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FOR FURTHER INFORMATION

AT CV HOLDINGS, INC:

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Press Release

CV Holdings, Inc. Update and Financial Statements For Year Ended December 31, 2016.

Newport Beach, CA, PRNewswire/ CV Holdings, Inc. (Other OTC: CVHL) (the “Company”) today reported a net loss for the year ended December 31, 2016 of \$(5,103,555) or \$(0.10) per common share based on 49,348,916 weighted average common shares issued and outstanding during 2016. Taking into account the December 31, 2016 balance of 53,241,746 common shares issued and outstanding and 12,344,813 warrants and stock options outstanding, the net loss was \$(0.08) per diluted common share with 65,586,559 common shares outstanding on a fully diluted basis. The foregoing numbers do not include 25,172 shares of issued and outstanding redeemable preferred stock of the Company, none of which are convertible into shares of the Company’s common stock. The net loss of \$(5,103,555) for the year ended December 31, 2016 was primarily due to: paid in kind dividends on preferred equity included in interest expense of \$2,195,068, as well as general and administrative expenses of \$1,547,722.

For comparative purposes, for the year ended December 31, 2015 the Company reported a net loss of \$(2,123,270) or \$(0.05) per common share with 44,029,555 weighted average common shares issued and outstanding during the year. Taking into account the December 31, 2015 balance of 48,704,098 common shares issued and outstanding and 14,137,095 warrants and stock options outstanding, the net loss was \$(0.03) per diluted common share with 62,841,193 common shares outstanding on a fully diluted basis. The foregoing numbers do not include 22,788 shares of issued and outstanding redeemable preferred stock of the Company, none of which are convertible into shares of the Company’s common stock.

Liquidity

As of December 31, 2016, the Company had total cash of \$13,431,015, as compared to \$22,671,788 of cash as of December 31, 2015. For the year ended December 31, 2016 the Company’s primary sources of cash flow consisted of various fees it earned from its investment management activities in its non-performing residential loan business (the “NPL business”), as well as from return of principal from its investment in the same. For 2017, the Company anticipates increased revenue derived from investments in the three recently-established businesses mentioned in the Company’s November 28, 2016 and April 25, 2016 press releases,

namely CV Capital Funding, Centra Funding and VenSource (all described further below). As of March 31, 2017, the Company had total cash of \$30,922,467, primarily as a result of a further investment by affiliates of Tricadia Capital Management (“Tricadia” or the “Investor”) in exchange for the Company’s Senior Perpetual Preferred Stock (the “Tricadia Perpetual Preferred”). The terms of the Tricadia Perpetual Preferred were previously disclosed in the Company’s April 25, 2016 press release and are part of Tricadia’s overall \$50,000,000 commitment to the Company. Further details are described below under “Tricadia Incremental Investment”.

As of December 31, 2016, the Company had recourse obligations totaling \$1,675,000 representing the issuance of Senior Preferred Stock (the “Senior Preferred”) to the institutional partner (“NPL Investor”) in its NPL business. Details of such investment were disclosed in the Company’s press release of October 6, 2014. The Company has the option to pay or accrue the 10% dividend on the Senior Preferred. The Company does not currently intend to issue any additional Senior Preferred to the NPL Investor. The Company also has the right and intention to redeem the Senior Preferred on or before its various “holder put” dates under such agreement starting in October 2017.

In September 2016, the Company purchased a non-recourse promissory note obligation of the Company with an outstanding balance as of such date of \$1,075,988. The Company has eliminated the note in its consolidated financial results.

