of products manufactured by Hydra Fuel Cell Corporation and American Hydrogen Corporation, its subsidiaries. iVoice Inc. accepted an offer from American Security Resources Corporation to exchange the company's ownership of Hydra Fuel Cell Corporation for all of the American Security Capitals shares and a note of \$100,000. American Security Resources Corporation still controls American Security Capital through its ownership of preferred stock in iVoice, Inc.
- *January 16<sup>th</sup>*- **Vion Receivable Investments** acquired **Commercial Credit Card Portfolio**, a portfolio with \$6 million of performing and \$67 million in charged-off debt. Vion is backed by more than \$5 billion in financial resources and has a pool of performing accounts receivable as well as commercial credit card portfolios.
- *January 16<sup>th</sup>*- **MidFirst Bank** acquired **Presidential Financial Corporation** from Harbert Management Corporation. Presidential Financial Corporation, an asset-based finance company and provider of working capital lines of credit to growing companies, will retain its own brand, name, and management and operate as a wholly owned subsidiary of MidFirst. The acquisition allows Presidential Financial access to a large capital base which will allow them to offer a more diverse product mix.
- *January 9<sup>th</sup>*- **SAF Capital Management LLC** acquired minority stake in **Cash America International, Inc.** (NYSE:CSH), a provider of specialty financial services to individuals through retail locations and e-commerce activities. SAF believes that Cash America is undervalued and that with their help they can generate more value.

## MERGERS AND ACQUISITIONS

- *January 8<sup>th</sup>*- **Csenge Advisory Group LLC** merged with **Financial Advisory Services of Tampa, Inc.**, a financial advisory, investment management, and retirement planning services firm. Csenge Advisory Group is a wealth management company based in Florida.
- *May 15<sup>th</sup>*- **Rapid Financial Services, LLC** acquired **Promac Health Care Financing, LLC** of Hauppauge, New York. Promac, previously known as Professional Merchant Advance Capital, is a financial company that offers medical electronic payment financing services, funds against various types of electronic payment proceeds, and electronic payment financing for electronic checks, fund transfers, consumer receivables. Promac will continue to operate as a separate business. Rapid Financial Services does business as RapidAdvance and is based out of Bethesda, Maryland.
- *May 9<sup>th</sup>*- **Prime Business Credit, Inc.** acquired **Asiana Capital, Inc.**, a provider of financial products and services to commercial clients. Asiana Capital will operate as an independent subsidiary.
- *May 8<sup>th</sup>*- **Fifth Street Finance Corp.** (NasdaqGS: FSC), acquired **Healthcare Finance Group, LLC** for \$114 million and plans to finance the acquisition with operating cash and borrowings under Fifth Street's existing credit facilities. Healthcare Finance Group is a provider of senior debt financing solutions in the healthcare industry. GCP Capital Partners, LLC, LLR Partners, LLC, and Morgan Stanley Asset Funding Inc, are all prior investors for Healthcare Finance Group.
- *May 1<sup>st</sup>*- **Foundation Capital** and **Google Inc.** (NasdaqGS: GOOG) acquired a minority stake in **LendingClub Corporation** for \$125 million. LendingClub Corporation operates an as online financial community that enables the issuance of and investment in consumer loans. Foundation Capital is an existing investor and Google is a new investor in LendingClub and since inception LendingClub has facilitated \$1.65 billion in loans.
- *April 24<sup>th</sup>*- **Sunset Brands Inc.** (OTCPK:SSBN) acquired **Investment Capital Fund Group, LLC**, a provider of collateralized and uncollateralized auto loans and leases. Investment Capital Fund Group, LLC generated revenues of \$1.6 million in 2012 and will operate as a subsidiary of Sunset Brands. Sunset Brands is based in Nevada and Investment Capital Fund Group is based in Georgia.
- *January 7<sup>th</sup>*- **Spindle, Inc.** (OTCPK:SPDL) acquired all assets of **Parallel Solutions Inc.** for \$1.6 million in stock. Parallel Solutions Inc. is a provider of payment processing solutions.
- *January 7<sup>th</sup>*- **Mozido, LLC** acquired **PagoVision Inc.**, a provider of payroll check cashing solutions who has over 1,500 independent retail locations. Mozido is a cloud-based integrated platform of mobile payments, commerce and marketing and with the acquisition of PagoVision hopes to broaden its merchant distribution network. PagoVision will operate as a subsidiary of Mozido.



