



ENTREPRENEURS IN THE SPOTLIGHT

Monitor Top Private Independents: The Race for No. 1 Heats Up

In a year characterized by high hopes that failed to materialize into increased equipment demand, *Monitor's* Top Private Independents powered through the challenges of downward pricing pressure and greater difficulty attracting talent to achieve a net year-over-year volume increase of 12%. While Ascentium Capital retained the No. 1 crown, next year's prize is within striking distance for Stonebriar Commercial Finance. > >

2018 MONITOR TOP PRIVATE INDEPENDENTS

“Competition at low rates was the biggest challenge. Equity capital was abundant, but decent deal flow at the right rates was limited.”

— 2017 retrospective from a survey participant

Monitor Top Private Independents

RANKED BY FUNDED NEW BUSINESS VOLUME

(\$ IN MILLIONS)

| RANK | | COMPANY | NEW BUSINESS VOLUME | | | |
|---------------------------|-----|---|---------------------|---------|--------------|--------|
| '17 | '16 | | 2017 | 2016 | VARIANCE +/- | % +/- |
| 1 | 1 | Ascentium Capital | 1,004.8 | 898.5 | 106.3 | 11.8% |
| 2 | 3 | Stonebriar Commercial Finance | 970.8 | 732.1 | 238.7 | 32.6% |
| 3 | 2 | GreatAmerica Financial Services | 923.0 | 847.0 | 76.0 | 9.0% |
| 4 | 5 | ENGS Commerical Finance | 375.0 | 337.0 | 38.0 | 11.3% |
| 5 | 7 | Somerset Capital Group | 256.4 | 275.7 | -19.3 | -7.0% |
| 6 | 11 | First National Capital | 221.3 | 185.5 | 35.8 | 19.3% |
| 7 | 12 | Trans Lease | 214.2 | 175.1 | 39.1 | 22.3% |
| 8 | 14 | Amur Equipment Finance | 210.7 | 153.5 | 57.2 | 37.3% |
| 9 | -- | Fleet Advantage | 201.1 | 167.7 | 33.4 | 19.9% |
| 10 | 9 | Kingsbridge Holdings | 200.9 | 200.1 | 0.8 | 0.4% |
| 11 | 10 | Crossroads Equipment Lease & Finance ¹ | 176.7 | 202.0 | -25.3 | -12.5% |
| 12 | 19 | United Leasing and Finance ² | 176.0 | 128.0 | 48.0 | 37.5% |
| 13 | 15 | VAR Technology Finance | 171.6 | 150.0 | 21.6 | 14.4% |
| 14 | 8 | SQN Capital Management | 164.2 | 256.9 | -92.7 | -36.1% |
| 15 | 17 | Northland Capital Financial Services ³ | 144.0 | 140.7 | 3.3 | 2.4% |
| 16 | -- | Equify Financial | 141.8 | 103.7 | 38.1 | 36.8% |
| 17 | 18 | Jules and Associates | 140.4 | 130.6 | 9.8 | 7.5% |
| 18 | -- | CG Commercial Finance ⁴ | 133.0 | 78.0 | 55.0 | 70.5% |
| 19 | 16 | Lease Corporation of America ⁵ | 125.0 | 143.1 | -18.1 | -12.6% |
| 20 | 21 | Forsythe/McArthur Associates, A Sirius Co. ⁶ | 120.8 | 104.1 | 16.7 | 16.0% |
| 21 | 20 | Wallwork Financial | 116.3 | 111.6 | 4.7 | 4.2% |
| 22 | 24 | AP Equipment Financing ⁷ | 88.0 | 74.0 | 14.0 | 18.9% |
| 23 | 25 | Regents Capital ⁸ | 82.5 | 73.0 | 9.5 | 13.0% |
| 24 | -- | First Financial Corporate Services | 78.5 | 67.8 | 10.7 | 15.8% |
| 25 | 23 | Great Atlantic Capital | 72.1 | 76.6 | -4.5 | -5.9% |
| See footnotes on page 19. | | | 6,509.1 | 5,812.3 | 696.9 | 12.0% |

The Top 25 Private Independents set a new record in 2017, reporting \$6,509.1 million in new business volume, up 12% from \$5,812.3 million year-over-year. Twenty respondents achieved volume growth totaling \$856.8 million, and five companies reported a net decrease of \$159.9 million, resulting in a net positive variance of \$696.9 million.

