

# Lease & Finance Accountants Conference

September 13-15, 2010

Loews Vanderbilt Hotel  
Nashville, Tennessee



## The Premier Event for Leasing and Finance Accounting Professionals

### ***Program Highlights:***

- The Proposed New Lease Accounting Standard: Analysis & Impact for Lessees, Lessors and the Industries They Serve
- Discuss with a member of the FASB the latest developments on the International Financial Reporting Standards (IFRS) as the worldwide accounting benchmark and how it affects the environment in which all companies operate, including those in the United States
- Review processes and methodologies for measuring impairments and setting loss reserves
- Learn about the tax benefits available for renewable energy projects and the primary structures utilized in renewable energy
- Learn the basics of lease accounting, tax management, and pricing
- Get up to speed in the always popular "Hot Topics" session
- Participate in unmatched networking activities!

# Who Should Attend?

Accountants, CFOs, controllers, tax managers, treasurers, finance directors and others responsible for financial reporting activities, plus any business professional or advisor who must be familiar with the impact of accounting on their transactions or activities.

# Schedule of Events

## Legend

- (1) Sessions: Subject matter presented to appeal to attendees with little prior familiarity with the subject matter
- (2) Sessions: Assumes attendees have some prior knowledge or familiarity with subject matter
- (3) Sessions: Subject matter presented to appeal to attendees who have been practicing in their profession for a number of years

## Monday, September 13

9:00 am

### Early Registration (for morning sessions)

10:00 am – 12:00 pm

### Concurrent Sessions

#### CFO Roundtable

*Pre-registration recommended.*

*Please sign up on the attached registration form.*

This session provides an opportunity for CFOs and Controllers to meet and discuss relevant industry topics and issues.

#### Introduction to Leasing (1)

This session provides an overview of the leasing and finance industry, its products and why customers use leasing to acquire the use of equipment. Session includes a discussion of the lease vs. buy decision. Attendees are introduced to terminology and concepts that will be used throughout the conference.

Presenter:

**BILL BOSCO**

Leasing 101

11:30 am – 1:15 pm

### General Conference Registration

1:15 – 1:30 pm

### Conference Welcome

Speaker:

**ROD HURD**

Chair, ELFA Financial Accounting Committee  
Bridgeway Capital Advisors, Inc.

1:30 – 2:15 pm

### State of the Industry Report

Presented by:

**RALPH PETTA**

COO, Equipment Leasing and Finance Association

2:15 – 3:30 pm

### Concurrent Sessions

#### Overview of Lease Accounting Project – Lessee (I & II)

This session provides a lessee overview of the proposed lease accounting standard. Topics include:

- Background
- Proposed accounting model
- Scope and timing of initial recognition
- Lessee accounting
  - Initial measurement and recognition
  - Subsequent measurement
  - Examples

Presenters:

**RANDOLPH GREEN**

KPMG

**JAMES MCKINNEY**

RBS Asset Finance

#### Alternative Energy Tax (III)

Session provides a detailed overview of the tax benefits available for renewable energy projects and the primary structures utilized in renewable energy. Topics include:

- US Treasury Grant
- Production Tax Credits
- Investment Tax Credits
- Accelerated Depreciation
- Codification of economic substance

Structures discussed include:

- Flip partnerships
- Leases

Presenters:

**DAVID BURTON**

GE Energy Financial Services

**MICHAEL BERNIER**

Ernst & Young

### **Impairment & Loss Reserves (II & III)**

Session covers processes and methodologies for measuring impairments and setting loss reserves, including examples of regulatory guidance. The session is intended for participants that have experience in lease accounting and are seeking to explore the following areas:

- Specific versus general reserves
- Interaction between Probability of Default and Loss Given Default
- Role of collateral and assessment techniques
- Methodologies, processes, and algorithms

Exposure Draft on *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*

**Presenter:**

**SHAWN HALLADAY**  
The ALTA Group

3:30 – 3:45 pm

### **Break**

3:45 – 5:00 pm

### **Overview of the Lease Accounting Project – Lessor (I&II)**

This session will review:

- Proposed new accounting rules
- Examples
- Potential implementation issues
- Q&A

**Presenters:**

**BETTY DAVIS**  
Ernst & Young

**JOE SEBIK**  
Siemens Financial Services

### **Alternative Energy Accounting (III)**

This session will review typical project structures and the related accounting considerations. Specific topics will include:

- Accounting implications of ARRA incentives
- Wind and solar investments
- Tax credits and government grants
- Partnership accounting
- Investor accounting considerations
- Accounting for off take arrangements, including power purchase agreements

