



THE CLP CIRCULAR

News for Leasing and Financing Professionals

"Setting the Standard for Leasing & Finance Professionals the World Over"

CLP Foundation

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HIGHLIGHTS

- Excerpt from 4th Edition CLP Handbook
- The Business of Ethics (*Part 5 of 5*)

CLP SPOTLIGHT

- Spencer Richman, CLP
- Nancy Geary, CPA, CLP

Excerpt from 4th Edition CLP Handbook

by CLP Foundation

In response to the increasing interdependency of financial institutions and economies across the globe the IASB and FASB have been focusing on the objective of consistent and effective financial statement reporting. Currently, under an operating lease, the lessee never owns the equipment rather pays a usage fee for a specified period of time. On the other side of the agreement the lessor shows the equipment as a fixed asset, records payments as income and depreciates the asset. At the point in time when a lessee is making an equipment acquisition, they can, from their perspective, opt to negotiate terms in the agreement that may result in either a capital lease, which is reported on the balance sheet, or an operating lease, which is afforded off balance sheet treatment.

Like what you are reading? Stay informed with vital updates like this in the Newest Edition of the CLP Handbook available for purchase later this month.

The Business of Ethics

Part 5 of 5

by Raphael Lavin, CLP – Standard Professional Services, LLC

In Part 5 of our five part series on the business of ethics, CLP, Raphael (Ray) Lavin of Standard Professional Services discusses what he hopes you will find familiar terms and a refresher on their meaning. Are you aware of these leasing terms and the nuances surrounding them? Even if you are, it might be worthwhile in reviewing to see if your definitions are in synch with reality.

EVERGREEN CONTRACTS – This clause in the contract calls for an automatic renewal of a minimum of one year's term as an extension to the contract, in the event that the lessee does not give the lessor/funder either a 90 or 120 pre-notification that they are choosing not to do so. While some firms make use of this, it really is a heinous act that when exercised only chooses to give both that company and the industry a black eye for practices that are misleading. The author's perspective is that it is a good clause to have in the case of the bad lessee. When a bad lessee fails to pay the personal property taxes that have ...

To read these full articles, please go to www.CLPFoundation.ORG and click **Toolbox » Articles**.

Where in the World?

Brad Harmon, CLP
First Star Capital of Walnut Creek, CA



All correct answers sent to info@clpfoundation.org will be entered into a drawing for \$20 off CLP renewal dues.

Entries must be received by 11/1.

New CLP's

Congratulations to the Foundation's two newest CLP's.

Chad Wiedenhofer, CLP

First American Equipment Finance
Located in Fairport, NY
chad.wiedenhofer@faef.com
(585) 598-0900

Alan Sikora, CLP

First American Equipment Finance
Located in Fairport, NY
alan.sikora@faef.com
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CLP Spotlights

An Interview with Spencer Richman, CLP



When did you starting working in the field of equipment leasing and financing?

I am a graduate of Northwestern University and founded American Financial Network, Inc. in 1988 in Cleveland, Ohio. I earned my CLP certification in 1998 and Best Practices Broker designation in 2007. I served as President of the National Association of Equipment Leasing Brokers from 2009 – 2010.



Spencer Richman, CLP
American Financial Network, Inc.

Can you tell us a little about AFN?

My company's leasing business is split nearly evenly in thirds between small ticket app-only business, full financial disclosure business, and municipal business. My company also maintains its own internal portfolio of nearly \$1MM of leases which we fully fund and service ourselves. In 2006 I purchased

another leasing company along with its own \$2.5MM portfolio which we continued to service. The biggest challenges in my 22 years in business have always been employee related, although now the lack of funding sources threatens to become my number one challenge! When I grew my company from 3 people to 10 people I found that I wound up earning less money and with far more headaches. I am once again starting to grow in size, but hope to be smarter and more selective in my hiring choices.

What do you enjoy doing in your spare time?

I am lucky to be married to a very supportive wife and to have three beautiful children, all entering their teenage years! I am a scoutmaster for a boy scout troop with about twenty five boys and enjoy camping with them once a month during the school year (yes, including the winter)! I enjoy reading books and listening to music, and my family enjoys skiing and sailing together. We also enjoy spending time during the summer at an old farmhouse we have on forty five acres of woods, fields and ponds.

What is your favorite music?

My favorite artists are The Eagles, Pink Floyd, The Who, The Rolling Stones, Bruce Springsteen, Elton John, Genesis, and I could probably go on and on. My favorite individual albums are Dark Side of the Moon (by Pink Floyd), 90125 (by Yes), Bat out of Hell (by Meatloaf), and Boston (Boston's original album).

How does your perfect day start?

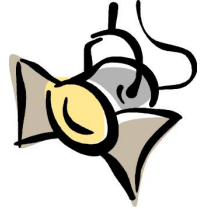
With a full night's sleep! After awakening, my perfect day would start by having breakfast with my kids, and then an hour at the gym before heading into the office (where, if it's a perfect morning, I have two or three messages waiting for me from vendors & customers with new leases they want)! I am always more productive at work if I've taken the time to get enough sleep and exercise!

