Rating Report

Report Date:
March 5, 2015

Ascentium Equipment Receivables 2015-1 LLC, Equipment Backed Notes

Analysts

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Ratings

	Amount	Coupon	Provisional Rating	Rating Action
Class A-1	$74,000,000	0.48%	R-1 (high) (sf)	Provisional Rating – Finalized
Class A-2	$105,000,000	1.15%	AAA (sf)	Provisional Rating – Finalized
Class A-3	77,858,000	1.61%	AAA (sf)	Provisional Rating – Finalized
Class B	$39,970,000	2.26%	AAA (sf)	Provisional Rating – Finalized
Class C	$14,120,000	2.69%	A (high) (sf)	Provisional Rating – Finalized
Class D	$11,567,000	3.24%	BBB (high) (sf)	Provisional Rating – Finalized
Class E	$7,485,000	5.92%	BB (high) (sf)	Provisional Rating – Finalized

Note: The definitions for various capitalized terms, which are used throughout this document, can be found in the preliminary offering memorandum.

Transaction Parties and Relevant Dates

Originator and Servicer:	Ascentium Capital LLC
Back-up Servicer:	U.S. Bank National Association (R-1 (high)/AA (high)/Stable)
Depositor:	Ascentium Depositor LLC
Issuer:	Ascentium Equipment Receivables 2015-1 LLC
Indenture Trustee:	U.S. Bank National Association (R-1 (high)/AA (high)/Stable)
Custodian:	U.S. Bank National Association (R-1 (high)/AA (high)/Stable)
First Payment Date:	April 10, 2015
Statistical Calculation Date:	February 1, 2015
Initial Cut-Off Date:	March 1, 2015
Prefunding Period:	Two months

	A-1	A-2	A-3	B	C	D	E
Expected Maturity Date:	12/10/15	1/10/17	1/10/18	9/10/18	12/10/18	3/10/19	4/10/19
Legal Final Maturity Date:	3/10/16	7/10/17	10/12/20	6/10/21	10/11/21	1/10/22	6/12/23

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Issuer Name:
Ascentium Equipment Receivables 2015-1 LLC (ACER 2015-1)

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Executive Summary

DBRS, Inc. (DBRS) has finalized provisional ratings to the notes issued by Ascentium Equipment Receivables 2015-1 LLC (Issuer), which are listed on page 1. This transaction (ACER 2015-1) represents the third term securitization sponsored by Ascentium Capital LLC (Ascentium), a privately owned equipment finance company originating small-ticket equipment leases and loans to small- and medium-sized businesses throughout the United States. Ascentium primarily provides financing in the form of finance leases, but some contracts may be in form of true lease agreements.

The main equipment types in the approximately $304 million initial Asset Pool include medical equipment and fixtures and furniture (which includes display and storage equipment), which account for approximately 22% and 18%, respectively, of the Aggregate Discounted Contract Principal Balance. Other popular types of equipment include computers, titled vehicles and industrial and automotive equipment. Collateral assets (the Asset Pool) are granular, with no single obligor accounting for more than 0.34% of the Asset Pool (by Discounted Contract Principal Balance). In addition, the largest state (CA) accounts for approximately 17% of the Asset Pool (note: all information on the Asset Pool is as of the Statistical Calculation Date). It is expected that, during a two-month prefunding period, Ascentium will originate and pledge to the transaction approximately $37.6 million of additional receivables.

Ascentium, which will act as initial servicer for the transaction, was formed in May 2011. However, its predecessor companies have been in the small-ticket leasing market since the mid-1990s and, through that time, have largely focused on the same equipment types and origination channels. U.S. Bank National Association (US Bank) will act as backup servicer, indenture trustee and custodian through the life of the transaction. As backup servicer, US Bank has completed the data mapping and will be expected to take over the servicing duties within 30 days if it becomes necessary.

The Class A notes consist of a money market tranche (the Class A-1) and senior notes (Class A-2 and Class A-3). While interest payments on the Class A notes will be paid ratably, the principal payments on the Class A-1 notes are senior to the respective payments on the Class A-2 notes and the Class A-3 notes. Similarly, the principal payments on the Class A-3 notes are generally subordinated to the Class A-2 notes. The interest and some principal payments on the Class A notes are senior to the respective payments on the Class B Notes, which are also rated AAA (sf) by DBRS. Initial hard credit enhancement for the Class A notes is 26.0%. Initial hard credit enhancement for the Class A notes comprise the subordinated Class B, Class C, Class D and Class E notes, initial overcollateralization (OC) of 3.00% and the fully funded at closing non-declining, replenishable cash reserve account (1.5% of the initial Pool Balance plus the amount on deposit in the Pre-Funding Account). Initial hard credit enhancement for the Class B notes is 14.25% and consists of the subordinated Class C, Class D and Class E notes, OC and the cash reserve account. Initial hard credit enhancement for the Class C notes is 10.1%, including the subordinated Class D and Class E notes, OC and the cash reserve account. Initial hard credit enhancement for the Class D notes of 6.7% consists of the subordinated Class E notes, OC and the cash reserve account. Initial hard credit enhancement of 4.5% for the Class E notes consists of OC and the cash reserve account. The transaction is also expected to benefit from the soft credit enhancement in the form of approximately 1.1% excess spread at closing. The discount rate for the Asset Pool is equal to 4.10%.

The transaction is structured to amortize the notes on a sequential basis. Further, all amounts available after payment of senior expenses and interest will be allocated to pay principal of the notes prior to any funds being released to the Issuer. The funds remaining after payment of senior transaction expenses will be applied, first, to pay the interest on the Class A notes, then to reduce the principal balance of the Class A notes (in order of seniority) to the Pool Balance, as necessary. The Issuer will then use any remaining funds to pay the interest on the Class B Notes, then to pay down the Class A and Class B Notes (in order of seniority) to the Pool Balance, as necessary; then to pay the interest on the Class C notes, and then to pay down the Class A, Class B and Class C notes (in order of seniority) to the Pool Balance. Any remaining funds will then be applied to pay the interest on the Class D Notes, then to pay down the Class A, Class B, Class C and Class D notes (in order of seniority) to the Pool Balance, as necessary; then to pay the interest on the Class E notes, and then to pay down the Class A, Class B, Class C, Class D and Class E notes (in order of seniority) to the Pool Balance. Any remaining funds may be used to replenish the amount on deposit in the cash reserve account, if necessary.

Following these payments, the remaining funds will be swept to fully pay down the principal of the notes in order of seniority. The funds on deposit in the cash reserve account may be used to cover any interest payment shortfalls, as well as principal payment shortfalls, to the extent necessary to reduce the aggregate outstanding principal of the notes to the Pool Balance. Any funds remaining on deposit in the cash reserve account will be swept to make the final payment of expenses, fees, interest and principal on the transaction.

Rating Rationale

The ratings assigned by DBRS to each class of notes are based on the following considerations:

- Credit enhancement available to each class of notes is sufficient to pay timely periodic interest and principal by the final maturity date on each class of notes in DBRS's cash flow modeling analysis. The expected loss assumption used by DBRS was 2.50%. DBRS targeted the break-even multiples of 5.45 times (x), 3.75x, 2.75x and 2.00x, respectively, in its AAA, A (high), BBB (high) and BB (high) cash flow modeling scenarios.