## PRIVATE PLACEMENTS

### RECENT PRIVATE PLACEMENT TRANSACTIONS:

- *September 4<sup>th</sup>*- **Republic Business Credit, LLC** received \$15 million in equity financing from its existing group of institutional investors. Republic Business Credit provides invoice factoring services and accounts receivable management to businesses. This financing will support the expansion of Republic Business Credit's product range such as the recent addition of asset based lending.
- *September 4<sup>th</sup>*- **CommonBond, Inc.**, a leading student lending platform, raised \$100 million in equity and debt financing. Financing was provided by Tribeca Venture Partners, The Social+Capital Partnership, and individual investors including former Citigroup CEO Vikram Pandit. CommonBond will use these investments to fund and refinance student loans.
- *September 3<sup>rd</sup>*- **Zazma Inc.**, a provider of short term financing for small businesses, received \$10 million from Sequoia Capital and Spark Capital to support the company's expansion. In 2011, Zazma Inc. was founded with a seed investment from Sequoia Capital.
- *August 14<sup>th</sup>*- **MovenBank Corp. Ltd**, received \$2 million from Life.SREDA, a fund managed by LIFE Financial Group Investment Arm and existing investors Anthemis Group SA and Raptor Ventures. MovenBank Corp is an over the phone provider of banking and financial services.
- *August 9<sup>th</sup>*- **Genesis Financial Solutions, Inc.** received \$40 million in funding for an asset management fund based in NYC. Genesis Financial provides financing for customers with less than perfect credit.
- *July 31<sup>st</sup>*- **ZestFinance, Inc.**, received \$20 million in a series C round of equity funding led by new investor Clarium Capital Management LLC. Existing Investors Northgate Capital Group, LLC, Kensington Capital Holdings, LLC, Eastward Capital Partners, LLC, Matrix Partners, and Lightspeed Venture Partners also invested in the round. ZestFinance is focused on underwriting and making credit available to customers who need it the most. ZestFinance has received \$55 million in equity funding to date.
- *July 24<sup>th</sup>*- **Forex International Trading Corp.** (OTCPK: FXIT) announced a private placement of 8% convertible not for gross proceeds of \$42,500 and the note will bear interest at 8% per annum. The note is convertible at a 42% discount to the average of the three lowest closing bid prices of the common stock during the 10 trading day period prior to conversion. Forex is a provider of foreign currency market trading through a Web-based trading system.
- *June 24<sup>th</sup>*- **The Receivables Exchange, LLC**, an online exchange for the sale and purchase of accounts receivable, received \$10 million in a funding round. Bain Capital Ventures, Redpoint Ventures, Prism Ventureworks, and StarVest Partners, L.P., all prior investors, invested in this round.
- *June 17<sup>th</sup>*- **Storehouse Lending, LLC** completed a round of financing from Shepard Capital Partners, LLC through its CreditAid platform. Storehouse Lending is a provider of collateral based, short term auto title loans.
- *April 15<sup>th</sup>*- **Modern Financial Inc.**, a provider of automobile loans, received \$13.5 million in an equity round of funding.
- *April 11<sup>th</sup>*- **Consumer Portfolio Services, Inc.** (NasdaqGM: CPSS), provider of indirect automobile financing to consumers, received a private placement of floating rate variable funding notes from Waterfall Asset Management, LLC for gross proceeds of \$20 million
- *April 8<sup>th</sup>*- **Budco Financial Services LLC**, a fulfillment and direct marketing company, completed an equity round of funding from new investor Evolution Investments II, LLC, a fund managed by Evolution Capital Partners, LLC.

