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iCapital Finance Plays Important Role in New Jersey's Award of \$125 Million in New Market Tax Credits—New Jersey's Low-Income Areas to Benefit from New Tax Credits

Irvine --- May 16, 2004 --- Economic and community development projects in low-income areas around New Jersey are set to benefit from \$125 million in federal tax credits awarded today to the New Jersey Economic Development Authority (EDA) for investment in qualifying communities.

United States Treasury officials announced today that the EDA, through its New Jersey Community Development Entity (NJCDE), will be allocated \$125 million through the New Market Tax Credits program. The NJCDE will in turn provide below market loans and investment capital to businesses, and commercial and home ownership projects in low-income areas.

iCapital Finance, Inc. played a significant role in this process by providing \$200 million of commitments for equity financing and providing their investment banking and consulting expertise. For their support, iCapital retains a percentage of fees and carried interest in each funding completed by the New Jersey CDE. iCapital also is granted the right of first refusal on the funding of any proposed transaction.

Randall Letcavage, Managing Director of iCapital was quoted with the following comments; "First and foremost, I want to congratulate the State of New Jersey, its Economic Development Authority and its Community Development Entity (CDE). This will have significant positive impact for business and economic growth in the State. iCapital is proud to represent New Jersey and assist the New Jersey EDA and CDE reach their goals."

"New Jersey has shown its commitment to its distressed urban communities through programs such as our Urban Enterprise Zones; through One-Stop Career Centers like the one in Newark, which help first-time job seekers and those who want to improve their careers; and through the services we offer that help small businesses and entrepreneurs get started and stay competitive," Governor James E. McGreevey said. "These new tax credits will serve as a tremendous boost for those communities by encouraging private investments in redevelopment projects."

"This enormous infusion of federal support should provide a major boost in the arm to the economic development efforts in Trenton and other cities throughout New Jersey," said U.S. Representative Rush Holt, D-NJ. "I believe that these incentives have great potential to accelerate economic renewal, which will create scores of new jobs and raise the standard of living for the state's urban residents in the years ahead."

"This new tax credit program represents a significant influx of capital available through the EDA to the businesses and community development projects in the distressed areas in New Jersey," said Caren Franzini, EDA Chief Executive Officer, noting that the allocation is expected to leverage an additional \$300 million in investment in these areas. "These tax incentives can make all the difference by attracting new investment capital to challenging development projects."

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Of the 62 entities nationwide that were approved for tax credits, the New Jersey EDA had the fourth largest allocation. Its \$125 million award was more than double the average allocation provided under the program.

These federal tax credits can be claimed over a 7-year period for a total of 39 percent for investments made in certified Community Development Entities (CDE's).

The EDA prepared the tax credit program application in partnership with the New Jersey Housing and Mortgage Finance Agency (HMFA) and Casino Reinvestment Development Authority (CRDA). Additionally, NJCDE's investors, iCapital Finance, Inc. and Commerce Bank, committed the investment capital that assisted NJCDE in securing the NMTC allocation.

ABOUT iCAPITAL FINANCE, INC.:

iCapital Finance, Inc. is a leading investment bank specializing in servicing Small Cap Public Companies and Middle Market Private Companies offering a wide range of financial advisory services, including M&A, equity and debt financing, strategic advisory, and financial consulting. iCapital's industry experience and financial resources enable it to assist growth companies meet their objectives. iCapital also maintains an active Municipal Practice representing over 30 U.S. cities, counties and/or their corresponding CDE's.

The information in this Press Release includes certain "forward-looking" statements within the meaning of the Safe Harbor provisions of Federal Securities Laws. Investors are cautioned that such statements are based upon assumptions that in the future may prove not to have been accurate and are subject to significant risks and uncertainties, including the future financial performance of the Company. Although the Company believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurance that such expectations or any of its forward-looking statements will provide to be correct. Factors that could cause results to differ include, but are not limited to successful performances of internal plans, the impact of competitors, and general economic risks and uncertainties.

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