  The transaction is primarily secured by the collateral originated through Ascentium's two primary origination channels: vendors and dealers. The collateral originated through vendor channel accounts for over 82% of the expected Asset Pool. DBRS reflected the difference in historical performance of these channels in its expected loss assumption for the transaction.

- Ascentium's management, through its predecessor companies, has considerable experience and expertise in the equipment leasing market. Ascentium has existed in different legal forms since 1994. One of its predecessor companies, First Sierra Financial Inc. (First Sierra), issued eight ABS transactions from 1996 to 2000 that have all been repaid in full. For additional background, refer to the company section on this page.

- The Asset Pool is granular and of relatively high credit quality. In addition to low obligor concentrations, the largest state concentration accounts for approximately 17% of the Initial Pool Balance, with three largest states represented by CA (17%), TX (11%) and NY (7%). Weighted-average FICO score (when the contracts are supported by personal guarantees) is 754 and weighted-average SBSS is 211, which is slightly better than the previous ABS sponsored by Ascentium in 2014. Approximately 67% of obligors have been in business for six or more years. In addition, slightly over 85% of the loans and leases in the Asset Pool are supported by personal guarantees, and only 0.85% of the leases and loans have a balloon payment feature. Approximately 71% of the scheduled payments on leases and loans (by contract count) are automatically debited each month via ACH. The initial Asset Pool is seasoned by approximately six months.

- DBRS views Ascentium as an acceptable originator and servicer of the small-ticket equipment collateral.

- A satisfactory review of the legal structure and presence of legal opinions that address true sale of the assets to the Issuer, non-consolidation of the assets, which are held by the special-purpose vehicle, with the assets of Ascentium, and valid first-priority security interest of the Indenture Trustee in the assets. The transaction is also reviewed for consistency with the DBRS *Legal Criteria for U.S. Structured Finance*.

Ascentium Capital

Ascentium Capital is a relatively new company. However, most of its senior management has worked together since 1994 at predecessor companies. Ascentium's immediate predecessor company, Main Street Bank (MSB), was a Texas chartered community bank. MSB's management acquired the bank in order to capitalize on multi-funding options. Prior to MSB, the large group of Ascentium's senior management team operated First Sierra, which was established in 1994.

Issuer Name:
Ascentium Equipment Receivables 2015-1 LLC (ACER 2015-1)

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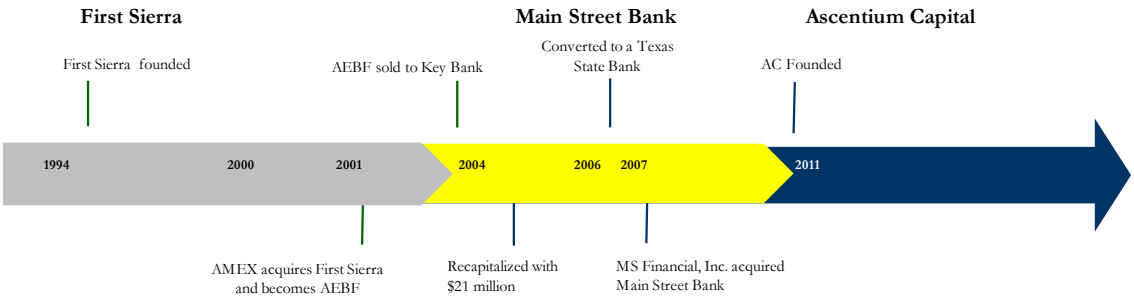


From 1994 through 2001, First Sierra was a specialty finance lessor that acquired and originated small ticket equipment leases to small- and medium-sized businesses. First Sierra was acquired by American Express Company (AMEX) in 2001 and became American Express Business Finance (AEBF). It was subsequently sold to Key Bank in 2004.

After customary expiration periods, current senior management team of Ascentium recapitalized MSB in 2004. MSB was a Texas chartered community bank that was supervised by the Federal Deposit Insurance Corporation (FDIC). According to Ascentium's management, it formed MSB with the intention of focusing on equipment lending and leasing to small businesses while gaining better access to funding through deposits and interbank borrowing. In 2011, MSB received approval from the FDIC and Texas Department of Banking to de-certify and sold substantially all of the assets not related to its retail banking operations, as well as the operating platform to Ascentium Capital LLC.

Ascentium Capital is capitalized by the management and equity investments by Vulcan Capital and an investor group led by Luther King Capital Management. The company has been steadily growing its profits and reducing its operating expense ratio, helped by the increased origination volumes in 2013 and 2014. Ascentium has access to several revolving bank warehouse facilities. The company also manages risk and diversifies its sources of funding by selling a portion of its excess exposures ($77 million over the most recent 12 months as of January 31, 2015) to other financial institutions. To date, Ascentium has completed two term ABS securitizations – Ascentium Equipment Receivables 2012-1 LLC (ACER 2012-1) and Ascentium Equipment Receivables 2014-1 LLC (ACER 2014-1) – which have performed within expectations. As a result of its steady performance and significant de-levering, DBRS upgraded subordinated tranches of ACER 2012-1 to AAA (sf) in December 2014.

Ascentium mainly originates finance leases, and the transaction does not include residuals. The assets are originated through two primary channels:

- **Vendor -** the largest origination channel, accounting for approximately 82% of the expected Asset Pool. Ascentium focuses on smaller vendors and distributors of small-ticket products.
- **Dealer –** Ascentium focuses on longstanding relationships with dealers to generate high-quality business. This origination channel accounts for slightly less than 18% of the expected Asset Pool.

Ascentium will be the initial servicer of the Asset Pool. As of December 31, 2014, Ascentium serviced 13,174 equipment lease and loan contracts with nearly 11,000 obligors. Each senior member of the management team has over 20 years of industry experience. A significant portion of the team has been working together for many years, dating back to the 1990s at First Sierra.

Ascentium maintains an analytics system that provides daily key performance indicator (KPI) reporting across all major job functions. Management regularly reviews operational metrics through data mining, as well as KPI and daily dashboard reporting. Ascentium uses industry-standard vendor-based technology for its originations, servicing and call center activities. The company has augmented these systems with custom-built ancillary systems for increased operational efficiencies.

Underwriting, Risk Management & Servicing

Underwriting

Headquartered in Kingwood, Texas, Ascentium provides equipment leases and loans to small business throughout the United States and specializes in loan and lease financing of information and technology assets, medical equipment, vehicles, light industrial and construction equipment and FF&E. Ascentium maintains a centralized underwriting platform located at its headquarters and does not use an automated scoring model to approve transactions. Except for auto declines (based on a number of criteria such as minimum FICO or bankruptcy history), all credit decisions are made by an analyst. Ascentium relies on a credit scoring methodology to determine lending limits for individual asset types and lessees and also takes into account commercial and personal credit bureau reports, time in business, financial information, industry type and equipment's relevance to a business. In addition, obligors will be required to submit financial information (e.g., corporate and personal tax returns) for transactions exceeding $150,000 in equipment cost. All vendors and dealers are also underwritten by Ascentium before any funding takes place through them.