## PRIVATE PLACEMENTS

- *March 19<sup>th</sup>*- **C/C Financial Corp.** received \$4.62 million in funding and they plan to issue common stock, convertible debt, options, and warrants as securities in the transaction. C/C Financial Corp is a provider of lease-purchase services to customers of furniture dealers and does business as Merchants Preferred Lease-Purchase Services.
- *March 14<sup>th</sup>*- **iPawn Inc.**, an online lender of low-interest, asset-based loans, received \$4 million in its second round of funding. Rafi Gridron led the round of funding and other angel investors participated.
- *March 1<sup>st</sup>*- **Marqueta Inc.** received \$13.65 million in a round of funding from 23 investors. Greylock Partners, Granite Ventures, LLC and Commerce Ventures were three of the investors. Marqueta is a platform for the business-consumer relationship that rewards customer loyalty.
- *February 22<sup>nd</sup>*- **Dealer Funding, LLC**, a sub-prime auto finance company, received \$12.5 million in funding and issued equity securities in the transaction.
- *February 1<sup>st</sup>*- **Pelican Auto Finance, LLC** received funding from Flexpoint Ford, LLC. Flexpoint Ford is a new investor for Pelican Auto Finance and has the option to invest up to \$50 million. Pelican Auto Finance is a provider of automotive consumer loans.
- *January 31<sup>st</sup>*- **Nationwide Acceptance LLC**, received combined debt and equity funding from Prospect Capital Management, managed by Prospect Capital Corporation (NasdaqGS: PSEC), who invested \$25.2 million in the recapitalization. Nationwide Acceptance is a specialty finance company that focuses on indirect lending in the consumer auto loan business.
- *January 17<sup>th</sup>*- **Upstart Network, Inc.** received \$2.5 million of funding and issued convertible debt to the investors. Kleiner, Perkins, Caufield & Byers, New Enterprise Associates, First Round Capital, The Founders Fund, Khosla Ventures, Google Ventures, Collaborative Fund, and CrunchFund all participated in the round. Upstart Network is a funding platform and mentoring network that matches customers with financial backers.
- *January 17<sup>th</sup>*- **BillFloat, Inc.** raised \$21 million in a series C round of funding. Growth Capital, a new investor, led the round and the company has raise \$36.9 million to date. BillFloat is a financial services technology company that provides flexible lines of credit to customers.
- *January 15<sup>th</sup>*- **Prosper Marketplace, Inc.** issued 138,681,680 series A preferred shares at \$0.1442 per share for gross proceeds of \$20 million. Prosper Marketplace plans to have an IPO and at this time the preferred shares will turn into common shares. 34 investors participated in this round with some being Accel Management Co, Inc, Sequoia Capital, Draper Fisher Jurvetson, CrossLink capital, Atlanticus Holdings Corporation (NasdaqGS: ATLC), Omidyar Network, Volition Capital LLC, TomorrowVentures, LLC, and QED Partners LLC. Prosper Marketplace is in the peer-to-peer lending industry giving individuals the ability to request a loan or to invest in personal loans .



## Specialty Finance Market Update

### Analysis of Comparable Publicly Traded Financial Services Companies

(US\$ in millions, except per share data)

