



PRIVATE AND CONFIDENTIAL

DRAFT

Proposal Regarding the Reorganization of Fremont General Corporation, DIP

(updated to reflect Amended Terms)

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EXECUTIVE SUMMARY

SUMMARY OF SIGNATURE PLAN

- Signature Group Holdings, LLC (“Signature”), along with James McIntyre and certain TOPrS holders, has proposed a Plan of Reorganization for Fremont General (the “Debtor”), the major terms of which are outlined below
- Under Signature’s Plan, the Debtor would be reorganized and would be repositioned back towards the commercial finance business where it was formerly a significant market participant
- The Reorganized Debtor would be externally managed by a newly formed entity, Credit Partners Management , Inc. (“Credit Partners”)
- Upon the Effective Date of the Plan:
 - The Senior Notes, IRS Claims and General Unsecured Claims would be paid in full
 - The TOPrS would receive (i) \$45 million in cash, (ii) a new unsecured note for \$39 million with 9% interest payable quarterly, maturing on December 31, 2016, and (iii) 21 million shares of common stock
- The Equity Holders would retain ~70% of the equity in the Reorganized Debtor
- As part of our Plan, Signature will:
 - Make a \$10 million equity infusion at \$0.80 / share for 12.5 million shares
 - Purchase warrants to acquire 15 million shares at an exercise price of \$1.03 / share at \$0.02 / warrant
- In conjunction with the value maximizing plan we are proposing, the Debtor will reorganize with a book value of approximately \$93 million or \$0.83 / share

ABOUT SIGNATURE

- Founded in 2004, Signature Group Holdings has a 5 ½ year track record of successful investing
 - 5 year track record of 25% plus returns on unleveraged investment capital;
 - Prudently deployed capital during an era when many funds and financial institutions grew rapidly but were poor stewards of the capital entrusted to them

- Signature possesses relevant and considerable expertise in strategically important areas to ensure a successful reorganization, including:
 - Special Situations lending
 - Investment banking (both capital formation and M&A)
 - Asset-based lending & commercial finance
 - Principal investing
 - Loan workouts and restructuring
 - Risk management
 - Financial operations / back office functions

- The core Signature team has been working together for over five years

- We have identified four key executives that will augment our team extending our depth and geographical reach
 - Their motivation in joining Signature is to participate in the opportunity to take advantage of the exceptional opportunities being spawned by the credit crisis and to create value for themselves by creating value for the Reorganized Debtor
 - ▶ Without hyperbole, we believe they represent the cream of the industry talent

THE OPPORTUNITY

- The Debtor is a publicly traded company that is currently reorganizing under Chapter 11 of the US Bankruptcy Code
- The Debtor is a financial services holding company that formerly had insurance operations, an FDIC insured thrift, and non-bank finance operations
 - In the years leading up to the Ch. 11, the Debtor became a significant player in the origination of sub prime mortgages
 - Due to the dislocations in the real estate and credit markets, the Debtor encountered financial difficulties and suspended origination activities
 - A new management team was recruited and has focused on the orderly management of existing assets as well as on liability mitigation
- A significant attribute of the Reorganized Debtor is \$770 million in Net Operating Loss Tax Carryforwards (NOLs)
 - The rules for preserving NOLs are somewhat arcane, but preeminent experts are representing the company and believe that all necessary steps have been taken for its preservation
 - The availability of NOLs effectively eliminates future taxes for the foreseeable future
- Five plans, including Signature's, have been approved for plan solicitation by the Bankruptcy Court; Signature's Plan is more attractive and less risky for Fremont constituents than the other proposed plans
- The Reorganized Debtor is poised to emerge with over \$20 million in cash, approximately \$122 million in other assets, and estimated shareholders equity of \$93 million

FREMONT GENERAL - HISTORY

- The Debtor previously built and grew its financial business via its holding company structure in the areas of:
 - Consumer finance
 - Retail banking
 - Mortgage finance
 - Commercial finance (divested to Finova)
 - Insurance / reinsurance
 - Various related products

- Post restructuring, it is Signature's intention to effectively redirect the primary emphasis from consumer finance towards our core competencies, including:
 - Distressed debt investing
 - Recapitalizations
 - Asset management
 - Asset based lending
 - Rescue finance
 - Portfolio divestitures
 - Good bank/bad bank recapitalizations
 - Specialty lending niches

OUR STRATEGIC VIEW

- Our strategic emphasis is based on exploiting the growing discontinuities that are developing in the capital marketplace for corporate middle market lending
 - The current financial landscape is characterized by tight credit
 - Contracting bank balance sheets with a concomitant disinclination to lend
 - There is a significant supply of distressed and non-performing loans on bank balance sheets that needs to be restructured and / or sold
 - Many good companies with fundamentally sound businesses find that they are orphaned without a supportive financing partner
 - Many banks currently require a recapitalization process that involves removing bad assets from their balance sheets and strengthening their capital ratios

- Bank reserves by and large do not reflect the true status of their problem loan assets
 - As a result, banks are reluctant to work with borrowers to effect workable resolutions
 - The watchwords are “Amend, Extend, and Pretend”

- There has been a significant contraction in the availability of financing options to the middle market due to the over-leveraged nature of finance company balance sheets
 - GE (largely inactive)
 - DB Zwiern (Liquidating)
 - Fortress (Gated)
 - CIT (Likely BK)
 - CapitalSource
 - Cerberus (Gated)
 - American Capital
 - Laurus
 - Patriot
 - Allied Capital
 - Textron (Discontinued Op)
 - New Star Financial
 - CitiCorp (inactive)
 - WF Specialty Finance
 - Gladstone Capital

With the right team and a significant capital base, the conditions are set for the Reorganized Debtor to capitalize on this lucrative opportunity and create significant stakeholder value

OUR VISION

- Effect a restructuring that fairly recognizes the interests of all constituents
- Create a transaction structure that provides for a prudent capitalization
- Install a seasoned management team with the right mix of skills to exploit an attractive and growing market opportunity
 - Our executives are looking primarily to stock based compensation a mechanism for creating significant personal wealth from the success of the Reorganized Debtor
- Create and appropriate board of directors with the right professional backgrounds and a proven commitment to prudent financial management
 - Our suggested directors will be compensated in stock
- Create a culture with a serious commitment to fiduciary obligation
- Maintain a committed focus on our core competencies
- Manage risk at all times