During 2015, LongVue Mortgage Capital, Inc. (“LongVue”), a wholly-owned subsidiary of the Company, secured a working capital line of credit with a maximum borrowing limit of \$1,000,000. The purpose of the line of credit was to provide liquidity for certain servicing advances associated with the servicing of NPLs held by the joint venture with the NPL Investor. The line of credit bears interest at 1.0% above prime, adjustable on a monthly basis, was extended on August 20, 2016 and can be extended, on an annual basis, through August 20, 2020 providing no default(s) exist. The line of credit is secured by cash deposits held by the lender, although there are no restrictions on the cash deposits. As of December 31, 2016, the outstanding balance on the line was zero with securing cash balances of \$405,156, and LongVue was in compliance with all covenants in the credit agreement.

Tricadia Incremental Investment

On June 29, 2015, Tricadia purchased \$20,000,000 of the Company’s Non-Convertible Senior Preferred Stock (the “Tricadia Senior Preferred”) and shares of the Company’s common stock, as described in the press release dated June 30, 2015. Tricadia’s investment was the first purchase pursuant to a potential \$50,000,000 funding commitment. The purpose of the Tricadia investment, as previously described in the Company’s June 2015 press release, is to provide capital to the Company to assist it in building additional internal finance company verticals, as well as to provide co-investment capital to its NPL business, all as approved by Tricadia. The Company also entered additional agreements and amended its charter to provide for the incremental committed funding of up to \$30,000,000 in the form of new Perpetual Preferred Stock (“Tricadia Perpetual Preferred”), the principal terms of which are described in our April 2016 press release.

If the full \$30,000,000 of the Tricadia Perpetual Preferred were to be issued to the Investor, the Investor could also acquire an additional 30% of the Company on a fully diluted basis, after receipt of shares of the Company's common stock issuable upon an exchange of the Tricadia Perpetual Preferred for the Tricadia Senior Preferred and associated common stock, all pursuant to the terms of the Tricadia Perpetual Preferred. In addition, the Investor will have pre-emptive rights in respect of any new issuances of securities by the Company. No assurances can be given that the Investor will purchase shares of the Tricadia Perpetual Preferred and/or additional shares of the Tricadia Senior Preferred or that the Company will agree with the Investor on the manner of deployment of any capital received pursuant to such purchase.

On a pro forma basis, assuming the full \$30,000,000 Tricadia Perpetual Preferred investment is funded and subsequently exchanged for Tricadia Senior Preferred and associated common stock (as more fully described in the Company's April 2015 press release), the Company's outstanding fully diluted shares of common stock will increase from the current fully diluted share count of 65,586,559 to 100,972,770, and the Investor will have acquired approximately 50% of these shares pursuant to these transactions. The number of shares issuable is subject to further change to reflect any additional issuances that increase the number of shares necessary to provide the Investor with 1% of the fully diluted capital stock of the Company for each \$1,000,000 invested.

On February 6, 2017, the Company requested and Tricadia funded \$20,000,000 under the "Senior Perpetual Preferred" commitment. Accordingly, to date, Tricadia has funded a total of \$40,000,000 of its \$50,000,000 commitment, in the form of a \$20,000,000 investment in Tricadia Senior Preferred and a \$20,000,000 investment in Tricadia Perpetual Preferred. On December 21, 2016 Tricadia requested and the Company issued 2,621,596 common shares to Tricadia pursuant to its original \$20,000,000 Tricadia Senior Preferred investment.

Financial Reporting

Included in this press release are the audited consolidated balance sheets, statements of operations, and statements of cash flows of CV Holdings Inc. and its subsidiary entities as of and for the years ended December 31, 2016 and December 31, 2015.