Company	Ticker	Market Statistics		Operating Metrics							Valuation Metrics							
		Mkt Cap 9/9/13	Enterprise Value	Sales		EBITDA			Net Income		EV / Sales		EV / EBITDA			P/E		Price/BV
				LTM	LTM	Margin	2013 E	LTM	2013 E	2014 E	LTM	LTM	2013 E	2014 E	LTM	2013 E	2014 E	2013 E
<b><i>Specialty Finance:</i></b>																		
Asta Funding Inc.	ASFI	\$111.3	\$118.7	\$44.3	\$6.7	15.1%	NA	\$2.4	NA	NA	2.68x	17.8x	NA	NA	46.8x	NA	NA	0.7x
Encore Capital Group, Inc.	ECPG	\$1,094.7	\$1,980.4	\$594.1	\$179.0	30.1%	\$301.4	\$85.2	\$92.1	\$109.0	3.33x	11.1x	6.6x	5.0x	12.8x	11.9x	10.0x	2.1x
Medallion Financial Corp.	TAXI	\$316.1	\$617.4	\$32.2	\$18.7	58.0%	NA	\$6.0	\$29.7	\$25.4	NM	NM	NA	NA	NM	10.7x	12.5x	1.4x
Portfolio Recovery Associates Inc.	PRAA	\$2,966.3	\$3,347.0	\$657.3	\$342.1	52.0%	\$307.0	\$200.2	\$168.7	\$265.3	5.09x	9.8x	10.9x	9.4x	14.8x	17.6x	11.2x	3.7x
Regional Management Corp.	RM	\$390.2	\$689.5	\$144.4	\$57.9	40.1%	\$65.2	\$26.8	\$30.6	\$37.0	4.78x	11.9x	10.6x	8.6x	14.6x	12.8x	10.6x	2.7x
<b>Mean</b>						<b>39.1%</b>					<b>3.97x</b>	<b>12.64x</b>	<b>9.35x</b>	<b>7.63x</b>	<b>22.25x</b>	<b>13.22x</b>	<b>11.06x</b>	<b>2.1x</b>
<b>Median</b>						<b>40.1%</b>					<b>4.05x</b>	<b>11.49x</b>	<b>10.58x</b>	<b>8.58x</b>	<b>14.69x</b>	<b>12.32x</b>	<b>10.87x</b>	<b>2.1x</b>
<b><i>Consumer Finance:</i></b>																		
Atlanticus Holdings Corporation	ATLC	\$56.6	\$246.9	\$53.5	NA	NA	NA	(\$21.9)	NA	NA	4.61x	NA	NA	NA	NM	NA	NA	12.8x
CapitalSource Inc.	CSE	\$2,261.7	\$3,065.8	\$396.1	NA	NA	NA	\$127.7	\$118.0	\$131.3	7.74x	NA	NA	NA	17.7x	19.2x	17.2x	1.5x
DFC Global Corp.	DLLR	\$458.4	\$1,304.2	\$1,122.3	\$281.5	25.1%	\$240.7	\$50.6	\$51.9	\$56.5	1.16x	4.6x	5.4x	5.5x	9.1x	8.8x	8.1x	1.1x
EZCORP, Inc.	EZPW	\$952.9	\$1,196.7	\$1,047.2	\$204.3	19.5%	\$215.1	\$109.5	\$120.5	\$133.9	1.14x	5.9x	5.6x	5.0x	8.7x	7.9x	7.1x	1.0x
First Cash Financial Services Inc.	FCFS	\$1,624.1	\$1,754.3	\$632.9	\$142.6	22.5%	\$144.5	\$78.8	\$81.5	\$100.2	2.77x	12.3x	12.1x	10.0x	20.6x	19.9x	16.2x	4.4x
Imperial Holdings, Inc.	IFT	\$142.7	\$223.2	\$57.2	NA	NA	NA	\$6.9	NA	NA	3.90x	NA	NA	NA	20.6x	NA	NA	0.8x
Life Partners Holdings, Inc.	LPHI	\$39.5	\$28.3	\$17.4	(\$9.2)	(52.6%)	NA	(\$5.6)	NA	NA	1.63x	NM	NA	NA	NM	NA	NA	1.3x
