

A dark blue background with several bright, glowing spotlights from the top left, creating a dramatic, high-contrast scene with lens flare and light rays.

ENTREPRENEURS IN THE SPOTLIGHT

Monitor Top Private Independents: Ascentium Capital Leads the Pack

Given the tumultuous year that was 2016, *Monitor's* Top Private Independents forged ahead despite decreased demand in an already competitive market, increased cost of funds and tight spreads, managing to increase their collective volume by 15.9%. For the first time in five years, a new company leads the pack — Ascentium Capital. > >

2017 MONITOR TOP PRIVATE INDEPENDENTS

“Pricing competition for volume was extremely competitive in 2016. Energy remained flat for most of the year. Equipment devaluations had a large effect on new equipment demand.”

— 2016 retrospective from a survey participant

Monitor Top Private Independents

RANKED BY FUNDED NEW BUSINESS VOLUME

(\$ IN MILLIONS)

RANK		COMPANY	NEW BUSINESS VOLUME			
'16	'15		2016	2015	VARIANCE +/-	% +/-
1	3	Ascentium Capital	898.5	686.3	212.2	30.9%
2	2	GreatAmerica Financial	847.0	816.2	30.8	3.8%
3	--	Stonebriar Commercial Finance	732.1	350.1	382.0	109.1%
4	4	LEAF Commercial Capital	477.4	388.1	89.3	23.0%
5	5	ENGS Commerical Finance	337.0	267.0	70.0	26.2%
6	--	Navitas Credit	276.0	187.0	89.0	47.6%
7	11	Somerset Capital Group	275.7	190.7	85.0	44.6%
8	10	SQN Capital Management	256.9	198.9	58.0	29.2%
9	9	Kingsbridge Holdings	200.1	204.5	-4.4	-2.2%
10	8	Crossroads Equipment Lease & Finance	195.8	206.5	-10.7	-5.2%
11	--	First National Capital	185.5	168.8	16.7	9.9%
12	12	Trans Lease	175.1	180.2	-5.1	-2.8%
13	6	Nations Equipment Finance	154.4	218.5	-64.1	-29.3%
14	7	Amur Equipment Finance ¹	153.5	213.9	-60.4	-28.2%
15	20	VAR Technology Finance	150.0	115.6	34.4	29.8%
16	14	Lease Corporation of America ²	143.1	148.5	-5.4	-3.6%
17	16	Northland Capital Financial ³	140.7	130.5	10.2	7.8%
18	18	Jules and Associates	130.6	122.2	8.4	6.9%
19	15	United Leasing (Indiana)	128.0	137.0	-9.0	-6.6%
20	13	Wallwork Financial	111.6	148.7	-37.1	-24.9%
21	21	Forsythe Technology	104.1	105.5	-1.4	-1.3%
22	19	CCA Financial	93.8	115.6	-21.8	-18.9%
23	23	Great Atlantic Capital	76.6	95.9	-19.3	-20.1%
24	--	Allegiant Partners	74.0	61.0	13.0	21.3%
25	--	Regents Capital	72.9	55.9	17.0	30.4%
See footnotes on page 21.			6,390.4	5,513.1	877.3	15.9%

In 2016, the Monitor Top Private Independents reported \$6.4 billion in new business volume, up 15.9% from \$5.5 billion in 2015.

A total of 14 respondents achieved year-over-year growth of \$1.1 billion, while 11 respondents reported a net decline of \$238.7 million, resulting in a net positive variance of \$877.3 million.

TOP FIVE

With total originations of \$3.3 billion in 2016, the top five private independents contributed 52% of the total new business volume reported and accounted for a whopping 89%, or \$784.3 million, of the collective \$877.3 million increase.

THE RANKINGS – TOP FIVE

With perennial front-runner **CSI Leasing** out of the game thanks to its acquisition by **Century Tokyo Leasing**, the independent crown was up for grabs in 2016.

On the power of a 30.9% year-over-year increase, **Ascentium Capital** rises to No. 1 with \$898.5 million in new business volume. The primary origination source of Ascentium's volume was its vendor/dealer channel, which accounted for 84%, or \$750.5 million of its total volume, with the remainder coming from direct (9%) and indirect (7%) channels.

