



## CAPITAL COVE REO OPPORTUNITIES FUND

The Capital Cove REO Opportunities Fund has been vetted, qualified and registered by the DRE, FDIC, HUD, FINRA, SEC and other government agencies and corporate entities to purchase discounted loans, foreclosure real estate and REO assets directly. During the last six years, the Principals and Executive Managers of the Fund have developed significant relationships with industry-leading alternative asset management firms, banks, private equity firms, loan servicers, builders, accredited investors and private owners, whose troubled realty and mortgage assets need to be liquidated quickly at significant discounts. Through 2016, we fully expect the pace of bank closures, portfolio liquidations, and private recapitalizations to accelerate dramatically. At Capital Cove, we are 100% focused on acquiring the right asset, at the right price, with the right exit strategy for our individual and institutional investors.

### PROVEN AND VERIFIABLE TRACK RECORD ACROSS ALL REO ASSET CLASSES

NPL – 1st TD Purchase  
Multi-Family Apartment  
Los Angeles County  
Lenders UPB of \$565,000  
\$369,000 Acquisition Price  
**Principal**

Bank REO  
2 Apartment Buildings  
San Bernardino County  
Appraised Value of \$2.75M  
\$2M Acquisition Price  
**Principal**

Private Lender REO  
SFR with 2 Acre Lot  
High Desert Area  
Appraised Value of \$250,000  
\$85,000 Acquisition Price  
**Principal**

Commercial Loan Workout  
New 38 Unit Condo Building  
Bank UPB of \$21M  
Negotiated \$10.5M  
Negotiated Short Sale Price  
**Loan Sales Advisor**

Short Sale Oceanview  
Luxury Duplex Bank UPB of  
\$4,250,000 Negotiated  
Approved Short Sale of  
\$1,000,000  
**Principal**

Private Equity Funds  
REO Portfolio Acquisitions  
\$25,000,000  
Newport Beach, CA  
**General Manager & RIA**

New Construction/Major Rehab  
Addition of 1,200 sq ft to existing  
Single Family Residence  
Bank Owned SFR - Covina, CA  
Acquisition Price: \$189,000  
After Repair Value: \$379,900  
**Principal**

1st Trust Deed–Performing Loan  
Single Family Residence  
Los Angeles, CA  
As-Is-Value: \$400,000  
After Repaired Value: \$500,000  
Acquisition Price: \$165,000  
**Principal**

Trust/Family Office Liquidation  
Triplex Apartment Building  
As-Is Value: \$350,000  
After Repaired Value: \$450,000  
Acquisition Price: \$250,000  
**Principal**

### INVESTMENT OPPORTUNITY

- Capital Cove provides active and entrepreneurial investors opportunities to acquire distressed REO Real Estate assets at substantial discounts to current market values - in addition to direct foreclosure lending opportunities that deliver double-digit annualized returns.
- Alternative Investments such as distressed Real Estate are generating significantly higher investment yields and profit spreads than traditional investments such as stocks, bonds and mutual funds; **Savvy investors are using Self-Directed IRAs, Separately Managed Accounts, Real Estate Funds and Private Lending vehicles** to capitalize on these opportunistic investment opportunities.
- Government-Sponsored Entities and FDIC-Insured financial institutions are accelerating the release of non-performing and sub-performing loans, real property and mortgage portfolio assets to qualified investors/investment entities.
- According to RealtyTrac and the U. S. Federal Reserve, projected year end foreclosures will top 2,300,000 housing units nationwide; over one-third of these foreclosures will be repossessed by the lender based on industry averages.
- In California, Nevada and Arizona, approximately 1 in every 400 housing units received a Notice of Default in 2012.
- Homes in foreclosure that remain vacant drive up crime, impose direct costs on local government agencies, encourage neighborhood blight and result in reduced property values and home equity for adjacent properties.