OUR EXPECTATION

- To move this platform toward:
 - A less competitive market versus its traditional market for consumer lending / insurance
 - Developing a highly profitable middle market lending platform
 - Capturing higher margins
 - ▶ Originating ABL, ABL stretch, rescue financing, Tranche B
 - ▶ Acquisition of stressed/distressed loan assets at a discount
 - ▶ Emphasis on mitigating risk
 - ▶ Significant generation of cash returns
 - Generating higher overall returns on invested capital
 - ▶ Tremendous market opportunity
 - ▶ Picking our battles wisely
 - ▶ Getting compensated for risk
 - Creating attractive risk adjusted returns
 - Leading to significant long term value creation

Our strategy generates consistent and significant current income and is ideal for taking maximum advantage of the NOLs

THE STRUCTURE

TREATMENT OF EXISTING HOLDERS – OUR STRUCTURE

- Pay Senior Notes, IRS Claims, General Unsecured Claims and Water Garden lease amount upon the effective date of a Plan
- Settle the existing TOPrS claims by offering (i) \$45 million in cash, (ii) a new unsecured note for \$39 million with 9% interest payable quarterly, maturing on December 31, 2016, and (iii) 21 million shares of common stock
- Signature to contribute \$10 million in new equity capital to provide for the implementation of the Signature business plan and insure sufficient resources are available to satisfy known and unknown assumed liabilities of the Debtor
 - ▶ \$5 million in cash; \$5 million in investment asset contribution
 - ▶ New equity will be invested at \$0.80 / share
- Signature will purchase warrants to acquire 15,000,000 shares at an exercise price of \$1.03 per share for \$0.02 per warrant
- Signature will also arrange for a credit facility from a major financial institution, which is not expected to be needed until 2012
 - Signature believes that raising the facility after the Debtor emerges from bankruptcy is a more cost effective option
- As we implement our business plan and deploy assets, we would give serious consideration to raising additional equity provided it does not impair the NOLs

Our structure maximizes liquidity for all while maintaining certainty regarding the preservation of NOLs

SIGNATURE PLAN

	Proj Open Balance	TOPrS Conversion	Pre - Money Book Value	Plan Sponsor Contribution ⁽¹⁾	Post Infusion Proforma	Ownership (%)	Plan Sponsor Warrants ⁽²⁾	Post Warrant Proforma	Ownership (%)
Tangible Equity	\$ 41,704,943	\$ 41,006,429	\$ 82,711,372	\$ 10,060,000	\$ 92,771,372		\$ 15,690,000	\$ 108,461,372	
Outstanding Shares, current	78,380,146		78,380,146		78,380,146	70.1%		78,380,146	61.8%
New Shares - TOPrS Conversion	-	21,000,000	21,000,000		21,000,000	18.8%		21,000,000	16.6%
New Shares - Plan Sponsor Initial Purchase	-			12,500,000	12,500,000	11.2%		12,500,000	9.9%
New Shares - Plan Sponsor Warrants	-	-		-	-	0.0%	15,000,000	15,000,000	11.8%
Total Shares	78,380,146		99,380,146		111,880,146			126,880,146	
per share value	\$ 0.53		\$ 0.83		\$ 0.83			\$ 0.85	

(1) Plan sponsor equity is being invested at \$0.80 / share. Plus, the Warrants have a \$0.02 / share purchase price, which will be received by the company on the vesting date.

(2) The plan sponsor warrants have an exercise price of \$1.03 / share.

BUSINESS PLAN

BUSINESS PLAN: WIND DOWN OF FREMONT GENERAL

- Under Signature's Plan, there will be a gradual and efficient wind down the legacy operations of Fremont General
 - We have sufficient financial resources to exit the existing loan portfolio in a value-enhancing manner
 - Existing assets will be used to repay creditors and the substantial NOL carryforwards will be used to generate significant after-tax returns to the reorganized company's shareholders

- Signature's Plan assumes that litigation is resolved over a three year period with an average of five cases settled per month

- As Signature is continuing to perform its diligence on the company, we reserve the right to amend this plan in the future should a better strategy emerge that is more beneficial to the Fremont constituents

BUSINESS PLAN

- The long-term strategy for the Reorganized Debtor is to continue with Signature's current mission of investing in special situations in the middle market, including:
 - Purchasing distressed or underperforming debt
 - Providing new capital for restructurings
 - Sponsoring Plans of Reorganization
 - Taking control of companies through debt-to-equity conversions
 - Purchasing companies through §363 Sales
 - Selected alternative asset opportunities

- Signature has the resources to focus on this strategy in conjunction with the wind down of the existing operations
 - The expertise of our management team combined with our back office professionals will allow the reorganized company to maintain Signature's current business momentum and ensure business continuity
 - As Signature already has many of the necessary support systems in place, the transition from legacy systems could begin shortly after the reorganization

