

March 6, 2002
Leasing News

Leasing News decided the readers should know more about this "very interesting" person, especially since he was acknowledged a key "mover and shaker" to raise the money to start First Sierra/Sierra Cities. We also learned he was considering starting up a leasing company because he and American Express made a settlement (and that is also another story).

"When you look up either "good guy" or "salesman" in the dictionary, you will find a picture of Freddie Van Etten. Freddie always has a smile on his face and the salesman's positive attitude that the cup is half full instead of half empty. The only place you cannot trust Freddie is on the golf course. His handicap is a 2, not the 19 he claims when the bets are placed. Freddie, you are one of the best and I wish you the best of success with your new venture with the Redstone Group."

Charlie Lester, LPI Financial, Atlanta, Georgia

" Nicest man in the world; always has a smile on his face. Always has something nice to say about somebody. I make it a point that when I am in Houston to visit him every time. Truly, a great guy."

Greg McIntosh, Snider Leasing, Sacramento, California

Whatever Happened to....
Fred Van Etten

Hello everyone_. As previously mentioned in Leasingnews.org, I am still in Houston, Texas, and healthy, happy, wiser and still occasionally hitting the little white ball on weekends. I am with The Redstone Companies, which is a large privately held holding company comprised of several different companies.

Redstone has investments in companies involved in the banking, securities, hospitality, real estate, golf management, development, and ownership, and various others. Redstone as you may remember gave First Sierra Financial our start from ground zero as the primary investment capital and were involved in the company all the way through to the sale to American Express. Most of you remember me from First Sierra as one of the founders (in fact my wife, Julie gets credit for coming up with the name) but I had been in the Leasing Industry prior to that for most of my career, beginning with McDonnell Douglas Finance Corp in 1978. From Long Beach, California, I was moved to Houston by MDFC in 1981 and I have been primarily here working in leasing and asset finance since then. That probably makes me one of the longest surviving leasing nuts in this area! But at only 48 years old there is still a lot of drive which keeps me going and enjoying the chase and the relationships I have built in this business.

Having been an originator, seller, buyer, and manager with public and private companies I have to marvel at the way our industry has changed, both good and bad, throughout those years. Remember the TEFRA act in 1986? Leasing was supposed to be finished then, but, as we have seen many times the industry changed to meet the times, not disintegrated because of them. It seems that as most everything in life, things are cyclical, things tend

to repeat themselves in similar business cycles. Looks like now the industry is going through what the Equipment Leasing Association describes as "The Perfect Storm" brought on by credit and liquidity issues. This too shall pass as soon as margins widen enough in our business to begin to re-attract capital. The question is, who will the survivors be_

To me the one thing that has made this a great business is that it is people oriented and relationship based. Doing business with people you know and trust has safeguards. You have heard it said that the first lesson of lending is to "know your customer" Certain people have tried, and are others are continuing to try and completely automate our business. Over the last few years people proclaiming that the industry would be dead because of the "New Paradigm" of E-commerce selling have so far been proven wrong. Do I believe that more companies over time will use the Internet to promote and inform customers? Of course, and will companies sell more in the future over the Internet? Yes, of course, but the change won't take place over night as many have predicted. People still buy stocks, cars, books and everything else that the e-commerce wizards said would be automated, from traditional sources, not purely from the Internet. So far the Internet is only a fabulous information source.

Oh well, enough preaching_

Redstone has kept me very busy since arriving in February of 2001. Initially I ran the business development activities at Northwest Bank, a wholly owned Redstone Financial company. I was there until we sold it to The Whitney Bank from New Orleans in October of 2001. I then moved over to Redstone Bank in a similar capacity and have been working on all aspects of trying to help this bank grow. Redstone Bank is only two years old and basically was a branch of Northwest Bank. When we sold Northwest we decided to keep Redstone Bank. We are now looking at re-capitalizing the bank, starting a holding company and adding a few specialty finance companies under the bank holding company umbrella. We are continually looking at all areas of specialty finance and we have come to the conclusion that there are some very attractive areas which we may be able to compete in on some selected basis. We should have some announcements on those areas in the second quarter of this year. Lot's of things going on in Houston right now (yes, other things than Enron!!!) like the worlds largest rodeo, Mardi Gras in Galveston (OK, so it's not New Orleans) and the excitement which is building for our new football team, The Houston Texans. Don't worry, the games wont be played at Enron field!! That's the Astros field. Houston has had it's up and downs as well, but for me it's always been a wonderful place to live and work. Julie and I had the best holiday season ever, and we enjoyed being with all our friends here and in Phoenix/Scottsdale where we spent Christmas and New Year's. I continue to hear from and stay in touch with most of my colleagues from the First Sierra days. In fact I think most people know that Roger Gebhart previously EVP of First Sierra has joined us here at Redstone as well.

One final note regarding Redstone, the Redstone Golf Club, a new development here in Houston was just awarded the 2003 through 2013 Shell Houston Open PGA tournament which was previously played at The Woodlands. It will bring a lot of notoriety to Redstone and will help with that side of our business, which manages and develops golf courses.

All my best to all my friends in the industry.

Fred Van Etten
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