### FIRM'S STRENGTHS & ADVANTAGES

- Capital Cove is a multi-asset, well-capitalized REO-focused Investment Manager that operates with total investment independence. To date, the firm has completed closed, verifiable investment transactions in every single REO asset class since 2006.
- The firm prefers to utilize its proprietary deal flow to secure REO assets, and successfully allocate direct investments in pre-foreclosure, off-market, opportunistic and Principal-led transactions across all REO asset classes.
- The firm is bolstered in the market place by its in-house Short Sale Closing Center (SSCC), an Asset Management subsidiary and a full-service, national real estate company.
- Investment strategies are only offered through a number of transparent, proven REO investment vehicles, including but not limited to: Separately Managed Accounts, structured transactions, owner-direct transactions, multi-asset portfolio acquisitions, Escrow Depository Accounts, secured Trust Deeds, private mortgage funding, and direct investment/recapitalization of FDIC-insured financial institutions.
- Average industry experience of 31 years among Fund Managers and Investment Advisory Board (IAB) members; all registered investment transactions are viewed and audited monthly by IAB members to ensure compliance, transaction integrity, investor suitability standards and adherence to industry best practices.
- All daily management processes, in-house technology infrastructure and investment management protocols are built on an institutional-grade Financial Services and Custodial platform that utilizes industry best-in-class technology infrastructure.
- Investment options under the REOAdvisorDirect™ Program and via the Capital Cove REO Opportunities Funds are generally geared towards Principal Owner-Direct transactions, REO Fixed Income Plans, Passive & Active portfolio investments, structured foreclosure relief solutions, preferred equity sharing, Trust Deed investments and Equity Joint Venture partnerships.

### Headquarters & Short Sale Closing Center

9481 Haven Avenue, Rancho Cucamonga, CA 91730  
T: 909 457 8440 F: 888 766 2030 E: [sscc@capitalcove.com](mailto:sscc@capitalcove.com)

### Asset Management Group & Investment Sales

18301 Von Karman Avenue, Suite 330, Irvine, CA 92612  
T: 877 639 6120 F: 877.639.6650 E: [reo@capitalcove.com](mailto:reo@capitalcove.com)

### Real Estate Group – Special Assets

6080 Center Drive, Suite 600, Los Angeles, CA 90045  
T: 310 242 5515 F: 877.639.6650 E: [reo@capitalcove.com](mailto:reo@capitalcove.com)

### Eastern Regional Headquarters Transamerica Square Center

401 North Tryon Street, 10th Floor, Charlotte, NC 28202  
T: 877 639 6120 F: 888.452.3153 E: [reo@capitalcove.com](mailto:reo@capitalcove.com)



## GETTING STARTED

Please register and obtain a PPM or New Client Account Application.

Each registered client and/or investor should carefully read and understand the following five documents before purchasing, making an investment in the Fund, or investing in a single REO portfolio asset of the Fund:

1. Indication Of Interest Form
2. Advisory Services Agreement
3. Private Placement Memorandum PPM (if applicable)
4. Fund Subscription Agreement
5. Account Confirmation Letter, with Investment Summary Addendum (ISA)

To talk to a member of the Investor Services Team or request a Private Consultation with one of the Managing Directors, please contact:

### Corporate Headquarters

Investment Services Group  
 9481 Haven Avenue,  
 Rancho Cucamonga, CA 91730  
 T: +1 877 639 6120  
 F: +1 877 639 6650  
 E: investors@capitalcove.com



## DISCLOSURE

This strictly private and confidential Fund Summary is not an offer to buy, sell, originate or trade securities at any time, for any reason, or under any circumstance. Such an offer can only be made by a Private Placement Memorandum (PPM) or Prospectus. This material must be read and understood in conjunction with all supporting documentation, including, but not limited to, final escrow documents, the PPM, and all applicable publicly recorded documents. Past or current performance of the Fund, or its underlying assets, Managers or Principal Affiliates, may not indicate future returns. The General Partner does not guarantee that it will meet all of its investment objectives at any given time. All investors in the Fund are required to verify identity and certify status as qualified investors and/or purchasers of REO Real Estate and Mortgage Portfolio Assets.