For purposes of assessing credit quality, a numerical risk rating system is utilized by Ascentium, which not only incorporates the criteria utilized by regulatory authorities, but also delineates various levels of risk concentrated within the "Pass" category. Creditworthiness of the borrower is the primary determinant in the assignment of risk ratings. Risks inherent to the transaction itself may also influence the final rating for certain transactions. Generally, consideration is given to the following:

- Personal credit scores (Equifax and Experian) of the guarantors (guarantors need to represent at least 51% ownership in the aggregate) with the minimum required FICO of 650;
- Output of the SBSS model;
- Capability and tenure of management and ownership structure;
- Industry risks;
- Trade lines (minimum of seven);
- Minimum two years in business (under current owners);
- Business and bank references, Secretary of State filings;
- Dun & Bradstreet reports (Paydex Evaluation and business history); and
- Information on any adverse litigation.

In addition, in evaluating the risks of a transaction, consideration is also given to:

- Purpose of financing;
- Repayment terms;
- Collateral type, new versus used, and essentiality of equipment for a business; and
- Compliance with internal lending and credit policies.

Escalating levels of credit authority are granted to specific credit analysts and credit managers. Although the majority of financing requests are handled under this set of authorities, the company has additional policies in place to approve aggregate exposures in excess of $500,000.

Risk Management

The company has established the Senior Loan Committee (SLC), which consists of members appointed by the Chief Risk Officer (CRO). The SLC reviews, analyzes, discusses, and approves (or declines) new or renewed loans and leases with the aggregate indebtedness of more than $500,000. Aggregate exposures in excess of $1 million must be approved by the board of managers' Loan Committee (BMLC), which consists of the board of managers or designee. At a minimum, this committee consists of three outside managers and the chairman, and must approve (or decline) all requests of aggregate indebtedness greater than $1 million recommended for approval by the SLC. Loan approval requires majority of the voting members present.

The SLC generally meets twice a week, but may meet more frequently upon request. The SLCs responsibilities include the following:

- Review and approval of loan and credit policies, procedures and guidelines and recommendation for approval of same to the board of managers;
- Review vendor performance and approval of vendor relationships and terms;
- Reaffirmation of credit extensions approved by the committee between meetings; and
- Any other oversight action or activity that enhances credit quality and the safety and soundness of Ascentium's credit granting activities.

Servicing and Collections

The collections functions are centralized under the Asset Management group. Collection efforts are generally guided by progressive delinquency techniques utilizing the following timeframes:

- Five days past due – queue to collector;
- Five – 30 days past due – email and telephone contact. Follow-up telephone contact occurs with the customer until such time as payment has been secured;
- 31 – 60 days past due – more active customer contact involving personal guarantors and demand notices;
- 61 – 90 days past due – final demand notices sent to all obligors and guarantors. Collateral evaluated for remarketing. Credit information is updated;
- 91 – 120 days past due – exposure is placed on non-accrual. Notice of Acceleration sent to an obligor and the repossession is considered or initiated. Workout and liquidation strategy is determined and commences; and
- 121+ days past due – exposure is charged off in full or charged down to net realizable value. Ascentium pursues every deficiency to the full extent subject to a cost/benefit analysis.

The collections department maintains a watchlist for accounts that are over $50,000 and 60 days or more past due, are in bankruptcy, have a potential exposure for fraud, or have any vendor or customer dispute. On a monthly basis, Ascentium's Special Asset Committee (SAC) meets to discuss each asset on the watchlist. According to the management, as of January 31, 2015, the watchlist consisted of 29 exposures.

Repossessions:

Senior collectors assigned to handle late-stage collections and accounts in repossession coordinate the placement, repossession and resale of equipment related to contracts, which have been approved for repossession by either the Collections Manager or SVP of Asset Management. The company utilizes third-party repossession and remarketing agencies. A Notice of Private Sale is sent to the debtor and obligors, or consent to sell equipment is obtained from the debtor or obligors. Funds received from the sale of equipment are applied to the account as recovery. If deemed appropriate, Ascentium may pursue the customer for any deficiency balance remaining following liquidation of the collateral.

Forbearance

Contract modifications and forbearance agreements are used in limited instances where customers are able to demonstrate an acceptable payment history and such action is deemed to minimize a loss situation. Forbearance is only allowed once per contract and the extension period may not exceed the greater of 180 days or 10% of the original contract term.

Charge-off Process

All contracts are written off in full or written down to the net realizable value, (a) on or before the month-end in which payments are greater than 120 days past due, (b) upon determination that the obligations of a debtor and any guarantors are uncollectable and no further potential for collection or recovery exists, (c) when settlement in full has been reached and an uncollectable deficiency balance remains, or (d) if fraud has been confirmed.

Transaction Structure

The proceeds from sale of the notes were applied by the Issuer to (i) acquire the portfolio of the initial equipment financing contracts and related rights from the Depositor, (ii) make the initial deposit to the Reserve Account, (iii) make the initial deposit to the Pre-Funding Account, (iv) fund the Interest Funding Account and (v) pay the transaction's costs and expenses. The Servicer will be required to remit all identified collections to the Collection Account controlled by the Indenture Trustee within two business days of receipt.

The notes are offered with a fixed rate of interest. Interest will accrue during each Interest Accrual Period (a period from and including the previous Payment Date to and excluding the current Payment Date) and be payable to the noteholders on the related Payment Date. The Payment Dates will be on the tenth day of each month (or the next business day), beginning in April 2015. Interest on the Class A-1 notes will be calculated on the basis of a 360-day year and the actual number of days in the Interest Accrual Period and interest on all other classes of the notes will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. The capitalized interest on the amount on deposit in the Pre-Funding Account on the immediately preceding Payment Date (or the Closing Date, in case of the first Payment Date) will be paid out of the funds on deposit in the Interest Funding Account and will be calculated as the weighted-average interest rate for the notes. The principal of the notes will amortize, in accordance with the order of seniority, on a full turbo basis. Each class of the notes is rated based on (a) the timely payment of interest on each Payment Date and (b) full repayment of principal by the legal final maturity date for such class.

