

JAMES A. KYPRIOS

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DOMESTIC & INTERNATIONAL BANKING-CORPORATE FINANCE & LENDING

New York-based advisor with a professional background in international and domestic banking, focusing on corporate lending and credit analysis. Offer advisory and consulting services to companies and banks; and consult with and provide expert witness services to attorneys and law firms based on my experience which includes:

(1) structuring direct loans

- Extensions of credit to corporations, financial institutions and projects.
- Wide range of industries in the U.S. as well as Europe, Latin America, Israel and Ivory Coast.
- Addressing the international needs of domestic customers including trade finance.

(2) evaluating syndicated loans and corporate bond proposals

- Leveraged loans including Leverage Buyouts (LBOs), recapitalizations and DIP (bankruptcy) loans.
- Evaluation and purchase of both investment grade and high yield bonds.
- Attended the Drexel Burnham High Yield Bond Conferences in 1987, 1988 and 1989.

(3) credit analysis and due diligence

- Broad credit analysis and due diligence experience.
- Designing and/or analyzing the terms, conditions and covenants of financings.
- Organized and headed several credit departments.
- Trained various officers from European parent banks in U.S. banking and lending techniques including elements of credit analysis and due diligence.
- Workout and problem loan experience.

(4) bank strategy and management

- Wrote M&T Bank's International Strategic Plan and Union Bank of Finland's New York Branch Annual Corporate Banking Plan
- In charge of M&T Bank's initial New York Branch and its International Banking Department.
- In charge of Union Bank of Finland's New York Branch Corporate Banking Department.
- Member of various Management Committees and Credit Committees in banks.

(5) organizing banks, bank branches, lending and credit groups

- Helped organize M&T Bank's first New York Branch.
- Helped organize M&T Bank's credit analysis group in New York.
- Assisted in the creation of M&T Bank's entry into the retail banking market in New York.
- Helped organize American Scandinavian Banking Corporation, a consortium bank owned equally by major banks in Denmark, Sweden, Norway and Finland.
- Organized Credit Department of American Scandinavian Banking Corporation.
- Helped organize Union Bank of Finland's New York Branch.
- Organized Union Bank of Finland's New York Branch Corporate Banking and Credit Groups.
- Helped organize DZ Bank's Acquisition and Leveraged Finance Group. When this group was organized, it was approved by senior management in the Head Office in Frankfurt to some extent on the basis of my experience in lending including Leveraged Finance.

PROFESSIONAL EXPERIENCE

KYPRIOS INTERNATIONAL SERVICES LLC 2008 to present
Managing Member/Banking and Corporate Finance Advisor & Expert Witness

- Consulting with financial services entities, real estate and other companies. Primary activities are in private markets and include advice on raising both debt and equity financing and buying and selling of assets and companies.
- Consultant to William Purcell, investment banking expert witness, on various litigation projects such as a real estate-REIT project, an international project and a commitment letter law suit. Services provided have included reading depositions and reviewing complaints and expert witness reports.
- Expert witness and consultant on commercial banking and corporate lending and finance issues.

DZ BANK-NEW YORK BRANCH (2nd largest bank in Germany) 2001 to 2008
Vice President of Acquisition and Leveraged Finance Group

- Helped in organizing Group in 2005 to invest in high yield loans. Participated in all lending decisions creating a diversified portfolio in excess of \$600 million which generated net revenues of over \$10 million/year with no non-performing loans or losses.
- Responsible for recommending and buying participations in U.S. leverage loans from syndicating commercial banks and investment banks. Industries included consumer goods, retail, forest products, health care, financial services, chemical, wholesale and manufacturing and agriculture.
- In charge of a portfolio of U.S. corporate credits in various industries. Assisted the bank in exiting a syndicated loan portfolio of \$8 billion from 2001 to 2005. Account officer responsible for bank's worldwide exposure to U.S. airlines, General Motors and Ford.
- Helped create a U.S. Private Placement capability for the bank assisting German customers to access the U.S. Private Placement market. Investment banking licenses: Series 7 and Series 63.

KYPRIOS INTERNATIONAL SERVICES, INC. 1996 to 2001
Financial Advisor and Consultant

- Consultant to banks on credit matters and problem loan situations including review of policies and procedures, portfolios and workouts. Included review of \$150 million problem credits for the New York Branch of an Asian Bank.
- Analyzed the business and financial prospects of potential U.S. business partners and gave guidance on negotiations mostly to Greek and Finnish clients.
- Worked on over \$100 million in transactions for a variety of entities (both domestic and international) seeking financing from institutions.
- Lectured at Wuhan University in China on trade finance and corporate lending practices in the U.S.