REO Real Estate, Mortgage Portfolio Assets and Investment Products: • Are Not FDIC-Insured • Are Not Insured By Any State or Federal Government Agency • Are Not Guaranteed By a Bank or any Affiliates of a Bank  
 • May Lose Value •

## REAL WORLD EXPERIENCE AND TRUSTED RELATIONSHIPS

All of the Principals and Executive Management of the **Capital Cove REO Opportunities Fund** have proven and verifiable track records of sourcing right, buying right, managing right, and selling right – having routinely earned double-digit returns on realized investments over the past eight years. Moreover, our firm can provide substantial escrow and banking documentation detailing closed Fund transactions in which the Principals of our firm have doubled, tripled and quadrupled their original capital investments within the stipulated investment timeframes. In addition, the Fund Managers have extensive global and national expertise throughout the higher growth foreclosure areas of the United States and select international markets. With an average experience of 31 years among Fund Management, the firm's principals, investment products and specialized REO Financial Services are clearly built to help investors thrive in this challenging investment climate.

## SEIZING INVESTMENT OPPORTUNITIES IN FORECLOSURE PROPERTIES & DISTRESSED MORTGAGES

Many investors are now aware of the current economic distress, low yields, illiquidity in financial markets, and uncertainty currently taking place in most mortgage and real estate markets nationwide. This structural market upheaval and displacement among traditional industry players has created unprecedented opportunities for well-positioned and well-capitalized funds, emerging entities, and entrepreneurial investors to acquire distressed real property and deeds of trust at substantial discounts to current market values. The **Capital Cove REO Opportunities Fund** has been formed, operated and funded to not only maximize foreclosure investment and private equity opportunities, but to generate substantially higher annual yields, and successfully leverage our value added benefits for active investors during this period of market realignment - the Capital Cove REO Opportunities Fund is poised to source, acquire, manage, rehab and dispose of REO properties and investments faster, better, more profitably and with less risk than many of our competitors that we benchmark against.

## DIRECT ACCESS TO DISCOUNTED REO ASSETS AND "SPECIAL SITUATIONS" OPPORTUNITIES

Capital Cove Financial is a client-focused and solutions-based Investment Advisory firm focused exclusively on REO Financial Services and distressed Real Estate assets. Our diversified business model combines world-class investment expertise and REO asset management skills with exceptional client service, in-depth consultation, and an extensive track record of successfully closing foreclosure investment transactions. Since inception, the firm has excelled at sourcing, acquiring, managing, rehabbing and disposing of distressed REO real estate and mortgage portfolio assets on behalf of its own corporate portfolio, lenders, investors, private equity funds and affiliated partner firms. Capital Cove is a Certified Minority Business Enterprise, licensed brokerage, Registered Investment Advisor, FINRA member and SEC registered Fund Manager.

### FUND DESCRIPTION

Fund Name	Capital Cove Reo Opportunities Fund II
Affiliated/ABA Entities	Capital Cove Bancorp LLC, Capital Cove International Inc., Capital Cove Asset Management Inc.,
Domicile	California And Delaware, USA
Strategic Focus	Real Estate-Owned (REO) properties, distressed Mortgage Portfolio Assets, opportunistic Foreclosure Lending opportunities, Trust Deed Investments; Investment Offerings include all REO asset classes and real property types.
Type	Closed End Fund
Core Objective	Consistently produce risk-adjusted, above average returns and significant capital/equity appreciation via superior sourcing, acquisition, management, rehabilitation and disposition of discounted foreclosure properties and loan portfolios.
Capitalization	\$50,000,000 USD aggregate
Term	Three Years (with two additional, optional one year extensions)

### FUND MANAGEMENT & PARTNERSHIPS

General Partner	Capital Cove Asset Management (CCAM)
Capital Partner	Capital Cove Bancorporation (CCB)
Marketing, Operation & Realty Services Partner	Capital Cove International dba Capital Cove Financial
General Contractor	Two Principal Firms
Fund Administrator	Fidelity, Cortland
Law Firm/Attorneys	Socal Law Group PC, The Sanders Law Firm LLP
Custodian for Investor Assets	TD Ameritrade, Scottrade, LPL, PENSCO, Wells Fargo
Licenses & Affiliations	DRE License 01890463, FINRA No. 155705, SEC No. 801-72018, Certified Minority Business Enterprise, CCIM, CFA Institute, CAIA, SIPC, IMCA, CDPE, Five Star Institute