

Loves Leasing, Loves Life!



I began in the equipment finance business in 1988 as an intern for a Japanese leasing company called IBJ Leasing. I had studied some Japanese and was getting a Master's degree in International Relations and Pacific Studies. An internship in Tokyo was arranged for me through an Orange County, CA developer.

At the time, the Japanese banks often had affiliates who engaged in real estate finance and large ticket lease finance. I was involved in loans to developers like Donald Trump and other high flying real estate moguls, many of whom became insolvent around 1990 due to overly leveraged real estate projects started near the peak of the economic cycle of the time. Primarily, however, I was involved with Japanese leveraged loans financing aircraft all over the world. It was a fun time to be in Japan – at the height of their great economic “bubble”.

Not long after getting to Japan, I noticed a Canadian girl. A whole group of us – about 50 – were going on an overnight bus ride to ski at a resort in the northern part of Japan. I was sitting next to a friend who quickly fell asleep. In fact, everyone was asleep except for the girl I thought was cute (her name is Margot) and me. I nudged my buddy and told him to move, and Margot came and sat next to me on the bus. We ended up talking the entire night, and by the end of the bus ride we both knew we were meant to be with one another. The deal was sealed on the ski hill. I was looking up the mountain waiting for her to come down, and finally looked down as it turns out she was already down the hill. Margot wrote her parents the Monday after the weekend she had met the man she was going to marry. We have been married now nearly 19

years.

I continued working in Japan until 1992, both for IBJ and later for an affiliate of IBJ called D'Accord Financial Services. At first I worked with a more experienced person in Japan. The cost of having a senior person in Japan was high, and soon I was running the Asian office on my own, reporting to the headquarters in San Francisco. It was a thrilling time for me, being 25 in a foreign land running an operation without local help. I was successful and our office was profitable, but after nearly four years in Asia I was ready to return home. Tokyo was a huge, congested city and I was used to spending a great deal of time outdoors. I was ready to get back to the Bay Area.

I ended up working for a few different large ticket leasing companies after returning to San Francisco. I covered Canada for BankAmerica Leasing, and was a Managing Director at CIBC, a Canadian Bank, covering Canada and also assisting with other cross-border transactions in Asia and Europe. During my first 10 years in the leasing business, I was fortunate to be involved in Japanese Leases, Canadian Leases, US leveraged and single-investor leases, “synthetic” leases, German leases, LILO structures in the US and Canada and other structured financings.

By 1998 I was burned out with international travel. We had a newborn baby and I was spending 3 weeks out of 4 on the road. I was ready for a lifestyle change. I was listening to an interview of the Spice Girls on TV – one of them said “You just got to figure out what you want in life and go for it.” I was ready to figure it out. I quit that day from the road.

I knew I wanted a change, but I wanted to stay in equipment finance. I liked the people and felt I at least had a grasp of the subject matter. I wanted to start a company that did not require me to find new fee revenue every few months as my previous jobs had required, but instead was looking for a recurring revenue stream. There were several obstacles to overcome: a) I did not have millions of dollars and b) I did not understand small ticket leasing or credit.

Luckily I had quit my previous job suddenly and in the middle of several projects that needed my expertise, so I was able to collect fee income for a few years while I figured out a business plan. I looked at a number of different business

models in the leasing arena and settled on the B credit market as a niche market with the potential to build wealth over time. It did not require large leverage and if done correctly would provide nice dividends as the cash flow can be quite good. I raised equity capital from friends and family and started Allegiant in 1999. The most fortunate event that happened was being introduced to Ben Carlile who at the time was running Trinity Capital's collections and credit department. Trinity (now the vendor, credit and collections arm of Bank of the West's equipment finance department) was privately owned at the time and Ben was ready for a new challenge. I told him he could make \$30,000 per year and he would need to

invest \$100,000 and he agreed. I was lucky – I really did not know what I was doing from an operational standpoint.

As they say, the rest is “history”. Allegiant continues to survive despite the poor economy. I continue to enjoy life. I enjoy being outside a great deal. I was a competitive skier growing up, and I continue to ski with my family and friends. In the summer I wakeboard almost every evening with my three kids – Ben (12), Eric (10) and Annie (5). I have also become an avid surfer – I try to get out 2 to 4 days a week in the fall and winter when surfing is good in San Francisco. Luckily, my family is active as well and we like to do a lot of outdoor activities as a family. I started playing guitar a few years ago, so I enjoy playing with friends (including Chris Walker from Great America when we get breaks from NEFA board meetings). I spend time supporting The Wilderness Society supporting the preservation of America's wild places by helping raise money and serving on the President's Counsel. ■

