



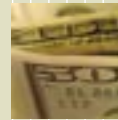
• Letter from the President, Nancy Pistorio

PAGE 2



• Photos from the 2006 EAEL EXPO

PAGES 6-7



• Enhancing Operational Efficiencies and Cash Flow

PAGE 14



• Peer Groups: Helping you obtain personal & professional growth

PAGE 16

EASTERN ASSOCIATION OF EQUIPMENT LESSORS

the independent

JANUARY 2007

UPCOMING EVENTS

CHAPTER MEETINGS

Upcoming in New York, Philadelphia, etc. for Spring 2007. Dates to be announced on our website www.eael.org

2007 EAEL CONFERENCE

May 6 - 9, 2007
Marriott Seaview Resort & Spa
Galloway, New Jersey



For more information, contact the EAEL office: 212.809.1602

LEADERSHIP

By: Allan Levine, Madison Capital, LLC.



You do not have to be in a manager's position to be a leader - great leaders are innovators of change. And remember, leadership qualities can be learned. It does not matter whether you lead a company of five, twenty, or a hundred. It does not matter if you lead sales, accounting, or the administrative department. You should be doing the following or you will wind up being "led" either out the door, to a smaller office, or omitted from that great list of leasing veterans in "leasing heaven."

Goals.

Make sure you have goals-everyone needs them. What do you want to achieve? A mission statement works. Make sure you have a plan to carry out your goals. Make sure everyone understands the goals and or the mission.

Change.

Be ready for it, plan on it, and initiate it. Stay with the old game plan forever and your company's existence and/or your tenure will be shortened.

Get input and suggestions.

You are not the end all, do all. Your employees may like you, but they still have opinions about you that, if you knew them all, would be surprising. You would be shocked how you are perceived. Make sure you do not think you are a leader just because you sign a paycheck or have a few people that have to answer to you.

Communicate.

No one is a mind reader. There must be a reason why there are more business books on communication than almost any other topic. Everyone writes about it because they must think no one is doing it right or it falls into that largest room in the world, "The Room for Improvement".

Recognition. You are not the only one who wants it. So, dish some out. Make it a plaque, a kind word, a gift certificate, company lunch, or whatever.

Coach.

Teach what made you successful and recognize traits that were obstacles for you.

In the end, lead by example whether it is at work or in your personal life. And, when you lead, words like honesty and integrity matter.

WELCOME NEW MEMBERS

- | **Allegiant Partners, Inc.**
San Raphael, CA • 415.451.4046
Contact: Paul Foster
- | **Applecross Partners, Inc.**
Darien, CT • 203.655.5908
Contact: Carl Martell Wild
- | **Capital Conduit Partners, LLC**
Mendham, NJ • 201.936.7612
Contact: Roger Franco
- | **Court Square Leasing Corporation**
Malvern, PA • 888.350.8787
Contact: Craig Sanderson
- | **Creative Leasing Solutions**
Belle Mead, PA • 908.359.1238
Contact: Divya Pandya
- | **Equipment Finance Partners**
Birmingham, AL • 205.991.7733
Contact: Trip Griswold
- | **First Litchfield Leasing Corporation**
Torrington, CT • 860.626.7714
Contact: Glenn R. Mason
- | **Managed Assets**
West Nyack, NY • 845.624.5204
Contact: Kevin McGinn
- | **Merit Leasing Corporation**
Tucker, GA • 770.413.0260
Contact: Melvin Bettis
- | **Pepper Financial**
Westtown, PA • 610.399.4887
Contact: Joe Stratton
- | **Reisman, Peirez & Reisman, LLP**
Garden City, NY • 516.746.7799
Contact: Joseph Capobianco

LETTER FROM THE PRESIDENT

Time is ticking on my tenure as President and I can honestly say



Nancy Pistorio, CLP

that EAEL, and more importantly, the industry is really alive and well. EAEL's EXPO was a smash. There were over 300 attendees, 40+ exhibitors, and Christine Todd Whitman was a wonderful speaker. Who knows, maybe a woman will run for U.S. President. And win.

Over the last several months, in addition to our EXPO, I attended ELA's annual meeting, UAEL's annual meeting, and NAELB's Eastern Regional Meeting. All were well attended, had interesting agendas, and glowed with all kinds of industry excitement. It must be a sign of the times. I am glad and proud to be a part of our industry in its current environment.

I am also proud that EAEL is viewed as an industry icon. Our membership as of the last two years is continually growing. Our coiffures, while are not overflowing, are in good shape.

None of the above, for any organization, could happen without you the members and supporters. Each of you generally supports multiple organizations and can get spread a bit thin. So, we appreciate your EAEL allegiance.

Any suggestions you have for helping our organization grow are encouraged and welcomed. Please feel free to contact Alison Pryor - Executive Director, Bruce Smith - EVP, or me with any suggestions.

Mark your calendars... Our annual Spring Conference will be held this year in New Jersey on May 6-9 at Seaview Resort and Spa. Also, please continue your support of the local chapter gatherings. As we enter the new year, have a wonderful and prosperous 2007! Happy Leasing.

- | **RTR Services**
Salem, OR • 503.399.9655
Contact: Mike Smith

- | **United Financial Corporation**
Mahway, NJ • 201.828.5800
Contact: Bob LaMontagne

- | **VO Remarketing**
Berthoud, OR • 877.532.2837
Contact: Shane Van Oene

WHY DO THEY NEED THAT?

Funding Source Requirements That Can Frustrate Brokers

By: Christopher A. Enbom, Allegiant Partners, Inc.

