



Hovde

PRIVATE EQUITY ADVISORS LLC

Financial Services Partners Fund I

February 2008

THE HOVDE ORGANIZATION

Hovde Private Equity Advisors LLC

Private Equity

- Founded in 1994 (as Hovde Acquisition LLC, the firm's merchant banking unit)
- Purchases both minority and majority interests in financial services companies
- Invested in 13 different companies in the financial services space since 1994, creating significant value for all company stakeholders
- Hovde Private Equity Advisors LLC is the investment adviser to Financial Services Partners Fund I, a new \$100 million private equity fund

Hovde Capital Advisors LLC

Asset Management

- Founded in 1994
- Manages a series of long/short equity hedge funds focusing on the financial services sector. The funds combine a top-down macroeconomic approach with bottom-up, deep-value analysis
- Registered Investment Adviser with approximately **\$600 million** in capital under management

Hovde Financial

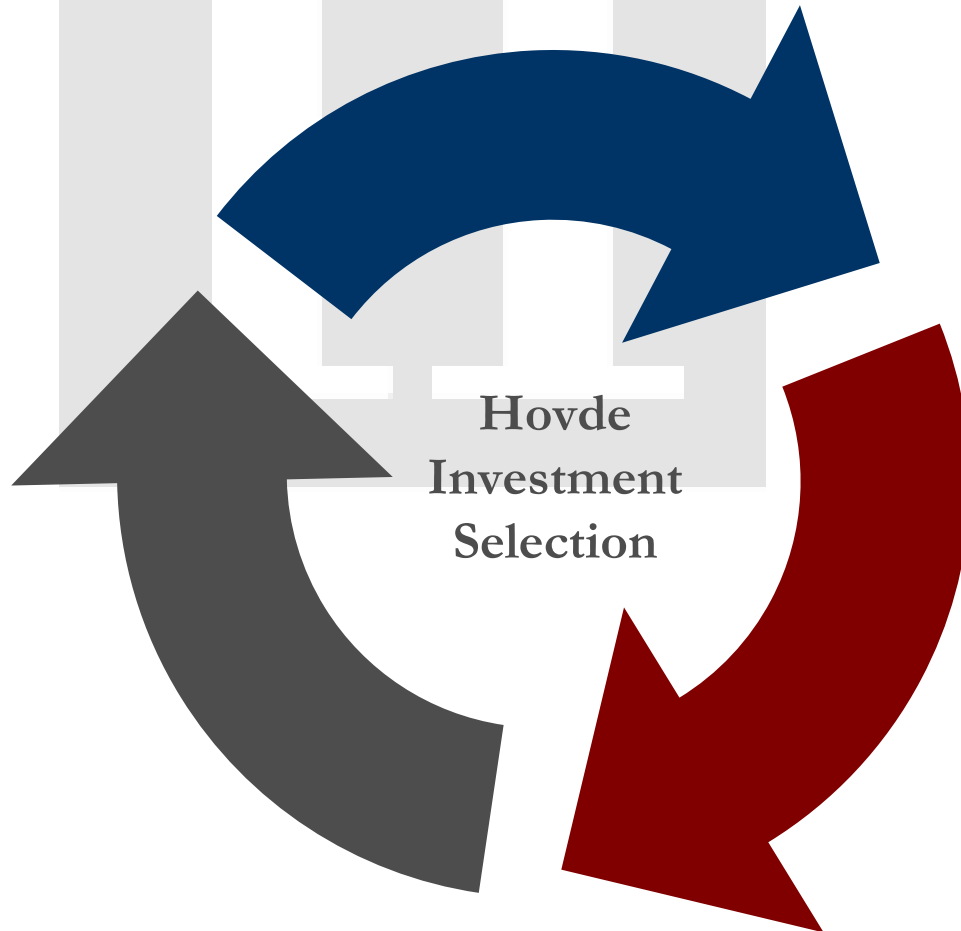
Investment Banking

- Founded in 1987
- Focuses on M&A advisory services to the financial services industry
- Consistently ranked among the nation's top investment banks in M&A transactions, structuring and negotiation, divestiture and restructurings
- Advised on over 250 transactions valued at over \$20 billion since 1987
- Hovde Securities, another Hovde entity, is a NASD-registered broker/dealer and focuses on capital-raising transactions for financial institutions