Priority of Payments

On each Payment Date prior to the occurrence of an Event of Default, the Indenture Trustee will make the distributions from the Available Funds on deposit in the Collection Account in the following order of priority:

1. Pro rata to the Custodian and the Indenture Trustee, the respective fees and expenses (other than Transition Costs) and any indemnified amounts due (the latter is subject to a cap of $10,000 per month);
2. To the Backup Servicer, the Backup Servicing Fee and other expenses then due and payable to the Backup Servicer;
3. To the Servicer, any accrued and unpaid Servicer Fees and other expenses;
4. If a successor Servicer is being appointed, to such successor Servicer and the Indenture Trustee, (i) the Successor Servicer Engagement Fee and (ii) solely from funds from the Servicer Transition Account, any Transition Costs (not to exceed $125,000);
5. To the Class A noteholders, ratably, interest due on the Class A notes;
6. To the Class A noteholders, if the outstanding amount of the Class A-1 notes, the Class A-2 notes and the Class A-3 notes exceeds the Pool Balance, to pay principal on the Class A-1 notes, as long as any Class A-1 notes remain outstanding, then to pay principal on the Class A-2 notes, as long as any Class A-2 notes remain outstanding, and then to pay principal on the Class A-3 notes, until the aggregate outstanding amount of the Class A-1 notes, the Class A-2 notes and the Class A-3 notes equals the Pool Balance;
7. To the Class B noteholders, interest due on the Class B notes;
8. If the outstanding amount of the Class A-1 notes, the Class A-2 notes, the Class A-3 notes and the Class B notes exceeds the Pool Balance, to pay principal on the Class A-1 notes, as long as any Class A-1 notes remain outstanding, then to pay principal on the Class A-2 notes, as long as any Class A-2 notes remain outstanding, then to pay principal on the Class A-3 notes, as long as any Class A-3 notes remain outstanding, and then to pay principal on the Class B notes, until the aggregate outstanding amount of the Class A-1 notes, the Class A-2 notes, the Class A-3 notes and the Class B notes equals the Pool Balance (after accounting for payments made under clause (6) above);
9. To the Class C noteholders, interest due on the Class C notes;
10. If the outstanding amount of the Class A-1 notes, the Class A-2 notes, the Class A-3 notes, the Class B notes and the Class C notes exceeds the Pool Balance, to pay principal on the Class A-1 notes, as long as any Class A-1 notes remain outstanding, and then to pay principal on the Class A-2 notes, as long as any

Class A-2 notes remain outstanding, then to pay principal on the Class A-3 notes, as long as any Class A-3 notes remain outstanding, then to pay principal on the Class B notes, as long as any Class B notes remain outstanding, and then to pay principal on the Class C notes, until the aggregate outstanding amount of the Class A-1 notes, the Class A-2 notes, the Class A-3 notes, the Class B notes and the Class C notes equals the Pool Balance (after accounting for payments made under clauses (6) and (8) above);

11. To the Class D noteholders, interest due on the Class D notes;
12. If the outstanding amount of the Class A-1 notes, the Class A-2 notes, the Class A-3 notes, the Class B notes, the Class C notes and the Class D notes exceeds the Pool Balance, to pay principal on the Class A 1 notes, as long as any Class A-1 notes remain outstanding, then to pay principal on the Class A-2 notes, as long as any Class A-2 notes remain outstanding, then to pay principal on the Class A-3 notes, as long as any Class A-3 notes remain outstanding, then to pay principal on the Class B notes, as long as any Class B notes remain outstanding, then to pay principal on the Class C notes, as long as any Class C notes remain outstanding, and then to pay principal on the Class D notes, as long as any Class D notes remain outstanding, until the aggregate outstanding amount of the Class A-1 notes, the Class A-2 notes, the Class A-3 notes, the Class B notes, the Class C notes and the Class D notes equals the Pool Balance (after accounting for payments made under clauses (6), (8), and (10) above);
13. To the Class E noteholders, interest due on the Class E notes;
14. If the outstanding amount of the Class A-1 notes, the Class A-2 notes, the Class A-3 notes, the Class B notes, the Class C notes, the Class D notes and the Class E notes exceeds the Pool Balance, to pay principal on the Class A-1 notes, as long as any Class A-1 notes remain outstanding, then to pay principal on the Class A-2 notes, as long as any Class A-2 notes remain outstanding, then to pay principal on the Class A-3 notes, as long as any Class A-3 notes remain outstanding, then to pay principal on the Class B notes, as long as any Class B notes remain outstanding, then to pay principal on the Class C notes, as long as any Class C notes remain outstanding, then to pay principal on the Class D notes, as long as any Class D notes remain outstanding, and then to pay principal on the Class E notes until the aggregate outstanding amount of the Class A-1 notes, the Class A-2 notes, the Class A-3 notes, the Class B notes, the Class C notes, the Class D notes and the Class E notes equals the Pool Balance (after accounting for payments made under clauses (6), (8), (10) and (12) above);
15. To the Reserve Account, the amount, if any, necessary to bring the amount on deposit in the Reserve Account to the Reserve Required Amount (not to exceed the outstanding amount of notes);
16. To the Class A-1 noteholders, any remaining amounts until the Class A-1 notes are paid in full;
17. To the Class A-2 noteholders, any remaining amounts until the Class A-2 notes are paid in full;
18. To the Class A-3 noteholders, any remaining amounts until the Class A-3 notes are paid in full
19. To the Class B noteholders, any remaining amounts until the Class B notes are paid in full;
20. To the Class C noteholders, any remaining amounts until the Class C notes are paid in full;
21. To the Class D noteholders, any remaining amounts until the Class D notes are paid in full;
22. To the Class E noteholders, any remaining amounts until the Class E notes are paid in full;
23. To the Custodian and the Indenture Trustee, any expenses and indemnified amounts in excess of $10,000 cap, to the extent not already paid; and
24. To the Issuer, any remaining amounts then on deposit in the Collection Account.

Pre-Funding & Concentration Limits

The transaction has a pre-funding period, during which the Issuer will be permitted to acquire new contracts into the Asset Pool from the Depositor. The pre-funding period starts on the Closing Date and will terminate on the earlier of (i) a date, on which the amount of deposit in the Pre-Funding Account is less than $100,000, (ii) a date, on which an Event of Default or a Servicer Termination Event occurs or (iii) May 10, 2015. To facilitate the acquisition of additional collateral assets during such pre-funding period, approximately $36.5 million (or 11.1%) of the aggregate amount raised at closing was deposited into the Pre-Funding Account. As such, the amount on deposit in the Pre-Funding Account is approximately 12.0% of the aggregate initial Pool

Balance. In addition, on the Closing Date, the Issuer deposited a portion of the proceeds into the Interest Funding Account. Funds on deposit in the Interest Funding Account will be used to pay interest on the amounts on deposit in the Pre-Funding Account. At the end of the pre-funding period, the Indenture Trustee will withdraw any amounts on deposit in such account and deposit those funds in the Collection Account for distribution as principal, sequentially, to the noteholders on the first Payment Date following the termination of the pre-funding period, subject to the priority of payments.

In order to ensure that no material pool migration occurs due to the addition of contracts during the pre-funding period which could result in a change in the Asset Pool's characteristics, the Originator made the following representations and warranties regarding the concentrations in the Asset Pool (in each case, as the maximum allowed percentage, without duplication, based on the Pool Balance as of applicable Cut-Off Date after giving effect to the transfer of the Additional Contracts, unless noted otherwise):

1. Weighted-average Discounted Contract Principal Balance - $57,000;
2. Weighted-average original term – 58 months;
3. Weighted-average FICO score - 750;
4. Weighted-average SBSS score - 210;
5. Largest obligor – 0.55%;
6. Largest 15 obligors – 4.50%;
7. Contracts with original term in excess of 72 months – 2.60%;
8. (a) of equipment type "Medical" or (b) relating to obligors primarily engaged in any single industry segment - 23.00%;
9. Contracts with obligors located in California – 18.00%;
10. Contracts with obligors located in Texas – 13.00%;
11. Contracts with obligors located in New York – 10.00%; and
12. Contracts with obligors located in any other single state – 8.00%.