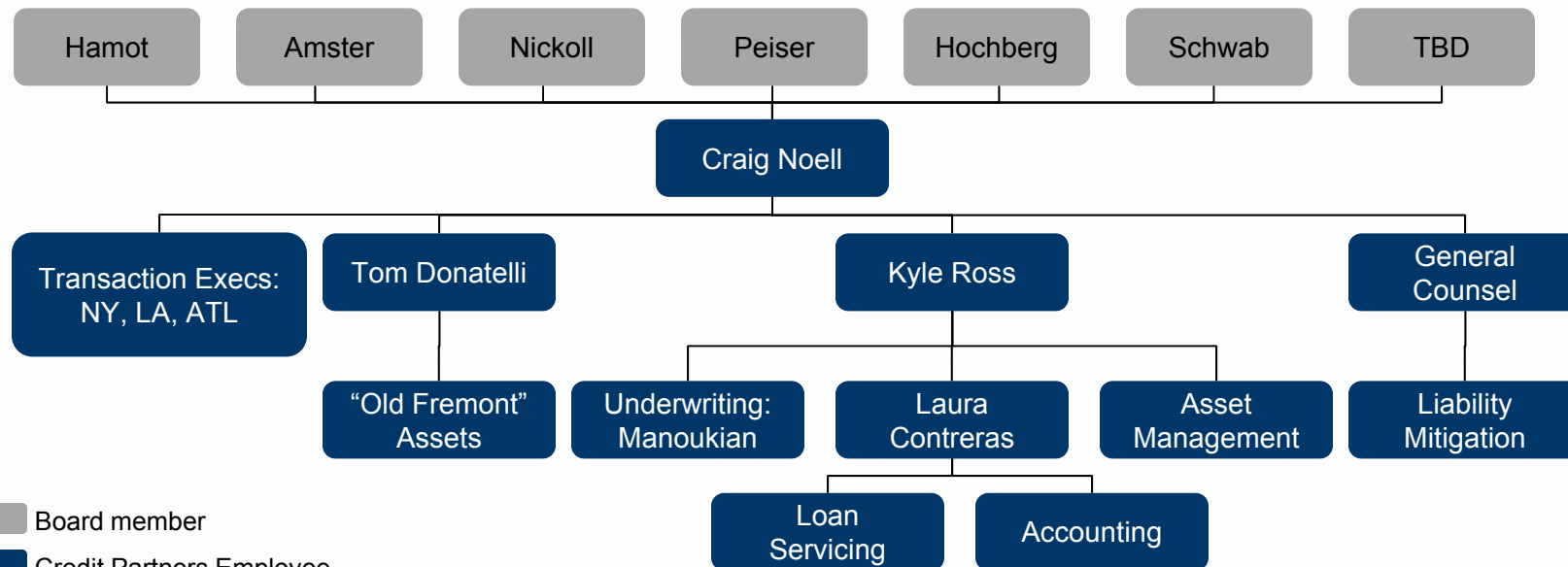
- Signature expects to generate after-tax returns of 15+% even though realized returns have exceeded 25%

POTENTIAL PORTFOLIO ACQUISITIONS

<u>TARGET</u>	<u>"OPPORTUNITY" DESCRIPTION</u>
■ [redacted]	\$1 Billion niche commercial loan portfolio
■ [redacted]	\$150 Million Canadian Portfolio
■ [redacted]	\$1 Billion niche oriented real estate portfolio
■ [redacted]	\$700 Million niche consumer/commercial portfolio
■ [redacted]	\$40 Million commercial loan 'remnant' portfolio following divestiture
■ [redacted]	\$350 Million community bank real estate and commercial loan portfolio and related bank recapitalization opportunity

OUR TEAM

- Signature is served by an seasoned core team of professionals with extensive experience investing in, advising and managing companies both in and out of bankruptcy
 - Expertise includes asset-based lending, leveraged finance, corporate restructuring, mergers & acquisitions and fund management
 - The shared values and complementary skills of the team have led to the success of the firm
- Signature currently has an existing back office / loan servicing capability that can easily be expanded to meet the needs of the reorganized company going forward
- In addition to the current core team, Signature has identified numerous other professionals that have demonstrated an intent to participate in our plan



Board member
 Credit Partners Employee

KEY PRINCIPALS

■ CRAIG F. NOELL, President & CEO

- 25 year Corporate Finance track record with particularly deep experience in Special Situations Investing, Corporate Restructuring and Recapitalizations, Mergers & Acquisitions
- Founding partner, Signature Capital Partners, Inc. and related companies
- Founding partner, Murphy Noell Capital, a 15 person middle market investment bank focused on special situation opportunities
- Member of the distressed investing team and founder of the Specialty Lending Group at Goldman Sachs & Co established to make senior-stretch and Tranche B loans
- Manager of the New York & Los Angeles Business Development Groups for Wells Fargo Foothill
- Prior experience at BISL, Barclays American, and Security Pacific
- BS, Economics: Wharton School, University of Pennsylvania

■ KYLE C. ROSS, EVP & COO

- 9 years Corporate Finance experience including Distressed Investing, Mergers & Acquisitions, Capital Formation, Debt Restructurings
- Founding partner, Signature Capital Partners, Inc. and related companies
- Previously played a key role with Murphy Noell Capital, a 15 person investment banking boutique focusing on Corporate Restructuring, M&A, and Capital Formation services for middle and upper-middle market companies
- Corporate Finance Analyst with Sutro & Co. (summer)
- Simultaneous BS & BA: Haas School of Business, University of California, Berkeley

KEY PRINCIPALS

■ THOMAS J. DONATELLI, EVP & Chief Investment Strategist

- 20 year Wall Street veteran in Mergers & Acquisitions, Corporate Finance, Equity Research and Fund Management
 - ▶ Bank of America – Managing Director, M&A
 - ▶ Donaldson, Lufkin & Jenrette – Managing Director, M&A
 - ▶ Wertheim Schroder & Co – Vice President Special Situations Research
 - ▶ Merrill Lynch & Co – Associate, M&A
- A founding partner of an Asset-based and Structured Credit Fund that grew from \$2 million AUM in 2001 to \$400 million by 2005
- Partner in an equity and credit “relative value” fund 2006-2007 backed by a major global financial institution
- BA: University of Chicago; MA: Oxford University; John M. Olin Fellowship: U.S. Naval War College

■ KONSTANTIN “STAN” MANOUKIAN, Managing Director - Credit Research

- Extensive background in High Yield Equity and Distressed Research, including serving as a member of the unsecured creditors committee in over a dozen bankruptcies with at least \$100 million in unsecured claims
- Currently providing subscription based research and consulting services to multiple parties including PIMCO
- Experience includes both sell side research/idea generation (Libertas Partners) and buy-side analysis and portfolio management (Dalton, Guggenheim) from 2002-2008
- Investment banking member of the Energy and Power Group at Bank of America. Research Analyst covering investment grade fixed income for the insurance and utilities sector for Prudential
- Prior experience as partner and CFO of a \$100 million holding company with 1,500 employees in Moscow, Russia
- MBA: University of Virginia, Darden School of Business
- Ph.D. in Numerical Mathematics; MS w/Honors in Mathematics, Tbilisi State University, Tbilisi, Georgia, Former Soviet Union
- Native of Former Soviet Union

