

--- targeted to exceed \$125,000,000 this year,
up from \$55,000,000 in '03

"Most of the time when one thinks of an inheritance, one's mind conjures up images of a nice little windfall. Well, it seems we continue to pay (and pay!) the "death taxes", in one form or another, on behalf of some of the dearly departed leasing co's, whose assets we have acquired over the last several years (including, but not limited to: Preferred Capital; MSM; Saddleback et al.), to the extent, our projected and much anticipated "nice little windfall", seems to have morphed, once again, into a PR headache.

"Would that I had known, that when acquiring a failed company's assets, you inherit their headaches and the ensuing windfall to be had, may take the form of detritus on spoiled fruit, with the decay's lingering effects, never quite dissipating with time.

"With respect to the recent article in the small business section of the NY Times, much of what Elizabeth Olson, a freelance writer for the NY Times, has opined and alluded to, is a prime example of the fictional, creative writing, masquerading as fact-based journalism, that the NY Times has in more recent years, become infamous for and which has repeatedly landed the paper in hot water. This journalistic fraud perpetrated by Ms Olson, continues in this pedigree. It is nothing more than a thinly veiled hatchet job perpetrated on CapitalWerks. She willfully ignored the facts, as were clearly explained to her in the numerous conversations with her over the last 12 to 18 months. Furthermore, not only has she lied to her readers, she has clearly deceived her editors along the way. On who's directive? I am truly curious as to her motivations

"It is precisely because of this sloppy style of journalism, the maxim, "the NY Times...the paper of record", no longer applies...the spirit of Jayson Blair? The Grey Lady is not what she used to be.

"She cites two examples in her screed. One is a complete fabrication and the other is a legitimate dispute between business entities, both confident in their competing positions on the facts of the case, of the sort that is a common practice and a daily part of commerce in a capitalist society.

"Perhaps it is the raw capitalist nature of our business that so offends Ms Olson's delicate eastern sensibilities. Perhaps a day in the life of a hardworking commission-only sales rep – who wakes up every day, essentially unpaid and unemployed, and who can only eat after the kill – will shake her ivory tower sufficiently enough, to awaken her to the realities that we, yes, the whole industry (as her article is an indictment and smear on all of us, as attested to by the ELA rebuttal), face daily. That we are the little people locked in a daily struggle to survive, that she should take great pains to defend.

"An in-depth examination of the daily regimen of the hardworking sales men and women who make up our industry should be on her "to do" list. These are real people who toil incessantly under the yoke of quotas, with no minimum wage and confront daily, the rejection and thankless, unreciprocated courtship of would-be clients. These are the one's who close these deals, then invariably end up suffering due to the lies and distortions of their clients, then end up being sued for only doing their job.

"Ms Olson would be doing far more to assuage her conscience would that she sung the praises of this forgotten class. They are the true unsung heroes of the business world, and who should be lauded as such, not vilified as Ms Olson alludes to in her smear on our industry.

I have communicated the many falsehoods, smears and distortions in her article to her editor, Brent Bowers, in the several conversations I have had with him, while out here in New York. His shock and surprise was genuine and he has committed to conduct a serious investigation. Furthermore, The NY Times legal dept. has been notified of the immediate and on-going damages sustained by CapitalWerks, as a result of this sloppy, fictional piece of journalism.

"Our position on commitment fees was stated three years ago when this debate first made your column. A policy adopted and practiced by the majority of Lessors and brokers in our industry.

"Even after providing verifiable proof to Ms Olson regarding the origin of these enumerated complaints, she continued to disregard these facts and others. As I related to her and again to

you, much of these are the result of a lingering liabilities hangover from the acquisition of Preferred Capital Corp., MSM Corp., and other asset acquisitions.

Although only the assets were purchased, including their names and databases, unsecured small creditors failed to understand the transaction and sought recovery wherever possible. Even the Neoforma situation was the result of several underwriters providing approvals, and although funding some of the business, the commitments for the balance vanished after 9/11, as did most venture leasing commitments, during this difficult economic downturn. Although CapitalWerks had a valid contractual claim for the majority of the commitment fee, we agreed to return it in good faith.

“Our underwriters, bankers, and funding sources applaud our approval to funding ratios, as a result of providing them with committed transactions. Our agreements are written in bold, plain English, pursuant to how all fees are applied. Clients are well informed ahead of time on all structured transactions of the work and time necessary to process their deals and the costs associated with the work.

All one-sided, anti-business stories are alike, in that they neglect to mention the good that is done on behalf of SMALL BUSINESS, BY SMALL BUSINESS (without the government's help...here's the real story, Ms Olson and the NYT should be focusing on). Specifically, in this story, they neglect to mention the record-breaking amount of small business finance provided by CapitalWerks, which is targeted to exceed \$125,000,000 this year, up from \$55,000,000 in '03, and its positive effects on the health of small business hiring.

“This overwhelming success can only be attributed to our much maligned and dedicated sales and support staff, of which Ms Olson is so quick to discredit, and to the many repeat customers and relationships they have cultivated.

“Our commitment to propelling CapitalWerks to become an industry leader and small business success story, is evident by our rapid growth and by offering the highest compensation structure in the business.

All top producers please forward your resume to Ashley Verb to join our team in over seven major cities.”

Mark McQuitty

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