IFMI ANNOUNCES \$13.7 MILLION STRATEGIC INVESTMENT BY MEAD PARK CAPITAL PARTNERS LLC AND COHEN BROS. FINANCIAL, LLC

Sandler O'Neill + Partners, L.P. served as financial advisor and provided a fairness opinion to the Special Committee of the Board of Directors of Institutional Financial Markets. This transaction represents Sandler O'Neill's 56th fairness opinion rendered since January 1, 2012.

Philadelphia and New York, May 10, 2013 – Institutional Financial Markets, Inc. (NYSE MKT: IFMI) ("IFMI"), a financial services firm specializing in credit-related fixed income investments, today announced that it has entered into definitive agreements with Mead Park Capital Partners LLC ("Mead Park Capital") and Cohen Bros. Financial, LLC ("Cohen Bros. Financial"), pursuant to which each will make investments in the Company, totaling \$13.7 million in the aggregate. Mead Park Capital is a vehicle advised by Mead Park Advisors LLC, a registered investment adviser and a subsidiary of Mead Park Holdings LP ("Mead Park"), and controlled by Jack J. DiMaio, CEO and founder of Mead Park, and Christopher Ricciardi, a partner in Mead Park and former President of IFMI. Cohen Bros. Financial is a limited liability company that is whollyowned by Daniel G. Cohen, IFMI's Chairman and Chief Executive Officer. The investment and related actions were unanimously approved by the Company's Board of Directors (with Mr. Cohen abstaining) following the recommendation of the Board's Special Committee, which is comprised of three independent directors. The resulting share issuance is subject to stockholder approval and customary closing conditions. Mr. Cohen, Mr. Ricciardi, each member of the Company's Board of Directors and certain members of management, representing approximately 52% of the shares eligible to vote, have signed voting agreements in support of the transaction.

Under the terms of the definitive agreements, Mead Park Capital and Cohen Bros. Financial will purchase shares of IFMI common stock at \$2.00 per share for a combined \$5.5 million, and purchase \$8.2 million of newly issued 8% convertible senior notes, convertible into 2,749,167 shares of common stock at \$3.00 per share. Of the \$13.7 million investment, Mead Park Capital is investing \$3.9 million to purchase 1,949,167 shares of common stock and \$5.8 million in the convertible senior note issuance, and Cohen Bros. Financial is investing \$1.6 million to purchase 800,000 shares of common stock and \$2.4 million in the convertible senior note issuance. The common stock to be purchased by Mead Park Capital and Cohen Bros. Financial, assuming full conversion of the convertible senior notes into shares of common stock, and considering Mr. Cohen's convertible IFMI LLC units, represents a pro forma ownership interest in the Company of 17% and 32%, respectively. The invested capital is expected to be deployed in IFMI's operating businesses and for working capital needs. The Company expects to close the transaction immediately following its Annual Stockholder Meeting, which is expected to be held in July 2013.

"We are very pleased to have Mead Park as a strategic partner in IFMI, and believe that this transaction is indicative of the value of our business as well as improving market conditions," said Mr. Cohen. "IFMI's Board of Directors is unanimously supportive of the transaction and believes the resulting increased capital position will help bolster our operations and enable the Company to generate increased returns for its stockholders. I am also delighted to re-invest in IFMI, remaining the Company's largest investor, as we continue to strengthen our capital markets platform."

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