



Kondaur Capital Corporation Purchases \$378 Million in Distressed Assets

January 21, 2009 – Kondaur Capital Corporation (“Kondaur”), a company focused on the acquisition of distressed and undervalued residential mortgage loans, purchased nearly 2,000 distressed loans during the month of December, totaling \$378 million in unpaid balances. The company relies on its own servicing platform to handle acquisition and eventual liquidation of both performing and non-performing residential mortgage loans. It examines all aspects of the loan including the credit of the borrower and value of the home and then arranges terms that benefit all parties, especially the property owners who get concrete help either to stay in their homes or leave with as much dignity, and cash, as possible.

Jon Daurio, co-founder and CEO of Kondaur, noted that the company’s asset managers, called “Combat Loss MitigatorsTM,” are specially trained to “create the sophisticated solutions, which are vital to the survival of both borrowers and lenders in the current market.” Combat Loss MitigatorsTM undertake highly detailed and time-intensive due diligence, producing a determination of “whether borrowers have the ability and desire to pay and stay or should sell and go,” Daurio adds. Upon completion, single or multiple loans are then purchased and typically the only requirement or obligation of the seller is to provide clean title to the loan. Customer service is critical to loss mitigation, according to Daurio, who says it is absolutely necessary to have staff adequately trained and experienced to deal with borrowers in these times with sensitivity and knowledge sufficient to determine and execute the resolution with the best interests of both the loan owner and the borrower in mind.

JAM Equity Partners, LLC and its affiliates (“JAM”) provided the initial funding for Kondaur in 2007. Kondaur recently announced receipt of a commitment for in excess of \$175 million in additional capital from a New York-based investment firm which will further expand the company’s loan purchasing capacity.

JAM Partner, Mike Sekits, said, “We are excited about the accomplishments of the Kondaur team since our investment just 18 months ago and see similar opportunities to provide seed and growth capital to asset managers in other distressed asset classes.”

About JAM

JAM Equity Partners is an affiliate of Jacobs Asset Management, an established, highly successful money manager with approximately \$400 million under management. JAM Equity Partners was founded by Sy Jacobs, Bill Roy and Mike Sekits to make and manage long term, high return investments into financial services businesses. JAM Equity Partners is the general

partner of JAM Special Opportunities Fund I & II (“JSOF I & II”), private equity funds dedicated to investing in financial services. JSOF I closed on \$45 million of committed capital in May 2006. JSOF II had an initial closing of \$29 million in November 2008 and is targeting \$75 million in total commitments by February 2009. www.jampartners.com

About Kondaur

Kondaur Capital Corporation maximizes bids for “scratch and dent” loans through its unique management, servicing and liquidation strategies. Kondaur purchases single or multiple loans typically within two to three business days of completing its due diligence. More often than not, the seller’s only requirement and obligation is that it has good title to the loan and has the right to sell it free and clear of liens or other encumbrances. www.kondaur.com

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