QC Holdings, Inc.	QCCO	\$43.1	\$52.2	\$177.1	\$18.5	10.5%	NA	\$5.3	NA	NA	0.29x	2.8x	NA	NA	8.2x	NA	NA	0.5x
Walker & Dunlop, Inc.	WD	\$529.0	\$991.0	\$330.1	NA	NA	\$130.4	\$43.9	\$56.1	\$67.9	3.00x	NA	7.6x	6.4x	12.1x	9.4x	7.8x	1.4x
World Acceptance Corp.	WRLD	\$977.2	\$1,414.7	\$596.1	\$192.8	32.3%	\$202.1	\$104.3	\$96.9	\$109.6	2.37x	7.3x	7.0x	6.7x	9.4x	10.1x	8.9x	2.8x
<b>Mean</b>						<b>9.6%</b>					<b>2.86x</b>	<b>6.59x</b>	<b>7.54x</b>	<b>6.71x</b>	<b>13.29x</b>	<b>12.56x</b>	<b>10.89x</b>	<b>2.8x</b>
<b>Median</b>						<b>21.0%</b>					<b>2.57x</b>	<b>5.86x</b>	<b>7.00x</b>	<b>6.35x</b>	<b>10.72x</b>	<b>9.76x</b>	<b>8.51x</b>	<b>1.3x</b>
<b><i>Automotive Financing:</i></b>																		
America's Car-Mart Inc.	CRMT	\$397.9	\$500.0	\$477.2	\$55.8	11.7%	\$57.9	\$31.1	\$30.8	\$34.4	1.05x	9.0x	8.6x	7.8x	12.8x	12.9x	11.6x	1.9x
Consumer Portfolio Services, Inc.	CPSS	\$128.8	\$1,232.5	\$90.5	NA	NA	\$96.1	\$13.2	\$13.1	\$23.4	NM	NA	12.8x	9.3x	9.8x	9.8x	5.5x	1.8x
Credit Acceptance Corp.	CACC	\$2,626.3	\$4,024.5	\$557.1	NA	NA	NA	\$229.8	\$247.6	\$280.8	7.22x	NA	NA	NA	11.4x	10.6x	9.4x	4.0x
Nicholas Financial Inc.	NICK	\$196.1	\$320.0	\$64.4	NA	NA	NA	\$20.6	NA	NA	4.97x	NA	NA	NA	9.5x	NA	NA	1.5x
<b>Mean</b>						<b>11.7%</b>					<b>4.41x</b>	<b>8.97x</b>	<b>10.73x</b>	<b>8.59x</b>	<b>10.88x</b>	<b>11.12x</b>	<b>8.81x</b>	<b>2.3x</b>
<b>Median</b>						<b>11.7%</b>					<b>4.97x</b>	<b>8.97x</b>	<b>10.73x</b>	<b>8.59x</b>	<b>10.59x</b>	<b>10.61x</b>	<b>9.35x</b>	<b>1.8x</b>
<b><i>eFinance:</i></b>																		
BGC Partners, Inc.	BGCP	\$984.8	\$616.8	\$1,795.6	NA	NA	NA	(\$397.4)	\$85.9	\$115.7	0.34x	NA	NA	NA	NM	11.5x	8.5x	2.1x
FXCM Inc.	FXCM	\$713.4	\$889.3	\$489.7	\$120.3	24.6%	\$181.9	\$4.8	\$35.1	\$45.8	1.82x	7.4x	4.9x	4.0x	NM	20.3x	15.6x	3.3x
GAIN Capital Holdings, Inc.	GCAP	\$358.3	\$308.3	\$196.5	NA	NA	NA	\$16.6	\$29.3	\$28.6	1.57x	NA	NA	NA	21.6x	12.2x	12.5x	2.0x
GFI Group Inc.	GFIG	\$489.7	\$491.0	\$887.3	NA	NA	\$55.9	(\$4.5)	\$22.6	\$37.8	0.55x	NA	8.8x	5.2x	NM	21.7x	13.0x	1.1x
IntercontinentalExchange, Inc.	ICE	\$13,150.6	\$12,506.6	\$1,370.1	\$951.8	69.5%	\$1,018.1	\$503.6	\$606.4	\$707.3	9.13x	13.1x	12.3x	11.2x	26.1x	21.7x	18.6x	3.4x



