

## ParaCap Announces Bank Recap Deal

August 2011

### To Our Clients and Other Friends:

We are pleased to announce the successful completion of the recapitalization of First Security Bank of Nevada ("First Security"). Like most banks in boom / bust areas such as Las Vegas, First Security (our client) was suffering from a very high level of nonperforming assets and was under regulatory pressure to raise capital or sell. We were able to work with our client to orchestrate a \$14.0 million capital infusion by a local investor group. The group was led by Jason Awad, the former Chairman of Business Bank of Nevada, which our investment bankers helped sell to City National for over 300% of book before the market crashed (closing was in 2/07).

The First Security transaction is one of a number of recent deals we have successfully completed despite significant obstacles. The industry continues to be in need of substantial amounts of capital. Fortunately, a number of institutional and individual investors see the potential for recovery in the sector, and a number of banks have been able to successfully stay a step ahead of the regulators and create a brighter future. Please see the attached press release for additional information.

Please call if we can help you.



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## **First Security Bank News**

### **First Security Bank of Nevada Announces Change of Control**

August 4, 2011 LAS VEGAS—(BUSINESS WIRE)— First Security Bank of Nevada ("FSB") announces successfully obtaining a considerable capital investment assuring the financial stability and liquidity of this important Las Vegas- based community bank.

An Investor group, led by Jason A. Awad, and including Toomas Rebane, M.D., Ph.D., and Eva Garcia-Mendoza, secured written approval from the Federal Deposit Insurance Corp. and the Nevada Financial Institutions Division to acquire a significant ownership interest in FSB upon payment of \$14,000,000 in cash funds.

The FSB recapitalization and stock acquisition by the investor group was completed August 3, 2011. The financial strength and liquidity of First Security Bank shall be immediately and dramatically improved with the funds from this prominent local investor group.

The arduous regulatory approvals attest to the FDIC conclusion regarding the financial credibility of the investor group, and their prior proven experience and leadership in banking. Mr. Awad was the former chairman of the board with Business Bank of Nevada, which successfully merged with City National Bank in 2007. All members of the investor group were previously FDIC approved as directors, and shall be actively involved as directors for FSB. Mr. Awad acknowledged the important efforts of the FDIC and NFID, which resulted in an expedited approval process and a positive outcome in Las Vegas banking.

Mr. Awad emphasized that a substantial economic engine for the local Las Vegas community is active community bank participation – as provided by First Security Bank. Mr. Awad anticipates that the recapitalized First Security Bank shall promptly become a model of banking transparency, integrity and growth, with an unrelenting commitment to the business interests and economic vitality of Las Vegas. Mr. Awad stated, "We are all about community and our customers first. I think many people will be surprised and pleased at the performance, enthusiasm and service we shall deliver to our customers and Las Vegas."

FSB was founded in 2006 and is located at 10501 West Gowan Road, Suite #170, Las Vegas, NV 89129.