Since the transactions Allegiant is evaluating are on the cusp of not being credit-worthy, we are especially careful in making sure we have enough quality information with which to make a credit decision. Allegiant and other "full package" funders, especially those in the story credit market, sometimes require a stack of documents and somewhat laborious closing procedures. We thought it would be worthwhile to review some of the rationale behind the documentation and procedures we follow when closing transactions. Understanding the rationale behind the request may make for an easier sell with the customer.

Closing Procedures, Documents & Additional Information



Broker Agreement and Application

In a broker agreement, the intermediary pledges that it will pass on all of the information it has with regards to the transaction and equally importantly will not withhold any information from the funding source. The most common information we have seen withheld includes (i) weak guarantors

or owners, (ii) a strong operator fronting for a weaker operator (especially in trucking, contracting and logging), (iii) not revealing a fact that has a significant bearing on the transaction (such as the lessee intending to sell the business) or (iv) more egregious fraud such as assisting lessees over-finance or double finance equipment. Allegiant has seen all of these situations.

Supplemental Form

Allegiant requires that all brokers fill out a simple form revealing to us whether (i) the transaction had already been declined or offered to other sources or (ii) up-front payments had been collected on this or related transactions. We can generally ascertain the other funding sources who have inquired on a transaction through reports, but especially important is information regarding deposits paid to brokers. We have had a number of situations where lessees pay amounts to brokers not revealed to Allegiant. When it comes time for the first payment to be made on the lease, we have seen lessees refuse to pay on the grounds that they have made other payments to the broker. In other situations brokers have collected deposits on other leases that Allegiant is not involved with, but again refuse to make payment on our lease as the broker has returned a deposit on a lease they could not place.

IRS Form 4506T

This form allows Allegiant to go to the IRS and request copies of filed tax returns. It is easy to give a funding source fraudulent tax returns, and this form allows Allegiant to check the tax returns actually filed and compare them with the tax returns shown to Allegiant.

Rejected Brokers

We keep a list of people and companies in the leasing business who have been involved in behavior we feel is inappropriate. Brokers on the list include those who have knowingly withheld information regarding lessees, collected up-front deposits and not returned money to lessees when transactions have not funded.

Inspection

We send inspectors to photograph all equipment we have financed to verify its existence and general condition.

continued on page 13...

○ INTEGRITY | ○ PROFESSIONALISM | ○ HONESTY

Your Success Is Our Business

WWW.EAEL.ORG

EAEL SPRING CONFERENCE 2007

MAY 6 - 8, 2007



An event setting far from ordinary.

Seaview Resort & Spa
401 South New York Road
Galloway, NJ
(609) 652.1800
www.seaviewmarriott.com



eael Eastern
Association of
Equipment Lessors

CUSTOMER SERVICE SKILLS IMPACT THE BOTTOM LINE

Many people take customer service skills for granted, underestimating the impact that even the most brief interaction has on a customer's decision to do business with you or refer your business to others. If you think you don't have time to work on these skills, well, you can't afford not to. Apply these simple strategies and train your team how to deliver top notch service.

MAKE CUSTOMERS FEEL APPRECIATED

Treat them as individuals. Always use their name and find ways to compliment them, but be sincere. People value sincerity - it creates good feeling and trust. Think about ways to generate good feelings about doing business with you. Customers are very sensitive and know whether or not you really care about them. Thank them every time you get a chance.

GIVE MORE THAN EXPECTED

Since the future of all companies lies in keeping customers happy, think of ways to elevate yourself above the competition. What can you give customers that they cannot get elsewhere? What can you do to follow-up and thank people even when they don't buy? What can you give customers that is totally unexpected?

continued on back page...

We Fund Relationships

Independent Funding
Since 1990

Over \$150 Million Funded in
Small-Ticket Transactions



800.347.5884

Jpadden@padcolease.com
Bgriffith@padcolease.com
www.padcolease.com

Proven Integrity

Padco Lease Corp.

Member: UAEL, NAELB, AZELA



EQUIPMENT LEASING
AUTO & TRUCK LEASING
FLEET MANAGEMENT
FRANCHISE FINANCING
DIRECT LENDING
APPLICATION ONLY PROGRAMS
NATIONAL PROGRAMS
QUICK TURNAROUND
FLEXIBLE TERMS
CUSTOMIZED PROGRAMS
PERSONAL SERVICE

MADI\$ON CAPITAL
EQUIPMENT & VEHICLE LEASING

800.733.5529 x7348
WWW.MADISONCAPITAL.COM

EAEL EXPO 2006

September, 2006

Marriott @ Glenpointe

Teaneck, New Jersey



ABOVE: Rich Pelcher, Walter Rabin, Tony Perettine, Kerry Mach, Tony Fantauzzi, Kathy Flaherty

EAEL Expo in partnership with NAELB crammed lots of leasing business, education, and camaraderie into about a 36 hour window. Sunday's arrival saw a hospitality suite with many attendees mingling throughout the day. The opening nights gathering saw the usual food and spirits with most tracking down their favorite buddies and as one would guess funding sources and/or customers.



ABOVE: Neil Zobler and Kathy Flaherty

BELOW: Laurie and Jon Albertsson



Monday saw over 300 attendees and 43 exhibitors cram about as much into one day as could be done. After President Nancy Pistorio welcomed everyone, Christine Todd Whitman, past two term N.J. Governor and cabinet member, spoke about politics in the US. After that, the leasing frenzy was on. Booths were visited, education sessions began, and networking was the order of the day. As an aside, it was good to see an increasing number of women attendees. Morning sessions covered a wide variety of topics, including electronic marketing, what's happening in today's marketplace, wealth management and the economy, selling lease documentation, strategies for minimizing class action exposure, how broker's can make money in today's environment, and hiring, training and retaining superior professionals in today's competitive market.

