

## **JJR AND KINGSWAY ANNOUNCE PROPOSED ACQUISITION OF US SPECIALTY COMMERCIAL AUTO INSURANCE DIVISIONS BY JJR VI ACQUISITION CORP.**

**Toronto, Ontario – May 26, 2010** – JJR Capital Corp. and Kingsway Financial Services Inc. (“Kingsway”; TSX: KFS, NYSE: KFS) are pleased to announce that JJR VI Acquisition Corp. (“J6”; TSXV: JVI.P) and Kingsway have entered into a letter of intent dated May 26, 2010 to complete a going-public transaction (the “Proposed Transaction”) by Kingsway’s subsidiaries, American Country Insurance Company (“ACIC”) and American Service Insurance Company (“ASI” and collectively, with ACIC, the “Target”) by way of a reverse takeover of J6, a capital pool company listed on the TSX Venture Exchange (the “Exchange”) in a transaction valued at over US\$80 million.

In conjunction with the Proposed Transaction, the Target or an affiliate thereof intends to complete a private placement (the “Private Placement”) of not less than US\$40 million. The net proceeds from the offering will be used to acquire a portion of Kingsway’s interest in the Target and for general corporate purposes of the issuer resulting from the Proposed Transaction. ASI and ACIC entered into an engagement letter with an investment dealer in respect of the Private Placement on a best efforts basis. The offered securities have not been and will not be registered under the US Securities Act of 1933, as amended (the “US Securities Act”), or applicable state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, “US Persons”, as such term is defined in Regulation S under the US Securities Act, absent registration thereunder or in transactions exempt from such registration requirements.

Founded in 1925, to sell insurance for taxi cabs, ACIC is one of the oldest insurers of U.S. taxi and livery business. For more than 75 years, ACIC expanded its expertise in this and other areas of specialty commercial automobile insurance. In 1983, ASI began as a non-standard personal and commercial auto insurer writing business in the Chicago, Illinois area. For over 25 years, ASI developed expertise in the area of specialty auto insurance. Both companies distribute their insurance products through a network of retail independent agents. Together, ACIC and ASI are currently licensed to write property and casualty insurance in 47 states in the United States.

If completed, the Proposed Transaction will constitute J6’s Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual. A comprehensive press release with further particulars relating to the Proposed Transaction will follow in accordance with the policies of the Exchange.

Completion of the transaction is subject to a number of conditions including, but not limited to, completion of satisfactory due diligence, completion of the Private Placement, execution of a definitive agreement in respect of the Proposed Transaction, regulatory approvals, including applicable insurance regulatory authorities, Exchange acceptance and, if applicable pursuant to Exchange or other requirements, shareholder approval. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement of J6 to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete

and should not be relied upon. Trading in securities of a capital pool company should be considered highly speculative.

The Exchange has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release.

This release does not constitute an offer for sale or the solicitation of an offer to buy the securities in the United States.

*Notice on forward-looking statements:*

*This release includes forward-looking statements regarding J6, Kingsway, Target and their respective businesses. Such statements are based on the current expectations of the management of each entity. The forward-looking events and circumstances discussed in this release, including completion of the Proposed Transaction and the Private Placement, may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the companies, including risks regarding the insurance industry, economic factors and the equity markets generally. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and J6, Kingsway and Target undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.*

Kingsway Financial Services Inc. focuses on non-standard automobile insurance in the United States of America. Kingsway's primary businesses are the insuring of automobile risks for drivers who do not meet the criteria for coverage by standard automobile insurers. The common shares of Kingsway Financial Services Inc. are listed on the Toronto Stock Exchange and the New York Stock Exchange, under the trading symbol "KFS".

J6 is a capital pool company governed by the policies of the Exchange. J6's principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

***Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***

For further information please contact:

Jordan Kupinsky, Director of JJR VI Acquisition Corp. at 416-972-6574

or

Colin Simpson, President and Chief Executive Officer of Kingsway Financial Services Inc. at 905-677-8889