INITIAL PARTNERSHIP EVALUATION

Hovde Private Equity Advisors focuses exclusively on the financial services industry and performs an initial evaluation of the three following criteria in determining preliminary suitability of partnership opportunities:



Hovde Investment Selection:

- ↓ **SECTOR FOCUS**
 - Depository Institutions
 - Specialty Finance
 - Insurance
 - Asset Management
 - Accounts Receivable Management
 - Financial Services Outsourcing
 - Real Estate Services

- ↓ **INVESTMENT STAGE**
 - Growth
 - Management Buyouts
 - Turnarounds

- ↓ **INVESTMENT STRUCTURE**
 - Sole Investor
 - Lead Investor with Partners
 - Co-Investor

TARGET INVESTMENTS

Hovde seeks to partner with financial services companies with the following characteristics:

FRANCHISE VALUE– Possess a unique market presence, a defensible business model and competitive standing in the industry.

GROWTH ORIENTATION – Have growth opportunities and a need for capital to achieve the envisioned growth, or are financial services institutions involved in a turnaround.

PROVEN MANAGEMENT TEAM – Possess a solid senior management team that intends to remain with the company for a minimum of one to three years.

RECORD OF SUCCESS – Mature businesses beyond the start-up phase that have some operating history with a clear plan to profitability.

STRATEGIC OPPORTUNITY - Companies looking for an investment of \$5 million to \$15 million. For the right opportunities, the Fund may partner with other investors to provide \$50 million+ in equity capital.



HOVDE INVESTMENT PROCESS



A general overview of the steps in Hovde’s investment process is as follows:

1. **Strategic Discussion** – Hovde Private Equity Advisors initiates strategic discussion with potential partnership company.
2. **Confidentiality Agreement** – Both parties execute confidentiality agreement.
3. **Company Documents** – Company provides supplemental financial and ownership documents.
4. **Advanced Discussions/Term Sheet** – Hovde and company enter advanced discussions to determine structure of equity partnership and render a preliminary term sheet.
5. **Due Diligence** – Hovde conducts final, detailed due diligence of potential partner.
6. **Partnership Approval** – Hovde Investment Committee approves investment and renders the commitment letter.
7. **Closing/Release of Funds** – Final documentation is executed and funds are released.

HOVDE VALUE CREATION

Strategic Advice

Board Participation

Access to Relationships

Transactional Expertise

Maximum Returns

H Hovde has a long history of contributing valuable strategic guidance to our investment partnerships and is dedicated to helping our portfolio companies grow their businesses.

H Hovde Private Equity team members have extensive experience serving on portfolio company boards of directors.

H A long-time leader in the financial services space, Hovde enables portfolio companies to capitalize on our deep network of industry relationships.

H Utilizing our extensive transactional experience, Hovde will assist portfolio companies in the evaluation of strategic acquisitions.

H Hovde is committed to creating a profitable partnership with our portfolio companies through our infusion of capital and industry experience. Hovde will also help facilitate the liquidity event in order to achieve maximum returns for the owners of our portfolio companies.



FSPF I INVESTMENTS

Since our first closing of Financial Services Partners Fund I (“FSPF I”), Hovde’s new \$100 million private equity fund, we have been **actively seeking financial services investment opportunities**.

Two recent **spotlight investments** include:

Concord Capital Partners, Inc.

Company Overview: Concord (www.cegadvisors.com) operates in the Northeast as part of the outsourced asset management industry. Specifically, Concord, through its subsidiaries, Concord Equity Group Advisors, LLC and Indenet, LLC, provides comprehensive wealth management platforms to investment advisors (primarily bank wealth management and trust departments) that are moving away from proprietary account management to external professional management.

Investment: The Fund has invested \$5,000,000 in Concord Capital Partners, Inc.

Kinloch Holdings, Inc.

Company Overview: Kinloch is a newly formed holding company established to make insurance brokerage company and insurance client producer acquisitions in order to create a premier regional insurance brokerage firm. With this new private capital, Kinloch consummated its first platform investment by purchasing Genatt Associates, Inc., based in Long Island, New York. Genatt is one of the 100 largest regional U.S. insurance brokers with a 40-year history specializing in the brokerage of property & casualty insurance for large commercial accounts in the Northeast.

Investment: The Fund has invested \$10,000,000 in Kinloch Holdings, Inc.