Events of Default

1. Failure by the Issuer to pay interest on the notes (two business day grace period); provided that the failure to pay interest on the then subordinated classes of the notes (which may include, as applicable, the Class B, the Class C, the Class D and the Class E notes) will not be an Event of Default if, on the related Payment Date, such failure resulted from principal being paid in accordance with the respective clauses (6), (8) and (10) in the Priority of Payments, as applicable;
2. Failure by the Issuer to make any principal payment due on the final maturity date for any class of the notes;
3. The Issuer or the Servicer fails to perform or observe any covenant made by it in any transaction document (30-day grace period);
4. Any representation or warranty made by the Issuer or the Servicer in any transaction document proves to have been false or incorrect in any material respect when made or deemed made or delivered (30-day grace period when curable);
5. Occurrence of an ERISA event, with respect to the Issuer, the Originator or any commonly controlled entity of the Originator or the Issuer (subject to a materiality and a 30-day grace period);
6. Bankruptcy of the Issuer, the Depositor or the Originator;
7. The receipt of a notice or otherwise becoming aware by the Issuer, the Depositor or the Originator that a federal tax or ERISA lien has been filed against any of them (30-day grace period);
8. The Issuer becomes an "investment company," within the meaning of the Investment Company Act of 1940, as amended;

9. Failure by the Indenture Trustee, on behalf of the secured parties, to have a valid and perfected first-priority security interest in the collateral Contracts and collections with respect thereto; or
10. Failure of any transaction document to be in full force and effect (other than in accordance with its terms), or any of the Issuer, the Originator, the Depositor or the Servicer seeks to terminate or disaffirm its obligations under any transaction document.

Note that a Servicer Termination Event does not constitute an Event of Default. Also, the Events of Default related to a breach of the covenants and/or representations & warranties (items #3 and #4 above) do not result in a post-default priority of payments, unless the collateral is being sold following such Events of Default. Upon the occurrence of an Event of Default, the Indenture Trustee, upon the written direction of the Majority Holders (noteholders representing in excess of 50% of the then most-senior class of notes) or immediately, in the event of the Issuer's bankruptcy, will declare the unpaid principal amount of all notes to be due and payable, together with all accrued and unpaid interest.

Servicer Termination Event

1. Failure by the Servicer to deposit to the Collection Account any collections or other proceeds or any payment required to be so deposited under the terms of the transaction documents (two business days grace period);
2. Failure by the Servicer to deliver to the Backup Servicer or the Indenture Trustee any report when required pursuant to the transaction documents (two business days grace period subject to the Force Majeure Event exception);
3. Failure by the Servicer to enforce remedies with respect to any material portion of the Contracts in accordance with the Servicing Standard (30-day grace period if curable);
4. Failure by the Servicer to perform or observe in any material respect any other term, covenant or agreement contained in the transaction documents (30-day grace period if curable);
5. Any representation or warranty made or deemed to be made by the Servicer under the transaction documents, or any information or report delivered pursuant the transaction documents proves to have been false or incorrect in any material respect when made or deemed made or delivered (30-day grace period if curable);
6. Failure by the Servicer to have or maintain all material licenses, permits franchises and other governmental authorizations necessary for the servicing of any material portion of the collateral contracts;
7. Bankruptcy of the Servicer;
8. Occurrence of an Event of Default;
9. Failure by the Servicer to make a payment due with respect to any Indebtedness (including recourse capitalized lease obligations) in the aggregate amount exceeding $10 million;
10. the rolling three-month Delinquency Ratio (delinquency, for any contract, is defined as more than 10% of a Scheduled Payment remaining unpaid for more than 30 days since due date) exceeds 4.25%;
11. the Cumulative Net Loss Percentage (as percentage of the Initial Pool Balance plus the amount on deposit in the Pre-Funding Account as of the Closing Date), as of the end of any calendar quarter, exceeds 5.50%;
12. the Servicer's Debt-to-Equity Ratio, as of the end of any calendar quarter, exceeds 8:1; or
13. the Servicer's Tangible Net Worth, as of the end of any calendar quarter, is less than the sum of (a) $65 million plus (b) 50% of the aggregate net income (only if a positive number) of the Servicer and its subsidiaries, determined on a consolidated basis in accordance with GAAP, for the period beginning on October 1, 2011, and ending at the end of the most recently completed fiscal quarter.

Upon the occurrence and continuation of a Servicer Termination Event and after the expiration of the applicable cure periods, the Indenture Trustee will, at the written direction of the Majority Holders, terminate all of the Servicer's rights and obligations under the Sale and Servicing Agreement. The Backup Servicer will become the successor servicer in accordance with the transaction documentation.

Eligible Contracts – Representations & Warranties

1. The information with respect to a Contract and the related financed property delivered to the Servicer, the Indenture Trustee or the Custodian is true and correct in all material respects;
2. A Contract financed the acquisition of and is either secured by equipment or the equipment is owned by the Issuer or is a Software Contract;
3. (i) the originator of a Contract has all licenses, permits, franchises and other governmental authorizations necessary for the origination thereof, (ii) the Originator and the Issuer each have all licenses, permits, franchises and other governmental authorizations necessary for the ownership thereof, and (iii) the Servicer has all licenses, permits, franchises and other governmental authorizations necessary for the servicing thereof, in each case in the State where each related obligor is located;
4. Immediately prior to the transfer of a contract and any related financed property (or security interest therein) to the Issuer, the Depositor or the Originator, as applicable, owned and had good and marketable title to, and following the transfer by the Originator and the Depositor, the Issuer owns and has good and marketable title to such Contract, free and clear of any lien other than Permitted Liens;
5. A Contract is not a Defaulted Contract or a Delinquent Contract at the time of its transfer to the Issuer;
6. No provision of a Contract has been waived, amended, altered, extended, restructured or modified in any material respect more than once for credit reasons or to prevent such Contract from being classified as a Defaulted Contract or a Delinquent Contract;
7. None of the financed property securing a Contract is in repossession status;
8. A Contract is a genuine, legal, valid, binding, enforceable and fully recourse payment obligation of the related obligor and is enforceable by the Issuer (and any assignee thereof) in accordance with its terms, subject to bankruptcy and similar laws and general principles of equity, and contains customary and enforceable provisions, such as to render the rights and remedies of the Issuer (and any assignee thereof) adequate for realization against the related collateral security;
9. A Contract has not been satisfied, subordinated or rescinded, nor has any equipment been released from the lien granted by the related Contract (other than when released in accordance with the Servicer's servicing procedures and replaced with substitute equipment);
10. A Contract is not subject to litigation, or to rights of rescission, setoff, counterclaim or defense, and no such rights have been asserted or threatened with respect to such Contract;
11. A Contract, at the time it was made, had been originated in compliance in all material respects with applicable law, and did not violate applicable law in any material respect;
12. All filings (including filings of UCC financing statements) necessary to evidence or perfect the conveyance or transfer of the Originator's ownership interest in a Contract, and, unless such Contract finances equipment with the original cost of $25,000 or less or software licensing (Exempt Contract), the related financed property, have been made or provided for in all appropriate jurisdictions and the Contract is secured by a security interest granted in favor of the Originator in each financed property, and unless such Contract is an Exempt Contract, a UCC financing statement is on record in the name of the Originator (or CSC, as secured party representative on behalf of the Originator);
13. The related obligor is not in bankruptcy;
14. The related obligor's billing address is in the United States and a Contract is denominated in USD;
15. A Contract is fully assignable and does not require the prior written notification to or consent of an obligor or contain any other restriction on the transfer or assignment, or all consents and approvals required by the terms of such Contract have been received;
16. The obligations of the related obligor under such Contract are irrevocable and unconditional, non-cancelable (in the case of a lease) and non-cancelable and non-prepayable without payment in full of principal and accrued interest and finance charges (in any other case), and not subject to any right of rescission, set-off, defense, abatement, counterclaim, reduction or recoupments;

