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**FOR IMMEDIATE RELEASE****Morningstar Credit Ratings, LLC Affirms 'MOR CS1' Commercial Mortgage Special Servicer Ranking for C-III Asset Management LLC**

NEW YORK, June 19, 2014--Morningstar Credit Ratings, LLC today affirmed its 'MOR CS1' commercial mortgage special servicer ranking for C-III Asset Management LLC (C-III). The affirmed special servicer ranking is based on the following composite factors:

- Highly experienced management and asset management teams: C-III's special servicing and asset management teams are highly experienced in managing complex distressed assets. Morningstar also has a favorable view of C-III's new president, who is a respected industry veteran with significant experience leading a large scale special servicing operation.
- Accurate and timely reporting: Morningstar has a favorable view of C-III's capabilities to provide accurate and timely reporting, its responsiveness to information requests, and the overall quality of its asset-level reporting content.
- Excellent recovery results with challenging assets: During 2013, C-III resolved a high percentage of loans and real estate owned (REO) assets held in its inventory, while achieving overall successful net recoveries on loan and REO liquidations.
- Prudent practices for resolving discounted payoffs: Morningstar has a favorable view of C-III's practice of requiring borrower certifications prior to negotiating discounted payoffs and other resolutions involving liquidations.
- Extensive audit function covering asset management practices: Morningstar believes that C-III's audit practices are extensive and encompass not only regulatory attestations, but also quarterly self-administered, yet independent, internal audits that test special servicing compliance with pooling and servicing agreements and C-III's own policies and procedures.
- Highly transparent asset resolution practices and sound conflict of interest management: Morningstar has a positive view of C-III's continued efforts to work with industry participants

concerning investor reporting, resolution disclosures, and the effect of change-of-control transfer events on servicing. Morningstar also views C-III as adhering to a transparent process of disclosing potential conflicts of interest to outside parties as demonstrated by its continual presentations to the investor/research analyst community. C-III is affiliated with the controlling bondholder class on certain commercial backed-mortgage securities (CMBS) transactions for which it is the named special servicer. Although C-III, through its affiliate, has exercised its option to purchase certain loans out of the CMBS trust and continues to use affiliated entities for the workout and liquidation of some assets, Morningstar believes that C-III's recovery results indicate that it has minimized realized losses to affected trusts. Furthermore, C-III continues to fully disclose its business decisions that substantiate the exercise of such asset purchase options and use of affiliates to CMBS trustees, rating agencies, investors, research analysts, and other interested parties.

- Excellent asset management system: Morningstar views C-III's asset management system, LoanSStar Platinum, as robust and providing highly centralized data management and automated reporting because of its integration with an existing due diligence and surveillance system.
- Lower workload ratios indicating sufficient capacity for special servicing: Morningstar believes that although C-III has had increased staff turnover and a net reduction in staff primarily as a result of declining portfolio volume, the company's ratio of assets-to-asset manager has also declined, indicating that C-III has retained sufficient capacity to perform all special servicing functions. Morningstar views C-III's current workload ratio as being in-line with the industry average and reflects an industry-wide trend in declining special servicing volumes and increasing turnover.
- C-III's lack of segregation between REO asset management and REO account reconciliation functions: Morningstar has a concern about C-III's practice of allowing REO asset managers to reconcile REO bank accounts. However, Morningstar also believes that C-III has an extensive property management audit program that helps to mitigate the risks of bank fraud and the potential for asset managers to set up fictitious accounts. Regardless, in Morningstar's view, special servicers that segregate asset management and REO account reconciliation functions demonstrate best practices.

As of Dec. 31, 2013, C-III's active special servicing portfolio was approximately \$7.3 billion consisting of 563 assets, compared to approximately \$11.9 billion consisting of 802 assets as of Dec. 31, 2012, which represented a decrease of approximately 38 percent in unpaid principal balance (UPB) and a decrease of 30 percent in the number of assets. As of Dec. 31, 2013, C-III was also the named special servicer on

approximately 11,511 loans with an aggregate UPB of approximately \$120 billion, representing an 8 percent decrease by asset count and a 7 percent decrease by UPB, compared to Dec. 31, 2012.

The forecast for the ranking is Stable. As a special servicer, C-III should continue to perform effectively for its investor clients. Given the extent to which the company uses affiliates to purchase and sell assets, Morningstar will also continue to monitor C-III's use of affiliates in its asset resolution activities and how the company's use of affiliates affects its overall asset recovery results.

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

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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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