Before the event ended at about 6 P.M., there was a closing reception with beverages, hors' devours, and door prizes. Seen mingling throughout the event was a cross section of many in our industry from brokers, broker/lessors, funding sources, and service providers. In summation, it was a busy session and it looked like everyone gained from the experience.

Before the event ended at about 6 P.M., there was a closing reception with beverages, hors' devours, and door prizes. Seen mingling throughout the event was a cross section of many in our industry from brokers, broker/lessors, funding sources, and service providers. In summation, it was a busy session and it looked like everyone gained from the experience.

By Allan Levine, Madison Capital LLC



TOP: Scott Rovner, Ruth Martens and Deb Schnaible

DIRECTLY ABOVE: Ron Mattson and Timothy O'Connell



ABOVE: Ed Morse and Mitchel Terkeltaub



ABOVE: Traci Stadler and Tony Polito

ABOVE:
Jonathan & David Murray
and Richard Feldman

LEFT:
Nancy Pistorio, Bruce Smith,
Former New Jersey Governor
Christine Todd Whitman, Scott
Wheeler, Bruce Winter



ABOVE: Paul Meyer, Ted Reynolds, Carl Anderson, Michael Coon

○ INTEGRITY | ○ PROFESSIONALISM | ○ HONESTY

Your Success Is Our Business

WWW.EAEL.ORG

Effective Strategies for Minimizing Class Action Exposure

By: Frank Peretore and Thomas E. McCurnin

Frank Peretore, of Peretore & Peretore, is a creditor's rights lawyer in New York and New Jersey. Thomas E. McCurnin is a partner at Barton, Klugman & Oetting in Los Angeles, California, specializing in class actions involving financial institutions and creditor's rights.

PART I OF II. PART II TO APPEAR IN THE MARCH 2007 ISSUE OF THE INDEPENDENT. TO READ THE ARTICLE IN FULL NOW, VISIT OUR WEBSITE AT WWW.EAEL.ORG.

The weapon of a class action has developed into a billion dollar threat to American businesses, which, while committing seemingly trivial transgressions, may be caught up in the web of a class action. Some of the minor transgressions committed by leasing companies and other financial institutions include misrepresenting a lease surcharge which was legal, but simply misrepresented, a late charge on a missed payment of a minimum of \$50, evergreen clauses in leases, and of course the Nor-Vergence class action for equipment which was simply overpriced to the end user.

Plaintiff's Strategies in Class Actions

The first thing that the leasing company needs to realize is that in the vast majority of class actions, the class action is not about helping consumers or other businesses overcome an improper charge, fee or assessment. Rather, the class action is generally concerned with generating fees for the Plaintiff's lawyer. More often than not, the class action victim receives a pittance of a settlement, while the class action lawyer receives millions of dollars. While there are class action lawyers with integrity out there who truly care about the victims, they seem to be few and far between.

Any settlement or resolution which does not address the attorney fees for the class action lawyer will likely be a non-starter, and unless the class is quite small, any attempt at an end run around the class action lawyer will likely fail.

Equipment Lessor's Strategies in Class Actions

The backbone of any class action is Federal Rule of Civil Procedure 23, which requires a class composed of numerous individuals or businesses, so that joinder is impractical, common questions of law and fact, and typical claims and defenses. Finally, the class representative, the named plaintiff must be able to adequately protect the interests of the class.

The equipment lessor's strategy is typically two-fold.

First, to it should establish that the claimed grievance is in fact legal and/or was adequately disclosed to the borrower. This is usually done in the context of a Motion to Dismiss the action. The second battle for the equipment lessor is at class certification if the case can not be thrown out at the pleading stage. In this procedure, the defense lawyer argues that the class membership can not be easily ascertained and is fact intensive requiring mini-trials, or the claims of the various class members would be so diverse and different that a class action would not be appropriate. While the recently amended Federal Rules allow a defense counsel to challenge class certification before answering the Complaint, that strategy

is untested and would likely be unsuccessful, given the fact that the class action plaintiff's lawyer will not have commenced any discovery.

Once the class is actually certified, most lenders and lessors will try to resolve the matter, because the Court has usually already considered the substantive issues and all that is left is the issue of damages. Unless the lender and his counsel believe that they can actually win at trial, most class actions will settle at this point.



As previously discussed, the most important issue is how much the class action lawyer will be paid, which is generally his actual fees plus a multiplier (called a lode star). Most of the negotiations as to settlement will center on how much the plaintiff's class action lawyer will be paid or the procedure by which he will ask for payment from the Court.

Typical or Potential Claims Against Leasing Companies

Sales Tactics.

In this scenario, a leasing company employee may pressure the lessee to accept the lease or simply misrepresent the terms. In one well documented case, a leasing company hired a salesman who actually misrepresented the contents of the lease document, or in other cases acknowledged its unfair terms, but said that the leasing company would not enforce those terms.

If the practice is not isolated and is widespread and systematic, such a practice might qualify for class action treatment. However, even under the most generous interpretation of FRCP 23, such claims would be so fact intensive and would require many "mini-trials" to establish the class, that the certification of the class might be denied.

The authors of this outline have yet to see a class action certified based on individual sales techniques, for the reasons that the class membership would be so fact intensive that class certification would be difficult. However, this does not mean that equipment lessors should be given a free pass to misrepresent the lease documents. Of course, lessors and their agents should always be truthful with their lessees.

Underwriting and Application Fees.