UNION BANK OF FINLAND-NEW YORK BRANCH 1985 to 1995
Member of Management Committee. Bank now named Nordea Bank.
Senior Vice President and Chief Credit Officer of New York Branch (1993 to 1995)

- My signature required for all extensions of credit at the Branch.
- Senior Vice President and Head of Corporate Banking Department** (1985 to 1993)
- Created Corporate Banking Department with emphasis on Scandinavian loans, project and trade finance and leveraged loans. Built a portfolio of \$1.5 billion with a staff of 16. Department was substantially profitable accounting for practically all of the New York Branch's profits for most of my

- tenure. Participated in over 100 high yield and DIP credits. Department had a clean portfolio- practically no loan losses in leveraged loan activity.
- Concentrated on Finnish business and other Scandinavian business, syndicated loans, trade finance and project finance business (including energy, real estate and forest products).
- Successfully organized the entire Bank's first efforts in the high yield bond market at the direction of the head office in Finland.

AMERICAN SCANDINAVIAN BANKING CORPORATION 1981 to 1985
(Predecessor to Union Bank of Finland-New York Branch)

Vice President and Chief Credit Officer

- Created and ran the bank's Credit Department and also responsible for non-Scandinavian business including U.S. corporate finance. Assisted Scandinavian officers in trade finance transactions.
- Wrote credit policy and organized all procedures relating to all extensions of credit.
- Trained officers from head offices in Scandinavia on U.S. banking and lending techniques including credit analysis and due diligence.
- Worked with outside legal counsel to develop a complete array of legal documentation for corporate banking operations of the new bank.

MANUFACTURERS AND TRADERS TRUST COMPANY 1976 to 1981

Vice President, Head of International Dept. and New York Branch Manager

- As Bank's New York City Branch Manager, was in charge of 80 people in New York including the International Department, U.S. Corporate Banking Group, Credit and Operations.
- As head of International Dept., responsible for customer relationships and loans in U.S., Europe, Latin America, Middle East & Africa and Asia. Also reporting to me was the International Group in Buffalo which serviced the international needs of domestic customers in Western New York.
- Wrote the bank's International Strategic Plan.
- An important element of the International Dept. was "dollar clearing" for European companies and banks. This provided the bank with a steady source of demand deposits.
- Before becoming the Head of International and New York Branch Manager in 1978, I was responsible for closing of the Paris Branch of M&T Bank. Spent considerable time in the Paris office and dealt with credit issues and employee issues including considerable time with bank's external French counsel. Conducted business primarily in French. Provided for the orderly transfer of the bank's offshore business to a new Nassau (Bahamas) branch.
- Prior to 1978, I was responsible for all Asian (including numerous Japanese banks in New York), Middle East and African relationships and credit extensions. I assisted the branch manager in formulating policies and procedures regarding credit analysis of foreign banks and companies as well as country risk analysis. International Department credit proposals and country limit requests often were reviewed by me before being sent to the head office in Buffalo for approval.

HAMBRO AMERICAN BANKING CORPORATION (Bought by M&T) 1971 to 1976
Vice President (1974 to 1976)

- Handled Bank's workouts including REIT's. Attended numerous lenders' meetings as part of the restructuring and workout process.
- In charge of **Trade Finance Group**-specialized in Exim Bank & FCIA financing.

Assistant Vice President (1971 to 1974)

- International syndicated credits, domestic lending and problem credits.

PRUDENTIAL INSURANCE COMPANY

1965 to 1971

Senior Investment Analyst, Commercial and Industrial Loan Dept.

- Structured and negotiated over 20 private placements of senior unsecured term loans to middle market companies. Responsible for finding customers, screening proposals, conducting a thorough due diligence and writing Information Memoranda. Formally credit trained for one year.

UNITED STATES ATOMIC ENERGY COMMISSION-GS 9 Finance Div.