TOP FIVE

The top five reported a collective \$3,530 million in new business volume, accounting for 54% of the total volume reported. The net year-over-year growth of the top five, \$439.7 million, represented 63% of the total variance.

THE RANKINGS – TOP FIVE

Ascentium Capital retains the No. 1 crown, reporting its own record-breaking new business volume of \$1,004.8 million, an increase of \$106.3 million (11.8%) from \$898.5 million in 2016. The bulk of Ascentium's volume originated from the vendor/dealer channel, which provided \$823.8 million or 82% of the total, with the balance attributed to direct (12%) and indirect (6%) originations. Ascentium reported significant gains in its direct channel, which grew by 42% year over year.

Rising to No. 2 on a 32.6% year-over-year increase, **Stonebriar Commercial Finance** reported \$970.8 million in volume, a mere \$34 million shy of No. 1-ranked **Ascentium**. **Stonebriar's** total volume was comprised of \$251.1 million (26%) from indirect originations and \$719.7 million (74%) from direct originations, which grew by 111% on a year-over-year basis.

No. 3-ranked **GreatAmerica Financial Services** reported \$932 million in new business volume, up \$76 million (9%) from \$732.1 million in 2016 and primarily derived from \$890 million vendor originations, which accounted for 96% of total volume, with the remaining 4% coming from indirect activity.

With **LEAF Commercial Capital** out of the running after its acquisition by **People's United Bank**, **ENGS Commercial Finance** rises to No. 4 with \$375 million in volume, up \$38 million (11.3%) year-over-year. **ENGS'** vendor channel provided \$355 million, or 95%, of its total volume, with direct originations of \$20 million making up the remaining 5%.

Joining the top five for the first time is **Somerset Capital Group**, which rises from No. 7 with \$256.4 million in volume from its direct (59%), indirect (40%) and vendor (1%) channels.

The leadership of the top five each take a unique approach to the equipment finance business, which they discuss in our second annual Top Five Independents roundtable (*see page 20*).

TOP PERCENTAGE GAINERS

The top five percentage gainers contributed 63%, or \$437 million, of the net volume increase. New to the ranking this year, No.18-ranked **CG Commercial Finance** recorded a 70.5% year-over-year increase, the highest percentage gain of the group. **United Leasing and Finance** rose to No. 12 this year from its 2016 ranking of No. 19, thanks to a year-over-year increase of 37.3% (\$48 million). **Amur Equipment Finance** reported the third-largest percentage increase of 37.3%, or \$57.2 million, as it bounces back from last year's drop in volume. Rejoining the ranking this year, **Equify Financial** reported a 36.8%, or \$38.1 million increase. Rounding out the top five is **Stonebriar**, with a 32.6% increase.

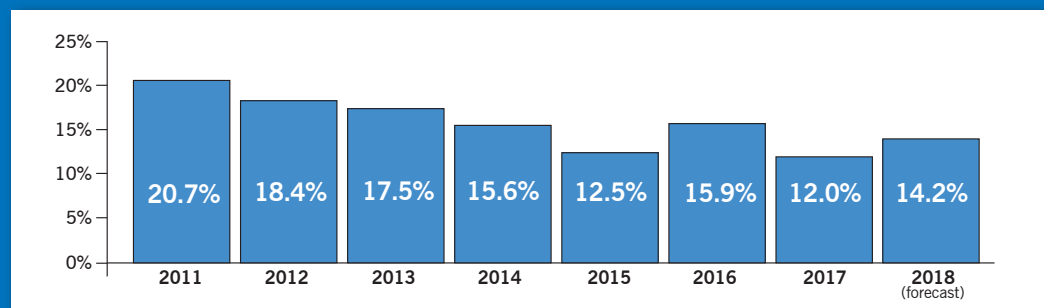
NEW ARRIVALS

Fleet Advantage, **Equify Financial** and **First Financial Corporate Services** rejoin the ranking after a brief hiatus, and we welcome **CG Commercial Finance** to the fray for the first time. After a two-year absence, **Fleet Advantage** comes in at No. 9 with \$201.1 million in volume derived entirely from its direct channel, up \$33.4 million (19.9%) year over year. No. 16-ranked **Equify's** direct originations provided 100% of its \$141.8 million in volume as it rejoins after one year away. Irvine, CA-based **CG Commercial Finance** enters the ranking at No. 18, reporting \$133 million in volume, sourced from direct (96%) and indirect (4%) originations. No. 24-ranked **First Financial Corporate Services** rejoins after a one year absence with \$72.1 in new business volume, derived from its direct (86%) and vendor (14%) channels.