Update on the Business

Non Performing Loan ("NPL") Business

The Company's original core business, as described in our prior press releases and below, was the investment and management of non-performing residential loans and Real Estate Owned ("REO") properties. The Company has sponsored and invested in multiple real estate joint ventures primarily focused on investing in NPLs. During 2016, the Company purchased portfolios of NPLs totaling approximately \$10,500,000 in all-in acquisition price, representing \$17,800,000 of unpaid principal balance, secured by underlying real estate with a market value in excess of \$17,200,000. The Company, in its capacity as the sponsor of WestVue NPL

Venture, LLC, successfully completed its first securitization on November 6, 2015. The highlights of the securitization can be found in our press release of November 9, 2015. As of December 31, 2016, the Company's assets under management consisted of 602 assets with an aggregate purchase price of \$86,200,000 representing \$145,500,000 of unpaid principal balance, secured by underlying real estate with a market value of approximately \$139,000,000. This compares to 791 assets with a purchase price of \$115,900,000 representing \$202,700,000 of unpaid principal balance, secured by underlying real estate with a market value of approximately \$186,500,000 as of December 31, 2015.

The year over year reductions in NPLs purchased and assets under management result from the decision by the Company's previous institutional investor (the "Previous Institutional Investor") not to invest additional funds above its initial (and now fully invested) commitment of \$50,000,000. The \$100,000,000 warehouse facility associated with the WestVue joint venture with the Company's Previous Institutional Investor has since been repaid in full and terminated. The Company successfully secured a \$10,000,000 separate account with a new institutional investor, intending to raise additional debt and equity capital to complete another securitization. Through March 31, 2017 \$4,700,000 of this equity has been called and deployed, in conjunction with \$6,100,000 of debt through a new warehouse line. The remainder of the equity commitment and warehouse line availability is dependent on other factors including raising incremental equity sufficient to achieve a new securitization. Additional fundraising for this separate account at year end was slower than had been anticipated, and the Company continues to explore other fundraising opportunities. The Company can give no assurances that such efforts will be successful.

VenSource

On April 7, 2016, the Company entered into a commitment to invest up to \$15,000,000 into a newly-created joint venture entity between an affiliate of the Company and VS Capital LLC. The joint venture entity operates as VenSource Management, LLC or VenSource Capital, LLC ("VenSource Management" or "VenSource Capital") and manages the Company's invested capital in an entity indirectly owned entirely by the Company, VenSource Holdings, LLC ("VenSource Holdings") (such entities and transactions collectively, "VenSource"), based in Wilton, CT. VenSource is focused on the venture leasing and equipment finance business. The venture leasing business provides leases on critical equipment to venture-backed companies, typically in the high tech and biotech/life sciences industries. Lessees have typically completed one or more rounds of preferred equity financing, have proven revenue models and are backed by reputable venture capital firms. The principals of VS Capital LLC, who manage the day to day operations of VenSource, have a 30-year track record in the venture leasing and equipment leasing business and have an actively-managed pipeline of opportunities, typically three-year, fully-amortizing leases.

Under the VenSource business, the Company indirectly owns 50% of the operating management company, VenSource Management, and 100% of the investment entity, VenSource Holdings. VenSource Holdings will pay VenSource Management various management fees, as well as a success-based performance fee. It is the Company's expectation that it will seek to raise

additional third party capital to augment the Company's initial seed investment in VenSource Holdings.

As of December 31, 2016, VenSource originated equipment financing transactions totaling \$3,600,000 and continues to build its pipeline. The Company's strategy is to invest at least \$10,000,000 in new transactions, seek a leverage facility and then raise additional equity to expand the business.

Centra Funding, LLC

On November 28, 2016 the Company, through a newly formed subsidiary, Centra Funding, LLC ("Centra") closed the acquisition of Centra Leasing, Inc., more fully described in the Company's November 28, 2016 press release. Centra is a wholly-owned subsidiary of CV Holdings, Inc. Centra's business is focused on commercial "small ticket" equipment leases or finance contracts. Originations utilize a vendor-based model. Centra's business is nationwide across multiple industries, with individual leases or finance contracts less than \$100,000. As of March 31, 2017, Centra had closed on transactions totaling approximately \$1,900,000. On May 1, 2017 Centra successfully closed on a \$20,000,000 warehouse debt facility with an affiliate of Wells Fargo Bank (Lender) that is expandable, as agreed to by Centra and Lender, to \$30,000,000. The debt facility allows Centra to borrow up to 80% of eligible collateral under its borrowing base and has an initial maturity of 3 years.