Right on **Ascentium's** heels is **GreatAmerica Financial**, occupying the No. 2 position with \$847 million in new business volume. **GreatAmerica** also derived the bulk of its volume (\$820 million, or 97%) from vendor/dealer sources with indirect sources contributing \$27 million, or 3%.

New to the ranking and coming in at No. 3 is **Stonebriar Commercial Finance** with \$732.1 million in new business volume. Of its total 2016 volume, Stonebriar originated \$341.8 million (47%) from direct sources, \$167.5 million (23%) from indirect sources and \$222.8 million (30%) from portfolio purchases. **Stonebriar's** year-over-year increase of \$382 million (109.1%) contributed 44% of the collective year-over-year increase of the Top 25.

Maintaining the No. 4 spot is **LEAF Commercial Capital** with \$477.4 million in 2016 new business volume derived entirely from its vendor/dealer channel, a 23% year-over-year increase from its \$388.1 million in 2015 volume.

ENGs Commercial Finance continues to command the No. 5 position, reporting \$337 million in new business volume, with \$327

million, or 97%, sourced from its primary vendor/dealer channel and the remaining 3%, or \$10 million, from direct originations.

This year, we asked leaders from the Top Five Private Independents to participate in a special roundtable to discuss the year that was 2016 and their outlook for 2017 (see page 22).

TOP PERCENTAGE GAINERS

The top five percentage gainers were responsible for 91%, or \$802.6 million, of the collective net increase. No. 3-ranked **Stonebriar** receives the prize for reporting both the largest dollar gain (\$382 million) and the largest percentage gain (109.1%) on the strength of its direct channel, which saw a 443% year-over-year increase. No. 6-ranked **Navitas Credit** reported a 47.6% year-over-year increase fueled by its vendor/dealer channel, which grew by 97%. Other notable top percentage gainers include No. 7-ranked **Somerset Capital** (44.6%), No. 1-ranked **Ascentium Capital** (30.9%), No. 25-ranked **Regents Capital** (30.4%), No. 15-ranked **VAR Technology Finance** (29.8%), **SQN Capital Management** (29.2%) and **ENGs Commercial Capital** (26.2%).

NEW ARRIVALS

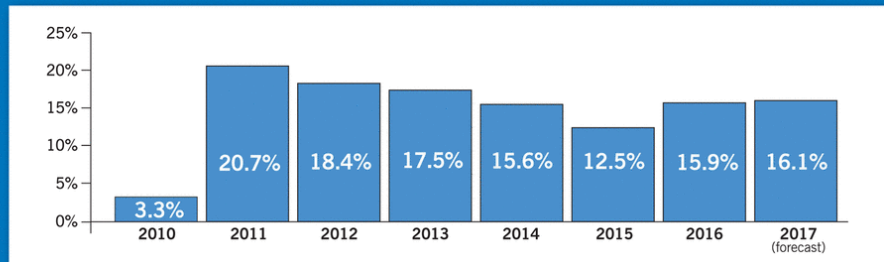
This year, *Monitor* welcomes **Stonebriar Commercial Finance**, **Navitas Credit**, **First National Capital**, **Allegiant Partners** and **Regents Capital** to the Top Private Independents ranking. Both **Stonebriar** and **Navitas** have participated in the annual Monitor 100 ranking, but were excluded from the independents ranking due to an oversight. As mentioned previously, No. 3-ranked **Stonebriar** joins with \$732.1 million in new business volume while **Navitas** joins at No. 6 with \$276 million in volume. Foothill Ranch, CA-based **First National Capital** joins at No. 11, reporting \$185.5 million in new business volume primarily derived from its direct channel. Returning to the ranks after a four-year absence is No. 24-ranked **Allegiant Partners** with \$74 million in new business volume sourced from its direct (61%), vendor/dealer (27%) and indirect (12%) channels. Finally, Costa Mesa, CA-based **Regents Capital** joins at No. 25 with a reported \$72.9 million in volume from its direct channel.