## Specialty Finance Market Update

### Analysis of Comparable Publicly Traded Financial Services Companies

(US\$ in millions, except per share data)

Company	Ticker	Market Statistics		Operating Metrics							Valuation Metrics							
		Mkt Cap 9/9/13	Enterprise Value	Sales		EBITDA			Net Income		EV / Sales		EV / EBITDA			P/E		Price/BV
				LTM	LTM	Margin	2013 E	LTM	2013 E	2014 E	LTM	LTM	2013 E	2014 E	LTM	2013 E	2014 E	2013 E
Investment Technology Group Inc.	ITG	\$610.6	\$361.0	\$510.0	NA	NA	\$111.7	\$14.2	\$30.6	\$36.9	0.71x	NA	3.2x	3.0x	42.9x	19.9x	16.5x	1.5x
KCG Holdings, Inc.	KCG	\$1,022.5	\$891.4	\$493.2	\$147.4	29.9%	\$145.6	(\$37.4)	\$65.1	\$93.8	1.81x	6.0x	6.1x	3.0x	NM	15.7x	10.9x	1.1x
MarketAxess Holdings Inc.	MKTX	\$2,060.6	\$1,916.3	\$219.8	\$111.0	50.5%	\$116.0	\$63.0	\$65.0	\$75.4	8.72x	17.3x	16.5x	13.8x	32.7x	31.7x	27.3x	7.6x
The Nasdaq OMX Group, Inc.	NDAQ	\$5,229.2	\$7,580.2	\$3,057.0	\$875.0	28.6%	\$834.5	\$404.8	\$426.3	\$497.8	2.48x	8.7x	9.1x	7.8x	12.9x	12.3x	10.5x	0.9x
<b>Mean</b>						<b>40.6%</b>					<b>3.01x</b>	<b>10.50x</b>	<b>8.70x</b>	<b>6.87x</b>	<b>27.24x</b>	<b>18.55x</b>	<b>14.82x</b>	<b>2.6x</b>
<b>Median</b>						<b>29.9%</b>					<b>1.81x</b>	<b>8.66x</b>	<b>8.78x</b>	<b>5.20x</b>	<b>26.11x</b>	<b>19.93x</b>	<b>12.96x</b>	<b>2.0x</b>
<b><i>Fin Tech:</i></b>																		
Advent Software, Inc.	ADVS	\$1,532.9	\$1,362.3	\$370.8	\$71.4	19.3%	\$105.9	\$28.8	\$62.8	\$67.5	3.67x	19.1x	12.9x	10.4x	NM	24.4x	22.7x	(13.4x)
Broadridge Financial Solutions, Inc.	BR	\$3,650.6	\$3,909.1	\$2,430.8	\$453.0	18.6%	\$476.2	\$214.6	\$231.7	\$254.3	1.61x	8.6x	8.2x	7.5x	17.0x	15.8x	14.4x	4.5x
CoreLogic, Inc.	CLGX	\$2,521.2	\$3,115.5	\$1,644.3	\$349.6	21.3%	\$468.0	\$137.5	\$171.3	\$173.4	1.89x	8.9x	6.7x	6.8x	18.3x	14.7x	14.5x	2.2x
Fiserv, Inc.	FISV	\$13,057.1	\$16,690.1	\$4,648.0	\$1,381.0	29.7%	\$1,564.0	\$573.1	\$769.9	\$858.5	3.59x	12.1x	10.7x	9.9x	22.8x	17.0x	15.2x	3.8x
Lender Processing Services, Inc.	LPS	\$2,751.2	\$3,681.8	\$1,939.0	\$367.3	18.9%	\$465.2	\$150.7	\$200.4	\$207.4	1.90x	10.0x	7.9x	7.9x	18.3x	13.7x	13.3x	4.5x
Moneygram International Inc.	MGI	\$1,157.7	\$2,286.7	\$1,398.6	\$282.4	20.2%	\$282.7	\$85.7	\$70.8	\$84.6	1.64x	8.1x	8.1x	7.5x	13.5x	16.4x	13.7x	(2.7x)
The Western Union Company	WU	\$10,161.1	\$12,476.7	\$5,557.6	\$1,558.4	28.0%	\$1,386.5	\$707.3	\$795.3	\$883.3	2.24x	8.0x	9.0x	8.5x	14.4x	12.8x	11.5x	10.9x
<b>Mean</b>						<b>22.3%</b>					<b>2.36x</b>	<b>10.69x</b>	<b>9.06x</b>	<b>8.33x</b>	<b>17.38x</b>	<b>16.39x</b>	<b>15.04x</b>	<b>1.4x</b>