KEY PRINCIPALS

■ CONFIDENTIAL, Managing Director

- Over 29 years of experience in structured credit including asset based, media, gaming, and restaurant lending
- Founded the specialty finance division of a major U.S. financial institution , managing its growth to over \$4 billion and 50 professionals
- Director of Loan Originations for a major commercial finance company, managing more than 30 originators and underwriters across six regional offices
- Held varying management and loan origination positions with Aetna Business Credit, Heller Financial, and The CIT Group
- Graduate of University of California, Irvine

■ CONFIDENTIAL, Managing Director

- 25 year lending and commercial finance career
- President of U.S. affiliate multi-billion dollar financial institution
- President of Commercial Finance affiliate of Top 20 Global Bank
- Executive Vice President- Global Loan Origination Manager of major commercial finance company
- Senior Vice President- CIT Group
- Manufacturer's Hanover for 12 years
- BS, MBA: St Johns University

KEY PRINCIPALS

■ MITCHELL A. GUZIK, Operating Partner

- 25 years of experience in operations management and strategic planning in healthy and distressed situations
- Extensive knowledge of collateral and asset liquidations
- CEO/COO roles in a number of industries: apparel, data storage, contract manufacturing
- Extensive background in manufacturing operations in multiple industries. Partners with management teams to identify strategies for optimizing operations
- Formerly president of an auctioneer company; extensive background in asset appraisals, auctions, and liquidations
- BS, Business Administration: Menlo College

■ CONFIDENTIAL, Managing Director

- 25 year career in commercial finance industry including stints as a Senior Vice President or Executive Vice President with Wells Fargo Foothill, GECC, Fremont Financial
- Demonstrated track record sourcing and structuring complex financial transactions
- BS, Business Administration: Indiana University, Bloomington, IN

KEY PRINCIPALS

■ LAURA CONTRERAS, Chief Financial Officer

- 20+ year career in both public and private accounting, including extensive bankruptcy and distressed company experience
- Since 2004, has served as independent consultant (Plan Bravo Collateral Management, LLC) providing interim CFO, crisis management, and operational consulting services to middle market companies
- Assignments include Shoe Pavilion (liquidating 11), Care Level Management (363 sale), Cordola Marble (liquidation), Powerhouse Gyms (Chief Restructuring Officer)
- Plan Bravo is the outsourced accounting and loan servicing agent utilized by Signature
- Currently also serves as the Chief Financial Officer of FocalPoint Partners, a boutique investment bank located in Los Angeles, CA
- Vice President, Finance and Administration of SRS Industries from 1998 through 2004
- Previously served as Corporate Controller for Houlihan Lokey
- Certified Public Accountant
- BA, Accounting: Colorado State University

■ JENNIFER PURCELL, Vice President

- 6 years Corporate Finance experience including Mergers & Acquisitions and healthy and distressed principal investing across a wide variety of industries
- Associate in Diversified Industrials group at Macquarie Capital
- Associate in Mergers & Acquisitions group at Friedman, Billings, Ramsey
- Analyst in Aerospace, Defense, Government group at Houlihan Lokey
- BBA, Finance and International Business: George Washington University

RECOMMENDED NEW DIRECTORS

■ SETH W. HAMOT, Suggested Director

- President of RRH Capital Management Inc. and General Partner of Costa Brava Partnership III L.P.
- Chairman of the Board of TechTeam Global Inc. (NASDAQ: TEAM), a provider of IT outsourcing, enterprise support, and business process outsourcing services
- Director of Orange 21 (NASDAQ: ORNG), a manufacturer of eyewear products, apparel, and accessories for the action sports, motorsports, snowsports, and youth lifestyle markets
- Serves as a Director of Telos Corp.
- Served as Director, Interim Non-Executive Chairman, Member of Audit Committee, Member of Corporate Governance Committee, and Member of Nominating Committee at Bradley Pharmaceuticals, Inc. until the sale of the company in 2008
- Prior to 1997, Partner at Actionvest Entities

■ HOWARD AMSTER, Suggested Director

- Over 40 years of business and investing experience including significant experience in real estate, securities industry, and financial services
- Currently is a major investor in apartment communities
- Member of the Executive Committee of Horizon Group Properties, an operator of more than 20 shopping centers with over 2 million square feet
- Principal of Ramat Securities, Ltd.
- Has served on multiple corporate boards, including those of four financial institutions

RECOMMENDED NEW DIRECTORS

■ JOHN NICKOLL, Suggested Director

- Over 40 years experience in the commercial finance industry including over 30 years as founder and co-CEO of Foothill Group, Inc. (“FGI”) and its commercial finance subsidiary Foothill Capital Corporation (“Foothill”)
- From a startup in the early 1970s, Foothill successfully grew to become, for many years, the largest independent commercial finance company
- Pioneer in purchasing distressed commercial debt from major money center banks in the mid-80s. Foothill later financed the expansion of this business through limited partnerships backed by major pension and institutional investors
- FGI was publicly traded on the NYSE
- In 1995 FGI was acquired via stock merger by Norwest Corporation, which subsequently acquired Wells Fargo. Nickoll remained CEO of all commercial finance lending operations, including Wells Fargo Foothill and Wells Fargo Business Credit
- BA: Brown University; JD: University of Michigan Law School

■ ROBERT A. PEISER, Suggested Director

- Successfully financed, restored profitability to, or otherwise created value in a large number of companies in a variety of industries. He has been an investor in Signature affiliated entities since 2004
- Chairman and CEO of Omniflight, Inc., a Dallas-based, private helicopter air rescue company.
- Vice Chairman of Imperial Sugar Company, a Houston-based refiner and marketer of sugar products to retail, foodservice and industrial customers, following his service as President and CEO of that company for almost six years. As CEO, he created a strong balance sheet from a distressed situation, rationalized capacity and created value added margins in a commodity product through innovative brand strategies
- Past roles include operating roles in a wide variety of turnarounds and industries including transportation services, food processing, retailing, distribution and telecommunications
- As executive vice president and chief financial officer of St. Louis-based Trans World Airlines, Inc., he was widely credited with being the architect of its successful 1995 financial restructuring. He was also TWA’s chief financial officer in the mid-1980’s during its takeover battle with Carl Icahn
- BA, Economics: University of Pennsylvania; MBA, Finance: Harvard Business School