17. No selection procedure adverse to the interests of the Issuer or the noteholders was used in selecting a Contract for inclusion in the Asset Pool;
18. An obligor under such Contract is required to maintain casualty insurance with respect to the related equipment in accordance with the Credit and Collection Policy;
19. A Contract constitutes tangible chattel paper, an account, an instrument or a general intangible, in each case as defined under the UCC and if a Contract constitutes tangible chattel paper or an instrument, as so defined, there is not more than one "secured party's original" counterpart of such Contract which is in the related custodial file;
20. A Contract is not a "consumer lease" as defined in the UCC;
21. If a Contract is a lease, such lease is a "triple net lease" under which an obligor is responsible for the maintenance, taxes and insurance with respect to the related equipment in accordance with applicable general industry standards;
22. An obligor under such Contract is not the Government of the United States or any agency, department or instrumentality of the Government of the United States;
23. A Contract, at the date of origination, had a term not greater than 96 months;
24. A Contract was not originated nor was it subject to the laws of any jurisdiction, the laws of which would make unlawful the sale, transfer and assignment of such contract under the transaction documents;
25. As of the Closing Date only, no Contract will cause the aggregate principal balances of Contracts of a single obligor (including affiliates) to exceed 0.50% of the Initial Pool Balance;
26. As of the Closing Date, no Contract will cause the aggregate principal balances of Contracts (a) of equipment type "Medical" or (b) relating to Obligors primarily engaged in any single Industry Segment, in each case, to exceed 23.00% of the Initial Pool Balance; and
27. The Custodian has issued a "custodial receipt" with respect to the Contract File related to such Contract and such "custodial receipt" does not indicate that (i) one or more of the documents contained in the file is not fully executed or fails to correspond to the information on the related list of Contracts delivered to the Custodian; (ii) one or more documents contained in the file are mutilated, damaged, torn or otherwise materially physically altered; or (iii) the absence of any document from a file that is required to be included therein.

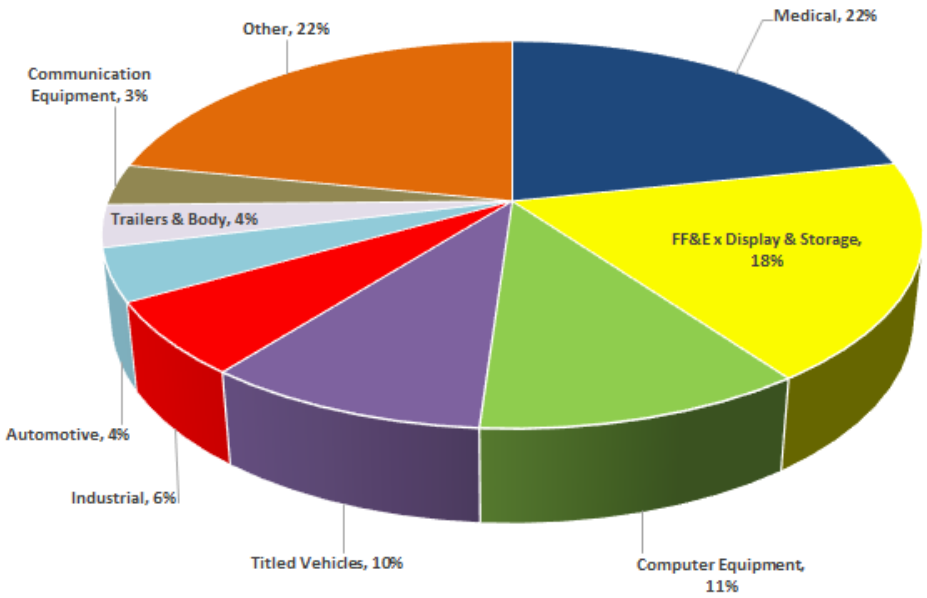
Asset Pool

The Asset Pool as of the Statistical Calculation Date consists of 6,254 lease contracts with 5,614 obligors, more than 82% of which (by the Discounted Contract Principal Balance) have been originated through the vendor channel with the remainder originated via dealers. Approximately 93% of the contracts (by the Discounted Contract Principal Balance) are in the form of the finance lease agreements. The Asset Pool is consistent with other small-ticket portfolios, with the average Discounted Contract Principal Balance of $48,469. Lease terms are generally consistent with the industry, as are the types of collateral being financed. Weighted-average original term of leases in the Asset Pool as of the Statistical Calculation Date was approximately 55 months. Weighted-average seasoning of the initial Asset Pool is approximately six months.

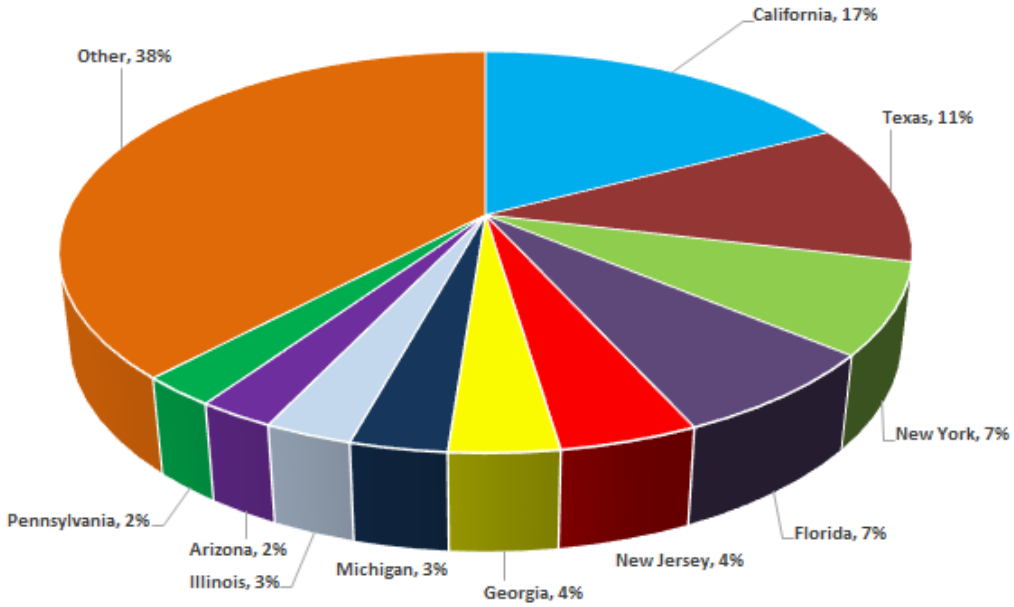
The collateral mix is representative of the small-ticket equipment lease and loan portfolios, with small-ticket medical equipment (average Discounted Contract Principal Balance of $78,585) and FF&E: Retail – Display and Storage (average Discounted Contract Principal Balance of $46,932) comprising 40% of the Asset Pool (by Discounted Contract Principal Balance as of the Statistical Calculation Date). Other categories include computers (including approximately 5.6% represented by software), titled vehicles, industrial and automotive equipment and other small-ticket equipment categories.