Many transactions are so inherently risky, and underwriting and equipment valuation so detailed that large fees of thousands of dollars are collected for underwriting in advance of the approval or declination. A good plaintiff's lawyer may be able to make the case that the underwriting fee is profit and revenue to the lessor, so it would be advisable to detail the underwriting cost, and if an outside appraisal is necessary, the lessor should be prepared to pass the cost along at no mark up to the applicant. If a portion of the underwriting fee is to compensate the lessor for credit investigations, bureau reports, and its time and effort in approving the transaction, then that amount



should be estimated and disclosed to the applicant up front, and approval for the payment secured in writing. Any in-house charges which are essentially overhead in nature should be reasonable, and should be commensurate with the actual time spent reviewing the transaction at a reasonable hourly rate. Excessive underwriting fees have been the subject of class action lawsuits, however, such suits are usually based on underwriting fees which exceed an amount set forth by state law, if state law applies or if in the Federal domain, RESPA or other applicable statutes.

The bottom line to avoiding exposure to class actions in collecting underwriting fees is to only charge the customer for the costs associated with the underwriting at face value, with no mark up, and to account for and credit excess funds deposited with the lessor. If the equipment lessor wants to receive compensation for its time and effort in connection with the underwriting, then a good faith estimate should be made, disclosed to the applicant, and written approval obtained. In the event that the transaction does not go forward, then the excess funds should be refunded to the applicant, with an appropriate accounting.

Cash Advances and Broker Fees.

The equipment lessor is often required to advance broker fees or make other cash disbursements in connection with the financing. With respect to broker fees, the argument is often made that the broker fees should be paid out of the lessor's own funds at a cost of doing business as a "finders fee."

○ INTEGRITY | ○ PROFESSIONALISM | ○ HONESTY

Your Success Is Our Business

WWW.EAEL.ORG



On the other hand, many lessors consider the broker that brought them the lease to be an agent of the lessee, and therefore any broker fee should be paid out of monies advanced to the lessee.

Obviously, it is in the best interests of the lessor to construe the broker

as an agent of the lessee, and pay the broker out of the lessee's funds. In that event, the lease or a separate broker compensation agreement should make it clear that the lessor and lessee consider the broker to be an agent of the lessee, and the lessee should sign the equivalent of a pay proceeds letter, authorizing the disbursement of funds being advanced on its behalf.

Payments to brokers have been the subject matter of class actions. However, in those cases, the payments were not disclosed to the borrower, nor authorized. Therefore it seems prudent that if the equipment lessor wants to avoid exposure to class actions in connection with the broker fees and other cash disbursements, such payments should be approved in advance, and directly authorized by a pay proceeds letter. There is nothing *per se* illegal about paying brokers a fee.

Late Fees.

Late fees must be adequately disclosed, and not subject to interpretation. The United States Supreme Court has recently held that late fees are essentially interest, and if the lender is otherwise exempt, the amount of the late charge is also exempt. Therefore, to the extent that the equipment lessor is required to obtain a license to achieve a safe harbor status in the state in which it is located, this licensing procedure would be highly advisable.

If licensing is required on a state by state basis, then the equipment lessor should consider whether the volume of leases written in the various states which require licenses justifies obtaining the license.

Even if licensed, the Supreme Court decision does not entirely end the dispute, because there is a strong body of law which holds that late charges must be allocated to compensate the lender for actual costs of the late payment, and may not constitute a penalty. No matter what the status of the equipment lessor, it would be uncomfortable for lessor's counsel to defend a high late charge.

However, the authors believe that routine late charges of less than 10% of the monthly payment, charged once to that discreet payment, will probably be upheld by most courts.

Usury Claims.

Usury should not be an issue in a true lease. If the lease is a lease intended as security, then the transaction is a loan, and state law will generally govern whether the loan is usurious or not. There are many exemptions. Many states have licensed lender status which is an absolute exemption for usury. Other states have exempted all commercial transactions from usury. Of course, if the lessor is a bank, then that bank status exempts it as well.

In order to avoid usury claims, the equipment lessor should obtain the necessary licenses where it does significant business, and should have appropriate language in the lease that the lease is governed by state law of the lessor's home state.

It should be noted that subject to some very narrow exceptions in New Hampshire, disclosure of interest rates, even in a lease intended as security, is generally not required except for consumer transactions, under Truth in Lending. New Hampshire does require disclosure of interest rates in commercial loans. Those lessors doing business in New Hampshire should be aware of this land mine, and should have a conspicuous choice of law provision in their leases or loan documents to another state.

Some leases provide that the lessor may inspect the equipment and charge for the inspection. Typically, a third party inspection service will visit the location, photograph the equipment and tag the equipment. The cost is generally less than \$500. This type of inspection is perfectly appropriate, especially if disclosed in the documents, in the context of frequency and cost. The equipment lessor should not attempt to mark up the cost of inspection as a fee revenue generator.

TO BE CONTINUED IN THE MARCH 2007 ISSUE

MANIFEST FUNDING SERVICES



*Explore
the Possibilities*

U.S. Bank Manifest Funding Services focuses exclusively on the success of our customers...the independent broker and lessor.

Through our dedication, we develop long term business relationships and innovative finance programs and services that support your business. Our experienced professionals work towards your success and you can expect:

- Innovative marketing support and finance programs
- Guaranteed confidentiality of your customer base
- Knowledgeable and dedicated team members
- Customer-centric service delivered with integrity

Learn how we can assist and serve you. Contact our experts today and *Explore the Possibilities*.

Focused on Your Success



800-325-2236
manifestfunding.com

WHY DO THEY NEED THAT?

continued from page 3...

Allegiant often puts tags on equipment it is financing which can add a day to the inspection time. We have found in work-out situations that a clear identifier of the lien holder clears up any confusion with other creditors regarding the validity of a claim on the equipment.

Verbal Confirmation

Even with an acceptance certificate signed by the lessee, we want to make sure they are ready to have the vendors funded and begin the lease. This also allows Allegiant to have additional contact with the lessee prior to starting the lease to be comfortable that they are a "real" company.

