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FOR IMMEDIATE RELEASE**Morningstar Credit Ratings, LLC Assigns 'MOR CS2' Commercial Mortgage Primary Servicer and Special Servicer Rankings for Cohen Financial Services (DE), LLC**

NEW YORK, July 21, 2014—Morningstar Credit Ratings, LLC today assigned its 'MOR CS2' commercial mortgage primary servicer and special servicer rankings for Cohen Financial Services (DE), LLC. The assigned primary and special servicer rankings are based on the following composite factors:

Primary Servicing:

- Highly experienced management teams and solid professional depth: Cohen has a highly experienced management team and its professional staff members have solid industry-related experience, including many employees who formerly worked at highly rated servicers.
- Excellent technology platform: Cohen has effective technology tools for its current loan administration and portfolio management duties. The company uses a loan servicing system for all primary servicing functions called *Enterprise!*, as well as an advanced operational reporting system called Action IQ to support portfolio and asset management functions. In particular, Morningstar has a favorable view of Action IQ, which has dashboard reporting capabilities for each asset manager and serves as a highly effective workflow management tool.
- Sound internal audit and compliance program: Cohen's internal audit function comprises annual Uniform Single Attestation Program (USAP) and Regulation AB attestations, Federal Deposit Insurance Corporation (FDIC) audits, and investor audits, as well as an internal audit/compliance review program. Recently completed audit reports cited no material control or procedural exceptions.
- Effective training function: Cohen has an effective training program for management and personnel that stresses industry-related coursework in addition to career advancement. Cohen maintains an education and training committee that oversees the training program. Morningstar

believes that Cohen's training regimen and activities are similar to programs commonly found in large-scale servicing organizations.

- Sound portfolio management: Cohen has sound practices to monitor collateral performance and handle credit issues on performing loans. The company is experienced with handling highly structured assets and distressed portfolios, and providing investors with customized surveillance and asset management.
- Expanding client base and increasing diversity in asset classes: As the result of Cohen's merger earlier this year with Pillar Financial, LLC, an affiliated entity of Guggenheim Partners, Cohen has expanded its client base to include agency servicing, in addition to providing primary servicing to life insurance companies, commercial mortgage-backed securitizations (CMBS), private equity investors, and the FDIC. Cohen's integration of Pillar's agency portfolios and Guggenheim's life insurance company portfolios into its existing portfolio will be ongoing throughout 2014. Cohen successfully integrated a portion of Guggenheim's life insurance company portfolio in the first quarter of 2014.
- Detailed client reporting for CMBS, agency, and other investor classes: In Morningstar's view, Cohen is highly capable of delivering detailed reporting for a range of institutional clients, including private equity, Government Sponsored Enterprise, and CMBS investors.
- Sound loan administration: Morningstar believes that Cohen has sound practices to perform effective loan administration related to functions such as payment processing, real estate tax and insurance administration, and surveillance.
- Fully scalable servicing platform that effectively allocates resources to meet client needs: Cohen is able to assign staff to client locations for certain assignments to facilitate loan administration and enhance communication with its clients.

Special Servicing:

- Successful asset resolution history: Cohen has successfully resolved many challenging assets in connection with FDIC small-balance and CMBS portfolios.
- Experienced professional team: Cohen's management team and asset managers are well-experienced with complex asset resolutions involving a diversity of property and investor types.
- Effective technology: Cohen uses its Action IQ asset management workflow application, which is well-suited for handling CMBS portfolios and integrated with the company's other applications.
- Sound asset management practices: Cohen has sound and controlled asset analysis practices. The company is also enhancing its delegations of authority to include approval matrices for loan

and real estate owned (REO) liquidations. The company also plans to utilize internal templates for initial business plans that will be centrally accessed through the Action IQ system and updated throughout the course of the asset resolution. In Morningstar's view, the company will demonstrate best practices by undertaking these measures.

- Proactive internal audit and compliance functions: Cohen's special servicing operation undergoes annual audits and has its own compliance function to monitor adherence to servicing agreements and loan-level requirements. Recently completed audits indicated no material control or procedural exceptions.
- Effective conflicts of interest management: Currently, Cohen provides special servicing functions on behalf of named special servicers on various CMBS transactions, and therefore is not affiliated with any investors that are the controlling class holders on those transactions. Cohen also provides special servicing for Mariner Holdings, an affiliated investor that holds first-loss positions in several non-CMBS transactions. In Morningstar's view, Cohen has an autonomous decision-making process and sound practices to manage any conflicts of interest.

As of March 31, 2014, Cohen's primary servicing portfolio consisted of 2,480 loans with an unpaid principal balance (UPB) of approximately \$12.02 billion. The portfolio included 238 CMBS loans, approximately \$740.9 million by UPB; 963 insurance company and pension fund loans, approximately \$7.8 billion by UPB; 504 investment fund and structured finance loans, approximately \$2.9 billion by UPB; and 21 agency loans, approximately \$122.0 million by UPB. By comparison, as of Dec. 31, 2013, Cohen's primary servicing portfolio consisted of 2,130 loans with a UPB of approximately \$7.1 billion.

As of March 31, 2014, Cohen's total active special servicing portfolio, inclusive of CMBS and non-CMBS, contained 957 assets consisting of 558 loans and 340 REO properties with a combined UPB of approximately \$504.0 million. The CMBS portion of the active special servicing portfolio consisted of 74 loans and five REO properties with a combined UPB of approximately \$52.5 million. By comparison, as of Dec. 31, 2013, Cohen's total active special servicing portfolio, inclusive of CMBS and non-CMBS, contained 1,021 assets consisting of 647 loans and 374 REO properties with a combined UPB of approximately \$472.0 million.

The forecast for both rankings is Stable. Morningstar expects Cohen to continue serving as an effective commercial mortgage primary and special servicer for CMBS and third-party investors.

To access Morningstar's operational risk assessment methodology and all published reports, please visit <https://ratingagency.morningstar.com>.

About Morningstar Credit Ratings, LLC and Morningstar, Inc.

Morningstar Credit Ratings, LLC is a Nationally Recognized Statistical Rating Organization (NRSRO) that specializes in structured credit research and ratings, and offers a wide array of services including new-issue ratings and analysis, operational risk assessments, surveillance services, data, and technology solutions.

Morningstar Credit Ratings' rankings, forecasts, and assessments contained in this press release are evaluations and opinions of non-credit related risks, and therefore, are not credit ratings within the meaning of Section 3 of the Securities Exchange Act of 1934 ("Exchange Act") or credit ratings subject to the Exchange Act requirements and regulations promulgated thereunder with respect to credit ratings issued by NRSROs.

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