2013 MONITOR 100 | SPECIAL ISSUE
VOL. 40, NO. 4

monitor

monitordaily · 40 Years Serving the Equipment Finance Industry

Monitor 100

The 100 Largest Equipment Finance/Leasing Companies in the U.S. *($ = millions)*

#52

Signature Financial LLC, which commenced operations in March 2012, completed the year as the 52nd largest Equipment Financing/Leasing company in the U.S, with $779.1 million in assets. Signature Financial, which provides equipment finance and leasing, transportation financing and taxi medallion financing, is a subsidiary of Signature bank (NASDAQ:SBNY). Signature Financial is the largest entrant into the Monitor 100.

Signature | SIGNATURE FINANCIAL

RANK				NET ASSETS			
'12	'11	COMPANY	SEG	2012	2011	VARIANCE +/-	% +/-
51	--	People's United Equipment Finance[12]	USB	796.2	720.1	76.1	10.6%
52	**--**	**Signature Financial[13]**	**USB**	**779.1**	**---**	**---**	**--**
53	48	Hitachi Capital America[14]	FOR	771.0	767.2	3.8	0.5%
54	63	First Niagara Leasing	USB	701.7	400.8	300.9	75.1%
55	49	Société Générale Equipment Finance USA	FOR	679.4	755.7	-76.3	-10.1%
56	57	CapitalSource Corporate Asset Finance	USB	632.4	491.4	141.0	28.7%
57	55	Susquehanna Commercial Finance	USB	608.5	539.0	69.5	12.9%
58	69	First American Equipment Finance[15]	USB	604.1	559.1	45.0	8.0%
59	54	Zions Credit	USB	587.0	541.0	46.0	8.5%
60	--	GreenRock Capital	IND	580.0	12.0	568.0	N/A
61	52	LEAF Commercial Capital[16]	IND	530.0	593.4	-63.4	-10.7%
62	61	CBI Equipment Finance	USB	524.0	438.0	86.0	19.6%
63	56	BancorpSouth Equipment Finance	USB	510.0	497.7	12.3	2.5%
64	60	Olympus America/Financial Svs[17]	CAP	503.3	447.0	56.3	12.6%
65	64	Marlin Leasing	IND	503.0	387.8	115.2	29.7%
66	59	Med One Capital	IND	443.6	447.8	-4.2	-0.9%
67	58	Webster Capital Finance	USB	419.0	475.0	-56.0	-11.8%
68	62	Kingsbridge Holdings	IND	411.0	402.0	9.0	2.2%
69	65	First-Citizens Bank & Trust Leasing	USB	390.7	380.9	9.8	2.6%
70	74	Stearns Bank/EFD	USB	383.0	252.5	130.5	51.7%
71	66	ADP Commercial Leasing	CAP	380.0	369.0	11.0	3.0%
72	51	AT&T Capital Svs	CAP	370.0	646.0	-276.0	-42.7%
73	71	Frost Equipment Leasing & Finance	USB	362.0	300.0	62.0	20.7%
74	68	First Hawaiian Leasing	USB	331.0	327.4	3.6	1.1%
75	75	Eastern Funding	USB	319.0	244.7	74.3	30.4%

Volume 100

The Monitor 100 Companies Ranked by New Business Volume *($ = millions)*

RANK				NEW BUSINESS VOLUME			
'12	'11	COMPANY	SEG	2012	2011	VARIANCE +/-	% +/-
26	22	PHH Arval[1]	IND	1,702.0	1,695.0	7.0	0.4%
27	23	Fifth Third Equipment Finance	USB	1,693.0	1,660.0	33.0	2.0%
28	25	TCF Equipment Finance/Winthrop Resources[7]	USB	1,676.0	1,542.0	134.0	8.7%
29	31	Huntington Equipment Finance[10]	USB	1,430.8	841.5	589.3	70.0%
30	29	MassMutual Asset Finance	NEC	1,159.0	898.0	261.0	29.1%
31	30	1st Source Bank Specialty Finance	USB	1,079.0	843.0	236.0	28.0%
32	33	BB&T Equipment Finance	USB	1,070.6	740.0	330.6	44.7%
33	27	BTMU Capital	USB	918.0	1,013.2	-95.2	-9.4%
34	**--**	**Signature Financial[13]**	**USB**	**853.3**	**0.0**	**853.3**	**N/A**
35	35	Farm Credit Leasing	USB	850.0	693.9	156.1	22.5%
36	42	EverBank Commercial Finance	USB	841.5	492.0	349.5	71.0%
37	13	Siemens Financial Svs[8]	FOR	819.0	1,271.0	-452.0	-35.6%
38	37	People's Capital & Leasing[12]	USB	808.6	612.5	196.1	32.0%
39	36	GATX[1]	IND	770.0	614.6	155.4	25.3%
40	34	TD Equipment Finance	USB	768.5	739.9	28.6	3.9%
41	32	CSI Leasing[11]	IND	763.2	823.1	-59.9	-7.3%
42	38	Canon Financial Svs	CAP	715.0	578.0	137.0	23.7%
43	39	GreatAmerica Financial Svs	IND	601.6	550.1	51.5	9.4%
44	--	GreenRock Capital	IND	568.0	12.0	556.0	N/A
45	40	Hitachi Capital America[14]	FOR	550.3	527.8	22.5	4.3%
46	56	BMO Harris Equipment Finance	USB	532.0	219.1	312.9	142.8%
47	43	AIG Comm'l Asset Finance	NEC	506.4	378.3	128.1	33.9%
48	41	Société Générale Equipment Finance USA	FOR	458.4	492.7	-34.3	-7.0%
49	48	First Niagara Leasing[21]	USB	436.6	285.5	151.1	52.9%
50	--	People's United Equipment Finance[21]	USB	436.6	261.7	174.9	66.8%