Interview Process

Allegiant interviews principals from each company we finance. We can often catch inconsistencies between information presented in writing and information gleaned during the interview. On the contrary, a good interview will change our minds from a decline to an approval.

Copy of Drivers Licenses

It is required under the Patriot act that we document knowledge of the client. Obtaining the licenses also provides us with signatures to compare with the documents.

Corporate Name Verification

Allegiant always verifies corporate names to make sure we have the correct legal name and thus a binding contract. In addition, Allegiant wants to be sure the company is active with the State.

Internet Searches

Basic Internet searches of the company and principals can reveal articles about misdeeds. For example, a simple Google search on the principals of Norvergence revealed that the brother of the founder had been previously involved with an illegal scheme and we declined the transaction.

Other Criminal Search Tools

Allegiant runs background checks on principals that sometimes reveal previous criminal activity.

Bank Statements

Many times people claim to have hundreds of thousands in the bank and the statements reveal much less.

Information Related to Affiliates

Often brokers do not understand why we want information related to an affiliate that is not involved directly with the credit we are evaluating. We sometimes find, however, that companies with several affiliates hide losses in companies we are not evaluating. Without the affiliate we often do not have an accurate picture of the entire financial situation of the lessee.



Proof of Insurance

Allegiant always requires evidence that it has been named as additional insured and loss payee with regards to property and liability insurance. This is often the last piece of paperwork needed to close a transaction, and insurance agents are not always fast responders! There are insurance options Allegiant and other leasing companies can provide to avoid working with third party insurance agents. In any case however there is never an exception to having insured equipment! Our equipment has been flooded, burned, crashed, stolen and everything in between.

Original Signed Documents

Allegiant's creditors (our banks) require us to deliver original chattel paper (i.e. original signed documents) to them when we borrow money. Not all lessors have this constraint, but many do.

Officer's Certificate

There is often confusion regarding the officer's certificate. Most often the confusion occurs when the lease document signatory signs the Officer's certificate as well. The purpose of the officer's certificate is to document with another authorized signatory of a corporation, partnership or LLC that the person who signed the documents has the authority to do so. Unfortunately the signatory cannot confirm themselves!

Re-Approval

Allegiant's approvals expire after 30 days. All funders have some period after which a lessee needs to be re-approved. Most of the time we run a few credit reports to make sure the business and personal scores have not materially dropped. If they have declined significantly, we sometimes do not re-approve the transaction as the financial situation has changed.

Brokers may not always agree with everything a funding source does, but understanding the reasons behind the process hopefully makes the sales process to the customer easier. In Allegiant's case, the lessee generally knows that its credit is somewhat "outside the box" so gathering the additional information is not a problem. In certain situations, some of the steps outlined above are waived if the transaction merits special treatment. Communication between the funding source and the broker is key, and those who understand the nuances of leasing the best are the most effective! Thus we encourage brokers to be educated through the UAEL, the CLP process and by asking questions and being involved.

Christopher A. Enbom, CEO

ALLEGiant PARTNERS INCORPORATED

Christopher A. Enbom is the founder and CEO of Allegiant Partners Incorporated, a direct funding source for middle-market "story" credits. Allegiant sources all of its business from third party sources. Mr. Enbom originally created the business idea, wrote the business plan, raised debt and equity capital and has overseen the company since its inception in 1998. Mr. Enbom has spent over fifteen years in the leasing industry, both in Japan and in the San Francisco Bay Area. Before founding Allegiant Partners, Mr. Enbom was a Managing Director in the Structured Finance/Leasing Group at CIBC World Markets structuring, marketing and closing "big ticket"

leases. While working for ten years in the "big ticket" leasing arena, Mr. Enbom was directly responsible for closing numerous domestic U.S. and cross-border transactions worth several billion dollars. Mr. Enbom holds a bachelor's degree from the University of California, Berkeley in Political Economy. Mr. Enbom can be reached at:

999 5th Avenue, Suite 300

San Rafael, CA 94901

Phone: 415-257-4200 x 201 FAX: 415-257-4201

Email: cenbom@allegiant-partners.com

There was a senior citizen who bought a brand new Mercedes convertible. He took off down the road, flooring it up to 80 mph and enjoying the wind blowing through what little hair he had left on his head. "This is great," he thought and floored it some more. Then he looked in his rearview mirror, and there was a highway patrol trooper behind him, blue lights flashing and siren blaring. "I can get away from him with no problem" thought the man as he floored it some more and flew down the road at over 100 mph. Then he thought, "What the hell am I doing? I'm too old for this kind of thing" and pulled over to the side of the road and waited for the state trooper to catch up with him. The trooper pulled behind the Mercedes and walked up to the man. "Sir," he said, looking at his watch. "My shift ends in 30 minutes. If you can give me one good reason why you were driving like a bat out of hell, that I've never heard before, I'll let you go." The man looked back at the trooper and said, "Years ago my wife ran off with a state trooper, and I thought you were bringing her back." The State trooper replied, "Have a nice day"

JOKE OF THE QUARTER

ADVERTISE IN THE INDEPENDENT

Gain valuable industry exposure by featuring your company in *The Independent*.

FULL PAGE

\$725

HALF PAGE

\$400

QUARTER PAGE

\$225

Contact Allan Levine (800.733.5529) or Alison Pryor (212.809.1602) for specifications and to submit your ad.



NEXT ISSUE:

APRIL 2007

DEADLINE FOR

NEXT ISSUE:

MARCH 1, 2007

○ INTEGRITY | ○ PROFESSIONALISM | ○ HONESTY

Your Success Is Our Business

WWW.EAEL.ORG



ENHANCING YOUR OPERATIONAL EFFICIENCIES AND CASH FLOW

Lease & Finance Consulting provides advisory services to the leasing industry. One service we provide is reviewing back office operations for efficiency. Other services include supporting outsourced CFO functions, management report creation, securing debt and due diligence reviews.

