

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Hires Asset Managers under the Emergency Economic Stabilization Act

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Washington, DC – The U.S. Department of the Treasury announced today that it has selected three firms to manage its portfolio of assets issued by banks and other institutions participating in the Capital Purchase Program and other similar programs under the Emergency Economic Stabilization Act. The assets include senior preferred shares, senior debt, equity warrants, and other equity and debt obligations.

In response to a publicly announced solicitation on November 7, 2008, the Treasury received over 200 submissions from interested firms. Following an extensive evaluation process, the Treasury has selected AllianceBernstein LP, FSI Group, LLC, and Piedmont Investment Advisors, LLC. By leveraging the professional experience and extensive resources of these investment management firms, the Treasury will ensure that the taxpayers' assets are managed in a prudent and transparent manner.

The three firms will immediately begin providing asset management services to the Treasury, including valuing the assets issued to the Treasury by public and private financial institutions participating in the Capital Purchase Program, analyzing the ongoing financial condition, capital structure, and risks of these financial institutions, and advising on and executing transactions in accordance with the Treasury's investment policy.

The firms selected today come from the pool of applicants that have over \$2 billion in assets under management. In addition to these three asset managers, Treasury intends to hire a group of smaller asset managers from the pool of applicants with less than \$2 billion in assets under management, in order to ensure a diversity of service providers of different sizes and ownership. The Treasury anticipates completing this second round of selections in the next 2 months.

Each of the agreements with the three firms is effective until April 20, 2014. The agreements were entered into under the Treasury's authority to retain financial agents to provide services on its behalf as provided for in the Emergency Economic Stabilization Act.

AllianceBernstein is a leading global investment management firm that offers high-quality research and diversified investment services to institutional clients, individuals and private clients in major markets around the world. The firm, headquartered in New York City, employs more than 500 investment professionals with expertise in growth equities, value equities, fixed-income securities, blend strategies and alternative investments.

FSI Group operates a multi-strategy investment platform focused on opportunities in the financial services sector. The firm, based in Cincinnati, specializes in financing and investing in banks, thrifts, insurance companies, REITs, real estate operating companies and other financial services firms.