RECOMMENDED NEW DIRECTORS

■ LARRY HOCHBERG, Suggested Director

- 40 years of experience in retail, business management, and real estate
- Pioneered of the “big box” category killer concept since the early sixties with two successful chains (Children’s Bargain Town, Sportmart) each of which ultimately merged to form the dominant industry player (Toys R Us, Sports Authority)
- Active real estate investor and principal of Next Realty
- Active in various philanthropic endeavors
- BA: University of Wisconsin; LLB: Northwestern University Law School

■ ROBERT SCHWAB, Suggested Director

- Successful entrepreneur with over 30 years of experience in business operations and management
- Former owner and CEO of Schwab Sales, Inc., a heavy-duty construction equipment rental company that was sold to DE Shaw affiliate for \$90 million in 2006
- Extensive expertise in construction trade for both private and public works, hard asset lending, construction collections, litigation assessments, asset valuation and liquidation
- BS, Business: University of Southern California

OVERVIEW OF SIGNATURE

SIGNATURE OVERVIEW

- Signature is a disciplined Special Situations Investment Fund that invests in the debt (including debt portfolios) and, on occasion, the equity of small and middle-market companies
- Signature works with:
 - Lenders to provide takeout capital for sub and nonperforming loans;
 - Intermediaries (representing creditors and debtors) to provide capital for restructuring transactions and acquisitions; and
 - Private equity and mezzanine investors to provide capital to facilitate restructurings of their distressed portfolio companies or to acquire their investment positions
- Since inception, Signature has originated over 30 investments with the firm’s proprietary capital and investment partners
- Investment team has over 50 years of experience specializing in:
 - Asset-based lending
 - Leveraged Finance
 - Mergers & Leveraged Buyouts
 - Securities Research and Analysis
 - Restructurings, Recapitalizations and other “Special Situations”
 - Credit-based Hedge Funds
 - Fund Management
- Headquartered in Sherman Oaks, CA with a satellite office in New York and an Atlanta office to open in 2010

Flexible and Innovative Provider of Capital Solutions

INVESTMENT STRATEGY

- Target situations include:
 - Principal Areas of Focus:
 - ▶ Distressed Debt Investments
 - ▶ Asset-based “Stretch” Finance
 - ▶ Niche Financing
 - ▶ Rescue Finance
 - Secondary Areas of Focus:
 - ▶ One-stop Sponsorship for Plans of Reorganization (POR)
 - ▶ Debt-to-Equity Conversions
 - ▶ §363 Sales
 - ▶ Article 9 Asset Purchases
 - ▶ Selected Alternative Asset Opportunities

- Target companies include:
 - Small and middle market (\$10 - \$500 million in revenue)
 - Public and privately owned
 - Headquartered in North America, primarily U.S.
 - Orphaned, misunderstood and distressed companies
 - Those where we share a strategic vision with the management team
 - All industries

Sophisticated Investment Philosophy

TRANSACTION STRUCTURES: DISTRESSED DEBT

- One area of focus for Signature is acquiring sub and nonperforming debt from lenders including large national banks, regional middle market banks, community banks and the Federal Deposit Insurance Corporation (FDIC)
 - Signature acquires debt at a discount typically between 20% - 40% of unpaid principal balance
 - Majority of transactions involve senior secured debt
- Signature acquires or refinances individual loans or portfolios of loans
- Acquisitions can be structured as all cash, participations or structured deals that provide the seller a combination of cash and upside
- Signature seeks investments that include tangible collateral and personal guarantees
 - Typical collateral includes A/R, inventory, machinery & equipment and real estate
 - Other collateral includes brand names and subscriber base
- Target investment size of \$1 million - \$35 million
- Debt acquisition timing is approximately 3 - 5 weeks
- Typical hold period ranges from 6 - 35 months
- Target returns of 20% - 40%, achieved through combination of principal recovery, interest income, fees, equity and / or other upside potential
- Typical exit strategies include refinancing of debt, sale of company or liquidation of assets

TRANSACTION STRUCTURES: LOAN ORIGINATIONS

- Signature originates loans for special situations, including
 - DIP financing
 - Short-term bridge loans
 - Working capital swing lines
 - Stretch ABL
 - Rescue financing
 - Tranche B
- This type of financing is provided to distressed companies that are unable to obtain financing from more traditional lending sources
 - Signature offers flexible financing structures to fit borrower's needs
 - Signature charges higher interest rates and fees than traditional banks to balance risk of borrower default
- Loans originated by Signature are typically senior secured with a first priority lien on all of the assets of the borrower
 - Seeks opportunities with strong collateral coverage
 - Invests near liquidation value or at low enterprise value multiple
- Target investment size of \$3 million - \$20 million
- Origination timing is approximately 10 weeks
- Target returns of 20+%, achieved through interest income, fees, equity and / or other upside potential
- Typical exit strategies include refinancing of debt, sale of company or liquidation of assets