Notably absent are **LEAF Commercial Capital**, which was acquired by **People's United Bank**; **Navitas Credit** whose parent **NLFC** was acquired by **United Community Banks** and **Nations Equipment Finance**, which was acquired by **Solar Capital**. **CCA Financial** decided to opt out this year.

Historic Volume Trend

YEAR/YEAR NEW BUSINESS VOLUME % CHANGE FROM 2011 TO 2018 FORECAST



Volume/Employee Productivity

RANKED BY VOLUME/AVERAGE EMPLOYEE RATIO

(\$ IN MILLIONS)

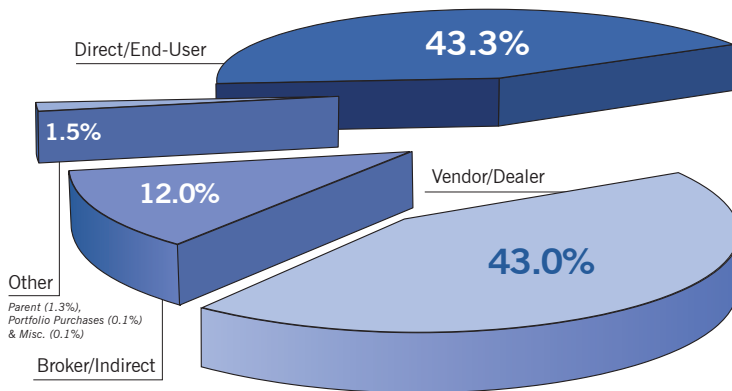
| COMPANY | EMPLOYEES (#) | | | VOLUME (\$) | |
|---|---------------|---------|-----------------|-------------------------|--------------|
| | YE 2017 | YE 2016 | AVERAGE '17/'16 | NEW BUSINESS VOLUME '17 | PER EMPLOYEE |
| Stonebriar Commercial Finance | 44 | 31 | 37.5 | 970.8 | 25.89 |
| Great Atlantic Capital | 5 | 5 | 5.0 | 72.1 | 14.42 |
| Forsythe/McArthur Associates, A Sirius Co. | 12 | 12 | 12.0 | 120.8 | 10.07 |
| Fleet Advantage | 34 | 40 | 37.0 | 201.1 | 5.44 |
| Wallwork Financial | 23 | 21 | 22.0 | 116.3 | 5.29 |
| Equify Financial | 27 | 27 | 27.0 | 141.8 | 5.25 |
| First National Capital | 42 | 43 | 42.5 | 221.3 | 5.21 |
| CG Commercial Finance ⁴ | 35 | 24 | 29.5 | 133.0 | 4.51 |
| Trans Lease | 49 | 47 | 48.0 | 214.2 | 4.46 |
| Ascentium Capital | 295 | 244 | 269.5 | 1,004.8 | 3.73 |
| SQN Capital Management | 48 | 42 | 45.0 | 164.2 | 3.65 |
| Northland Capital Financial Services ³ | 41 | 40 | 40.5 | 144.0 | 3.56 |
| Crossroads Equipment Lease & Finance ¹ | 59 | 54 | 56.5 | 176.7 | 3.13 |
| Jules and Associates | 50 | 49 | 49.5 | 140.4 | 2.84 |
| United Leasing and Finance ² | 69 | 63 | 66.0 | 176.0 | 2.67 |
| ENGS Commercial Finance | 167 | 126 | 146.5 | 375.0 | 2.56 |
| First Financial Corporate Services | 29 | 34 | 31.5 | 78.5 | 2.49 |
| Somerset Capital Group | 104 | 102 | 103.0 | 256.4 | 2.49 |
| VAR Technology Finance | 75 | 68 | 71.5 | 171.6 | 2.40 |
| Kingsbridge Holdings | 90 | 82 | 86.0 | 200.9 | 2.34 |
| GreatAmerica Financial Services | 451 | 435 | 443.0 | 923.0 | 2.08 |
| AP Equipment Financing ⁷ | 46 | 43 | 44.5 | 88.0 | 1.98 |
| Amur Equipment Finance | 126 | 95 | 110.5 | 210.7 | 1.91 |
| Regents Capital ⁸ | 48 | 43 | 45.5 | 82.5 | 1.81 |
| Lease Corporation of America ⁵ | 89 | 92 | 90.5 | 125.0 | 1.38 |
| <i>See footnotes on page 19.</i> | 2,058 | 1,862 | 1,960.0 | 6,509.1 | 3.32 |

