



THE CLP CIRCULAR

News for Leasing and Financing Professionals

“Setting the Standard for Leasing & Finance Professionals the World Over”

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To read these articles in their entirety, go to www.CLPFoundation.ORG and click **Toolbox » Articles**.

Message from the President



Last summer I wrote in these pages about the lazy days of summer and why it was the perfect time to kick back and focus on your leasing career. I suggested it was a great time to buy the CLP Handbook and study to become a CLP. I am happy to say that many of you chose to do just that and are among the newest CLPs to join our ranks. If you purchased the CLP Handbook, but haven't yet begun to study in earnest, why not lie down in your hammock or chaise lounge and give yourself the gift of knowledge? The CLP Handbook is the most

comprehensive book on leasing and will give you all the tools you need to pass the CLP Exam. We set a record this past year for the number of people who have joined our elite corps of CLPs, and we congratulate them all. Take a moment and picture your name in print in prestigious leasing publications. Talk about a career booster! You can be the next CLP. Yes, you can!

We are now halfway through 2013. How are you doing on the goals you set for yourself at the beginning of the year? If one of them was to become a CLP, it's definitely not too late. Unfortunately, goals don't work if you just set them and forget them. As business owners, we all set goals, but they tend to get lost as we get sidetracked by day-to-day operations and our never-ending to-do lists. Wouldn't it be wonderful to actually fulfill your goal of being a CLP?

The CLP credential is the most coveted certification in the leasing industry, and it's true when I say you can become a CLP by the end of 2013. Yes, you can! I know many of you have thought about becoming a CLP but are under the impression that it's just too difficult. Did you know we have a 92% pass rate?

(continued online)

Institute for Leasing Professionals (ILP)

Did you miss out on the last ILP that Orion First Financial offered in July? Here's another chance! PacTrust Bank in Irvine, CA, is hosting an ILP on August 16-17 with the CLP exam being offered on Sunday, August 18th.

What is the ILP? It is a 16-module program that covers the most important subjects of leasing, all of which are also included in the CLP exam. It is the most comprehensive study course for those who are looking to broaden their leasing knowledge and sit for the CLP exam. A detailed description of the topics covered is available on our website.

Please email David Normandin, CLP, for more information at:
david.normandin@pactrustbank.com

Welcome Our New CLP Members

- Mike Bennett** – First American Equipment Finance
- Leslie Brown** – TEAM Funding Solutions
- Courtney DioGuardi** – First American Equipment Finance
- Tom Flint** – First American Equipment Finance
- Bill Guthrie** – First American Equipment Finance

Recertifications

If you obtained your CLP designation in any of the following years, it's time to recertify!

1989, 1993, 1997, 2001, 2005, 2009

You're a CLP. You know your stuff.

Make it count.

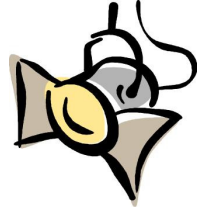
Learning, in and of itself, has no business value unless the knowledge is put to practical use. To maximize the value of any business knowledge it must be leveraged by passing it along to others and using it in concert with them.

<p>Institute for Leasing Professionals (ILP)</p> <p>Ideal for CLP Prep/Review and/or Staff Training</p> <p>2-Day Courses and Custom Programs Available</p> <p>Aug 16-17 Irvine, CA</p>	<p>October 10-12, 2013</p> <p>Funding Symposium</p> <p>Marriott at Vanderbilt Nashville, Tennessee</p>	<p>NEFA National Equipment Finance Association</p> <p>Connect. Share. Grow.</p> <p>With like minded, serious, committed professionals.</p> <p>For event and membership information:</p> <p>www.NEFAAssociation.org</p>
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Additional events around the country, too! Check calendar online regularly.



**2013 NAELB WESTERN REGIONAL
 SEPTEMBER 27-28
 IRVINE, CALIFORNIA**



CLP Spotlight

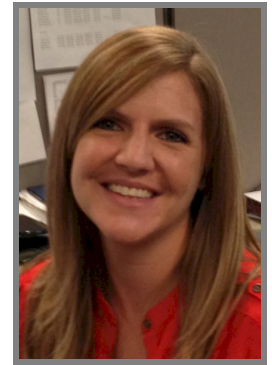
AN INTERVIEW WITH SAMANTHA NETTLES, CLP

What is your favorite thing about the equipment finance industry?

That it is ever-evolving and changing. We are challenged to be better and more efficient than we were the day before. I enjoy coming to work knowing that I will learn something today or there will be some puzzle that needs to be solved. I get a little rush when I am able to work through a complicated or unique situation and figure out a solution while learning something new in the process.

Describe your background in the industry.

