



Overall M&A activity within the Financial Services sector increased 5% over the last twelve months (LTM) ending September 30, 2005 with 184 deals reported compared with 176 deals for the same period last year and with median valuation multiples at 2.7 x Revenue, 9.4 x EBITDA, 12.5 x EBIT and 3 x Book Value.

M&A TRANSACTIONS BY SUBSECTOR

For the Last Twelve Months Ended September 30,

	01		02		03		04		05	
Investment Services & Holding Companies	17	9%	25	15%	30	22%	44	25%	55	30%
Diversified Financial Services	15	8%	11	7%	12	9%	27	15%	42	23%
Investment Banking & Brokerage	85	47%	72	44%	36	27%	36	20%	35	19%
Consumer Finance	16	9%	10	6%	12	9%	26	15%	26	14%
Asset Management & Custody Banks	33	18%	33	20%	22	16%	18	10%	15	8%
Specialized Finance	14	8%	12	7%	22	16%	25	14%	11	6%
Total	180	100%	163	100%	134	100%	176	100%	184	100%

Based upon Mosaic Capital research and subject to qualifications found on our website. Valuation multiples include public transactions and premiums for control, which can vary significantly between public and private companies. Private company transactions also typically include valuation discounts for limited liquidity, due to a lack of a public market.

National and international buyers lead the demand for U.S.-based businesses in this sector. In addition, private equity groups own or control over 130 portfolio companies and also are fueling demand. Buyers objectives include:

- ▀ Obtain economies of scale and scope in service and geographic reach
- ▀ Increase professional staff and market share in specific states and regions
- ▀ Obtain operating efficiencies via technology and resource infrastructure leverage

About Mosaic Capital

Mosaic Capital LLC is a leading national investment banking firm specializing in merger and acquisition and related corporate finance transactions, as well as business valuations for middle-market companies. The private placement of debt and equity securities is provided through affiliate Mosaic Capital Securities LLC - member NASD/SIPC. Mosaic Capital is a member of International Merger & Acquisition Partners (www.imap.com), an exclusive global partnership of leading M&A advisory firms with 98 offices in 24 countries, the partners of which have completed 1,000 middle market transactions exceeding \$18 billion in value since 2000.

Mosaic Capital seeks introductions to owners and management teams in the following lines of business:

Investment Banking & Brokerage, including:

- ▀ M&A Advisory Services
- ▀ Private Placement & Loan Syndication Services
- ▀ Debt & Equity Security Underwriting
- ▀ Personal & Institutional Investment Advice
- ▀ Online & Traditional Security Brokers/Dealers
- ▀ Oil & Gas Lease Brokers' Offices
- ▀ Commodity Contract, Broker & Dealer Services

Investment Services & Holding Companies, including:

- ▀ Patent Owners & Lessors
- ▀ Trust Managers
- ▀ Administrators of Private Estates
- ▀ Educational, Religious & Charitable Trusts

Consumer Finance, including:

- ▀ Credit Card Issuing/Credit Institutions
- ▀ Installment Sales Financing
- ▀ Industrial Non-Deposit Banks
- ▀ Credit Card & Check Validation Services
- ▀ Car, Student & Other Loans
- ▀ Clearinghouses & Electronic Funds Transfer
- ▀ Foreign Currency Exchange
- ▀ Escrow & Fiduciary Agencies

Asset Mgmt & Custody Banks, including:

- ▀ Derivatives & Hedge Funds
- ▀ Retirement, Pension & Profit Sharing
- ▀ Health & Welfare Funds
- ▀ Money Market, Mutual Fund & Unit Trusts

Specialized Finance, including:

- ▀ Federal Credit Agencies
- ▀ Federally-Sponsored Credit Agencies
- ▀ Business Credit Agencies
- ▀ Sovereignty Credit Rating Agencies
- ▀ Short-Term Business Credit
- ▀ Business Credit Card Services
- ▀ Secondary Market Financing
- ▀ Farm Mortgage Companies
- ▀ Credit Reporting Services
- ▀ Business Sales & Finance Leasing
- ▀ Trade Banks & Credit Unions

Diversified Financials