



## Dakota Financial Responds to Accusations in Leasing News

Dakota Financial, LLC would like to respond to a recent email in the Leasing News. On Friday, November 6<sup>th</sup>, an anonymous individual made the following statement:

*"I realize the market dictates what capital costs are, particularly to credit challenged individuals Dakota prays on. It looks like the Broker was paid 15% on the transaction and if you use 36 months as the term, the associated rate is 47% (not including the documentation fee)*

*"It is Loan Sharks like this that gives leasing a bad name...."*

*(name withheld)*

Everyone at Dakota Financial works very hard to make sure our colleagues in the equipment leasing industry know that—while we may work with D customers—we are A+ people. This “*name withheld*” person is wrong about Dakota in so many ways. Consider:

1. Even in this rough economy, our rates have not gone up (like everyone else's), and our requirements have remained basically the same. This is despite the fact that our cost of funds have significantly increased (like everyone else's). In fact, the only change we have made to our rates, in the history of the company, is to add two additional lower cost programs for individuals with better personal credit history.
2. Internally we always strive to treat all customers—regardless of their credit score—as if they were our best customer. Dakota serves a market of lessees that have difficulty obtaining necessary equipment for their businesses. We offer opportunities that these customers cannot get anywhere else. We are honest with our customers; our lease costs are transparent (factors are published online) unlike others who may mask the true costs of the transaction or try to confuse the lessee with unusual payment structures.
3. We never force anyone into a lease. People who need our help choose to work with our company... and we don't lock them in! We are unique in the industry in that we offer a “no-penalty early payoff” to all our lessees. To those that pay on time, we reward their diligence with a HUGE early payoff discount.
4. We require an interview with every applicant prior to collecting any fees or generating lease documents to ensure our terms are understood. We are fair and upfront about every fee we require—disclosing everything before collecting anything. We always return any portion of the fee that has not been spent and that was not disclosed in writing upfront as “non-refundable.”

5. We never charge interim rent. We only require one payment upfront to start a lease. If an applicant elects to apply a security deposit (some may call this a down payment) to the transaction, we apply this money as a cap cost reduction and calculate payments from the NET amount funded. (Note that many other funding sources take a down payment or security deposit and still run payments off the entire purchase price of the equipment.)

6. All our leases include a FMV payoff as a part of the payment stream and are quoted upfront as part of the overall term. Our payoff is a term residual which qualifies the contract as a true lease—not a \$1 buyout or finance contract. We never require additional money at the end of a lease beyond what we have already quoted the customer.

7. We have NOT nor will we EVER write an evergreen lease. We understand that Kit Menkin was using the example to defend Dakota, but in case there was any confusion, we want to make sure we are not associated with that kind of underhanded leasing.

8. We pay brokers up to 15 points because our transactions are not easy to package and require the Broker to be involved. Brokers are always free to adjust commissions as they feel necessary.

9. We are dedicated to serving the needs of the Broker community. We sponsored the NAELB as a Presidential sponsor in 2009 (the highest level of the largest broker organization in the industry) and have committed to doing so again in 2010.

10. Our employees continue to volunteer throughout the industry on various organizations' committees. Members of the Dakota team have worked (and even now are working) to produce multiple educational workshops, to host several regional networking events, and to write numerous articles for industry publications.

To the "*name withheld*" person:

While questions or comments about Dakota Financial and our programs are always welcome, unsubstantiated accusations and name-calling are not. We encourage you and anyone with concerns to contact our Sales & Marketing department. We are happy to help you gain a better understanding of who Dakota Financial is and how we can work together to meet your customers' needs.

Sincerely,  
The Dakota Financial Team

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