

Banking Solutions

Navigating the Path to New Equity

In today's uncertain times, there are few options available for additional equity financing for Financial Institutions. "Rated Assets" are degrading overall book values and impeding the ability to borrow and offer credit. Tall Trees Banking Services help you recapitalize your institution, improve your balance sheet, expand your ability to provide credit and re-energize cash flow and profits.

We Help Clients in Two Distinct Ways

- Access to our network of investment partners for new equity; alternative financing; or sale of assets.
- Assistance in packaging the Bank for fund raising or asset disposition.

The underlying characteristics of our investor financings focus on banks with a strong reputation or brand recognition; profitable operations or the potential to be profitable; real estate portfolios that can be repaired or repositioned; and operating companies with a potential for near-term positive cash flow with long term market value.

Common situations where we have helped our clients include:

- *New equity to maintain lender's compliance*
- *Identify Borrowers no longer deemed strategic to the bank*
- *Develop adjusted book value on certain asset classes*
- *Package assets for bulk sale*
- *Identify investors for sale of at-risk assets*

If you need to improve the equity position of your balance sheet, and are unable to sell assets at greater than "fire sale" prices, then Tall Trees Capital can help.

**Our professionals have years of
knowledge working with companies
seeking financing.**

Tall Trees' Process

We bring a network of specialty private equity firms who seek controlling and non-controlling investments in Banks that need additional capital and management expertise in order to create the potential for success. These investors will purchase the "Rated Assets" of the bank and provide additional equity. Working with investors, a purchase amount above market and below par will be calculated in exchange for an equity participation in the Bank. Prior to providing an accurate and timely proposal, our investors require the following information from the institution to assist in an Investment Appraisal:

- *Summary of the organization*
- *Prior three years financial statements*
- *Current and future projected financial statements*
- *Listing of Loans by Federal Asset Class*
- *Documentation samples by Federal Asset Class*
- *Details of debt obligations*
- *Profitability analysis of each product line and asset class*
- *Profitability analysis of top customers*
- *Projected cash flows of rated real estate assets*
- *List of watch list and rated assets, and problem resolution*
- *Rated asset/problem loan summaries*
- *Identification of "Toxic Assets"*
- *"Adjusted" book value on all asset classes*
- *Summary of liabilities by price and maturity*
- *Operating strategy of how the equity will be used*
- *Description of changes/improvements to be made*
- *Details on pending litigation*

Should the Bank require assistance in providing this information, our professionals can package this data in an appropriate format that is attractive to investors.

For more information or to have Tall Trees Capital provide a service proposal please contact:

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Tall Trees Banking Services Overview

Invest

Investment Capital/Refinancing

Tall Trees is focused on financial institutions that have been unable to reach their goals due to lack of adequate capital, shortage of knowledgeable personnel or changes in the marketplace. With our network of investment partners we can provide new equity to banks that need additional capital in order to stabilize their balance sheets, increase lending and generate operating profits. We can assist in packaging for new financings by providing an independent valuation of net adjusted book value using a due diligence model and can sell, repair and reposition assets in the portfolio to maximize asset value.

Evaluate

Pre-Workout Evaluation

With limited resources, financial institutions may not have the time to review portfolio companies that historically have been good investments. With changing market conditions, flat or declining sales and margins, it may be time to perform a portfolio analysis to confirm an asset's status before a regulatory audit. Performing a financial analysis with an operations review can provide our clients the information necessary to determine the operating status of a loan. This allows a pro-active approach to identify potential watch list assets and insure the integrity of an institution's balance sheet.

Sell

Liquidations and Asset Divestiture

Tall Trees provides recommendations to maximize the value of assets during the divestiture of real estate and operating companies. By determining the current asset value of a going concern and its liquidation basis, we can assess the viability of continuing, modifying or winding-down an asset or operation company to maximize value. This may lead to the sale of the company, sale of certain assets or forced liquidations. We have a network of investors seeking bank asset sales, and when necessary, our professionals have experience in managing controlled wind-downs and liquidations

Repair

Business Renewals and Turnarounds

Our professionals are dedicated to providing the expertise and creative solutions necessary to maintain and grow an operating company's market share, even if the company is in workout or has recently experienced declining sales or eroding margins. Our professionals have extensive backgrounds in financial and operational management, accounting, and banking. We take a process-driven approach to assess today's challenges and identify financial and operational improvements or execute entire revitalization plans. We assist in the stabilization of the business, reshape the balance sheet for improvement of cash flow and reduction of risk to creditors and then augment a company's staff to implement our recommended solutions. We can provide interim management as we implement operational improvements to improve the cash flow and value of underlying assets.

Reposition

Distressed Asset Management

Distressed assets lose value over time if not properly managed. Our team of executives has experience in protecting assets during a wind-down phase. This includes the safety and security of real estate, commercial assets and foreclosed companies. We maintain contact with banks, secured lenders and equity investors as we manage the liquidation phase of a company. We can also assist in structuring and negotiating take-out financing.

Our Process

- Bank determines traditional sources of equity are not available
- Bank prepares information necessary for Investment Appraisal
- Tall Trees, when required, assists company in packaging information to support an Investment Appraisal
- Review of information for completeness
- Introduction to appropriate investors in the Tall Trees network