Checkmate
Brilliant Mortgages

Press Release

3 October 2007

Stephen Knight and Martin Finegold to launch new lending operation

Checkmate Mortgages Limited, a vehicle for creating and owning mortgage lenders, has been formed by two entrepreneurs with unrivalled experience of launching and growing ground-breaking mortgage lending businesses.

Stephen Knight, previously chairman of GMAC-RFC will be Executive Chairman of Checkmate with Martin Finegold, founder of Kensington Mortgages taking an advisory role. The company will be privately funded by both Stephen and Martin, with additional capital being added where necessary from other private investors.

Under the Checkmate stable, Stephen and Martin will set up several new lenders, each focused on a particular distribution channel. The first two lenders will launch in Q4 2008. Growth will be organic, but acquisitions will also be considered.

The founders believe that recent market events have helped rather than hindered this opportunity. By Q4 2008, rates are expected to have peaked, the capital markets are expected to have settled down, more profitable margins restored and some over-capacity taken out. "However bad the storm, the sun always shines again eventually" said Stephen Knight.

Commenting, Stephen said: "This will be my third and final business launch, and I intend it to be the best. Checkmate will rip up the rule-book on product design, distribution management and point of sale technology.

I intend to recruit a strong management team and equity will be available to the right people."

Referring to the partnership with Martin, Stephen Knight concluded: "We have been close personal friends for many years. We trust and understand each other. That will hopefully make us a formidable combination."

More detail will be revealed over the coming months.

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Editors' Notes:

- **Stephen Knight** founded the UK's first packager (Private Label) in 1987. It grew it to be the UK's largest privately owned distributor of mortgages by the time the company was sold to GMAC RFC in 1998, creating the packager industry, now represented by an estimated 500 companies distributing £30bn of mortgages per annum. Stephen was appointed as Executive Chairman of GMAC RFC UK and grew the lender to top ten status in just five years from a virtual standing start, delivering gross lending of £12.1bn in 2006, and pioneering such innovations as yes/no point of sale decisions, point of sale offers using AVMs and the whole "create and trade" model.
- **Martin Finegold** re-shaped the UK mortgage market in 1995 by founding Kensington Mortgage Company, the first of the new style non-conforming lenders, which has recently been sold to Investec. Martin was also a co-founder/investor in Commercial First, a small business lender, and has a significant number of other personal investments inside and outside of the financial services industry.
- It is currently anticipated that two new lenders will be launched in Q4 2008, each specialising in a different distribution channel; Checkmate may also consider acquisitions to add to the stable of lenders it owns.
- Stephen and his immediate office will be located initially in Young Street, Kensington to start work on this project.
- The new lenders will use a "create and trade" model, and automated underwriting/offer processes.
- The name "Checkmate" was chosen because it implies "one move ahead" and "ahead of the game".
- FSA authorisation for Checkmate and its lender subsidiaries will be sought in due course.
- For more information please visit www.checkmatemortgages.co.uk