2017 RETROSPECTIVES

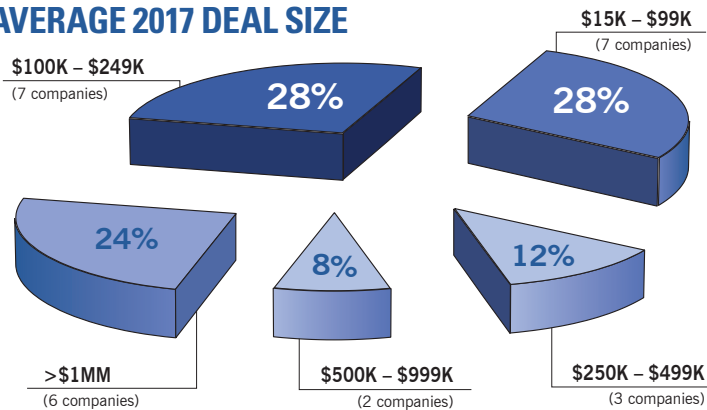
Although it began with a surge of optimism, 2017 did not deliver the dramatic increase in equipment demand on everyone's wish list. Instead, many private independents experienced the relentless competition and downward pricing pressure that has become the norm in recent years. Finding a profitable balance between top line pricing, cost of funding and credit and acquisition costs was difficult for some. For others, uncertainty surrounding tax reform led to a slowdown in

business activity in Q4/17, further aggravating the lag in demand. With profits uncertain, some independents played a careful balancing act to make the right investments in technology and human capital. With the economy inching ever closer to full employment, finding and retaining qualified talent became harder. Despite these challenges, the group continued on a positive growth trajectory, with many companies launching new initiatives.

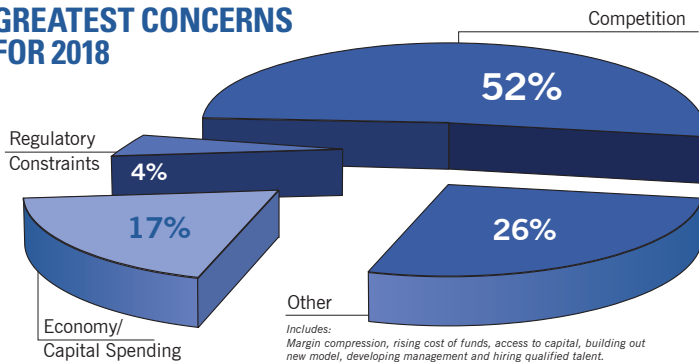
2017 ORIGINATIONS BY SOURCE



AVERAGE 2017 DEAL SIZE



GREATEST CONCERNS FOR 2018



FOCUS IN 2018

The independents have myriad ambitions for the year ahead. Improving spreads and margins in a rising interest rate environment is a common goal, as is lowering the cost of funds and maintaining pricing discipline.

Many independents want to reinforce their relationships with customers. With customer satisfaction in mind, plans to invest in technology and talent are primary goals for some, as are improvements to internal efficiency and accountability.

Some respondents plan to broaden the spectrum of their transaction types, while others plan to hone in on the most profitable transactions and create more of these opportunities.

2018 FORECAST

More than half of the top 25 say competition is their greatest concern for the year ahead, followed by the economy and capital spending (17%), regulatory constraints (4%), rising money costs (4%), margin compression (4%), access to competitive capital (4%), developing management (4%), hiring quality talent (4%) and building out a new model (4%).

All of the independents are optimistic for 2018 and expect to increase new business volume, with growth forecasts ranging between 2% and 75%.

Calculating a forecast for the group on an average weighted basis, the independents expect to grow by 14.2% in 2018. If this forecast is accurate, the top 25 independents will reach \$7.4 billion in originations this year. Of course, we don't know what the year will bring. Last year's forecast envisioned the top 25 surpassing the \$7 billion milestone in 2017. But with the departure of LEAF, Navitas and Nations — and their nearly \$1 billion in reported 2016 volume — that goal will have to wait for next year.