CV Capital Funding, LLC

On December 14, 2016, the Company committed \$20,000,000 to a newly-established commercial real estate bridge lending business, which operates under the name CV Capital Funding, LLC ("CVCF"). CVCF provides capital for a wide range of real estate asset classes in the US, with a concentration in the New York metropolitan area, New Jersey, Connecticut, Delaware, Pennsylvania and Florida. CVCF focuses on bridge loans secured by commercial real estate assets and other assets related to special situations. Property types considered include: multi-unit residences, industrial, office, hospitality and other commercial properties. Core financial products offered are diverse, with anticipated loan sizes ranging from \$500,000 to \$20,000,000.

As of March 31, 2017, the Company had made three loans, totaling \$3,450,000 in principal. The Company is seeking to invest at least \$10,000,000 in new transactions, obtain a leverage facility and subsequently raise additional equity to expand the business.

Details on each business are available by visiting our website at: www.cvhldgs.com.

Potential change to Real Estate Investment Trust ("REIT") status

As a result of the non-real estate finance businesses, the Company recognizes it will generate income that over time will cause it to cease to qualify as a REIT. The Company expects to

become subject to taxation as a C-Corp in the near future and could cease to qualify as a REIT as early as 2017.

Non-Core Discontinued Businesses

Collateralized Debt Obligations

In 2006 and 2007, the Company issued two different series of collateralized debt obligations (“CDOs”). The CDO bonds are non-recourse to the Company. The CDO bonds contain interest coverage and asset over-collateralization covenants that must be met in order for the Company to receive cash flow distributions from its investment in the CDOs as well as a portion of its collateral management fee. As previously announced, both CDOs have failed the over-collateralization tests. As a result of these failures, net cash flows (other than the senior collateral management, advancing agent and special servicing fees from CDO I and advancing agent fees from CDO II) from both CDOs continues to be diverted to pay down principal owed to the senior bondholders.

The Company’s investment in CDO I (2006) at the time of its formation was \$91,500,000. As of December 31, 2016, approximately \$82,800,000 of outstanding third-party debt was senior to the Company’s investment in CDO I. Such debt exceeds the market value as determined by the Company of CDO I’s underlying assets. CDO I has realized losses totaling approximately \$106,800,000 as of December 31, 2016. Several of the Company’s remaining investments within this CDO are either in default or the Company has reasonable expectations that they will go into default. As a result, the Company does not expect to recover any of its \$91,500,000 investment in CDO I. The Company continues to act as the collateral manager for CDO I and therefore continues to receive the senior collateral management, advancing agent and special servicing fees associated with CDO I.

The Company’s investment in CDO II (2007) at the time of its formation was \$120,000,000. As of December 31, 2016, \$235,400,000 of outstanding third-party debt within CDO II was senior to the Company’s investment. Such debt exceeds the market value as determined by the Company of CDO II’s underlying assets. This CDO has realized losses well in excess of the Company’s investment, and the Company does not expect to recover any of its \$120,000,000 investment in CDO II. In July 2009, the Company was removed as the collateral manager for CDO II by MBIA, the controlling class of CDO II bondholders.

Dividends

The Company has suspended dividends on shares of its outstanding common stock since the fourth quarter of 2008, and dividends are expected to remain suspended for the foreseeable future.

Litigation

As of December 31, 2016, the Company did not have any litigation other than ordinary course of business litigation involving the NPL portfolios.