Issuer Name:
Ascentium Equipment Receivables 2015-1 LLC (ACER 2015-1)

Report Date:
March 5, 2015



The Asset Pool is very granular, with the single largest obligor accounting for 0.34%. Top ten obligors represented 2.40% of the expected Asset Pool as of the Statistical Calculation Date. Approximately 96% of obligors (by the Discounted Contract Principal Balance) are SBSS scored. Weighted-average SBSS score for the obligors in the expected Asset Pool is 211. Approximately 85% of the leases in the Asset Pool as of the Statistical Calculation Date were supported by personal guarantees, with the guarantors' weighted-average FICO score of 754. As of the Statistical Calculation Date, the contracts originated through the largest dealer and vendor represented 2.7% and 4.8% of the Asset Pool, respectively, while the ten largest origination sources accounted for less than 25%. Obligors represent a wide spectrum of industries, with the three largest group comprising the health care and social assistance, accommodation and food services and retail trade. The Asset Pool is also diversified geographically, with the largest states representing concentrations, which are typical for small-ticket equipment lease and loan portfolios. About 76% of the obligations in the Asset Pool (by the Discounted Contract Principal Balance) are paid via ACH.



Cash Flow Analysis and Stress Testing

In accordance with its rating methodology for equipment loan and lease securitizations, DBRS analyzed the following forms of credit enhancement available to the notes.

Excess Spread and Discount Rate

As is typical in equipment lease securitizations, a discount rate is applied to the future payment obligations of the obligors in the Asset Pool. The discount rate for the transaction is 4.10%. This assumed discount rate exceeds the sum of the anticipated weighted-average interest rate on the notes, the servicing fee rate, the backup servicing fee rate, and the indenture trustee and custodial fee rates. To the extent that assumed discount rate exceeds the cost of funds in the transaction, excess spread is created. DBRS estimates that, the transaction will benefit from credit enhancement in form of excess spread (approximately 1.1% at closing).

Subordination

The Class B, the Class C, the Class D and the Class E notes are subordinated to the Class A notes. Principal payments on the Class A-2 notes are subordinated to the principal payments on the Class A-1 notes, and the principal payments on the Class A-3 notes are generally subordinated to the Class A-2 notes. Furthermore, the Class B, the Class C, the Class D and the Class E notes will generally not receive principal payments until the Class A notes are paid in full. The Class C, the Class D and the Class E notes will generally not receive principal payments until the Class A and Class B notes are paid in full. The Class D and the Class E notes will generally not receive principal payments until the Class A, the Class B and the Class C notes are paid in full. The Class E notes will generally not receive principal payments until all other classes of notes are paid in full. Payments of interest on subordinated classes of notes on any Payment Date will only be made to the extent that available funds remain after making all distributions of interest on the more senior classes of notes and paying all senior fees, expenses, and reimbursements due to Servicer, Indenture Trustee, Custodian, and Backup Servicer, as well as reducing, in order of principal payment seniority, the outstanding principal amount of notes to the amount at least equal to the Pool Balance of on such Payment Date.

Overcollateralization (OC)

OC is the amount by which the value of the initial Pool Balance of the Asset Pool plus the amount on deposit in the Pre-Funding Account exceeds the principal balance of all classes of notes. OC supports all classes of notes. The initial OC amount will equal 3.00%.

Reserve Account

The Issuer will deposit into the Reserve Account held by the Indenture Trustee for the benefit of the noteholders an amount equal to 1.50% of the sum of the (a) initial Pool Balance and (b) the amounts on deposit in the Pre-Funding Account as of the Closing Date (Required Reserve Amount). Cash reserve will be available to cover any shortfalls in the payment of senior expenses and required interest and principal (in case of the latter, either (i) on the final Payment Date, (ii) in certain circumstances, upon the occurrence of an event of Default, or (iii) in order to reduce the outstanding principal of the notes to the Pool Balance). The amount on deposit in the Reserve Account on any Payment Date will be non-declining (not to exceed the outstanding principal amount of the notes). It will be replenished, as necessary on each Payment Date, from the funds available after making all distributions of interest on all classes of the notes and paying all senior fees, expenses, and reimbursements due to Servicer, Indenture Trustee, Custodian, and Backup Servicer, as well as reducing the principal amount of the notes to the amount at least equal to the Pool Balance on such Payment Date.

Residuals

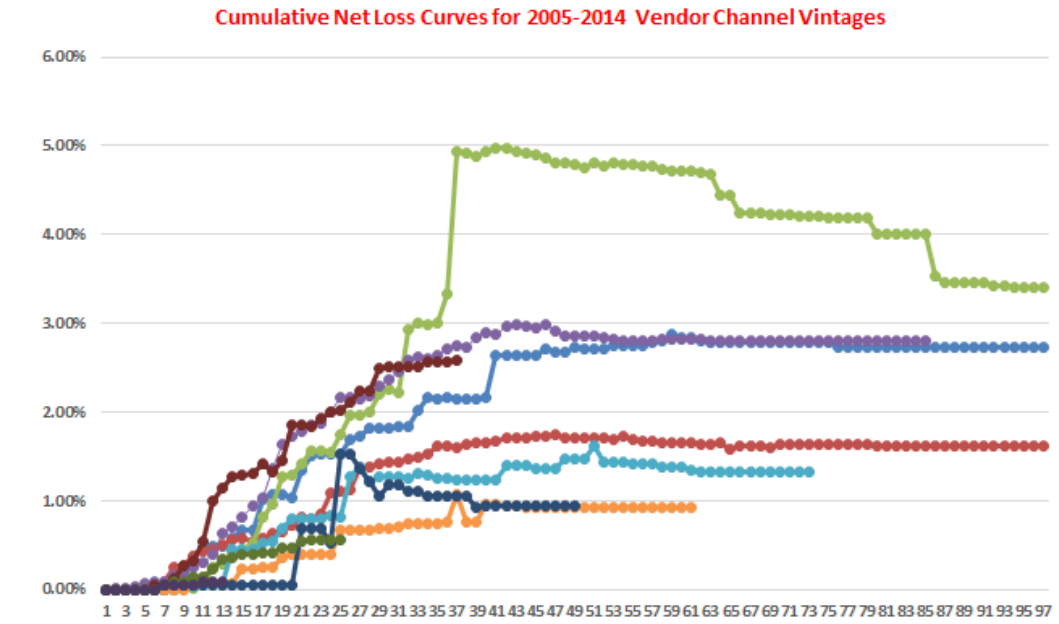
The Asset Pool will not include any residual payments. As such, the transaction is not expected to be exposed to any residual realization risk.