SUMMARY

In a year that kicked off with an outpouring of optimism, equipment demand remained flat, fueling fierce competition and downward pricing pressure. The independents rose to the occasion, reporting more than \$6.5 billion in new business volume, achieving a new record for the ranking despite the departure of three longstanding independent players which were acquired.

As the economy neared full employment, it became more difficult to hire and retain employees, yet the independents managed to add 196 new employees in 2017, increasing their numbers by 11%.

Competition is the greatest concern going into 2018, but the independents have plans for continuous improvement as they seek to attract and maintain customer relationships. Worries about competition have not stymied the group's outlook for the year, and they expect to increase their collective new business volume by 14.2%. With their intentions and actions set on continuous progress, we applaud the independents and trust that their reach will not exceed their grasp.

ABOUT THE SURVEY: BASIS FOR RANKING

To meet the criteria for selection, companies that qualify must be privately owned with equity provided by the individual owners and/or private investors.

Participants were asked to provide full-year data relating to funded new business volume, which was to include information pertaining to equipment-related loans and leases only.

We also collect information such as staffing levels, origination and funding sources, average deal size, etc. Once received, the data was compiled, checked for accuracy and formatted for this report.

A company's position in the **Monitor's Top Private Independents** ranking is based solely on its funded new business volume.

Questions/Participation Inquiries:
Please contact Rita Garwood at rgarwood@monitordaily.com.

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ALPHABETICAL BY COMPANY NAME