<b>Median</b>						<b>20.2%</b>					<b>1.90x</b>	<b>8.91x</b>	<b>8.21x</b>	<b>7.90x</b>	<b>17.63x</b>	<b>15.76x</b>	<b>14.35x</b>	<b>3.8x</b>
<b><i>Private Investment Firms:</i></b>																		
American Capital, Ltd.	ACAS	\$3,888.7	\$4,209.1	\$597.0	\$394.0	66.0%	NA	\$245.6	\$253.3	\$278.2	7.05x	10.7x	NA	NA	15.8x	15.4x	14.0x	0.7x
Ares Capital Corporation	ARCC	\$4,644.5	\$7,106.4	\$803.9	\$545.5	67.9%	NA	\$243.7	\$417.3	\$434.9	8.84x	13.0x	NA	NA	19.1x	11.1x	10.7x	1.1x
Garrison Capital Inc.	GARS	\$241.8	\$405.2	\$24.1	NA	NA	NA	\$7.9	\$20.7	\$23.3	NM	NA	NA	NA	30.7x	11.7x	10.4x	1.0x
Hercules Technology Growth Capital, Inc.	HTGC	\$922.2	\$1,365.8	\$116.8	\$88.3	75.6%	NA	\$35.7	\$71.9	\$80.0	NM	15.5x	NA	NA	25.9x	12.8x	11.5x	1.5x
Monroe Capital Corporation	MRCC	\$130.0	\$130.0	NA	NA	NA	NA	NA	\$11.6	\$13.0	NA	NA	NA	NA	11.2x	10.0x	NA	
PennantPark Investment Corporation	PNNT	\$776.7	\$1,096.1	\$128.5	NA	NA	NA	\$40.8	\$67.5	\$74.3	8.53x	NA	NA	NA	19.0x	11.5x	10.4x	1.1x
TICC Capital Corp.	TICC	\$512.4	\$934.7	\$78.5	NA	NA	NA	\$22.5	\$55.5	\$58.4	NM	NA	NA	NA	22.8x	9.2x	8.8x	1.0x
Triangle Capital Corporation	TCAP	\$807.9	\$1,033.4	\$101.0	\$82.0	81.2%	NA	\$39.3	\$61.8	\$66.4	NM	12.6x	NA	NA	20.5x	13.1x	12.2x	1.9x
<b>Mean</b>						<b>72.7%</b>					<b>8.14x</b>	<b>12.94x</b>	<b>NA</b>	<b>NA</b>	<b>21.97x</b>	<b>12.00x</b>	<b>11.00x</b>	<b>1.2x</b>
<b>Median</b>						<b>71.7%</b>					<b>8.53x</b>	<b>12.81x</b>	<b>NA</b>	<b>NA</b>	<b>20.54x</b>	<b>11.60x</b>	<b>10.56x</b>	<b>1.1x</b>
<b><i>Real Estate Financing:</i></b>																		
ARMOUR Residential REIT, Inc.	ARR	\$1,498.1	\$22,281.7	\$787.2	NA	NA	NA	\$471.5	\$266.4	\$245.0	NM	NA	NA	NA	3.2x	5.6x	6.1x	0.7x
Fidelity National Financial, Inc.	FNF	\$5,487.8	\$6,363.8	\$8,614.7	\$1,130.9	13.1%	\$894.0	\$560.2	\$422.7	\$419.2	0.74x	5.6x	7.1x	7.2x	9.8x	13.0x	13.1x	1.3x
First Acceptance Corp.	FAC	\$69.6	\$35.5	\$236.4	\$12.2	5.1%	NA	\$5.0	NA	NA	0.15x	2.9x	NA	NA	14.1x	NA	NA	1.0x
Meta Financial Group, Inc.	CASH	\$226.6	\$295.6	\$90.0	NA	NA	NA	\$9.6	\$17.3	\$18.6	3.28x	NA	NA	NA	23.7x	13.1x	12.2x	1.8x
MFA Financial, Inc.	MFA	\$2,650.3	\$11,676.6	\$343.8	NA	NA	NA	\$193.6	\$284.8	\$297.9	NM	NA	NA	NA	13.7x	9.3x	8.9x	0.8x
Nationstar Mortgage Holdings Inc.	NSM	\$4,893.3	\$14,142.4	\$1,304.1	NA	NA	\$971.5	\$299.0	\$419.2	\$630.4	NM	NA	14.6x	10.2x	16.4x	11.7x	7.8x	5.2x
PHH Corporation	PHH	\$1,263.5	\$6,614.5	\$2,896.0	NA	NA	\$294.1	\$249.5	\$58.1	\$113.2	2.28x	NA	NM	NM	5.1x	21.7x	11.2x	0.8x



