

JANUARY 20, 2010

Fellow Shareholders and Creditors of Fremont General,

Signature Group Holdings, LLC, an equity holder of Fremont General Corporation, and its Co-Plan Proponents listed below urge you to (1) **VOTE** to **ACCEPT Signature's Plan Of Reorganization** and (2) **REJECT** all other competing plans.

How do you vote for the Signature Plan?  
The Signature Plan is described on the enclosed Ballot as:

“SIGNATURE GROUP HOLDINGS LLC’S CHAPTER 11 PLAN OF REORGANIZATION OF FREMONT GENERAL CORPORATION, JOINED BY CERTAIN TOPRS HOLDERS AND JAMES MCINTYRE, DATED JANUARY 20, 2010”

Signature’s Plan was crafted in close consultation with significant equity and subordinated debt (TOPrS”) holders. Joining in support of Signature’s Plan are: (1) James McIntyre, Fremont’s largest shareholder and its Chief Executive from 1970 until his 2004 retirement; (2) Seth Hamot, Managing Director of Roark, Reardon, and Hamot, LLC which is, we believe, the largest holder of TOPrS; and (3) Howard Amster, whom we believe to be the second largest holder of TOPrS. Signature and Messrs McIntyre, Hamot and Amster believe the Signature Plan provides for the highest return to creditors and Equity Holders of Fremont by providing for the foundation of a business that will create substantial long term value.

**Why Signature?** Formed in early 2004, Signature is an established firm lending and investing in corporate credit-oriented, special situation opportunities. To date, we have made 27 investments in our credit strategy with 16 realized transactions that have generated a weighted average gross IRR of 29%. And, we put our money where our mouths are - Signature’s principals and their families have been a significant source of the capital funds used to make these investments.

**The Reorganized Fremont.** As a company that will continue to be publicly traded, Signature believes that Fremont’s path to value creation requires a business model that investors can understand; one that generates a predictable, growing, and recurring earnings stream derived from a diversified mix of prudently-acquired assets and is managed by an experienced team that is guided by an independent Board of outside Directors with real world experience. We will maximize the recovery from Fremont assets by building upon Signature’s existing 6-year old platform to create a highly-diversified, solidly profitable debt portfolio consisting of acquired and originated “special situations” debt investments. Our plan does not contemplate heavy leverage and will not be dependent upon the securitization markets or commercial paper funding which crippled other market participants. We do not intend to create another CIT, GECC, Textron Financial, or even for that matter, another Foothill. It is not our goal to create a ‘me too’ finance company; instead, our plan focuses on providing capital to what we fondly refer to as the corporate ‘square pegs’: middle market companies that have a fundamentally sound businesses but have limited access to the capital markets, and, therefore, are willing to pay a premium to a financial provider who can address their needs. Although we believe there is a demand for this in all phases of the economic cycle, the demand for this type of financing is particularly acute now and Signature intends to capitalize on the attractive strategic opportunities created for us through the mistakes of others. The Signature team has an established and enviable track record in the structuring and deployment of credit-linked capital to the middle market and our traditional focus on senior secured, income generating assets will provide stable earnings that are ideally suited to utilize the net operating loss tax carry forwards for the benefit of Fremont’s shareholders.

We have serious reservations with regard to other plans.

***A Plan Aligned with Shareholder and TOPrS Interests.***

As with any investment opportunity, you are ultimately making a decision not just on deal structure but on business strategy and a team - in Signature's case, a team whose incentives are completely aligned with existing shareholders, has an existing operating platform based in California and is well positioned to absorb and reposition the legacy Fremont. Our plan is distinguished by: (1) a \$10 million equity subscription at a price of \$0.80 per share, the largest and highest-priced initial contribution, which enhances liquidity and is a premium to current trading value; (2) a warrant/incentive package that vests over 4 years; (3) directors and senior management who are expected to comprise a majority of the Signature capital subscription; (4) a management team focused on rebuilding Fremont which will be the exclusive vehicle for future investing activities; (5) a strict compensatory structure for the manager based on a budget negotiated with steering committee consisting of the disinterested co-proponents (Hamot, Amster, McIntyre) whereby the key Signature executives are limiting their salaries to \$150,000 per annum; (6) a Board that is distinguished and independent with practical knowledge in areas relevant to our business plan led by John Nickoll who founded Foothill Capital in 1973 and built it into the nation's largest independent commercial finance company before selling to Wells Fargo in 1995; (7) a strong management team led by Craig Noell, a former executive of Foothill and later founder of the Senior Lending Group at Goldman Sachs, and (8) other Signature directors and executives that also bring a wealth of experience in commercial finance, investing, risk and portfolio management, research and investment banking.

Ranch has criticized our management agreement because our management agreement for the years beyond 2011 is subject to a future negotiation between our management company and the Board. We note that Ranch's management agreement runs for 18 months and is similarly subject to renegotiation and renewal by the Board of Directors. We note that our Board has been identified in our Disclosure Statement and is comprised entirely of independent directors pursuant to the NYSE listed company standards for independence.