2016 RETROSPECTIVES

The Top Private Independents had a lot to face in 2016, a year characterized by pervasive market uncertainty fueled by the U.S. Presidential

Historic Volume Trend

YEAR/YEAR NEW BUSINESS VOLUME % CHANGE FROM 2010 TO 2017 FORECAST



Volume/Employee Productivity

RANKED BY VOLUME/AVERAGE EMPLOYEE RATIO

(\$ IN MILLIONS)

COMPANY	EMPLOYEES (#)			VOLUME (\$)	
	YE 2016	YE 2015	AVERAGE '16/'15	NEW BUSINESS VOLUME '16	PER EMPLOYEE
Stonebriar Commercial Finance	31	15	23.0	732.1	31.83
Great Atlantic Capital	5	6	5.5	76.6	13.93
Forsythe Technology	12	12	12.0	104.1	8.68
SQN Capital Management	42	33	37.5	256.9	6.85
Wallwork Financial	21	23	22.0	111.6	5.07
First National Capital	43	37	40.0	185.5	4.64
Ascentium Capital	244	187	215.5	898.5	4.17
Nations Equipment Finance	40	39	39.5	154.4	3.91
Trans Lease	47	47	47.0	175.1	3.73
Northland Capital Financial ³	40	39	39.5	140.7	3.56
Crossroads Equipment Lease & Finance	54	71	62.5	195.8	3.13
Somerset Capital Group	102	76	89.0	275.7	3.10
ENGS Commercial Finance	126	96	111.0	337.0	3.04
Jules and Associates	49	48	48.5	130.6	2.69
Navitas Credit	115	99	107.0	276.0	2.58
Kingsbridge Holdings	82	79	80.5	200.1	2.49
CCA Financial	38	38	38.0	93.8	2.47
VAR Technology Finance	68	65	66.5	150.0	2.26
Amur Equipment Finance ¹	95	57	76.0	153.5	2.02
United Leasing (Indiana)	63	64	63.5	128.0	2.02
GreatAmerica Financial	435	421	428.0	847.0	1.98
Regents Capital	43	31	37.0	72.9	1.97
LEAF Commercial Capital	256	239	247.5	477.4	1.93
Allegiant Partners	43	42	42.5	74.0	1.74
Lease Corporation of America ²	92	90	91.0	143.1	1.57
See footnotes on page 21.	2,186	1,954	2,070.0	6,390.4	3.09

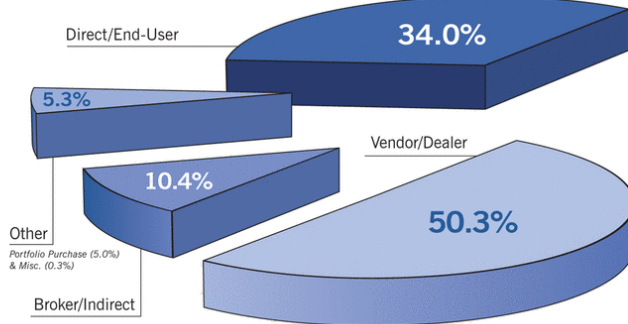
elections, Brexit, low interest rates and volatile exchange rates. With more customers deferring equipment acquisition, the decreased demand took competition to the next level, resulting in further tightening of spreads. Fallout from struggling segments, including energy, transportation and mining didn't do much to help matters. The transformation from demand for leased equipment to demand for managed services brought both risks and opportunities to the space. Despite this volatility, our participants continued to strive for origination and

portfolio growth by finding new opportunities to bridge the gap. Some participants integrated new initiatives. Others engaged in projects to improve technology or internal workflows.

FOCUS IN 2017

Improvement will be the theme of 2017 for the Top Private Independents. For some respondents that will translate into securing additional funding sources offering a lower cost of funds to facilitate a return to >>

2016 ORIGINATIONS BY SOURCE



normal interest spreads. For others, it will mean fine tuning or building out new origination platforms. Many respondents want to acquire new customers and plan to reach that goal by improving the quality of their salesforce or customer-facing technology or by increasing prospecting efforts. Other respondents are focusing on better efficiency, communication, standardization and accountability within their organizations.