## Specialty Finance Market Update

### Analysis of Comparable Publicly Traded Financial Services Companies

(US\$ in millions, except per share data)

Company	Ticker	Market Statistics		Operating Metrics							Valuation Metrics							
		Mkt Cap 9/9/13	Enterprise Value	Sales	EBITDA			Net Income			EV / Sales	EV / EBITDA			P/E			Price/BV
				LTM	LTM	Margin	2013 E	LTM	2013 E	2014 E	LTM	LTM	2013 E	2014 E	LTM	2013 E	2014 E	2013 E
Walker & Dunlop, Inc.	WD	\$529.0	\$991.0	\$330.1	NA	NA	\$130.4	\$43.9	\$56.1	\$67.9	3.00x	NA	7.6x	6.4x	12.1x	9.4x	7.8x	1.4x
<b>Mean</b>						9.1%					1.89x	4.27x	9.76x	7.92x	12.24x	11.98x	9.57x	1.6x
<b>Median</b>						9.1%					2.28x	4.27x	7.60x	7.17x	12.88x	11.67x	8.90x	1.1x

Source: Cap IQ





MERGERS & ACQUISITIONS

CAPITAL RAISING

ADVISORY

VALUATION

## EXECUTIVES & PRINCIPALS

Joel Magerman  
Managing Partner

Dan Avnir  
Managing Director

Kurt Bermond  
Managing Director

Volfi Mizrahi  
Managing Director

Dan Pickens  
Managing Director

John Poeta  
Managing Director

Edward Wu  
Managing Director

Christopher Kelm  
COO

## SELECTED SPECIALTY FINANCE TRANSACTIONS

**\$240,000,000**



**J.G. WENTWORTH MANAGEMENT COMPANY, INC.**

has sold a majority stake in the company through a leveraged buyout transaction to

**JLL PARTNERS**

Bryant Park Capital initiated the transaction and acted as financial advisor to J.G. Wentworth Management Company, Inc.

**\$40,000,000**



**SETTLEMENT FUNDING, LLC d/b/a PEACHTREE FINANCIAL SOLUTIONS**

a wholly-owned subsidiary of PEACH HOLDINGS, INC.

entered into a

**Credit Facility**

to finance pre-settlement funding assets

Bryant Park Capital, Inc. acted as financial advisor to Peach Holdings, Inc. in connection with this transaction.



**SETTLEMENT FUNDING, LLC d/b/a PEACHTREE FINANCIAL SOLUTIONS**

a wholly-owned subsidiary of

**PEACH HOLDINGS, INC.**

entered into a

**Lottery Financing Facility**

Bryant Park Capital, Inc. initiated and acted as financial advisor to Peach Holdings, Inc. in connection with this transaction.

**\$50,000,000**




**CASHREADY LLC**

**Portfolio Purchase**

**Credit Facility**

Bryant Park Capital, Inc. acted as the exclusive financial advisor to CashReady LLC in this transaction.

**\$25,000,000**




**LEISURE CONCEPTS MANAGEMENT AND CONTEXT RV CONVERSION FUND I, L.P.**

**Acquisition Line of Credit and Consumer Finance Line of Credit**

Bryant Park Capital, Inc. acted as financial advisor to Leisure Concepts Management in connection with this transaction.


**£25,200,000**



**THE MONEY PORTAL PLC**

**Convertible Cumulative Redeemable Preference Shares**

Bryant Park Capital acted as financial advisor to The Money Portal PLC in connection with this transaction.



**JGWPT HOLDINGS, LLC**

**Valuation Services**

Bryant Park Capital Valuation Services LLC provided valuation services to JGWPT Holdings, LLC.



**123 LUMP \$UM HOLDINGS, LLC**

**Private Placement of Preferred Stock**

with

**GCP Capital Partners**

Bryant Park Capital Securities, Inc. acted as exclusive financial advisor and sole private placement agent to 123 LumpSum Holdings, LLC in connection with this transaction.

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### Why Bryant Park?

- Specialty Finance Experience
  - We have extensive experience working with and advising specialty finance and balance sheet driven businesses
    - We understand the issues
    - We know how to analyze the company
    - We know how to position it properly
  - Access to Capital Sources
    - Extensive network of investors, lenders and buyers in the space
  - Proven Track Record
    - Have consistently brought incremental value to our clients

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