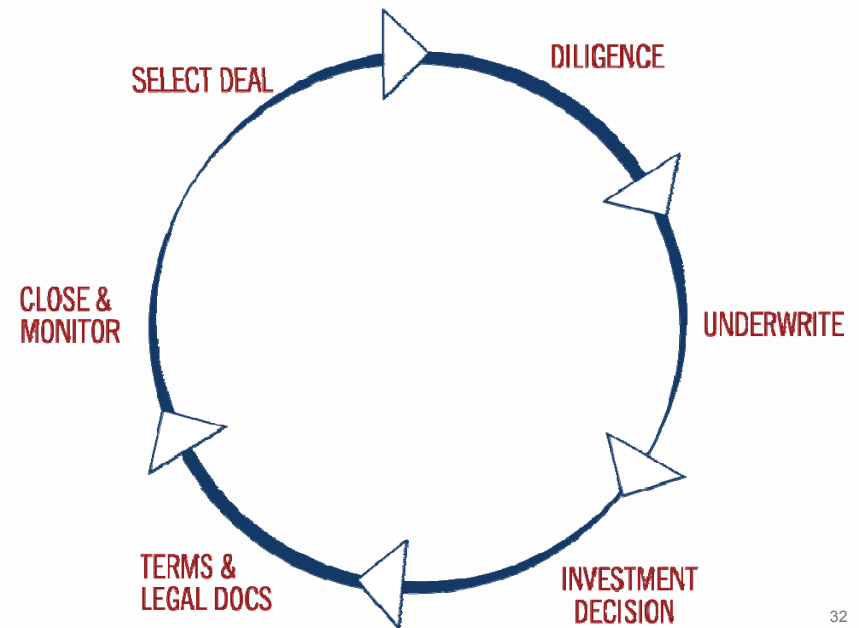
TRANSACTION STRUCTURES: EQUITY INVESTMENTS

- Signature occasionally acquires equity positions in companies through:
 - §363 bankruptcy sales
 - Article 9 asset purchases
 - Providing capital to sponsor PORs
- Signature invests in turnaround situations where it can help companies with a strong market position or franchise value return to profitability through a reorganization or restructuring
 - Signature’s operating partners work closely with the investment team to evaluate opportunities and provide operating expertise
 - Signature looks to partner with a strong management team, often bringing in outside experienced industry veterans to manage and help turnaround the company
 - ▶ Management often invests alongside Signature or is incentivized to help bring investment to a successful realization
- Investments made at or near liquidation value or at low multiples of enterprise value
- Target investment size of \$3 million - \$7 million
- Typical hold period of 3 - 5 years

OUR APPROACH

We are solution oriented

- Well known and respected in the restructuring community
- Respond quickly and efficiently to opportunities
- Senior “president” level managing directors in Atlanta, Los Angeles and New York
- Gives us a decided market edge
- Understand “the possible” and know how to solve problems and overcome obstacles
- Higher probability of executing on transactions
- Debt acquisition timing: approximately 2 - 5 weeks
- Origination timing: approximately 10 weeks



OUR COMPETITIVE ADVANTAGE

- Financial strength and experience
- Good long term partner for sponsors and borrowers
- Buy and hold emphasis with focus toward downside protection and building relationships
- We make loans, not “trades”
- Provide additional capital for add-on acquisitions
- Serve customer needs nationwide, priming capabilities on DIP loans
- Streamlined approach; efficient underwriting, due diligence, consistent deal team and approvals
- Experienced at structuring creative forms of financing and receptive to non-traditional transactions
- Flexible payment structures
- Multiple disciplines and capabilities
- Focused approach to the opportunity

Financing Structures to Fit Customer Needs

CONCLUSION

PLAN COMPARISON: CONSTITUENCY TREATMENT

FGC Constituency Treatment					
	Official Committee of Unsecured Creditors	Official Committee of Equity Holders	New World Acquisition LLC	Ranch Capital LLC	Signature Group Holdings LLC
Senior Notes	Paid in full on Effective Date with post petition accrued interest of 2.51%	Paid in full on Effective Date with post petition accrued interest of 2.51% or other rate determined by court that deems senior notes unimpaired	Paid in full on Effective Date with post petition accrued interest of 2.51% or other rate determined by court that deems senior notes unimpaired	Paid in full on Effective Date with post petition accrued interest of 2.51% or other rate determined by court that deems senior notes unimpaired	Paid in full on Effective Date with post petition accrued interest of 2.51% plus \$1.5mm
Admin / Tax Claims	Paid in full on Effective Date	Paid in full on Effective Date	Paid in full on Effective Date	Paid in full on Effective Date	Paid in full on Effective Date
GUCs	More than 90% paid on Effective Date, remainder paid over time as funds become available	Paid in full on Effective Date	Paid in full on Effective Date	Paid in full on Effective Date	Paid in full on Effective Date
TOPrS	Receive \$40.3mm in cash on Effective Date, remainder paid over time as funds become available	Receive (i) \$40mm in cash on Effective Date, (ii)\$42.75mm unsecured note with 9% annual interest, (iii) 27.5mm shares of common stock, and (iv) 5mm warrants	Option between: (i) Reinstatement in full, or (ii)\$95mm in new senior notes with 9% annual interest and 10.6mm shares of common stock	If TOPrS vote for plan, receive (i) \$47mm in cash on Effective Date, (ii) \$38.75mm unsecured promissory note with 9% annual interest, and (iii) 21mm shares of common stock If TOPrS vote against plan, those who voted against plan will be reinstated in full	Receive (i) \$45mm in cash on Effective Date, (ii)\$39mm unsecured note with 9% annual interest, and (iii) 21mm shares of common stock
Equity Holders	Issued equity trust interests equal to current holdings, no distributions made until all other constituencies have been paid in full	Retain equity interest in reorganized company, subject to dilution by shares issues to TOPrS. Estimated ownership retention of 74% excluding exercise of warrants; 71% including exercise of all warrants	Retain equity interest in reorganized company, subject to dilution by shares issued to TOPrS, New World and reserved for warrants. Estimated ownership retention of 79% excluding exercise of warrants; 70% including exercise of all warrants	Retain equity interest in reorganized company, subject to dilution by shares issued to TOPrS, Ranch Capital and reserved for warrants. Estimated ownership retention of 74% excluding exercise of warrants; 56% including exercise of all warrants	Retain equity interest in reorganized company, subject to dilution by shares issued to Signature and reserved for warrants. Estimated ownership retention of 70% excluding exercise of warrants; 62% including exercise of all warrants
New Capital (\$mm)	NA	0	7.0 - 14.4	5.3 - 17.5	10.1

PLAN COMPARISON: BUSINESS PLAN ATTRIBUTES

Business Plan Attributes					
	Official Committee of Unsecured Creditors	Official Committee of Equity Holders	New World Acquisition LLC	Ranch Capital LLC	Signature Group Holdings LLC
Business Plan	Maintaining current operations of the Debtor, which may or may not be wound down	Acquire a community bank, invest in distressed loans, fund hard money mortgages and develop middle-market lending platform	Convert company into a real estate and distressed asset investment platform	Convert company into a platform for investing in residential real estate/land projects	Convert company into a middle market commercial finance platform
Management Team	TBD Plan administrator in addition to one member of the debtor's current management team	TBD by equity committee with assistance of advisors; Interim CEO candidate identified	New World management team	Ranch Capital management team	Signature management team plus three individuals with experience in middle market commercial finance
Board of Directors	Five member board selected by creditors' committee	Seven member board, three members of which to be selected by the Equity committee and three of which to be selected by TOPrS and one to be agreed upon between the two parties	Seven member board, including four individuals selected by New World with experience in real estate and distressed credit investing and three members selected in consultation with largest equity holders	Four directors from Ranch and one independent director, to be selected by the other board constituents, plus: (i) if Equity Committee and TOPrS vote for plan: including two directors from Equity Committee and two directors from TOPrS, or (ii) if TOPrS vote for plan but Equity Committee does not: two directors from TOPrS, or (iii) if neither Equity Committee or TOPrS vote for plan, no additional directors	Seven member board, including Seth Hamot, Howard Amster, four independent directors selected by Signature and one additional member selected by Signature, James McIntyre and TOPrS group

