

*from Pawnee Leasing*  
**Happy Holidays**

Dear Industry Friends,

This time of year it is natural to reflect on the past 12 months and map the future. 2007 marked another milestone for Pawnee Leasing....our 25<sup>th</sup> year. For us, the year has been one of discipline and preparing for the future.

One of the benefits of 25 years is experience. Like individuals, organizations get more confident in knowing who they are as they age. We are both confident and committed to our sole mission, to serve the broker community and be the industry leader in micro-ticket Start-Up and "B" credit underwriting and servicing. We believe our operating model will assure our customer's, you, reliable and professional niche equipment funding for many years to come.

Recently, we have seen many new entrants in the funding marketplace, and like most adolescents they are just now discovering who they are. If they are not already making their discoveries, they likely will be forced to as the macro-economy becomes more challenging as we start the New Year. The realization of their identities, in a turbulent credit market, will cause many to reassess their past operating behaviors.

A mandatory read for every equipment leasing professional is the Industry Future Council (IFC) Report, published each spring by the ELFA. These reports are a superlative vision on the industry's future. The 2006 IFC Report pointed to a "Continuation and Growth of a Destructive Pricing Cycle". Specifically, the report cited "A growing number of equipment leasing and finance companies are not pricing appropriately for the risks involved" and went on to further state "Companies new to leasing may try and gain market share by operating further out on the risk/reward curve".

Continuing this theme, 2007's report headline was "Preparing for a Correction". The report illustrated this single theme by commenting, "Past cycles would indicate that the natural response of players in the industry will be to pursue volume growth, perhaps venturing further along the risk curve to find it. And as in previous cycles, underlying factors can signal - then create - a correction that will usually over-correct before arriving at a new balance."

What will the 2008 IFC report suggest? Are you and your organization prepared for the oncoming changes with your funding partners? There is always good news that comes with change...opportunity! Vendors and lessees will be more actively seeking reliable funding partners. Will that be you? Now may be a time to reflect on what funding partners you want to be with beyond the New Year.

Our strategic map and deep experience in a unique credit market will allow us to consistently serve you in Pawnee's trademark style. Foremost, our long-term focus will be on growth and sustainability in the markets we know best.

In the interim, first and foremost Pawnee Leasing will remain committed to the markets we know best, Start-Up and "B" credit funding. We will also continue to develop new leasing products that will help you close more business; like this year's Zero Security Deposit lease structure. We'll also be seeking additions to our Special Programs that we have with many of our brokers for unique industry and equipment markets. Be assured that we'll continue and improve our already high service level standards. And we're already prepared to take advantage of new market opportunities that will be presenting themselves in the dynamic times before us. Just as in past credit cycles we'll be here to help you leverage new opportunities that will be presenting themselves in the future.

While 2007 has been unprecedented on the financial services community, I'm proud of our employee team for another year of strong originations and earnings. In our many visits with brokers the routine feedback we continue to earn includes: reliable, consistent, personal, professional, experienced, quick...all hallmark comments of a service-minded and customer-oriented team. I'm privileged to be alongside such a dedicated and loyal group of people and am excited about the opportunities ahead of us in 2008.

And finally and most importantly, my many "Thanks" to our brokers, the most integral partners in our business. We appreciate your continued loyalty and for making Pawnee your choice for Start-Up and "B" credit funding.

Happy Holidays and Wishing You a Prosperous 2008!



Fort Collins, CO 80526  
700 Centre Avenue

**PAWNEE**  
LEASING CORPORATION



**Happy Holidays**  
**and a Joyous New Year!**





**Funding/Customer Service:**

(L-R) Cinnamon Mashburn, Cheryl Stephenson, Sue Schaefer, Brenda Ottosen, Peggy Thew, Deirdre McCabe, Nicole Bush

**Marketing:**

Stacy Woods, Brian Schonfeld



**Collections:**

(L-R) Sandi Carr, Katie Robinson, Tonia Wooden, Cindy Price, Paula Day, Jennifer Schmidt, Kenny Fitzgerald, Brenda Macmaster, Ermalinda Muniz, Karlyce Beshears, Jo Bullock, Kathy O'Keefe (Not Pictured: Sue Hogan, Stacey Goltz, Donna Vela, Amber Billot)



*Extending Joyous Holiday Greetings  
and Hope for an Incredible New Year!*

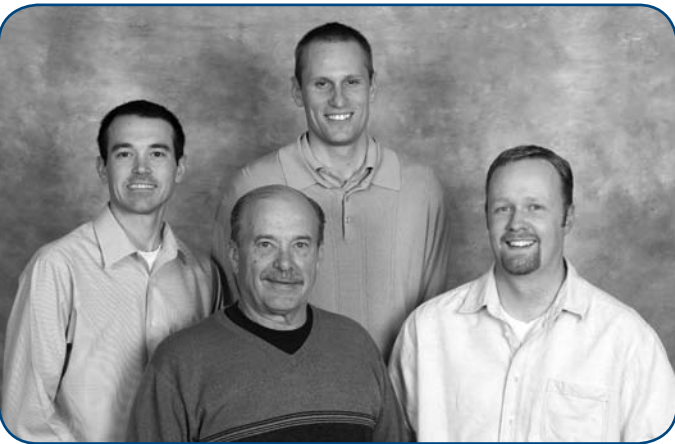
**President/COO:**

Gary Souverein



**Accounting:**

(L-R) Linda Holcomb, Shelley Bunch, Mike Prenzlou, Matt Naper, Sharon Loughlin, Lee Lahti, Leslie Schaffer, Denise Rinehart, Elaine Phillips, Kathy Lucero



**Credit:**

(L-R) Dan Kropatsh, Jerry Reeves, Scott Fisbeck, Reed Maroney