By: Lisa R. Lersner
Lease & Finance Consulting, LLC

Remote deposit capture (RDC) is a great tool for enhancing the operational flow of a leasing company. The iStream Imaging® product allows the end-user to remotely deposit funds (excluding foreign checks) in their bank of choice regardless of branch location. With scanners that process roughly 60 checks per minute, the deposit creation and submission process is very quick and simple. This is a true plug-and-play solution. Higher capacity scanners are also available. Steps such as check endorsement, check photocopying and trips to the bank are eliminated.

Availability of funds is likely enhanced as well. Checks scanned by 9:00 PM Eastern, will be fully credited to your existing bank account by the morning after next, regardless of in-state/out-of-state status or check size. For example, if you scan checks for deposit on Monday prior to 9:00 PM, full funds will be available for use in your account Wednesday morning.

Many leasing companies utilize lockbox services. RDC can be used in conjunction with lockbox services or as a lower cost alternative. Most leasing companies receive checks in house even when utilizing a lockbox or ACH products. A frequently used process is to overnight these to the lockbox, resulting in high charges and delays in submitting the checks for deposit. Delays in presentment may increase the number of returned items.

Lease & Finance Consulting is a distributor of the iStream Imaging® Remote Deposit Capture product. This product has a couple of unique elements to it that make it particularly

beneficial to a leasing company. These include the ability to create user defined fields for data capture and data output to other software programs. Additionally, iStream has created the iMatch and iReturn features.

iMatch allows the end-user the ability to automate the process of matching check items with customer information. Using the import and export capabilities of your accounting, customer loyalty and/or business management package, the iMatch system can reduce or eliminate redundant data entry, improve accuracy, and reduce the time required to handle paper check items.

iReturn allows the user to track and represent returned items in a more educated method. Typically, 48 hours after initial deposit, the user will see a returned item on the iStream reporting module. The user has the option of resubmitting the check immediately or at a later date. A click on the reporting module is all that is needed to resubmit. Prior to resubmitting, the company can contact the bank and verify that there are funds in the customer account. If funds are in the account, the check can be resubmitted immediately. If not, verification of funds can be rechecked until confirmed and, once confirmed, the check can be resubmitted. The iReturn module can also be used to supplement lockbox services by taking returned items out of the lockbox cycle after the first presentment and representing under the more controlled structure of RDC.

A well conceived remote deposit product by a bank neutral provider can result in cash flow, operational and collection efficiencies. Please contact Lease & Finance Consulting at 203.438.1574 for additional information.

You do the deals.

We'll do the details.

How do you spell relief? Our automated program provides comprehensive insurance coverage, as well as systematic tracking and collections, so your team can accelerate sales.



**AMERICAN
LEASE
INSURANCE**

*The best insurance program
you'll never run.*

For more information,
call Walter Keane at
888-521-6568 x 240.

www.aliac.net

Strength. Stability. Flexibility. Equipment Leasing & Financing



LOOKING FOR A PARTNER POISED FOR GROWTH ?

Growth. It's that special "X-factor" every company longs for. In its products, in its people, and, especially, in its bottom line. After more than 20 years as a **strong, stable, flexible** financing partner to the equipment leasing industry, **OFC Capital** is poised to do great things. And we're looking for partners interested in growing with us. So, whether you're a company that simply wants to do more. Or an experienced individual interested in working with the most dynamic organization in leasing, give Davis Kirby a call at **678-722-2871**. Or, check out our website at www.ofccap.com, and find out why a relationship with **OFC Capital** can help you do more.

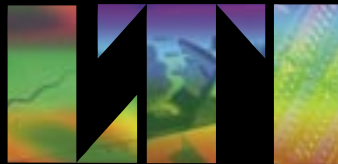
OFC Capital. It's just that easy!

ofc CAPITAL

A MEMBER OF MidCountry FINANCIAL FAMILIES

www.ltileasing.com

**Innovators Financing
Innovators**



**Can't Find Funding for Your Venture
Lease Customers?**

Earn a quick commission and call us today!

- ▲ **Specialists in venture-backed credits**
- ▲ **Lease lines \$150,000 to \$750,000**
- ▲ **Warrant and non-warrant pricing**



203-563-1100

Dick Livingston x220 or George Parker x214

SERVING THE LEASING INDUSTRY SINCE 1983

LEASING TECHNOLOGIES INTERNATIONAL, INC.



ENTERPRISE FUNDING

Commercial Equipment Finance

Broker Services

The Funding You Want...The Partner You Need

Application-Only to \$100,000 for A/B Credits

Hard Asset Specialists; Liberal Age Restrictions

Titled Vocational Vehicles

Discounting Available

We know there are several funding sources available to the lease originator. Enterprise Funding is 100% dedicated to servicing the funding needs of lease originators nationwide. If you are truly seeking a partner: one with strong values and your best interests in mind, call us.

Enterprise Funding Group is a direct funding source for selected assets and industries. We are currently adding new broker and lessor relationships.

Contact Lee Martin at 877-896-6859

www.enterprisefundinggroup.com
866-774-5050

HOW PEER GROUPS CAN HELP YOU OBTAIN PERSONAL AND PROFESSIONAL GROWTH

By: Ruth Anderson, LeaseTeam, Inc.

For many years, mentoring has been a popular way for more-experienced individuals to guide and support those who are less experienced. Often, both sides of the relationship find great value in the process. So imagine the benefits that can be achieved when a group of experienced individuals meets regularly to present their business challenges and problems while also sharing their wisdom and past experience. This sort of group is generally called a "peer advisory council," "peer support group" or simply "peer group."