CONCLUSION: GOALS OF OUR PLAN

- Provide another plan for Fremont constituents to consider that is more attractive and less risky than each of the other proposed plans
- Deliver a thoughtful and viable strategic vision appropriate to the current credit environment
- Deliver a seasoned management team with a proven record of success in negotiating difficult markets in the areas of:
 - Asset management / security selection
 - Underwriting
 - Risk management / risk mitigation
- Deliver an accomplished and reputable group of directors
- Treat all constituents fairly while providing continued liquidity
- Create a workable capital structure that preserves the value of a very important corporate asset: the NOLs
- Provide a scalable business model that will generate attractive risk-adjusted returns to equity holders
- Taken in totality, our plan will create attractive long-term value

APPENDIX A: PRO FORMA OPENING BALANCE SHEET

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(US\$000)

Assets

	Actual December 2009	Projected Activity to April 2010	Projected April 2010	Pay Senior Notes / Convert TOPrS	Book Unsecured / Admin Claims	Pay / Reserve Unsecured / Admin Claims	Reserve for Known Repurchase Claims	New Equity Infusion	Opening Pro Forma Balance Sheet
Cash and equivalents	\$356,224	(\$11,100) ⁽¹⁾	\$345,124	(\$231,531)		(\$81,030)	(\$15,000) ⁽⁸⁾	\$5,060	\$22,623
Cash reserve	-	-	-				15,000 ⁽⁸⁾		15,000
Loans held for sale	44,381	-	44,381						44,381
FHLB stock	2,146	-	2,146						2,146
Loans held for investment, net	2,153	-	2,153					5,000	7,153
Total Cash, Investments & Loans	404,904	(11,100)	393,804	(231,531)		(81,030)		10,060	91,303
Accrued interest income	528	-	528						528
Real estate held for sale, net	7,037	-	7,037						7,037
Premises and equipment, net	4,033	(400) ⁽²⁾	3,633						3,633
Other assets	42,191	-	42,191						42,191
Total Other Assets	53,789	(400)	53,389						53,389
Total Assets	\$458,693	(\$11,500)	\$447,193	(\$231,531)	\$0	(\$81,030)	\$0	\$10,060	\$144,693

Liabilities

Senior notes	\$166,756	-	\$166,756	(\$166,756)					-
Accrued interest on senior notes	9,909	9,866 ⁽³⁾	19,775	(19,775)					-
TOPrS	103,093	-	103,093	(103,093)					-
Accrued interest on TOPrS	4,330	17,584 ⁽³⁾	21,914	(21,914)					-
New TOPrS Note	-	-	-	39,000					39,000
Repurchase reserve	37,200	-	37,200			(20,000) ⁽⁶⁾			17,200
Income taxes payable	(22,287)	-	(22,287)						(22,287)
SERP	11,819	-	11,819						11,819
Accrued bonus	1,540	-	1,540		(1,540) ⁽⁴⁾				-
Water Garden lease rejection	2,241	106 ⁽³⁾	2,347			(2,347) ⁽⁷⁾			-
Accounts payable	43,714	273 ⁽³⁾	43,987			(38,533) ⁽⁷⁾			5,454
Other	735	-	735		20,150 ⁽⁵⁾	(20,150) ⁽⁷⁾			735
Total Liabilities	359,049	27,829	386,878	(272,537)	18,610	(81,030)			51,921
Equity	99,644	(39,329)	60,315	41,006	(18,610)			10,060	92,771
Total Liabilities and Equity	\$458,693	(\$11,500)	\$447,193	(\$231,531)	\$0	(\$81,030)	\$0	\$10,060	\$144,693

(1) Estimates cash flow for January through April 2010.

(2) Depreciation of \$100,000 per month from January through April 2010.

(3) Assumes post petition default interest of 2.51% plus \$1.5mm settlement on senior notes. Booked estimated post petition default interest (2.51%) on TOPrS and GUCs (excluding settlement figures that do not contemplate interest).

(4) Reversed accrued bonus, a claim for which has already been included in unsecured / admin claims.

(5) Booked professional fees (\$2.9mm), SEC reporting requirement fees (\$2mm) and management/employee severance (\$4.65mm) as well as estimated claims for non-Rampino wage claims (\$350k) and a contingency for unknown claims for FRC (\$4.5mm), FGC (\$3.75mm) and general (\$2mm).

(6) Paid / reserved for \$20mm in settlements of repurchase claims.

(7) Paid professional fees (\$2.9mm), SEC reporting requirement fees (\$2mm), management/employee severance (\$4.65mm) and estimated claims for Rampino (\$22mm), CIC (\$5mm), Enron (\$2mm), Bank of NY (\$7mm), non-Rampino wage claims (\$350k), Water Garden lease rejection (\$2.241mm), FRC known liabilities (\$2.26mm) and a contingency for unknown claims for FRC (\$4.5mm), FGC (\$3.75mm) and general (\$2mm).

(8) Establish \$15mm cash reserve for known repurchase liabilities.

