

Equipment Acquisition Resources, Inc.

FAX COVER SHEET

555 S. Vermont St.

Palatine, IL 60067

Phone: 847-705-7636

Fax: 847-705-7685

E-Mail: sheldonp@eartechnology.com

Please visit our web site at: www.eartechnology.com

In 1978 (at age 28) I resided in the small oilfield town of Vernal, UT, where I developed real-estate primarily for the oil industry. I built 3 Industrial Parks with 29 steel buildings which included a new overhead bridge cranes in the structures.

Financing was always difficult in those days, especially in small towns. When I began in 1978, I was approached through a broker by Greyhound Leasing. They wanted new equipment deals for the investment tax credit.

They proposed financing of our overhead bridge cranes systems so they could get the investment tax credit. We successfully did a couple of buildings that way and it was fine. They did not want real-estate, so it still left us to seek real-estate mortgages in a very tough market.

Out of the clear blue one day, the lease rep suggested we add in money, as he felt the steel building structures would warrant the increased prices for the cranes. This gave us adequate money to build the entire facility.

We leased these direct to Fortune 500 Oil Companies on 7-10 year triple net leases to Greyhound by sub-lease. Also out of the blue on several transactions, Greyhound employee stuck his hand out for cash payoffs.

Being young and stupid, I paid him. This went on for 6 years and 29 facilities, until Greyhound auditors wanted to inspect. They of coarse determined their position was weak because they had no mortgage on the real estate.

Second mistake I made was yielding to their request to roll all the leases over to a real estate note, which basically was a cover up and subsequently brought a stockholder derivative suit against the officers at Greyhound (who were fired later on).

It was also discovered they took money from the rep who hit me up for money. The bottom line was, I went in and stopped all the madness, knowing what I had done wrong. I cooperated for 4 years to see that all the money was retrieved through asset sales of real estate and equipment.

My restitution was only \$500K from the entire \$70M which was satisfied. I took full responsibility and made more then full apologies, plus saw it al through to the end. I do not absolve myself from making to wrong decisions. I learned some hard lessons, but learned them as well.

When I started EAR, I vowed to do the right things the right way, which includes CPA reviewed financials, equipment inspections, and site visits. This yields much comfort for our lenders. We actually insist on equipment appraisals for each transaction.