A peer group is best defined as "a group of small-business people who get together on a regular basis to solve problems, share best practices and offer each other peer support." The size, objectives and make-up of a peer group can be as varied as the individuals in it – in fact, that flexibility may be one reason why the popularity of peer groups is skyrocketing. Group members often say that their involvement in the group allows them to:

- Enhance their business skills through new techniques, ideas and insights
- Improve their effectiveness in the workplace
- Reduce the stress of making decisions alone
- Share resources among members
- Acquire new perspectives from people who have 'been there' and 'done that'

A Tale of Two Peer Groups:

A more formalized group delivers benefits on a regular schedule, while a less formalized group delivers benefits as needed

Randy Haug, Sr. Vice President of LeaseTeam, Inc., belongs to a peer group made up of software development companies within the Omaha area. The group meets every second month to discuss a variety of topics. "Our meeting revolves to a different member location each time," Haug says, "and the host company gets to create the agenda. In the past, we have discussed things such as marketing, development of long-term strategies, financial performance, human resources issues, owner succession strategies, development methodologies and much more. I think I can safely say that the 10 member companies in our group all find their participation to be extremely worthwhile in terms of the benefits they receive."

Some peer groups sprout other, smaller groups. "Through our discussions as a group, we decided that it would be valuable for some of the other decision makers at our companies to meet," Haug says. "Consequently, we recently included software development staff at our companies so they could also benefit from the process, and I fully expect that at some point those employees will get together on their own to sort out their unique business challenges."

Bruce Smith, Vice President of Diversified Capital Credit Corporation in Gillette, New Jersey, belongs to a peer group which is considerably less formalized. "Through EAEL, I have forged a relationship with four guys, and we've gotten to a point where we just feel really comfortable sharing with each other, much more than we would with anyone else. We only had a couple of meetings with the entire group -- now, we periodically meet in twos or threes for lunch, or for golf. We don't have a formal agenda, but usually at least one of us will have a topic or two to discuss. For instance, I met with one of the guys for lunch the other day, and we were talking about some new programs that we're offering to our vendors and he came up with something that just clicked with me, and I know during the course of the lunch I said something that he thought was very valuable."

Smith says having members who do not compete professionally is a must. He elaborates: "The guys in my peer group all have small leasing companies, just like me. But we're not in the same markets. We don't compete when vendors call us, we don't see the other guy's name on a credit report. That's one of the things that makes it easier to share with each other."

Topics that Smith's peer group have addressed include:

- How to hire a new office administrator.
- Ways to compensate salespeople.
- New ways to market to vendors.
- How to increase attendance at a trade show booth.
- Documentation fee schedules.

What both Haug and Smith agree on is the value of the peer group dynamic. "At various times, we've saved considerable time and money by tapping into the knowledge and experience of the group," says Haug. "Additionally, I believe we've done a good thing for our community by passing along knowledge to other area businesses."

I want in! How do I join a peer group?

There are some national peer group organizations (such as Inner Circle, Vistage and the Women Presidents' Organization) that accept new members, and you may feel that the \$700-\$7,500 annual fees are a worthwhile investment. Or, you may be aware of an established group you'd like to join, in which case you could simply ask whether there's room for another member. But with a little more effort you can create a new group that will benefit all who participate.



If you've been in business for a while, the names of one or two potential members may come to you immediately. Many peer groups grow out of a larger organization or group, as Bruce Smith's did. "The EAEL was really able to promote the relationship that I have with these guys," Smith says. "Initially, they were attending the same EAEL events I was -- EXPO, the local chapter golf tournament, or whatever. And when we started talking, we found out how similar our businesses were, and we started liking each other. It's now been nearly 10 years that we've met to ask for assistance or bounce ideas off each other." You may wish to ask the leader of an industry organization for assistance in identifying members. And once you have one or two members they may also be able to contribute suggestions for others to invite.

Consider what you hope to achieve with the group, and recruit those who will not only contribute to your goals but also find worth in them. Do you want group members who play the same role at their business as you do at yours, or is more important that your businesses themselves are similar? Is it okay if the businesses are quite different, as long as they have a similar business model? As potential members are identified, evaluate the commitment level each might bring. Members of a peer group often have a written or spoken code of conduct in which they commit to:

- Contributing their skills and knowledge in order to assist other members.
- Maintaining strict confidentiality about all issues discussed among members during meetings.
- Participating on a regular basis. (Those who don't attend regularly may not be appropriately committed and may distract the rest of the group.)

Obviously, geography also needs to be considered when you're establishing a new peer group. Fortunately, today's technology provides ways to "meet" even if you can't be in the same room (e.g., telephonically or via an audio-video tool such as WebEx). If your members are spread out, you may wish to adapt the meeting schedule accordingly – for instance, hold monthly conference call meetings and less-frequent in-person meetings.

What should the agenda be?

While every meeting is different, peer groups often follow a similar agenda. The meeting may begin with a discussion of a topic of general business interest. A "member roundtable," in which members have the opportunity to update the others on what's new in their business or present a problem they need help with, are also a common tactic used by peer groups. Larger peer groups may find it valuable to use a facilitator to guide discussions and keep them track.

However you start out, be flexible. Ask group members what length of time and schedule works best for them, as well as their thoughts on meeting content. Strive to make sure everyone feels that they are having a chance to be heard as well as to get the answers they need.

Now it's your turn!

Some businesspeople spend the majority of their time reinventing the wheel -- trying to find solutions that other businesspeople have already found. Peer groups can dramatically reduce the amount of time and frustration you spend. The result can be much more than a burden off your shoulders – you may even see a bottom-line result!

