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CUNNINGHAM & COMPANY TO GROW PLATFORM, ADD SERVICING CAPABILITIES
Company Agrees to Acquisition by Capital Markets Cooperative

GREENSBORO, N.C. (Oct. 27, 2011) – Cunningham & Company (Cunningham) announced today plans to grow the size of its home mortgage origination business to \$1 billion and add a servicing platform. As part of its growth strategy, Cunningham has agreed to merge with long-time strategic partner Capital Markets Cooperative (CMC), one of the nation’s leading mortgage capital markets firms. Cunningham will retain its name, management team and continue to be led by company founder and CEO Hank Cunningham.

Cunningham is one of the largest independent originators of residential mortgages in North Carolina, with offices in 11 cities across the state. As part of CMC, Cunningham will:

- Expand its current mortgage origination platform.
- Add servicing capabilities for mortgages.
- Sell directly to Fannie Mae, Freddie Mac and other investors when appropriate.
- Issue Ginnie Mae securities to increase the flexibility of its credit offerings.

“There is a fundamental shift taking place in the residential mortgage industry. We have a unique opportunity to combine our mortgage expertise and industry reputation with the capital markets expertise and access to capital of Capital Markets Cooperative,” said Hank Cunningham. “The timing makes perfect sense to take our relationship with CMC to the next level, while maintaining our name, management team and employee base.”

“Capital Markets Cooperative has had a long, successful strategic partnership with Hank Cunningham and his team, and we are excited about the opportunities for our combined company,” said Tom Millon, president and CEO of CMC. “Hank is highly regarded in the mortgage industry, and adding his expertise and platform to our company will facilitate agency, government and mortgage servicing solutions for all CMC members.”

Cunningham will retain its home office in Greensboro, N.C. CMC is based in Ponte Vedra Beach, Fla. Hank Cunningham will become a shareholder in Capital Markets Holdings, Inc., the parent company of CMC. The transaction agreement is subject to final regulatory approval and is expected to close by the end of 2011.

About Cunningham & Company

Cunningham & Company (Cunningham) is an independent mortgage banking firm with more than 100 mortgage professionals operating in 11 North Carolina communities, a fully approved FNMA and FHLMC seller/servicer, and a GNMA issuer. Hank Cunningham founded the company in Greensboro, N.C. in 1990 and is the immediate past chairman of the Residential Board of Governors of the Mortgage Bankers Association (MBA), 2011 recipient of MBA's Andrew D. Woodward Distinguished Leadership Award and 2011 recipient of the Mortgage Bankers of the Carolinas Mortgage Banker of the Year award. For more information, visit www.cunninghammortgage.com or call (800) 273-0802.

About Capital Markets Cooperative

Capital Markets Cooperative (CMC) provides mortgage bankers with the economies of scale and the expertise to reduce risk and maximize profit in the secondary market. Regarded as the premiere secondary marketing specialist in the mortgage industry, CMC works with financial institutions nationwide to break traditional barriers in capital markets and take performance to the next level of profitability. CMC's participating financial institutions originate more than \$25 billion of mortgages annually, and CMC executives have managed more than \$500 billion of mortgage volume. Affiliates of WL Ross & Co., LLC (WL Ross) own stock in CMC's holding company, Capital Markets Holdings, Inc. WL Ross is a leading private equity firm that has sponsored and managed more than \$10 billion of investments, many of which have been in the financial services sector. For more information, visit www.capmkt.org or call (904) 543-0052.