Definitions, explanations & footnotes on page 80

#34

Signature Financial LLC generated originations of over $853 million dollars in its first 9 months of operations, earning a ranking of #34 in total Volume for 2012 and #3 in "Buy Side" volume activity.

RANK:	ASSETS:	VOLUME:
52	$779.1	$853.3
SEGMENT:	**EMPLOYEES:**	**ONLINE:**
USB	57	signatureny.com

SIGNATURE FINANCIAL

Signature Financial...
A Seasoned Team Under a New Regime

BY JERRY PARROTTO

In an exclusive interview with the *Monitor* on the one-year anniversary of his appointment as president of Signature Financial, Walter Rabin talks about his transition to Signature Bank and how his team of senior executives are now functioning under a new platform where the focus on the client is "relentless." Joseph J. DePaolo, the bank's president and CEO, joins the conversation to discuss the search for a specialty finance team.

WALTER RABIN
President & CEO,
Signature Financial

JOSEPH J. DEPAOLO
President & CEO,
Signature Bank

In April 2012, New York-based Signature Bank announced it formed a new subsidiary, Signature Financial, marking the bank's de novo entry into the specialty finance arena. Signature said the company would be focused on equipment finance and leasing, transportation financing and taxi medallion financing.

In the news release announcing the launch, Signature Bank characterized the group as a "well-respected, veteran management team with more than 175 years of combined experience." One of the more remarkable aspects of this new endeavor is it involves a team of executives that have worked together over the past 25 years encompassing three significant tours of duty including: GE Capital, All Points Capital (North Fork Bank) and, most recently, Capital One EL&F/All Points Capital — all under the leadership of industry veteran and president Walter Rabin.

Joseph J. DePaolo, president and chief executive officer of Signature Bank since its inception in May 2001, provides insight into the search for a management team that could satisfy the need to add a "third leg to the stool" to complement the bank's C&I and commercial real estate businesses. DePaolo relates how the bank was seeking to add both diversity to its balance sheet as well as provide a product that clients needed — equipment leasing and financing. "We were using a third party to process referrals, but we wanted something we could be proud of," DePaolo says. He also notes that Signature Bank did not want to buy a business — "it's not an approach we believe in," he says and adds, "We believe in finding individuals who are the best at what they do and have them join us."

When asked to provide insight into how the bank set about finding what it was looking for, DePaolo says it elicited help from an investment bank that had resident expertise in this particular vertical. The search, which began in the spring of 2011, ultimately led to Rabin and his group. DePaolo says he was convinced that Rabin and his team were the "best in the business" and represented the ideal situation to enter the market fully loaded with some of the best talent available. "One of the things we liked quickly about their business — and I know this is an overused term — was it was so relationship-oriented — it wasn't just a transactional business," he says.

Rabin comments that he saw a unique opportunity to broaden horizons for both himself and his management team at an organization where he would be able to "widen our human capital pool and attract significant industry leaders from other institutions to join with us in this endeavor." Rabin goes on to explain that he and his team "weren't running away from anything when we decided Signature Bank was a great place for us and our clients, we were running *to* something." Rabin continues by saying, "We have certain synergies with Signature Bank and, most important, is the culture and brand that Signature Bank represents."

When asked what he and his team bring to the table, Rabin cites two things: "There are some really talented people who have some great experience and are really successful at what they do. With our group, I think we have that type of pedigree, but what we bring in addition to that is an integrated unit that has been working together for more than 25 years — that's a unique element." Rabin notes that the second thing he and his group bring to the marketplace is a strategic approach to the three primary business markets on which Signature Financial focuses.

Commenting on the second part of what he and his team bring to the marketplace, Rabin says: "It's a strategic approach that isn't anything that was invented by us, but has been thought about and talked about and

DePaolo says he was convinced that Rabin and his team were the "best in the business" and represented the ideal situation to enter the market fully loaded with some of the best talent available.

morphed over the years into what we feel is a very good approach to the three business markets we intend to focus on." Rabin was referring to equipment financing and leasing, transportation financing and taxi medallion financing.

In discussing his go-to-market strategy, Rabin describes the core equipment business as being four-dimensional, encompassing two direct and two indirect units. On the direct side, Rabin says, "We have a national direct end-user sales force working out of regional offices as far west as Seattle. And, in the New York area, we have four salespeople dedicated to supporting their C&I bank counterparts by broadening the scope of their product offerings."

