

Lennar Agrees To Sell Rialto Management Business

Oct 29, 2018

MIAMI, Oct. 29, 2018 /PRNewswire/ -- Lennar Corporation (NYSE: LEN and LEN.B) announced that it has agreed to sell its Rialto Investment and Asset Management business to investment funds managed by Stone Point Capital for \$340 million. The transaction is scheduled to close on November 30, 2018 or as soon after that as the conditions to the transaction are fulfilled. The transaction is subject to consent by the funds managed by Rialto or the investors in those funds and customary closing conditions.

Lennar will retain its Rialto Mortgage Finance business, which Lennar expects will move into its Financial Services business at the beginning of fiscal 2019. Lennar will also retain its fund investments (\$294 million as of August 31, 2018) along with its carried interests in various Rialto funds, as well as investments in other legacy Rialto balance sheet assets. The Rialto Investment and Asset Management Business will continue to be led by its current management.

Deutsche Bank Securities Inc. and Wells Fargo Securities, LLC served as financial advisors for Lennar and Goodwin Procter LLP acted as Lennar's legal counsel. Kramer Levin Naftalis and Frankel LLP acted as Stone Point's legal counsel.

About Lennar

Lennar Corporation, founded in 1954, is one of the nation's leading builders of quality homes for all generations. Lennar builds affordable, move-up and active adult homes primarily under the Lennar brand name. Lennar's Financial Services segment provides mortgage financing, title insurance and closing services for both buyers of Lennar's homes and others. Lennar's Rialto segment is a vertically integrated asset management platform focused on investing throughout the commercial real estate capital structure. Lennar's Multifamily segment is a nationwide developer of high-quality multifamily rental properties. Previous press releases and further information about Lennar may be obtained at the "Investor Relations" section of Lennar's website, www.lennar.com.

About Stone Point

Stone Point Capital LLC is a financial services-focused private equity firm based in Greenwich, CT. The firm has raised and managed seven private equity funds – the Trident Funds – with aggregate committed capital of approximately \$19 billion. Stone Point targets investments in the global financial services industry, including investments in companies that provide outsourced services to financial institutions, banks and depository institutions, asset management firms, insurance and reinsurance companies, insurance distribution and other

insurance-related businesses, specialty lending and other credit opportunities, mortgage services companies and employee benefits and healthcare companies. For further information about Stone Point, see www.stonepoint.com.

Forward-Looking Statements

Some of the statements in this press release are "forward-looking statements," as that term is defined in the Private Securities Litigation Reform Act of 1995, including statements regarding the expected time of completion of the Rialto sale and the transfer of Rialto Mortgage Finance into Lennar's Financial Services business. These forward-looking statements are subject to risks, uncertainties and assumptions, including the risk that the Rialto sale does not close, or closing is delayed. Accordingly, these forward-looking statements should be evaluated with consideration given to the many risks and uncertainties that could cause actual results and events to differ materially from those in the forward-looking statements. They include the risks detailed in Lennar's filings with the SEC, including the "Risk Factors" section of Lennar's Annual Report on Form 10-K for the fiscal year ended November 30, 2017. It is not possible for management to predict all the possible risks that could affect Lennar or to assess the impact of all possible risks on Lennar's business.



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