| COMPANY BUSINESS HEAD | RANK | | VOLUME | | DEAL SIZE AVG 2017 (\$=THOUSANDS) | EMPLOYEES YE/17 | ORIGINATION DATA | | LOCATION/URL | |
|--|------|------------------------|-----------------------|----------|---|--|-----------------------------------|----------------------------|--------------------------|---------|
| | 2017 | ESTABLISHED & SCOPE | 2017 (\$=MILLIONS) | 2017 | | | SOURCE MIX % TOP ASSET CLASSES | (VNR/DIR/BRKR-INDIR/OTHER) | HEADQUARTERS (CITY, ST) | WEBSITE |
| Amur Equipment Finance Mostafiz Shah Mohammed | 8 | 1996 National | 210.7 | 53.0 | 126 | 74/0/25/1 Truck/Trailer, Manufacturing, Construction | | Grand Island, NE | amuref.com | |
| AP Equipment Financing ⁷ Chris Enbom | 22 | 1998 National | 88.0 | 52.0 | 46 | 27/63/10/0 Truck/Trailer, Agriculture, Construction | | Walnut Creek, CA | apfinancing.com | |
| Ascentium Capital Tom Depping | 1 | 2011 National | 1,004.8 | 37.1 | 295 | 82/12/6/0 Medical, Truck/Trailer, Furniture/Fixtures | | Kingwood, TX | ascentiumcapital.com | |
| CG Commercial Finance ⁴ W. Scott McCullum | 18 | 1999 International | 133.0 | 3,167.0 | 35 | 0/96/4/0 Manufacturing, IT, Construction | | Irvine, CA | cgcommercialfinance.com | |
| Crossroads Equip Lease & Fin ¹ Howard Shiebler | 11 | 2006 National | 176.7 | 134.6 | 59 | 29/0/31/40 Truck/Trailer, Construction | | Rancho Cucamonga, CA | crelease.com | |
| ENGS Commerical Finance Craig Weinewuth | 4 | 1952 National | 375.0 | 100.0 | 167 | 95/5/0/0 Truck/Trailer, Machine Tools/Plastics, Const | | Itasca, IL | engsfinance.com | |
| Equify Financial Pat Hoiby | 16 | 2011 International | 141.8 | 500.0 | 27 | 0/100/0/0 Construction, Truck/Trailer, Energy Related | | Fort Worth, TX | equifyllc.com | |
| First Financial Corporate Services Tom Slevin/Richard Stebbins/John Sandoval | 24 | 2000 International | 78.5 | 340.0 | 29 | 7/85/8/0 Medical, Mats Handling, IT | | Placentia, CA | ffcsi.com | |
| First National Capital Keith Duggan | 6 | 2005 International | 221.3 | 1,644.6 | 42 | 5/95/0/0 Air (Corp), Transportation, Construction | | Foothill Ranch, CA | firstncc.com | |
| Fleet Advantage John J. Flynn | 9 | 2008 National | 201.1 | 2,957.3 | 34 | 0/100/0/0 Truck/Trailer | | Ft. Lauderdale, FL | fleetadvantage.com | |
| Forsythe/McArthur Associates ⁶ Joe Mertens | 20 | 1971 National | 120.8 | 1,590.1 | 12 | 0/100/0/0 IT | | Skokie, IL | forsythe.com | |
| Great Atlantic Capital John Wallace | 25 | 2000 National | 72.1 | 760.0 | 5 | 14/86/0/0 Printing, Packaging, Construction | | Hackensack, NJ | greatatlanticcapital.com | |
| GreatAmerica Financial Services Tony Golobic | 3 | 1992 National | 923.0 | 18.0 | 451 | 96/0/4/0 Office Related, Telecomm, Auto Repair | | Cedar Rapids, IA | greatamerica.com | |
| Jules and Associates Jules Buenabenta | 17 | 1989 National | 140.4 | 250.0 | 50 | 0/100/0/0 Manufacturing, Construction, Truck/Trailer | | Los Angeles, CA | julesandassociates.com | |
| Kingsbridge Holdings Dan Flagstad | 10 | 2006 National | 200.9 | 113.8 | 90 | 0/86/14/0 IT, Mats Handling, Medical | | Lake Forest, IL | kingsbridgeholdings.com | |
| Lease Corporation of America ⁵ John B. Kemp | 19 | 1988 National | 125.0 | 32.0 | 89 | 84/0/12/4 Telecomm, Auto Repair, IT | | Troy, MI | leasecorp.com | |
| Northland Capital Financial Svs ³ Willis Kleinjan | 15 | 1996 National | 144.0 | 66.9 | 41 | 38/42/20/0 Agriculture, Truck/Trailer, Construction | | Saint Cloud, MN | northlandcapital.com | |
| Regents Capital ⁸ Don Hansen | 23 | 2013 National | 82.5 | 196.5 | 48 | 1/99/0/0 Manufacturing, IT, Truck/Trailer | | Costa Mesa, CA | regentscapital.com | |
| Somerset Capital Group Evan Bokor | 5 | 1984 International | 256.4 | 409.6 | 104 | 1/59/40/0 Mats Handling, IT, Aircraft Ground Support | | Milford, CT | somersetcapital.com | |
| SQN Capital Management Jeremiah Silkowski | 14 | 2007 International | 164.2 | 2,692.2 | 48 | 0/80/20/0 Energy Related, Manufacturing, Const | | New York, NY | sqncapital.com | |
| Stonebriar Commercial Finance Dave B. Fate | 2 | 2015 International | 970.8 | 14,800.0 | 44 | 0/74/26/0 Air (Corp), Manufacturing, Rail | | Plano, TX | stonebriarcf.com | |
| Trans Lease Brian Eschmann | 7 | 1993 International | 214.2 | 133.7 | 49 | 33/67/0/0 Truck/Trailer, Construction, Energy Related | | Denver, CO | transleaseinc.com | |
| United Leasing and Finance ² Ronald D. Romain | 12 | 1964 National | 176.0 | 132.0 | 69 | 22/37/39/2 Transportation, Fitness, Manufacturing | | Evansville, IN | unitedevv.com | |
| VAR Technology Finance Gary Sutton | 13 | 1990 National | 171.6 | 74.5 | 75 | 100/0/0/0 IT | | Mesquite, TX | vartechologyfinance.com | |
| Wallwork Financial William Wallwork III | 21 | 1952 National | 116.3 | 166.1 | 23 | 25/47/16/12 Truck/Trailer, Energy Related, Construction | | Fargo, ND | wallworkfinancial.com | |
| | | | 6,509.1 | 1,216.8 | 2,058.0 | | | | | |

FOOTNOTES:

¹ Crossroads Equipment Lease & Finance
2016 NBV revised to reflect prior year reporting error

² United Leasing and Finance fna
United Leasing (Indiana)

³ Northland Capital Financial Services
YE 8/31/2017

⁴ CG Commercial Finance
YE 9/30/2017

⁵ Lease Corporation of America
YE 11/30/2017

⁶ Forsythe/McArthur Associates, A Sirius Co.
fna Forsythe Technology

⁷ AP Equipment Financing
fna Allegiant Partners

⁸ Regents Capital
YE 6/30/2017