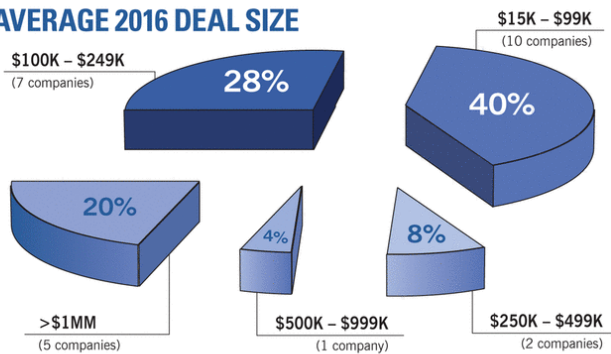
2017 FORECAST

Looking ahead to 2017, the independents are divided when it comes to their greatest concern. The economy and capital spending was the top concern for 31.8%, followed by competition (27.3%), credit quality of customers (13.6%), margin compression (4.5%), long-term stability of energy customers (4.5%), the uncertainty of the Trump administration (4.5%), price-appropriate deal flow (4.5%), a rising rate environment (4.5%) and expanding personnel to support increased originations (4.5%).

The independents are anticipating growth in the year ahead. With the exception of one respondent forecasting a year-over-year decrease, the remaining 24 independents are planning to increase new business volume in 2017, with forecasts ranging from 5% to 56%.

Using an average weighted basis, the independents expect their collective new business volume to increase by 16.1% in 2017. If this forecast is accurate, next year's Top 25 would exceed the \$7 billion mark. But then again, according to last year's respondents, the independents were going to reach that milestone in 2016. However, when you take the departure of **CSI Leasing** (and it's \$1 billion in volume) into consideration, last year's forecast of a 15.6% increase was very close to the 15.8% increase that materialized in 2016.

AVERAGE 2016 DEAL SIZE



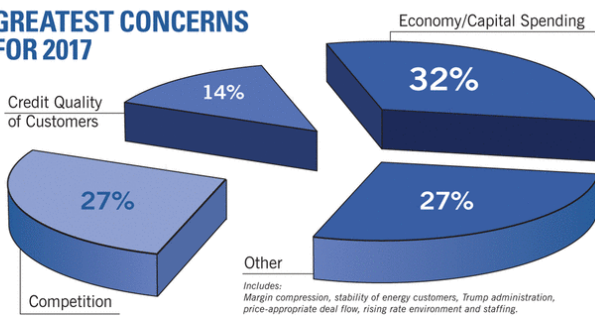
SUMMARY

Given the tumultuous year that was 2016, where uncertainty dampened demand in an already competitive market, *Monitor's* Top Private Independents forged ahead despite increased cost of funds and tight spreads, managing to increase their collective volume by 15.9% while hiring an additional 232 employees. As the independents enter 2017, continuing concerns about the economy, capital spending and competition seem like they're here to stay.

Regardless, in the true spirit of the entrepreneurs that they are, we have every reason to believe these independents will rise to the challenge, delivering the results we've come to expect, and will achieve another record-setting year in 2017.

Monitor thanks the independent equipment finance companies that participated in our annual survey and welcomes the newcomers to inclusion in the Top Private Independents ranking. ■

GREATEST CONCERNS FOR 2017



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:
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2017 Top Private Independents Index

