

July 14, 2006

GREATER NEW ORLEANS TO LOSE \$200, 000,000 IN HOUSING DOLLARS

BECAUSE INSURANCE IS NOT AVAILABLE

B-G&G Investors, LLC, a Louisiana real estate investment company, announced today that they have postponed the acquisition of 414 apartment units on the West Bank of New Orleans because they are unable to secure insurance. B-G&G Investors have delayed the closing of 142 units that were to occur on Friday. They have 'put on hold' a plan to acquire another 656 apartment units.

"We had plans to close on the first eighty-two (82) units (Riverchase Apartments in Terrytown) on Friday, July 14 and two other apartment complexes when we found out Wednesday afternoon that the insurance company we had planned to use has 'pulled out of the market'. Anywhere else in America finding a new insurance company would have been a telephone call and would not have interfered with the closing. However, we have discovered that in the New Orleans market this is not the case - no one will write new insurance," Howard Gylar, Managing Partner, said.

The apartment units were to be the first \$30,000,000 of a \$200,000,000 investment pool that had been put together for the purpose of providing housing in the greater New Orleans area in both Orleans and Jefferson Parish. B-G&G Investors planned to provide quality housing at an affordable cost to the area. The plan included total renovations of the complexes at more than \$30,000 per apartment. B-G&G Investors completes all of its purchases and rehabilitation without federal, state or local monies.

"We heard Mayor Ray Nagin saying, 'Come back, help us rebuild New Orleans and make it even better than it was before the hurricanes'. We heard commitments from Governor Kathleen Blanco that investors were welcome and would be supported," said Gylar. "Our company evaluated the situation and felt that we wanted to be a part of the team though we realized our profit margin would be slim. We felt that contributing to the rebuilding of New Orleans fulfilled our commitment statement: We are unique apartment owners and do not view the concepts of 'profit' and 'community' as being exclusive of one another -- rather complements. We strongly believe it is our responsibility to 'give back' to society and support our Residents and the communities in which we serve. B-G&G Investors made arrangements to raise \$200,000,000 to bring to the greater New Orleans Community and now we find out that based on the current situation there can't be a rebuilding of New Orleans because no one can get insurance."

"What is equally alarming to finding out that no one will issue insurance in New Orleans whether the area has flooded or not is the fact that the City, State or Federal government are not working on any concrete plans to remedy the situation.", Gylar said. "I've spent hours on the phone with the Louisiana Department of Insurance, Department of Economic Development, Governor's office, Lt. Governor's office and State and Federal Senators and Representatives and there just is not a plan. In fact, some of them weren't even aware that 'insurance' was an issue."

When Rule 23, an emergency order released by the Louisiana Department of Insurance after

Katrina which protects property owners from being dropped by their insurance companies until December 31, 2006, expires thousands of companies doing business in New Orleans are going to be faced with the same crisis as B-G&G Investors. If the companies are not dropped, then the premiums will be so high that the cost of insurance will force them to leave the market. How does any company sustain a 400 percent rate increase in insurance and just break even, much less make a profit?

"Securing insurance will be the 'make or break' point for the 'new' New Orleans", Gyler said. " We are shocked to find out that the state leadership has taken no action. Governor Blanco has not appointed a special committee. The legislature has not worked on insurance as an issue since the hurricanes. Clearly, there can be no rebuilding of the Katrina effected areas!" We are shocked to find out that Governor Blanco has not appointed a special committee or done anything in legislature to resolve this issue." without insurance. This is not an issue where the government can just put its head in the sand and pretend it will go away. Action must be taken! "

For more information on B-G&G Investors LLCs apartment holdings or policies visit their websites at www.westbankapartments.com or www.eastbatonrougeapartments.com.

Source: West Bank Apartments