***Statement supporting the Signature Plan by James McIntyre.***

*Mr. McIntyre served as CEO of Fremont General Corporation from the company's IPO in 1970 until his retirement in 2004. Mr. McIntyre remains Fremont's largest Equity Holder, and together with family members, owns 9,786,994 shares (approximately 12.5%):*

"I strongly support the Signature Plan of Reorganization for Fremont General and recommend a "YES" Vote. In putting together this Signature Plan, I had the opportunity to work with the senior members of the Signature team and to help guide the Plan including revisions to the compensation structure and other aspects of the Plan that protect shareholders. I also met with proposed Board Chairman John Nickoll, founder and former CEO of Foothill Capital, a highly successful financial services firm that is now part of Wells Fargo Bank.

Prior to making the decision to support the Signature Plan, I spent significant time working with the Official Equity Committee and the large TOPrS holders (Hamot and Amster) and negotiated a joint deal with the OEC and the large TOPrS. The Equity Committee, the TOPrS group and I then proceeded to evaluate potential proponents so that the reorganized Fremont might quickly proceed to reorganize with a turnkey management team. This process included an evaluation of the proposals from other proponents, as well as various meetings, phone calls, and negotiations. At the conclusion of that process, the large TOPrS and I agreed that Signature presented the best alternative and proceeded with Signature. This resulted in a Plan Support Agreement with Signature. In my view, the Equity Committee erred in not moving forward with the established team that Signature provides us. In my opinion the Equity Committee lacks a viable, committed management team and also lacks a workable business plan. As for the plans of New World and Ranch, I am not persuaded that it makes sense for Fremont, with over \$700 million in NOLs, to redeploy its balance sheet to invest in real estate assets which already enjoy tax advantaged status. Finally, there is the issue of how the public markets will view the potential proponents. In evaluating the potential proponents plans we felt that only the Signature Plan was shareholder-friendly in terms of being able to generate the consistent, transparent returns that the market demands.

Accordingly, I am confident that the path to shareholder value lies in supporting Signature. They bring to our company a bright, energetic and dedicated management team - all with an enviable record in commercial lending. The Signature Plan will emphasize financial products and services that have proven consistently profitable through credit cycles, and are particularly well suited to maximizing the value of the net operating loss carryforwards. This will, in my opinion, result in a robust earnings and cash flow profile, leading to attractive risk-adjusted returns and solid, long-term value creation for the Equity Holders.

Signature's proposed Board of Directors slate is impressive and comprised of experienced and knowledgeable businessmen who are committing their own capital to the reorganized Fremont. They will bring further balance, prudent stewardship and strategic guidance to the Company. Consequently, as the largest equity holder of Fremont General Corporation, I enthusiastically endorse the Signature Plan and urge all other equity holders to join me.

I urge you to vote to accept the Signature Plan and reject all other plans on the accompanying voting ballot."

**Where You Can Find More Information.** Signature's Plan and Disclosure Statement are available on Signature's website at [www.signaturegroupholdings.com](http://www.signaturegroupholdings.com). Also, the key provisions of the Signature Plan are summarized on pages 3 through 5 of Signature's Disclosure Statement. That summary provides a comprehensive overview of the Signature Plan's treatment of all classes of Fremont debt and equity claims, as well as the future business plan, management team, board of directors and the plan process.

After reviewing the Signature Plan and Disclosure Statement, as well as the competing plans, Signature, Mr. McIntyre, Mr. Hamot and Mr. Amster urge you to vote to:

ACCEPT the SIGNATURE PLAN on the accompanying voting ballot; and

REJECT all other plans.

To have your vote counted, you must return your ballot as indicated in the instructions on your ballot, no later than March 5, 2010.

Sincerely,



Craig Forrest Noell, Managing Director  
Signature Group Holdings, LLC

**Statement supporting the Signature Plan by Seth Hamot and Howard Amster.**

*Mr. Hamot and Mr. Amster are holders of approximately 25% of the TOPrS securities:*

"After reviewing all the plans filed in the case and speaking many times with the competing proponents, Howard and I confidently support the Signature Plan. Many of the plans treated the TOPrS almost identically, with a cash distribution close to the Effective Date, a current pay note, and equity in the reorganized debtor. The economics of the Signature Plan compared favorably to all others, as Signature believes that with respect to shares purchased on the Effective Date, it is paying more per share than any other proponent, buying more shares than any other proponent, and is subscribing at a premium to current trading values.

More importantly, we support Signature because of their business plan and their skills. The business will focus on lending to those firms most poorly served by other lenders at this point in the credit cycle. This portfolio will generate a stable core of income that will be shielded by Fremont's considerable base of net operating tax loss carryforwards. Additionally, the skill sets and experiences of the Signature management team are perfectly suited to that specific business plan, and we think you'll agree when you review the attached disclosure statement. We believe the debtor will have many fruitful years ahead of it after it emerges from bankruptcy, with a strong prospect for both growing revenue and profits, and a management team that has enough investment in the firm to be well aligned with its shareholders. Our confidence in the Signature business plan was an extremely important factor in our selection of a partner since a significant component of our return is coming in the form of shares in the reorganized Fremont.

That is why Howard and I as the largest holders of TOPrS heartily endorse the Signature Plan."