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Firestone Financial Corp., now celebrating their 45th year of business

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Want to buy a carnival? Maybe you need a dozen jukeboxes. Or how about some vending machines?

Next time you put a dollar in a video game, bring the kids to a family entertainment center, or dare to ride the Matterhorn at the county fair, consider the cost of the equipment and how it was paid for. Often traditional banks won't lend when the collateral is so 'unusual' or mobile, or so much depends on seasonality. Some bankers, especially when credit is tight, won't talk to prospective borrowers in certain businesses.

That's when borrowers turn to Firestone Financial Corp., now celebrating their 45th year as a unique niche lender. Firestone lends millions of dollars every month to customers in all 50 states and Canada. It is one of America's leading independent providers of financing to the coin-op amusement/vending and carnival industries.

President and CEO David Cohen says loans range from \$5,000 for a jukebox to \$750,000 for a spectacular carnival ride. Last year Firestone loaned a customer \$300,000 for a custom ice cream trailer. Another borrowed \$1 million to buy an entire carnival. Cohen estimates the company has provided equipment financing worth \$700 million since 2001 when the company became privately owned. Firestone has done business with over 5,500 new customers since that time, as well.

Cohen, trained as a CPA, has led Firestone since 1986. He was introduced to the equipment leasing and financing business, first as president of UST Leasing Corp., then as a controller for XTRA, Inc., a transportation leasing company.

He says about 75% of company deals are with repeat customers, and currently over 90% of those applying for loans are approved. "Key to our success is an unwavering focus on building long-term relationships with customers. We have an excellent track record of assessing potential and making business happen," says Cohen. "We know these industries inside-out."

Firestone is an active member of two recently-joined industry trade organizations, the Amusement and Music Operators Association (AMOA), and the American Amusement Machine Association (AAMA), and played a key role in March's Amusement Expo in Las Vegas, the first joint venture of the two groups. Cohen serves as AAMA chairman and was instrumental in moving the two groups closer, resulting in cost savings, better communications and new partnerships.

Borrowers get more than fair rates from Firestone; they also get good deals. For the coin-op amusement industry, Firestone partners with equipment manufacturers, and structures financing packages in which operators get competitive interest rates- often 0% APR- and options when it comes to terms. As far as the carnival industry, Firestone's repayment schedules are flexible so higher payments come during a carnival's busy season.

Special promotions also attract customers: A few years back Firestone Financial held a drawing for

amusement customers- a weekend trip to Boston, climaxing with a Red Sox game. This year, carnival customers can win a trip to Cancun/ Riviera Maya Mexico. They earn one entry for every \$50,000 funded for new or used equipment.

The company has always selected the industries and customers it serves with extreme care, says Cohen, because once it makes a commitment, it stays there for the long haul, through the inevitable ups and downs.

One long-time customer, Len Soled, a carnival ride broker whose company Rides-4-U, Inc. sells equipment to both mom and pop shows and to major venues like Six Flags and Busch Gardens.

"I send my customers to Firestone. Rates are competitive. They understand the seasonality of the business. And you get a prompt response." Last year one of Soled's clients wanted to add energy-saving LED lighting to their rides. "The \$70,000 price tag was nearly a deal-breaker. I showed them how they'd recoup the cost in energy savings in 3-4 years. And they got their financing from Firestone."

The coin-op amusement & vending trades are changing. Simple jukeboxes offering a few hundred songs have given way to internet-connected units with tens of thousands of titles to choose from. Increasingly for operators who must invest big bucks in the latest equipment, the sound is changing from jingling coins to plastic card swooshing.

A few important Firestone facts to note:

- Primarily finance the coin-op amusement/vending and carnival industries
- The typical borrower has revenue of under \$1 million per year
- Typical contract range is \$5,000 - \$500,000
- Firestone services its own portfolio. It is not a broker.

Firestone is always seeking new opportunities. Last year, legislation was passed to allow video poker / lottery terminal (VLT) business in Illinois. Once this new law is fully implemented, Firestone will work with operators to build their VLT business. The company has funded over \$34 million for VLT operators in Louisiana, Montana and West Virginia. In 2008, Firestone was named to the 'Inc. 5,000' list which ranks the 5,000 fastest-growing private companies in the U. S.

In tough times, Firestone works with customers and dealers to help them keep their equipment. Cohen says, "We don't treat them as a bank would. We work with them through hard times. They see us as a financing friend rather than a black and white form."

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