When I moved to the Pacific Northwest back in 2001, I came across a job advertisement in the paper for a collections position with Financial Pacific Leasing. When I got the job, I had no idea that this would become my career. Over the next few years I jumped at opportunities that were presented to me. I was promoted to the Non-Performing Assets department in 2005, which services our accounts that are 90-120 days past due. Then in 2009, I was promoted to Collections Supervisor, which is the position I currently hold. In 2010, the chance to study for the CLP exam was offered to me. I was excited for the chance to learn more about the ins and outs of our industry and to expand my knowledge. It was probably the toughest exam I have ever taken, but when I got that phone call telling me that I had passed, I could hardly contain myself. The feeling of accomplishment, pride and relief (that I did not have to take it again) was monumental.



Samantha Nettles, CLP
Financial Pacific Leasing

What are the biggest challenges in your day?

My biggest challenge right now is balancing my work and family life. After having my son last year, it opened my eyes to so many amazing things and the challenges that can come with them. Being a working mom can be difficult, hectic, crazy and so very, very rewarding. I have a new perspective now and a deeper appreciation of quality over quantity, making the most of the time I have.

What has helped you in business the most?

The incredible group of people at Financial Pacific Leasing. We have a lot of tenured staff here and with that longevity comes experience. My best resources sit next to me or right down the hall. I have learned much of what I know about this industry from my managers and peers. It is so nice to work with so many smart and caring people that truly want the best for you.

What is the last book you read?

The No-Cry Sleep Solution by Elizabeth Pantley.

In the movie about your life, who would you cast to play you?

Jessica Chastain

Would the movie be a drama, a comedy, a romantic-comedy, action film, or science fiction?

A romantic-comedy with a little drama.

If you could be a super hero, what would be your super power and why?

If I could have a super power it would be the ability to fly. I would love to avoid traffic, nix my commute every day and be able to visit my out-of-state family in minutes.

New Lease Accounting – Terry Winders, CLP – Winders Consulting

Commercial equipment leasing has survived many changes over the years and the newest accounting changes will take us back to a day and age where leasing was more a tax game than an accounting one.

What is the new approach? It's a "rights and obligations" approach that would replace the current "risks and rewards" approach. For financial accounting purposes, the relevant question would change from *Does the lease transfer all or substantially all the benefits and risks incidental to ownership?* to *Which promises exchanged in the lease contract give rise to rights and obligations qualifying as assets and liabilities under the FASB's Conceptual Framework definitions of such elements?* As a possible outcome, the existing overlap among the various disciplines — commercial law, tax regulations, and financial accounting — may be lost.

The new accounting rules completely ignore the question of legal or tax ownership and treat every lease like a loan. Therefore, leases will have to be divided into three different disciplines to accommodate the different requirements of each regulation. There will be cases when a true tax lease will look like a loan on the books of the lessee. This will confuse some credit analysts into thinking those leased assets are truly assets of the lessee. There is no obligation for the accountant to define what "kind" of lease the lessee has. Many legal and tax leases support the ownership of the asset in the lessor's hands, but it will look like an asset of the lessee. However, equipment finance contracts or leasing agreements should be viewed as lessee assets.

Many think the loss of off-balance-sheet treatment will spell the doom of commercial equipment leasing. However, the real disadvantage is the loss of the ability to charge lease payments as they occur. Operating leases allowed lease payments to be irregular to match the irregular cash flow from the use of the equipment. That is not to say that we cannot create irregular payments, but they will be booked as a capital lease and be depreciated on a straight-lined basis and not on an irregular basis from the use of the equipment. Irregular payments can still be used to match flow from the irregular or seasonal use of the equipment, but once again, the accounting depreciation expense will be straight-lined.

One advantage that remains for lessee accounting purposes is the differences between loan accounting and lease accounting. In loan accounting the equipment cost is identified on the contract for purchase and the interest is spelled out. A standard lease agreement usually identifies only the equipment, the lease payment, and the term of the lease. Lease accounting requires the lessee to discount the lease payments at their incremental borrowing rate (IBR) to determine the interest amount, and the remaining balance is depreciated.

(continued online)

Lovely Ladies of Leasing



Amy Spragg, CLP and
Tamara McCourt, CCE, CLP

On March 23, a group of women who work in leasing in Southern California competed as a team in the SHAPE Diva Dash, a 5K obstacle course race. Known as the Lovely Ladies of Leasing, the team plans to participate in this and other events every year, possibly as fundraisers for the CLP Foundation or other leasing-related entities. Pictured above are CLP's Amy Spragg of Pacifica Capital and Tamara McCourt of Innovative Lease Services. For any lovely ladies out there wanting to join in on a future Lovely Ladies of Leasing event, please contact Amy or Tamara.



The SHAPE Diva Dash also served as a great platform to discuss the possibility of turning more of the Lovely Ladies of Leasing into CLP's. The team is putting together an ILP and CLP Exam in Irvine, CA. For more details see page 1.

Funder Focus: Orion First Financial LLC

An interview with Jeff Wenrich, SVP Business Development of Orion First Financial.

How long has Orion First Financial LLC (Orion) been around, who are the primary leaders and what do you do over there at Orion?