Financial Statements

Prior to the year ended December 1, 2010, the Company consolidated the CDOs into its financial statements. However, based on the guidance provided by the Consolidations Topic (Topic 810) of the Financial Accounting Standards Board Accounting Standards Codifications, when an entity that was previously consolidated as a variable interest entity, or VIE, has events which potentially change the primary beneficiary, the Company needs to evaluate whether or not the entity is still a VIE and therefore whether the entity should be shown as part of the Company's consolidated financial statements. As of December 31, 2010, and as of the date hereof, the Company had, and continues to have, no reasonable prospect or right to recover any of its investment in either or the CDOs discussed above, nor is it obligated to absorb any further CDO losses beyond its initial investment. As such, the Company no longer had the risks or rewards typically associated with ownership. Therefore, beginning as of December 2010, the Company was no longer the primary beneficiary of either CDO and does not include the CDO's assets, liabilities, revenues or expenses, as part of its financial statements. As a result, the accompanying consolidated financial statements do not consolidate the assets, liabilities, revenues or expenses of the CDOs. In years prior to 2010, the Company's consolidated financial statements included the assets, liabilities, revenues or expenses of the CDOs.

Below are summary audited financial statements of the Company including its consolidated balance sheets, statements of operations and statements of cash flows.

CV Holdings, Inc.
Consolidated Balance Sheets
As of December 31, 2016 and 2015

| | <u>2016</u> | <u>2015</u> |
|---|----------------------|----------------------|
| ASSETS | | |
| Cash | \$ 13,431,015 | \$ 22,671,788 |
| Management fees receivable from affiliates | 270,780 | 525,757 |
| Prepaid expenses and others assets | 418,850 | 210,552 |
| Investments in real estate assets | 466,500 | 2,395,379 |
| Loans receivable, net | 6,623,664 | - |
| Investment in real estate joint venture | 3,963,411 | 3,982,368 |
| Investments in Opportunity Funds | <u>3,088,267</u> | <u>3,349,965</u> |
| Total assets | <u>\$ 28,262,487</u> | <u>\$ 33,135,809</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | \$ 478,013 | \$ 844,841 |
| Due to affiliates, net | 17,986 | 71,321 |
| Line of credit | - | 89,160 |
| Notes payable | - | 2,138,093 |
| Mandatorily redeemable senior preferred stock, net of unamortized discount of \$44,327 and \$102,472 | <u>1,717,081</u> | <u>1,658,936</u> |
| Total current liabilities | <u>2,213,080</u> | <u>4,802,351</u> |
| Mandatorily redeemable senior non-convertible preferred stock, net of unamortized discount of \$1,728,563 and \$2,191,340 | <u>21,483,701</u> | <u>18,583,957</u> |
| Total liabilities | <u>23,696,781</u> | <u>23,386,308</u> |
| Commitments and contingencies | | |
| Stockholders' equity | | |
| Preferred stock, \$1,000 par value; 50,000 shares authorized; 2,934 issued and outstanding at December 31, 2016 and December 31, 2015; liquidation preference of \$3,729,476 and \$3,496,685, respectively | <u>2,934,000</u> | 2,934,000 |
| Common stock, \$0.01 par value; 100,000,000 shares authorized; 53,241,746 and 48,704,098 issued and outstanding at December 31, 2016 and December 31, 2015, respectively | 532,416 | 487,041 |
| Additional paid-in capital | 9,452,375 | 9,661,148 |
| Accumulated deficit | <u>(8,539,000)</u> | <u>(3,435,445)</u> |
| Total CV Holdings, Inc. stockholders' equity | <u>4,379,791</u> | 9,646,744 |
| Noncontrolling interests | <u>185,915</u> | <u>102,757</u> |
| Total stockholders' equity | <u>4,565,706</u> | <u>9,749,501</u> |
| Total liabilities and stockholders' equity | <u>\$ 28,262,487</u> | <u>\$ 33,135,809</u> |