Ironically, you may see just as great a benefit in the advice you give. Henry Wadsworth Longfellow said, "Give what you have. To someone, it may be better than you dare to think." While he probably did not have peer groups in mind, his words certainly apply to the peer group dynamic, as your business experience can be of enormous value to others. Very simply, having ongoing contact with a group that's been through some of the same challenges as you can be a great business decision!

EAEL

December 11, 2006 • New York, New York

HOLIDAY PARTY

For the 2nd year, EAEL held its annual Holiday Party at the Warwick Hotel in Manhattan on December 11th. The venue was perfect with a grand ruby-red room, beautifully decorated, hosting 75+ EAEL members, spouses, and guests. The weather in New York cooperated and, as evidenced by the photos, the holiday spirit was in full swing! If you've never been, be sure to mark this event on your calendar for next year (we're starting to fill up already) as NYC is the place to visit during the holiday season.



ABOVE: Allan Levine, Steve McConnell



ABOVE: Lisa Renshaw, Nancy Pistorio, Andrew Bender



ABOVE: Mitch Cohen, Bob Ingram



ABOVE: Leslie Roberts, Kerry Mach



ABOVE: Tony Lamm, Walter Rabin, Mark Hamroff, Kim Victor



ABOVE: Stephanie Hosid, Debbie Ferguson, Harvey Hosid, Jim Ferguson

BELOW LEFT: Paul Meyer, Ron Mattson, Bob Brown

BELOW MIDDLE: Tom Martin, Roger Franco

BELOW RIGHT: Bruce Smith, Keith Keindle, Arthur Winston



YOUR EXECUTIVE BOARD

- | **PRESIDENT**
Nancy Pistorio, CLP/EVP
Madison Capital, LLC
Baltimore, Maryland
800.733.5529
- | **EXECUTIVE VICE
PRESIDENT**
Bruce Smith, VP
Diversified Capital Credit Corp.
Gillette, New Jersey
908.647.4500
- | **VICE PRESIDENT**
Randy Haug, VP/Partner
LeaseTeam, Inc.
Omaha, Nebraska
800.531.5086
- | **VICE PRESIDENT**
Doug Welch, CEO
Hawk Financial Services
Atlanta, Georgia
404.875.6904
- | **VICE PRESIDENT**
Bruce Winter, CLP/Pres.
FSG Leasing, Inc.
Laurel, Maryland
410.792.7400
- | **SECRETARY**
Dennis Horner, Pres.
The Equipment Leasing Company
Sparks, Maryland
410.472.0011
- | **TREASURER**
William Cowden, Pres.
Springs Leasing Corporation
Charlotte, North Carolina
704.357.3020

EAEL Directors

In addition to the Executive Board, the following board members are a valuable part of the leadership of EAEL.

- | **Carl Anderson**
Vice President, M&T Credit Corporation: Albany, New York
- | **Steve Crane, CLP**
Vice President, Bank of the West: Walnut Creek, California
- | **Michael Evans**
VP Healthcare, Main Street Bank: Freehold, New Jersey
- | **Robert Ingram**
Director of Broker Services, Lakeland Bank: Montville, New Jersey
- | **Howard Lebowitz**
Vice President, Parimist Funding Corporation: Hicksville, New York
- | **Shari Lipski, CLP**
CLP, ECS Financial Services, Inc.: Northbrook, Illinois
- | **Paul Meyer**
Director of Sales, U.S. Bancorp Manifest Funding: Marshall, Minnesota
- | **George Parker**
Executive VP, Leasing Technologies International, Inc.: Wilton, Connecticut
- | **Walter Rabin**
President, All Points Capital Corporation: Melville, New York
- | **Chris Santy**
Founder & Managing Director, Patriot Capital Corporation: Atlanta, Georgia
- | **Paul Winkelhoff**
VP Business Development, Irwin Commercial Finance: Stony Point, New York

- | **Executive Director of EAEL: Alison Pryor**
- | **Board Counsel: Michael Leichtling, Esquire**
Troutman Sanders LLP: New York, New York
- | **Past President: Arnie Hoegler**
Leasing Technologies International, Inc.: Wilton, Connecticut

- | **editor-in-chief of *The Independent*: Allan Levine, Madison Capital**
- | **design and layout: Heather Hamlin Brown, Equilibrium**

eael Eastern Association of Equipment Lessors

62 WILLIAM STREET, 4TH FLOOR
NEW YORK, NEW YORK 10005

For valuable
industry exposure,
please consider
advertising in
The Independent

*We can only include a limited
number of advertisers in each
issue, so get in early!*

*For advertising rates, see page
13. For ad specifications, contact
Alison Pryor at EAEL.*



212.809.1602
212.809.1650 fax
www.eael.org

CUSTOMER SERVICE SKILLS ... continued from page 5

BE A GOOD LISTENER

Take the time to identify client needs by asking questions and concentrating on what they are really saying. Listen to their words, tone of voice, body language, and most importantly, how they feel. Beware of making assumptions - thinking you intuitively know what the customer wants. Do you know what three things are most important to your customer? Effective listening and undivided attention are critical.

IDENTIFY & ANTICIPATE NEEDS

Customers don't buy products or services. They buy good feelings and solutions to problems. Most customer needs are emotional rather than

logical. The more you know your customers, the better you become at anticipating their needs. Communicate regularly so that you are aware of problems or upcoming needs.

KNOW HOW TO APOLOGIZE

When something goes wrong, apologize. It's easy and customers like it. The customer may not always be right, but the customer must always win. Deal with problems immediately and let customers know what you have done. Make it simple for customers to complain. Value their complaints. As much as we dislike it, it gives us an opportunity to improve.