1963 to 1965

EDUCATION

Master of Science in Economics (Full Academic Scholarship), Lehigh University 1962 to 1963
 Bachelor of Science in Business Administration (Cum Laude), Lehigh University 1958 to 1962

ASSOCIATIONS & CERTIFICATIONS-past and present

Financial Executives Networking Group (FENG)
 Hellenic American Bankers Association (HABA)
 Institute of International Bankers. (IIB)
 Association of International Bank Auditors and Compliance Professionals (AIBACP)
 Risk Management Association (RMA)
 Turnaround Management Association (TMA)
 Capital Markets Credit Analysts Society (CMCAS)
 Beta Gamma Sigma & Pi Gamma Mu (International Honorary Societies)
 Series 7 and Series 63 Securities Licenses
 French Institute Alliance Francaise
 Designated as "Expert" in China in 1998 lecturing at Wuhan University

AREAS OF EXPERTISE

Based on my professional domestic and international experience, I have an overall knowledge of U.S. and international corporate & commercial banking, corporate finance and credit analysis including:

Commercial Banking-Domestic and Int'l	Loan Portfolio Management
Commercial Bank Strategy	Loan Portfolio Review
Senior Bank Management	Foreign Banks in U.S.
Direct Lending and Syndicated Lending	Global Banks
Leveraged Buyouts (LBOs)	Private Placement Memoranda
Collateralized Loan Obligations (CLOs)	Loan Documentation
Investment Grade Bonds and High Yield Bonds	Establishing and Managing New Bank Branches
Due Diligence on Direct Lending	Organizing and Managing Bank Departments
Credit Risk Analysis	Member Management Committees of Banks
Structuring Bank Loans	Credit Committees
Private Placement Bond Financings	Corporate Banking, Domestic and International
Trade Finance	Company Projections
Bankruptcy (DIP) Financing	Loan Portfolio Projections
Negotiating Loan Covenants	Correspondent Banking

CREDIT DECISIONS THAT AVERTED MAJOR LOSSES (VARIOUS INDUSTRIES)

Gaming: A major investment bank syndicated a large bond issue to finance a casino in Atlantic City. I rejected the deal which subsequently went bankrupt within a year resulting in substantial losses to bond holders. *Reasons for turndown:* There was no equity in the project and the appraised valuation of the property was based on faulty and overly optimistic assumptions as to the growth of gaming in Atlantic City.

Major AAA Rated Insurance Company: The insurer went bankrupt within a year with significant losses to bond holders. In accordance with state insurance law, the policy holders had priority position over the lenders. *Reasons for turndown:* A review of the balance sheet indicated that practically all of the insurance company's investments were in high yield bonds. When the market for high yield bonds collapsed, the company had to write down its investments. The recovery in the workout resulted in significant losses to investors.

Major Investment Bank: We were part of a syndicated unsecured facility. The facility needed to be reapproved yearly. I became uncomfortable with the credit and despite fierce resistance from colleagues, I insisted we not renew the credit exposure. Within one year, the bank collapsed which would have resulted in major losses for us. *Reason for turndown:* My analysis was based on the deteriorating condition of the bank. Those who wanted to continue in the credit feared that the bank would exclude us from its syndicated loans and bonds.

Major Transportation Company: I insisted that we cut all exposure to this company which eventually went bankrupt. *Reason for turndown:* An analysis of the company showed a persistent negative trend over a period of years heading in the direction of bankruptcy and this is in fact is what happened. This company was not too big to fail.

LBO Deals: I turned down several LBO deals put together by a well-known group of investment bankers. Both deals ultimately collapsed leading to losses for Senior Secured Lenders. *Reasons for turndowns:* An analysis of the transactions showed that substantial repayment depended on a sale of assets as opposed to cash flow of the underlying companies. In several cases, the assets were shown not to be worth amounts sufficient to substantially pay off debt.

Major Photo Company: I turned down a leverage financing deal but was outvoted by the committee which accepted the credit. When it soon became obvious that my decision was correct, the bank was able to enter into a credit default swap which protected it from losses. *Reason for turndown:* It was apparent to me that with new technology (allowing, for example, photos to be taken by digital cameras and then by cell phones) that this company, lagging in embracing the new technology, would have difficulties.

Major Clothing Company: This was a high-profile LBO which was heralded as a strong credit. Unfortunately, the company went bankrupt within a year. *Reason for turndown:* The business made its reputation over the years by being conservative and growing in a slow, controlled manner. New leadership changed the business plan and, in my view, grew in a reckless fashion taking on too much debt.

SUMMARY: All of the above consisted of syndicated credits or bonds. My credit decisions were based on my experience including an ability to analyze business and financial risks. My credit decisions have never been based solely on credit ratings, the reputation of the sponsors of deals or on pressure from the sponsors to join the party.