CV Holdings, Inc.
Consolidated Statements of Operations
For the Years Ended December 31, 2016 and 2015

| | <u>2016</u> | <u>2015</u> |
|---|-----------------------|-----------------------|
| Revenue | | |
| Real estate asset sales | \$ 2,091,102 | \$ 2,129,900 |
| Cost of real estate asset sales | <u>(2,074,753)</u> | <u>(2,131,120)</u> |
| Realized gain (loss) on sale of real estate assets | 16,349 | (1,220) |
| Management fees from affiliates | 3,030,660 | 4,844,859 |
| Loss from unconsolidated entities | (232,899) | (254,911) |
| Interest income on loans receivable | 225,463 | - |
| Rent, mortgage and miscellaneous income | <u>148,106</u> | <u>25,002</u> |
| Total revenue | <u>3,187,679</u> | <u>4,613,730</u> |
| Operating expenses | | |
| Salaries and related payroll costs | 3,723,180 | 3,948,726 |
| General and administrative costs | 1,547,722 | 1,484,723 |
| Property expenses | 18,791 | 66,315 |
| Provision for loan losses | <u>23,911</u> | <u>-</u> |
| Total expenses | <u>5,313,604</u> | <u>5,499,764</u> |
| Loss from operations | (2,125,925) | (886,034) |
| Unrealized loss from investments in real estate assets | (54,313) | (42,314) |
| Interest expense | <u>3,016,695</u> | <u>1,721,779</u> |
| Loss before income tax | (5,196,933) | (2,650,127) |
| Income tax provision | <u>(15,922)</u> | <u>(24,061)</u> |
| Net loss | (5,212,855) | (2,674,188) |
| Less: net loss attributable to noncontrolling interests | <u>(109,300)</u> | <u>(550,918)</u> |
| Net loss attributable to CV Holdings, Inc. | <u>\$ (5,103,555)</u> | <u>\$ (2,123,270)</u> |

CV Holdings, Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

| | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|
| Cash flows from operating activities | | |
| Net loss | \$ (5,212,855) | \$ (2,674,188) |
| Adjustment to reconcile net loss to net cash used in operating activities: | | |
| Provision for loan losses | 23,911 | - |
| Amortization of debt discount and deferred financing costs | 599,491 | 364,033 |
| Interest on mandatorily redeemable preferred stock | 2,195,068 | 1,100,451 |
| Unrealized loss on investments in real estate assets | 54,313 | 42,314 |
| Realized loss (gain) on sale of real estate assets | (16,349) | 1,220 |
| Loss from unconsolidated entities | 232,899 | 254,911 |
| Stock-based compensation | - | 113,556 |
| Changes in operating assets and liabilities: | | |
| Management fees receivable from affiliates | 254,977 | (398,908) |
| Prepaid expenses and other assets | (208,298) | 108,557 |
| Accounts payable and accrued expenses | (366,896) | 299,857 |
| Due to affiliates, net | (53,335) | (67,403) |
| Net cash used in operating activities | <u>(2,497,074)</u> | <u>(855,600)</u> |
| Cash flows from investing activities | | |
| Funding of loan receivables | (7,102,976) | - |
| Principal payments on loans receivable | 455,401 | - |
| Purchase and capitalization of real estate assets | (200,187) | (786,713) |
| Proceeds from sale of real estate investment assets | 2,091,102 | 2,129,900 |
| Purchases of investments in Opportunity Funds | (855,834) | (1,151,006) |
| Distributions received from investment in real estate joint venture | 18,957 | 17,632 |
| Distributions received from Opportunity Funds | 884,633 | 1,249,334 |
| Net cash (used in) provided by investing activities | <u>(4,708,904)</u> | <u>1,459,147</u> |
| Cash flows from financing activities | | |
| Distributions to noncontrolling interests | (75,892) | (5,351) |
| Contributions to noncontrolling interests | 268,350 | 10,002 |
| Financing costs | - | (337,111) |
| Repayments of note payable | (2,138,093) | (1,419,333) |
| Payments on common stock repurchase | - | (79,737) |
| Proceeds from issuance of mandatorily redeemable senior non-convertible preferred stock and common stock | - | 20,000,000 |
| Proceeds from issuance of equity warrants | - | 108,170 |
| Proceeds from issuance of mandatorily redeemable senior preferred stock | - | 1,091,830 |
| Redemptions of mandatorily redeemable senior preferred stock | - | (500,000) |
| Borrowings on line of credit | - | 207,925 |
| Payments on line of credit | (89,160) | (118,765) |
| Net cash (used in) provided by financing activities | <u>(2,034,795)</u> | <u>18,957,630</u> |
| Net (decrease) increase in cash | (9,240,773) | 19,561,177 |
| Cash, beginning of year | 22,671,788 | 3,110,611 |
| Cash, end of year | <u>\$ 13,431,015</u> | <u>\$ 22,671,788</u> |

