

Capmark Financial Group Inc. Announces Sale Agreement Related to Ambac Settlement

Written by Australian Business

HORSHAM, Pa.--([BUSINESS WIRE](#))--Capmark Financial Group Inc. (the “Company”) today announced that it has entered into an agreement (the “Sale Agreement”) to sell its interests in a subsidiary (“NewCo”) to be formed in connection with the Restructuring and Settlement Agreement (the “RSA”) among the Company, certain of its subsidiaries and Ambac Assurance Corporation (“Ambac”) relating to certain low-income housing tax credit funds for which Ambac issued surety bonds to investors (the “Funds”). Under the terms of the Sale Agreement, the Company will sell its interests in NewCo to HCP Pacific Holdings, LLC, an affiliate of Hunt Capital Partners, LLC and Hunt Companies Inc., for a purchase price of \$31 million.

At the closing of the RSA, \$30 million of the approximately \$90 million previously pledged to Ambac will be released to the Company and the Company will be released from all obligations related to the Funds. NewCo will be capitalized with the remaining Ambac collateral after payment of certain expenses in connection with the RSA and with certain other assets related to the Funds and will issue a new guarantee to Ambac for reimbursement of any payments it is required to make under the surety bonds.

The Company will receive an aggregate of \$61 million upon the closing of the RSA and the Sale Agreement. Following the closing of the Sale Agreement, the Company will have no remaining interest in the Funds or NewCo.

The RSA was filed with the U.S. Bankruptcy Court for the District of Delaware on June 24, 2014 and approved on July 11, 2014. The closing of the RSA and the Sale Agreement are subject to certain closing conditions. The Company currently expects the RSA and the Sale Agreement to close in the third quarter of 2014, subject to fulfillment of closing conditions.

About Capmark®

Capmark, a commercial real estate finance company, is focused on managing its existing assets and business and potentially acquiring one or more businesses with a view to maximizing shareholder value. Capmark is headquartered in Horsham, Pennsylvania and operates principally in North America. For additional information visit the Company’s website at www.capmark.com

Forward-Looking Statements

Certain statements in this release may constitute forward-looking statements. These statements are based on management's current expectations and beliefs but are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Such forward-looking statements are made only as of the date of this release. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or changes in events, conditions, or circumstances on which any such statement is based.