ALPHABETICAL BY COMPANY NAME

COMPANY BUSINESS HEAD	RANK		VOLUME	DEAL SIZE	EMPLOYEES YE/16	ORIGINATION DATA	LOCATION/URL
	2016	ESTABLISHED & SCOPE	2016 (\$=MILLIONS)	AVG 2016 (\$=THOUSANDS)		SOURCE MIX % (VNR/DIR/BRKR-INDIR/OTHER) TOP ASSET CLASSES	HEADQUARTERS (CITY, ST) WEBSITE
Allegiant Partners Chris Enbom	24	1998 National	74.0	50.0	43	27/61/12/0 Truck/Trailer, Agriculture, Furniture/Fixtures	Walnut Creek, CA apfinancing.com
Amur Equipment Finance¹ Malia DuMont	14	1996 National	153.5	49.0	95	97/0/0/3 Truck/Trailer, Manufacturing, Construction	Grand Island, NE amuref.com
Ascentium Capital Tom Depping	1	2011 National	898.5	48.1	244	84/9/7/0 Medical, Furniture/Fixtures, IT	Kingwood, TX ascentiumcapital.com
CCA Financial Kim Albers	22	1972 National	93.8	126.0	38	5/53/34/8 IT, Manufacturing, Medical	Richmond, VA ccafinancial.com
Crossroads Equip Lse & Fin Howard Shiebler	10	2006 National	195.8	133.4	54	36/64/0/0 Truck/Trailer, Vocational, Construction	Rancho Cucamonga, CA crlse.com
ENGS Commerical Finance Craig Weinewuth	5	1952 National	337.0	88.0	126	97/3/0/0 Truck/Trailer, Machine Tools/Plastics, Const	Lisle, IL engsfinancial.com
First National Capital Keith Duggan	11	2005 National	185.5	1,758.8	43	5/95/0/0 Air (Corp), Construction, Services	Foothill Ranch, CA firstncc.com
Forsythe Technology William P. Brennan	21	1971 National	104.1	1,162.1	12	0/100/0/0 IT, Telecom	Skokie, IL forsythe.com
Great Atlantic Capital John Wallace	23	2000 National	76.6	845.0	5	15/85/0/0 Packaging, Printing, Construction	Hackensack, NJ greatatlanticcapital.com
GreatAmerica Financial Tony Golobic	2	1992 National	847.0	17.0	435	97/0/3/0 Office Related, Telecom, Automotive Repair	Cedar Rapids, IA greatamerica.com
Jules and Associates Jules Buenabenta	18	1989 National	130.6	250.0	49	0/100/0/0 Manufacturing, Construction, Medical	Los Angeles, CA julesandassociates.com
Kingsbridge Holdings Dan Flagstad	9	2006 National	200.1	140.1	82	0/93/7/0 IT, Mats Handling, Medical	Lake Forest, IL kingsbridgeholdings.com
LEAF Commercial Capital Crit DeMent	4	2011 National	477.4	22.7	256	100/0/0/0 Office Related, Telecom, Furniture/Fixtures	Philadelphia, PA leafnow.com
Lease Corporation of America² John B. Kemp	16	1988 National	143.1	33.5	92	75/0/22/3 Automotive Repair, Medical, Office Related	Troy, MI leasecorp.com
Nations Equipment Finance Phil Carlson	13	2010 International	154.4	1,416.0	40	0/70/30/0 Const Truck/Trailer, Machine Tools/Plastics	Norwalk, CT nationsequipmentfinance.com
Navitas Credit Gary R. Shivers	6	2008 National	276.0	41.0	115	61/5/34/0 Truck/Trailer, Manufacturing, Medical	Ponte Vedra, FL navitascredit.com
Northland Capital Financial³ Willis Kleinjan	17	1996 National	140.7	62.7	40	39/47/14/0 Agriculture, Truck/Trailer, Construction	Saint Cloud, MN northlandcapital.com
Regents Capital Don Hansen	25	2013 National	72.9	198.6	43	0/100/0/0 Office Related, Truck/Trailer, Manufacturing	Costa Mesa, CA regentscapital.com
Somerset Capital Group Evan Bokor	7	1984 International	275.7	250.9	102	0/33/40/27 Mats Handling, IT, Agriculture	Milford, CT somensetcapital.com
SQN Capital Management Jeremiah Silkowski	8	2007 International	256.9	4,785.7	42	0/100/0/0 Energy Related, Manufacturing, Agriculture	New York, NY sqncapital.com
Stonebriar Commercial Finance Dave B. Fate	3	2015 International	732.1	19,600.0	31	0/47/23/30 Air (Corp), Manufacturing, Marine	Plano, TX stonebriarctf.com
Trans Lease Brian Eschmann	12	1993 International	175.1	130.5	47	32/68/0/0 Truck/Trailer, Construction, Energy Related	Commerce City, CO transleaseinc.com
United Leasing (Indiana) Ronald D. Romain	19	1964 National	128.0	165.0	63	11/58/26/5 Fitness, Vehicle Fleets, Manufacturing	Evansville, IN unitedevv.com
VAR Technology Finance Gary Sutton	15	1990 National	150.0	63.3	68	100/0/0/0 IT	Mesquite, TX vartechologyfinance.com
Wallwork Financial William Wallwork III	20	1952 National	111.6	166.8	21	20/49/14/17 Truck/Trailer, Energy Related, Construction	Fargo, ND wallworkfinancial.com
			6,390.4	1,264.2	2,186		

FOOTNOTES:

1 Amur Equipment Finance
fka Axis Capital

2 Lease Corporation of America
YE 11/30/2016

3 Northland Capital Financial
YE 8/31/2016