Rabin adds: "What made this move such a success was that CEO Joe DePaolo made it clear that his C&I team needed to embrace the idea that equipment financing could be a useful tool when used to generate new business opportunities." And to incentivize this notion, the bank instituted a revenue-sharing arrangement. Rabin characterizes this aspect of his time thus far at Signature as coming as a "welcome surprise" given his past experience with other commercial bank environments where cross-selling is more of a wish than a cultural imperative.

On the indirect side of the business, Rabin says he wanted to continue with his past strategy of acting as an intermediary and primary funding source for independent leasing companies nationwide. "We're excited about how we approach this at Signature Bank while we are certainly staying true to our roots," he says. Rabin goes on to explain that this side of the business has been expanded to also include captive, vendor and manufacturer relationships that act to diversify the assets that the unit is able to attract in that channel.

New to the business mix is a syndication capability that results from the hiring of the former head of the capital markets division of Wells Fargo Equipment Finance. Rabin says, "The unit will focus on top-tier banks and the largest institutional lessors to acquire transactions as well as provide the capability to syndicate some of our deals." Commenting on having sell-side capability, Rabin notes, "As we attract salespeople that want to manage and become the anchor the funding source for their clients, the ability to syndicate some of their business is really important."

Rabin outlines his target indirect transportation market as encompassing segments that include transportation assets where the focus would be primarily commercial fleet financing and leasing, mainly "east of the Mississippi." Rabin notes that this segment is a "producer of diverse assets" with good collateral coverage. When discussing the taxi medallion segment, Rabin says Signature Bank already had an established expertise in this "iconic New York business" and notes that although highly regulated, the value retention characteristics of the medallions themselves supported the wisdom of expanding the scope of the business under the new national subsidiary to include Chicago, Philadelphia and other cities. DePaolo, who describes these clients as "tough minded," characterizes Signature's taxi medallion portfolio as being of "very high quality."

What we were really interested in learning more about was the unique relationship Rabin seems to have with his management team, having played a leadership role in each of their careers for so long. And although reluctant to talk about himself, Rabin says, "I think it's about a partnership approach. I'm an attorney by trade; I was involved in the legal profession relatively briefly in my career but understand the concept of a successful partnership. You need to have a managing partner, and I view myself as that." Rabin adds, "I think these are successful people, and they want a voice to be heard, and I think their voice is heard and maybe that style rubs off a little bit and keeps people together."

DePaolo chimes in by saying, "That was part of the attraction for us. I'm fortunate that the management team I have running the bank has been together for several decades. We're talking about a lot of integrity in Walter's group."

When asked about any big surprises, Rabin says, "We did not take for granted that clients follow us, despite history; you need to be responsive to them every day and sometimes that means telling them something they don't want to hear. I remain, not surprised, but grateful that our clients followed us here a year later."

DePaolo adds that internally, he was surprised how Rabin and his group were getting more referrals from the existing New York market teams than he had originally projected. "We have very experienced people and it's rare that they will refer because they are protective of their client base. But not only did they get comfortable with Walter and his group, they were being paid for it," DePaolo says, alluding to the internal system that encourages referrals by having the banking teams share in the revenue stream of the referral. Rabin adds that the single thing that makes it work is that the C&I teams are getting the message from the top of the bank. "Joe has literally written a personal note to every single one of the bank's C&I professionals reminding them they have a leasing company resource in-house," Rabin says. He adds that, "In this particular case, it's a top-down agenda."

> **"What made this move such a success was that CEO Joe DePaolo made it clear that his C&I team needed to embrace the idea that equipment financing could be a useful tool when used to generate new business opportunities."**
>
> — **Walter Rabin,** *President & CEO*, **Signature Financial**

Commenting on how the business is faring thus far this year, Rabin says, "All of our business channels are producing strong results while we continue to be very selective and disciplined when it comes to pricing." He continues by stating, "We've carved out a nice area, we think, in the lower mid-market and right up to the lower investment quality market." Rabin notes that he has certain goals that he would like to reach in terms of how the book grows, but says, "We're still geared toward building, which means adding quality people and signing on new clients, which may take a while more."

Rabin says that he is very excited about the group's prospects for the future. "I think to myself, every time I do an interview like this, I want to check the box that says 'we are the best team in the business' because I think that is the case here. We are certainly looking to expand a bit beyond just doing the traditional transportation, construction and manufacturing, and we'll put more effort there; we are looking to finance income-producing equipment across the breadth of the economy, which would include looking at the healthcare and technology industries, which are both high growth areas."

Commenting on his experience thus far, Rabin notes, "There's a high degree of ownership and accountability throughout the entire organization here that I believe will continue and is certainly something that attracted us." He adds, "And we hope to attract more talent here. We're still building out, but over the years, we certainly believe we're going to be a significant competitor in our markets, so we are always looking to add new people to help us. And, of course, we married well with Signature Bank." m

---

JERRY PARROTTO is executive editor of the Monitor.