APPENDIX B: ANNUAL PROJECTIONS

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Income Statement <i>(US\$000)</i>	Fiscal Year Ending					
	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Interest Income - Legacy Assets	\$2,400	\$0	\$0	\$0	\$0	\$0
Interest Income - New Assets	2,300	12,647	22,268	25,576	27,129	27,170
Total Interest Income	4,700	12,647	22,268	25,576	27,129	27,170
Interest Expense - Revolver	0	0	(1,460)	(3,323)	(3,723)	(3,119)
Interest Expense - TOPrS	(2,340)	(3,510)	(3,510)	(3,510)	(3,510)	(3,510)
Net Interest Income	2,360	9,137	17,298	18,743	19,896	20,541
Provision for Credit Losses	750	1,200	1,500	1,500	1,500	1,500
Net Interest Income after Provision	1,610	7,937	15,798	17,243	18,396	19,041
Fee Income	700	1,120	1,582	1,988	2,065	2,100
Syndication Income	700	1,120	1,400	1,400	1,400	1,400
Gain (Loss) on Sale of Loans	931	0	975	3,825	4,050	4,500
Gain (Loss) on Sale of Assets	(464)	1,437	0	0	0	0
Gain (Loss) on Extinguishment of Debt	0	0	0	0	0	0
Insurance Recoveries	10,000	14,000	0	0	0	0
Total Non-Interest Income	11,866	17,677	3,957	7,213	7,515	8,000
Management Fee	1,500	2,250	3,775	4,600	4,840	4,850
Rent & Occupancy	480	360	360	0	0	0
Compensation & Benefits	3,100	1,650	900	0	0	0
Severance	0	0	0	0	0	0
Loan Servicing	2,118	1,371	1,125	1,286	1,357	1,351
Litigation Settlements	400	600	600	0	0	0
Depreciation & Amortization	618	344	356	166	228	291
Other (includes outside legal, acctg and insurance)	4,712	5,568	3,568	1,672	1,731	1,726
Total Operating Expenses	12,927	12,143	10,685	7,725	8,157	8,217
Pre-tax Earnings	549	13,472	9,070	16,731	17,754	18,825
Provision for Income Taxes	0	0	0	0	0	0
Income before Incentive Fee	549	13,472	9,070	16,731	17,754	18,825
Incentive Fee	0	0	320	1,650	1,639	1,621
Net Income	\$549	\$13,472	\$8,750	\$15,081	\$16,115	\$17,203

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Balance Sheet (US\$000)	As of					
	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Assets						
Cash and equivalents	\$63,441	\$4,019	\$2,000	\$2,000	\$2,000	\$2,000
Cash reserve for contingent claims	15,000	15,000	15,000	15,000	15,000	15,000
Loans held for sale	0	0	0	0	0	0
FHLB stock	2,146	2,146	2,146	0	0	0
Loans held for investment	55,000	135,000	210,300	226,000	232,500	232,500
Reserve for credit losses	(750)	(1,950)	(3,450)	(4,950)	(6,450)	(7,950)
Total Cash, Investments & Loans	134,838	154,215	225,996	238,050	243,050	241,550
Accrued interest income	528	528	528	528	528	528
Real estate held for sale, net	3,941	0	0	0	0	0
Premises and equipment, net	3,182	617	510	595	616	576
Other assets	24,640	12,821	12,821	12,821	12,821	12,821
Total Other Assets	32,291	13,965	13,859	13,943	13,965	13,924
Total Assets	\$167,128	\$168,181	\$239,855	\$251,993	\$257,015	\$255,474
Liabilities						
Revolver	\$0	\$0	\$63,524	\$60,581	\$49,488	\$30,744
TOPrS	0	0	0	0	0	0
New TOPrS Note	39,000	39,000	39,000	39,000	39,000	39,000
Repurchase reserve	16,800	16,200	15,600	15,600	15,600	15,600
Other Liabilities	18,008	6,189	6,189	6,189	6,189	6,189
Total Liabilities	73,808	61,389	124,313	121,370	110,277	91,533
Equity						
Common Stock	92,771	92,771	92,771	92,771	92,771	92,771
Retained Earnings	549	14,020	22,771	37,852	53,967	71,170
Total Equity	93,320	106,792	115,542	130,623	146,738	163,941
Total Liabilities and Equity	\$167,128	\$168,181	\$239,855	\$251,993	\$257,015	\$255,474

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Cash Flow Statement	Fiscal Year Ending					
	<i>(US\$000)</i>	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Net Income (Loss)	\$549	\$13,472	\$8,750	\$15,081	\$16,115	\$17,203
Depreciation & amortization	618	344	356	166	228	291
Provision for credit losses	750	1,200	1,500	1,500	1,500	1,500
(Gain) / Loss on sale of loans	(931)	0	(975)	(3,825)	(4,050)	(4,500)
(Gain) / Loss on sale of assets	464	(1,437)	0	0	0	0
(Gain) / Loss on extinguishment of debt	0	0	0	0	0	0
PIK Interest	0	0	0	0	0	0
Payment of TOPrS accrued interest	0	0	0	0	0	0
Change in operating assets & liabilities:	0	0	0	0	0	0
Accrued interest income	0	0	0	0	0	0
Other assets	17,551	11,819	0	0	0	0
Other liabilities	22,287	(11,819)	0	0	0	0
Cash from operating activities	\$41,288	\$13,578	\$9,632	\$12,922	\$13,793	\$14,494
Capital expenditures	(167)	(250)	(250)	(250)	(250)	(250)
Proceeds from sale of loans	47,465	0	25,675	88,125	97,550	104,500
Proceeds from sale of other assets	2,632	7,850	0	0	0	0
Proceeds from sale of FHLB stock	0	0	0	2,146	0	0
Payments on repurchase reserve	(400)	(600)	(600)	0	0	0
Loan investments, net	(50,000)	(80,000)	(100,000)	(100,000)	(100,000)	(100,000)
Cash from investing activities	(\$470)	(\$73,000)	(\$75,175)	(\$9,979)	(\$2,700)	\$4,250
Issuance of common stock	0	0	0	0	0	0
Issuance of preferred stock	0	0	0	0	0	0
Principal payments - TOPrS	0	0	0	0	0	0
Cash from financing activities	\$0	\$0	\$0	\$0	\$0	\$0
Cash flow before revolver drawdown / paydown	40,818	(59,422)	(65,543)	2,943	11,093	18,744
Revolver drawdowns	0	0	63,524	881	724	0
Revolver paydowns	0	0	0	(3,824)	(11,817)	(18,744)
Net cash flow	\$40,818	(\$59,422)	(\$2,019)	\$0	\$0	\$0
Beginning cash	22,623	63,441	4,019	2,000	2,000	2,000
Ending cash	\$63,441	\$4,019	\$2,000	\$2,000	\$2,000	\$2,000