Supplemental disclosure of cash flow information:

Cash paid during the year for:

| | | |
|--------------|------------------|------------------|
| Interest | \$ 63,967 | \$ 162,291 |
| Income taxes | <u>\$ 24,322</u> | <u>\$ 15,661</u> |

About CV Holdings, Inc.

CV Holdings is a specialty finance company with ownership in finance platforms across multiple businesses, including residential non-performing loans, venture leasing, small-ticket equipment financing and commercial real estate bridge lending.

Our common stock is currently quoted on the OTC Markets Group, or OTC Markets. While not a requirement, the OTC Markets encourages companies having their securities quoted thereon to provide adequate current information in accordance with its disclosure guidelines. We will evaluate the need to issue press releases containing information similar to the information disclosed herein. We do not undertake any obligation nor do we give any assurance that we will provide timely periodic disclosures or any public disclosure at all.

We elected to qualify as a real estate investment trust, or REIT, for U.S. federal income tax purposes commencing with the taxable year ended December 31, 2005.

As a REIT, we generally will not be subject to U.S. federal income tax on that portion of our income that we distribute to our stockholders for so long as we continue to qualify as a REIT, which qualification require, among other things, that we distribute at least 90% of our annual “REIT taxable income” to our stockholders, after taking effect of any benefits provided by our net operating loss carry forward. As a result of the non-real estate finance businesses, the Company recognizes it will generate income that over time will cause the Company to cease to qualify as a REIT. The Company expects to become subject to taxation as a C-Corp in the near future and could cease to qualify as a REIT as early as 2017. We conduct our operations so as to not be or become regulated as an investment company under the Investment Company Act of 1940. The Company has not had federal taxable income since 2007 and does not expect any federal taxable income in the foreseeable future.

Forward-Looking Information and Other Information

This press release contains forward-looking statements based upon the Company’s beliefs, assumptions and expectations of its future performance, taking into account all information currently available. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to the Company or are within its control. If a change occurs, the Company’s business, financial condition, liquidity and results of operations may vary materially from those expressed in its forward-looking statements.

The factors that could cause actual results to vary from the Company’s forward-looking statements include: the U.S. general economy; the Company’s liquidity and ability to continue to cover its operating cash requirements; the Company’s ability to redeem the outstanding shares of its preferred stock when and as its obligations to do so mature; the ability to grow its new business units; the Company’s ability to raise and deploy capital in support of its current operations; the Company’s future operating results; its business operations and prospects; availability, terms and deployment of short-term and long-term capital; availability of qualified employees; changes in interest rates; adverse development in the debt securities, credit and capital markets, adverse developments in the commercial finance and real estate markets; adverse developments in the venture capital business, adverse development in the leasing

business, performance and financial condition of borrowers, lessees and corporate customers; any future litigation that may arise; the ultimate resolution of the Company's numerous defaulted loans; the performance of the Company's joint venture investments; the ability to continue to qualify as a REIT; and the ability to continue as a going concern. The Company undertakes no obligation to publicly update or revise any of the forward-looking statements.

In addition, this press release contains summary financial information about the Company. This summary financial information does not represent the entire audited financial statements of the Company.