What has helped you in business the most?

I can think of three things that have really helped me build my business and negotiate all the trials and tribulations of owning your own company. One is my participation in industry associations, including the NAELB and the CLP Foundation. The networking, education and credentials they provide are invaluable. The second is my local library. Or more specifically, all of the business, sales, motivation and organization books, which they let me use for free! And finally, I joined the Entrepreneur's Organization two years ago and have found that group to be a great forum to help me achieve more with my business.

CLP Spotlights

An Interview with Nancy Geary, CPA, CLP



How did you get your start in the equipment leasing and finance industry?

I joined ECS Financial Services, Inc. (then called Edwin C. Sigel, Ltd.) just a year out of college, more years ago than I care to admit. In my tenure at the firm I have grown from a staff accountant to a partner, learning how to manage and develop a business along the way.

Can you tell us about the role of ECS?

ECS entered the leasing industry in approximately 1990, and we quickly discovered that when it came to accounting, leasing wasn't like any other industry we knew. As a result, there weren't many small CPA firms that understood lease accounting. I found the work to be interesting and challenging. As a firm, we decided that there was a great opportunity for us to develop a niche and become a resource to brokers, lessors and funders alike.

I soon found myself taking responsibility for the leasing services group at our firm, which meant developing an expertise in lease accounting, tax rules and regulations, and other technical issues. I was also charged with researching and choosing appropriate software, hiring and training staff, and, the hardest part, building a client base.

Along the road, ECS joined various industry associations, building relationships and establishing a reputation within the industry. Recognizing the importance to be gained from attending the Lease Academy and the credibility afforded those attaining the CLP designation; I obtained my CLP in 1999 along with 3 other members of our firm. I believe that industry training and licensure are important and have supported the Foundation in various capacities throughout my years as a CLP.

What are some of the rewarding challenges at ECS?

Today at ECS, our group works with brokers, lessors and funders in various capacities, providing accounting and tax services including financial statement compilations, reviews and audits, and property, sales and income tax compliance, as well as lease servicing and consulting. We have also performed expert witness services for various lease-related cases, which test and challenge us, and provide interesting insight on the way we do business in our own office.

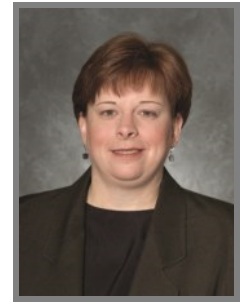
How do you enjoy time away from ECS?

Outside of the office, I enjoy cooking, travel and relaxing with my husband, Bob, and 13 year old son, Tim. We look forward to sharing time together at our second home in Trevor, Wisconsin. This summer we took a two week driving vacation to South Dakota, Colorado and Nebraska. We found Mount Rushmore to be a beautiful and moving monument to America and some of the important men who helped mold our country. Our whirlwind travels also included visits to the Black Hills, Custer State Park, Crazy Horse, The US Olympic Training Center, Air Force Academy, and Garden of the Gods, among others. We really enjoyed seeing REO Speedwagon at the breathtaking Red Rock Amphitheater in Denver. And we didn't forget those touristy spots like Wall Drug, the Corn Palace and the Spam Museum!

What do you enjoy most about your work?

I think that what I enjoy most about my job is the variety of things that require my attention on a daily basis. Between interacting with clients, prospects, staff members, fellow association members and the others, performing client services, and helping to run a 30+ person organization, I am constantly faced with new challenges, new responsibilities and new opportunities.

When I started my career in accounting, while I aspired to become a partner in a CPA firm, I didn't really realize what that entailed, or how reaching my goal would include getting so involved in the leasing industry!



Nancy Geary, CPA, CLP
ECS Financial Services, Inc.

CLP Recognizes Leasing Industry Associations



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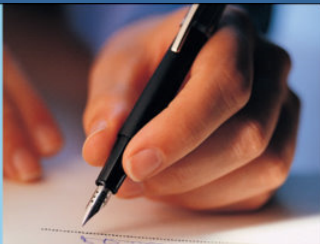


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Save the Dates *Events*

NEFA Funding Symposium
October 15-17, 2010
Atlanta, GA

NAELB Western Regional
November 13, 2010
Costa Mesa, CA

**NEFA Fall
Super Regional Expo**
November 14-15, 2010
Teaneck, NJ

CLP Exams

October 17th
NEFA Funding Symposium
Atlanta, GA

November 14th
NAELB Western Regional Meeting
Costa Mesa, GA

November 22nd
GreatAmerica Leasing
Cedar-Rapids, IA

December 11th
K2 Funding Group
Seattle, WA

Advertising Opportunities

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CLP Circular

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October Mindbender

Let's assume your sock drawer has six black socks, four yellow socks, eight red socks and two blue socks. Lets also assume that you are so busy at work that you have not had the time to stow the socks as matching pairs. How many socks would you have to pull out in the dark to be sure you had a matching pair?

Go to clpfoundation.org to bend it!
Just click on the *Mindbender* picture.

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