HOVDE PRIVATE EQUITY TEAM

Eric Hovde



Mr. Eric Hovde serves as Chief Investment Officer and Member of the Investment Committee for Hovde Private Equity Advisors. Mr. Hovde co-founded the Hovde Organization in 1987 and currently also serves as President, CEO and Portfolio Manager for Hovde Capital Advisors, the investment adviser to the Financial Institution Partners series of hedge funds. In addition, Mr. Hovde serves as Chairman of the largest independent bank in Orange County, California. Mr. Hovde earned his degrees in Economics and International Relations at the University of Wisconsin.

Steven Hovde



Mr. Steven Hovde serves as Member of the Investment Committee for Hovde Private Equity Advisors. Mr. Hovde founded the organization's Chicago office in 1988 and currently serves as President, CEO and Director of Operations for Hovde Financial, the firm's industry-leading investment banking unit. He is a principal of the managing member of Western Acquisition Partners LLC, which owns a significant interest in Sunwest Bank of Orange County, California. Mr. Hovde also serves on the boards of directors of a \$1.6 billion-asset community bank and a \$500 million-asset community bank. He earned his law degree, cum laude, at Northwestern University in Chicago, Illinois, and he graduated summa cum laude with a Bachelor of Science degree in Business Administration from the School of Business at the University of Wisconsin.

Irv Beimler



Mr. Beimler serves as Portfolio Manager and Member of the Investment Committee for Hovde Private Equity Advisors. Prior to joining Hovde, Mr. Beimler served in numerous senior managerial roles during his 25-year banking career. Positions have included Executive Vice President and Chief Credit Officer for Fleet Bank of New York, a \$10 billion commercial bank, and Riggs National Corporation, a \$6 billion commercial bank in Washington, D.C. Additionally, he has been instrumental in bank and thrift turnarounds while serving on numerous boards and acting as an interim chief executive officer. Mr. Beimler received his Bachelor of Arts degree from the State University of New York at Geneseo and completed the three year program at Stonier School of Banking at Rutgers University.

Joe Thomas



Mr. Thomas serves as Managing Director and Member of the Investment Committee for Hovde Private Equity Advisors. Prior to joining Hovde, Mr. Thomas enjoyed a distinguished 20-year career with Wachovia Corporation, where he most recently served as Managing Director and Head of Financial Institutions Investment Banking for Wachovia Securities. In addition, Mr. Thomas worked in public service for one year as the Chief Operating Officer of the Financial Services Volunteer Corps (FSVC). Mr. Thomas serves on the board of directors of Kinloch Holdings, Inc., a regional insurance brokerage company based in New York and is a Director of Founders Corporation, a de novo bank organization in Leesburg, Virginia. Mr. Thomas holds a Masters of Business Administration degree from the Fuqua School of Business at Duke University and a Bachelor of Arts degree from the University of Virginia.



HOVDE PRIVATE EQUITY TEAM

Rick Perry



Mr. Perry serves as General Counsel, Chief Compliance Officer and Member of the Investment Committee for Hovde Private Equity Advisors. Mr. Perry is also responsible for overseeing all legal matters involving Hovde Financial, Inc., Hovde Capital, Inc., their affiliates and their operations. Prior to joining Hovde, Mr. Perry was a partner in the law firm of Perry, Simmons & Loots, P.C. in Washington, D.C. where his area of concentration was Banking, Corporate and Securities Law. He was also previously in-house counsel of a large New England thrift, served as Executive Assistant to the Chairman of the Federal Home Loan Bank Board (now the Office of Thrift Supervision) and was in charge of East Coast financial institution practice groups of McKenna, Conner & Cuneo, Baker & Hostetler, and Hogan & Hartson. Mr. Perry received his law degree from Suffolk University School of Law in Boston, Massachusetts, and his Bachelor of Arts degree from American International College in Massachusetts, where he majored in Political Science and earned a minor in French.

Walker Forehand



Mr. Forehand serves as Associate for Hovde Private Equity Advisors. Prior to joining Hovde Private Equity Advisors, Mr. Forehand served as the director of an economic study for the Virginia Senate. Mr. Forehand also served as a buy side equity analyst at the asset management firm Farr, Miller, & Washington, LLC. Mr. Forehand received his Bachelor's degree from the University of Virginia and is a graduate of the University of Virginia's McIntire Business Institute.