Orion has been in the small-ticket commercial equipment lease industry as both a servicer and advisor since 2001. We are led by Dave Schaefer, CLP, Chairman/President Emeritus and Shannon Green, CLP – who took over as President of Orion just over a year ago.

At Orion, we specialize in credit processing, lease servicing, commercial debt recovery services (contingent collections), and strategic advisory within the equipment finance industry. As a multifaceted and innovative equipment finance company, we can effectively engage with leasing companies, equipment dealers and manufacturers, as well as banks and financial institutions.

Tell me a bit more about those services you mentioned and what each one looks like.

Orion's credit and documentation services are enhanced by QuickScore™ – a proprietary scoring model specific to the micro-ticket equipment finance population that evaluates risk and delivers pricing tiers tailored to a client's desired appetite for risk. Leveraging both technology and expert analysis to deliver unsurpassed application services to those that require customized credit processing solutions.

As far as servicing goes, Orion provides private-label, back-office services including invoicing, cash management, customer service, insurance services, collections, tax-processing and customized reporting. Our skilled team, efficient technology platform and best practices approach, generates exceptional industry performance metrics. This translates into more profit, less stress and enriched customer relationships.

From the standpoint of contingent collections, we know that recovery is an integral part of the finance industry. It can be a much needed boost to a business' bottom line. Our sweet spot is assets valued around \$250k or less. We give these smaller ticket items the attention they deserve by conducting unsurpassed due diligence and leveraging our years of knowledge in contingent collection services. We're like having "the back office" in your originating team's back pocket, finding otherwise unidentified potential in non-performing files. Our dedicated Contingent Collections department boasts over 100 years of combined experience and delivers client satisfaction.

In addition to our highly capable in-house staff, we work hand-in-hand with a select network of reputable licensed, bonded investigators, recovery and remarketing specialists, and specialized collection attorneys. In short, we have a responsive and reliable team that extends well beyond the walls of our offices.

Where is Orion focusing their efforts right now and in what are some goals?

We hope to see more community banks get involved in the small ticket equipment finance space. To be more specific, equipment valued from \$5K - \$250K, the items that make small business move forward – from the brake lathe at your local auto repair shop to the forklifts used in warehouse facilities across the nation. These financial products that allow small businesses to operate and grow are vital to the health of small business and we truly believe this is the backbone of our country. You can find proof of our commitment right in our Company Purpose Statement: We are a vital resource to our clients who finance small business; thereby contributing to the prosperity of our communities.

Recently, Umpqua Bank purchased Financial Pacific Leasing, one of the largest small-ticket leasing companies in the United States. Having Umpqua get into this market is a testament to its value and potential. Our hope is that more community banks will recognize the opportunity that exists in being able to provide these financial products to their customers and will want to participate in this thriving market, thereby supporting small business and contributing to the overall prosperity of small business and our communities. When they are ready to enter the market, Orion will be there to support them by offering a platform of services they can pick and choose from.

For more information about Orion First Financial LLC, please go to www.orionfirst.com.



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CLP Exam Sample Question

This quarter's sample question is a sample question from *Chapter 18 – Agriculture* section of the CLP Exam.

A cooperative is a legal entity owned and controlled by its members.

- A. True
- B. False

Answer: True

Allegiant Partners

LeaseTeam

ECS Financial Services

Save the Dates

Be sure to attend as many leasing events as you can this year. The economy is turning around. Don't be left out of the next wave!

NAELB Western Regional
September 27-28 – Irvine, CA

NEFA Funding Symposium
October 10-12 – Nashville, TN

NAELB Eastern Regional
November 1-2 – Nashville, TN

CLP Exams

Ongoing Northborough, MA
Aug 18 Irvine, CA
Aug 30 Seattle, WA

The CLP Exam is also available by proxy, please contact reid@clpfoundation.org for more details.

Additional Details Online
Please contact the CLP office if you are interested in attending an exam session. Information on dates, schedules, mentors and more is available on our website. Check it out!

Advertising Opportunities

Website Banner Ads

We are now accepting banner ads to be displayed on our website.

Check the website: [Members >> Advertising Opportunities](#)

CLP Circular

Get Exposed to industry leaders from CLP, NAELB, NEFA, Leasing News readers and more... Run a business-card-size ad in the CLP Circular for only \$120/quarter or **\$400/all year**. Ads are first come first served.

Consider This...

"Goodness is easier to recognize than to define."

W.H. Auden



Use of the CLP Designation, Logo and Other CLP Branding – The terms "Certified Lease Professional", "CLP Foundation" and "CLP", as well as the CLP Designation as they all pertain to their use in the equipment leasing industry are owned by the CLP Foundation and protected under Federal Trademark Law. Only upon meeting and maintaining the qualifications for use as determined by the CLP Foundation Board of Directors will the CLP Foundation grant an individual a license for use of materials owned by the CLP Foundation. The CLP Foundation intends to comply with all antitrust laws.