

PHILADELPHIA BUSINESS JOURNAL

MARCH 16-22, 2007

Three funds in the Context of capital

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BALA CYNWYD — David van Adelsberg and Ron Biscardi know how hard it is for new private-equity fund managers to raise money.

So when the two Drexel University alumni run into someone with a good idea for a fund, they make him part of their private-equity firm and help him raise the money themselves.

"We help put them in business and then we help support them," Biscardi said.

So far, that approach has led to their firm, Context Capital Partners, starting and overseeing three funds: Titan Loan Investment Fund, which invests in real-estate loans from \$1 million to \$25 million; Context RV Conversion Fund 1 LP, which buys high-end parks for recreational vehicles and sells the lots in them to RV owners; and the recently launched Context BH Equity Fund LP, which invests in startup banks in rapidly growing, under-served markets.

Although Context's funds only have \$110 million among them, they have more than \$400 million to invest. That's because Titan can reinvest its proceeds, it buys loans for less than their face value and it and the RV fund can borrow money to invest alongside its own.

Van Adelsberg and Biscardi started Context Capital Partners in early 2005.

Previously, they ran Context Advisors, which van Adelsberg called "a quasi-investment banking business" that helped young, rapidly growing companies get themselves together and find investors.

In the course of that work, they were introduced to John Giangulio, Bill Peruzzi and Scott Budinsky, who are, respectively, a real-estate attorney, a real-estate developer and a certified public accountant.

The three men thought there was an opportunity to make money by buying real-estate loans ranging from \$1 million to \$25 million. They thought loans of that size were small enough that big financial-services firms would be happy to be rid of them and that not many other buyers would be interested in them.

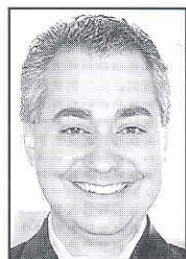
Van Adelsberg and Biscardi liked the idea so much that they formed Context Capital Partners and helped Giangulio, Peruzzi and Budinsky raise \$50 million for Titan Loan Investment Fund.

Context's second fund came about when van Adelsberg and Biscardi were introduced to William N. Anderson.

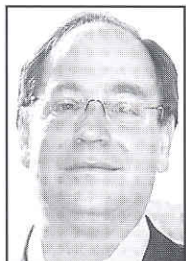


Context RV Conversion Fund 1 sells lots to recreational vehicle owners.

Anderson had been recruited by his friend David Sims to look at the RV industry because Sims was thinking of buying an RV dealership.



Biscardi



Van Adelsberg

Context's third fund is less esoteric, but also came about through an introduction.

In this case, it was to Yaron Brook and

The two found that a growing number of retiring and retired baby boomers were buying RVs and, rather than taking them out on the road, they were taking them to high-end RV parks, mostly in warm areas, where they stayed for months at a time.

That led them to conclude that they could buy the parks and sell the lots in them to RV owners who were looking for one or more permanent places to park their vehicles.

After being introduced to Anderson and Sims, van Adelsberg and Biscardi joined them in evaluating the market for condominium-style RV parks. They liked it enough that they helped Anderson and Sims raise \$30.5 million for their RV conversion fund.

CONTEXT CAPITAL

Context Capital Partners is a Bala-Cynwyd-based private-equity firm with three funds that have a little more than \$110 million among them.

TITAN LOAN INVESTMENT FUND

is the largest fund with \$50 million. It acquires real-estate loans from \$1 million to \$25 million in size.

CONTEXT RV CONVERSION FUND 1 LP, which has \$30.5 million, buys high-end recreational vehicle parks and sells the lots in them to RV owners.

CONTEXT BH EQUITY FUND LP, the newest fund, has nearly \$31 million and invests in startup banks in fast-growing markets.

Robert Hendershott, who had been advising wealthy individuals on investing in startup, or de novo, banks.

Van Adelsberg and Biscardi helped Brook and Hendershott raise nearly \$31 million for Context BH Equity Fund LP late last year. It already has invested 30 percent of its money in five banks — two in Florida, and one in California, Georgia and Tennessee.