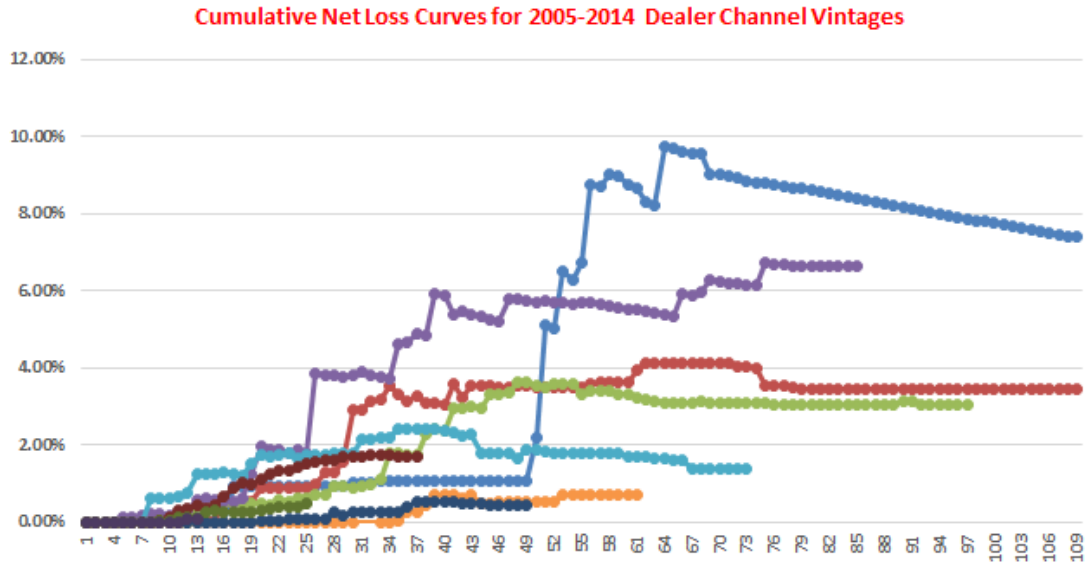
Expected Loss Determination

In order to assess the appropriate expected loss assumption for the transaction, DBRS reviewed the static pool data, which had been provided by Ascentium for two primary origination channels (vendor and dealer) for annual vintages from 2005 to 2014. On the aggregate (including both origination channels) static pool basis, net losses for 2007 and 2008 vintages were the highest to date. It should be noted that Ascentium's overall

historical cumulative net losses have been below than or on par with comparable small-ticket lessors. In addition, the company has been able to achieve relatively high recovery rates on gross defaults in both origination segments, with the averages (weighted by each vintage's gross default amount) for 2005–2012 of approximately 37% and 46%, respectively, for vendor and dealer origination channels.

The expected loss assumption of 2.50% used by DBRS takes into account the breakdown of the expected Asset Pool between vendor and dealer origination channels. In addition, the analysis takes into account approximately eight months of seasoning of the expected Asset Pool.





The expected loss assumption, which DBRS uses in its cash flow modeling analysis for ACER 2015-1, also reflects the variability in the historical origination volumes. Thus, while 2013 and 2014 vintages have the highest origination volumes, relatively low seasoning (pool factor of 65% and 92%, respectively) warrants a limited application of these vintages by DBRS in determination of its expected loss assumption. At the same time, DBRS incorporates in its analysis the extrapolated cumulative net loss curves for the relatively seasoned 2011 and 2012 vintages (respective pool factor of 25% and 38%) to balance the weight assigned to 2007-09 vintages.

DBRS examined Ascentium's historical aggregate loss timing curve for all vintages in the combined vendor and dealer segments. DBRS used this loss timing curve to forecast expected losses for not fully seasoned annual vintages in each segment based on the seasoning information for each vintage (in months), which had been provided by Ascentium. DBRS also examined the annual static pool curves in each segment to construct the segment-specific net loss timing curves using a 60-month loss timing projection method based on fully or largely seasoned (at least 90% paid off) 2005–2010 vintages. DBRS then used each segment-specific loss timing curve to forecast the remaining expected loss in 2011–2013 annual vintages in each segment.

Cash Flow Modeling

In the cash flow modeling analysis, several key variables, which affect the payment profile of the notes, are stressed in order to test whether the transaction cash flows can withstand potential collateral performance deterioration at each requested rating level. Key cash flow modeling variables that are stressed include:

- Cumulative net losses, assignment of credit for seasoning;
- Recoveries;
- Timing of losses;
- Prepayments; and
- Aggregate senior expenses in the transaction.

Given the diversity of obligors, collateral and geography, no additional stress scenarios are applied to stress the existing concentrations.

Consistent with our published methodology, stress multiples are applied to the expected loss assumption according to the DBRS rating scale. Multiple ranges are based on the DBRS criteria set forth in the *Rating U.S. Equipment Lease and Loan Securitization* methodology. In each case, the respective notes were able to withstand the stress levels without loss.

The cash flow modeling scenarios also include increased senior transaction expenses and indemnities (up to the amount of specified cap where applicable). In addition, the structure is tested using varying loss timing curves and constant (slow/fast) prepayment rates (CPR). The transaction is tested using three different loss timing curves in order to determine the impact of loss timing on the cash flows. While prepayments in the small-ticket equipment space have historically been relatively low, varying prepayment rates can provide some indication of how collateral might perform under unexpected circumstances. Prepayment assumption used for the cash flow modeling analysis is varied from 0 CPR to 10 CPR in all loss timing scenarios.

Issuer Name:
Ascentium Equipment Receivables 2015-1 LLC (ACER 2015-1)

Report Date:
March 5, 2015

Legal Structure & Opinions

The Originator sold to the Depositor and the Depositor transferred the collateral assets to the Issuer. On the Closing Date, the counsel to Ascentium rendered the opinions indicating "true sale" of the assets from the Seller to the Depositor, and the enforceability of the documents against the Originator, the Depositor, the Issuer and the assets of the Issuer. The counsel to Ascentium also rendered an opinion stating that the Indenture and the pledges and grants thereunder create a valid security interest in the Asset Pool for securing payment of the Issuer's obligations and that the creditors of Ascentium or its affiliates cannot successfully look to the assets of the Issuer for satisfaction of their claims. In addition, the transaction structure, representation and warranties, and documentation were reviewed for consistency with the *DBRS Legal Criteria for U.S. Structured Finance Transactions*.

Representations & Warranties

The Rule 17g-7 Report of Representations and Warranties is hereby incorporated by reference and can be found at www.dbrs.com.

Note:
All figures are in U.S. dollars unless otherwise noted.

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