

March 16, 2017



# **SEC Case Against BBX Capital and Company Chairman & CEO Alan Levan Goes to Trial on March 27th, 2017**

## **Levan Calls SEC Claims Baseless; Says He Looks Forward to Ending Abusive Nine Year Ordeal**

FORT LAUDERDALE, FL -- (Marketwired) -- 03/16/17 -- BBX Capital Corporation ("BBX Capital") (OTCQX: BBXT)(OTCQX: BBXTB) announced today that the long-awaited trial of the last remaining claims brought by the Securities and Exchange Commission against BBX Capital and its Chairman and Chief Executive Officer Alan B. Levan will begin on March 27, 2017 in federal court in Miami, Florida.

### ***STATEMENT BY ALAN B. LEVAN:***

The SEC's disclosure claim challenges three sentences I spoke during a lengthy earnings call on July 25, 2007. The words I spoke were true, whether viewed alone or in the context of the voluminous disclosures we made on the same subject over many months. Not a single witness has ever testified otherwise.

The fact that the SEC would bring a financial crisis disclosure lawsuit over three true sentences illustrates how misguided the SEC is. The SEC appears to have learned nothing from the events of the last 10 years. The real estate market collapse was not caused by local institutions like ours that made real loans to real people supported by strong underwriting standards. It was caused by reckless lending and investment decisions by investment banks that destroyed the housing market with subprime and liar loans and securitizations that turned bad lending into a trillion-dollar business. That behavior resulted in millions of Americans losing their homes, their jobs, their savings, their sense of self-worth and their faith in the competence and integrity of government regulatory agencies. But the fact that creditworthy BankAtlantic borrowers were hurt in the crash was not a surprise. We warned the market long before the crash about the loans we held in our portfolio and which were most at risk if market conditions persisted or worsened. When the crash occurred, the losses we took were the very ones we had warned about in our public disclosures.

If every bank in the country had engaged in the conservative business practices followed at BankAtlantic, there would have been no financial crisis. With few exceptions, BankAtlantic's borrowers would still be doing just fine. Subprime loans, liar loans, credit default swaps and the other exotic financial products that enriched Wall Street bankers and then destroyed the economy for a generation of Americans would never have existed. If other bankers had warned the markets about the risks inherent in their assets, the world would have understood both the risks and the consequences of the market problems. When the housing market crashed in August of 2007, we were one of the few financial institutions to

immediately disclose its consequences. We appeared as an outlier not for what we failed to disclose but because we timely revealed a catastrophic problem affecting everyone that most of the banking industry did not reveal until a year later -- and then with their hands out for government assistance. BankAtlantic did not need a penny of federal dollars to survive and it never failed to meet federal capital standards.

To understand just how far the SEC has departed from what should be acceptable behavior, it claims in this lawsuit that the real estate market in late 2007 did not crash but was just 'a little wobbly.' A little wobbly? Surely, they know better. The timing and effect of the market crash is so undeniable Hollywood turned a book on the subject into a movie, The Big Short.

At its heart, the financial crisis stemmed not just from greed but from a massive failure of adherence to disclosure obligations by many market participants. The world learned of the magnitude of the problem only when the banking system neared insolvency. Notwithstanding the magnitude of this event, the SEC filed only 15 disclosure related cases against U.S. banks and financial institutions, one of which is the case against us. Most of the cases settled. This one did not for a very simple reason. It is a matter of principle for us.

The SEC cannot bring a frivolous suit like this one and think that it excuses its negligence in properly regulating financial markets and its utter failure to bring actions against those who caused the problem, concealed its consequences and then needed hundreds of billions in taxpayer bailouts to avoid a Great Depression.

We are fortunate to have the resources to survive years of abusive litigation and we look forward to the end of this nine year ordeal.

**About BBX Capital Corporation :**

BBX Capital Corporation (OTCQX: BBXT)(OTCQX: BBXTB), formerly BFC Financial Corporation, is a diversified holding company whose principal activities are its ownership of Bluegreen Corporation and, through its Real Estate and Middle Market Divisions, the acquisition, ownership and management of joint ventures and investments in real estate and real estate development projects and middle market operating businesses.

Bluegreen, founded in 1966 and headquartered in Boca Raton, Florida, is a sales, marketing and management company, focused on the vacation ownership industry. Bluegreen manages, markets and sells the Bluegreen Vacation Club, a flexible, points-based, deeded vacation ownership plan with more than 206,000 owners, 66 owned or managed resorts, and access to more than 4,300 resorts worldwide. Bluegreen also offers a portfolio of comprehensive, fee-based resort management, financial services, and sales and marketing services, to or on behalf of third parties.

As of December 31, 2016, BBX Capital had total consolidated assets of \$1.4 billion, shareholders' equity of \$454.6 million, and total equity of \$495.5 million.

**For further information, please visit our family of companies:**

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Bluegreen Corporation: [www.BluegreenVacations.com](http://www.BluegreenVacations.com)

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