**Presenters:**

**JOHN BOBER**  
GE Commercial Finance

**ERIK LANGE**  
KPMG

### **Property Tax (I)**

**Presenters:**

**KATHLEEN WALSETH**  
U.S. Bancorp Equipment Finance

**MICHAEL F. FINNEGAN**  
Thomson Tax & Accounting - CS&S

5:00 – 5:30 pm

### **First-Time Attendee Reception**

5:30 – 7:00 pm

### **Hosted Reception**

## **Tuesday, September 14**

8:00 – 8:30 am

### **Continental Breakfast**

8:30 – 9:30 am

### **Economic Outlook**

**Speaker:**



**PATRICK NEWPORT**  
Director of Long-Term Forecasting  
Macroeconomics – United States  
IHS Global Insight

*Dr. Newport tracks the investment and housing sectors, and serves as Director of Long-Term Forecasting in the U.S. Macroeconomics Group. Prior to joining IHS Global Insight in 1998, Newport was a senior economist for the Office of the Forecast Council of Washington State. He has a PhD in economics from Harvard University and is an oft-quoted media source on the investment and housing outlook.*

9:30 – 10:45 am

### **Concurrent Sessions**

#### **Basics of Lease Accounting (I)**

This session provides a basic overview and the introductory concepts of accounting for leases as currently defined within SFAS 13/ASC 840. It will explain basic terms and definitions within the lease accounting framework. The session will also include analytical examples of current classification of leases including Operating leases, Direct finance leases and Sales-type leases.

**LIZ BARZELATTO**  
IBM Global Financing

**DAVID CONNOLLY**  
First American Equipment Finance

#### **Lease Structuring and Modifications (II)**

Session will focus on the accounting considerations when contemplating a lease restructure or modification. Focus on the consequences to lease classification and the balance sheet or income statement impacts may result from a restructure or modification. Session will also review operating lease impairment triggers.

**Presenters:**

**ANNE HANDY**  
SunTrust Leasing Corp.

**BARBARA GALAINI**  
CIT Group

### **Advanced Lease Accounting Project – Lessee (III)**

**MINDY BERMAN**

Jones Lang LaSalle

**CHAD SOARES**

PricewaterhouseCoopers

10:45 – 11:00 am

### **Break**

11:00 am – 12:15 pm

### **Concurrent Sessions**

#### **Consolidation (II)**

In June 2009, FAS 167 (ASU 2009-17) was issued to amend the consolidation standards of FIN 46(R) (ASC Subtopic 810-10) identifying variable interest entities and determining the party to consolidate VIEs. The amendment was instigated by the elimination of the scope exception for QSPEs and requires a qualitative assessment of VIEs to determine the entity that is the primary beneficiary. This session will provide an overview of the key principals of FAS 167 and examples of its application including:

- Securitization vehicles (former QSPEs)
- Partnership entities, such as renewable energy projects
- Special purpose entities used in leasing arrangements
- Role of service providers and decision makers

#### **Presenters:**

**MINDY BERMAN**

Jones Lang LaSalle

**KIMBER BASCOM**

KPMG

#### **Captive and Vendor Leasing and Finance (II)**

Session provides a detailed overview of the accounting issues often encountered by captive and vendor leasing companies.

Topics include:

- Overview of captive and vendor financing
- Accounting attributes and interpretations of relevant ASC guidance
- Captive and vendor revenue recognition issues
- Guidance for Transfers of Financial Assets

**LIZ BARZELATTO**

IBM Global Financing

**DEBORAH BRADY**

Key Equipment Finance

#### **Advanced Lease Accounting Project – Lessor (III)**

This session will build on the earlier session on the proposed new Lessor model contained in the Lease Project Exposure Draft and discuss in further detail with numerical examples and comparisons, the Partial Derecognition, Performance Obligation, Short Term, Investment Properties and Sublessor Accounting models. The session will compare the financial results from the proposed models compared to current GAAP. The session will also analyze the models with the objective of outlining issues

that might be raised in a comment letter to the FASB/IASB. The session will also analyze transition accounting for leveraged leases which will be eliminated in the proposed new rules.

#### **Presenters:**

**BILL BOSCO**

Leasing 101

**MARIA DAVIS**

Deloitte & Touche

12:15 – 2:00 pm

### **Hosted Luncheon – “Birds of a Feather” Networking**

2:00 – 3:30 pm

### **Concurrent Sessions**

#### **Current and Emerging Issues at the FASB (II & III)**

This session will review and discuss the FASB's current agenda and emerging issues of relevance to the leasing industry. The session will open with an update on the leasing project, focusing on the conceptual basis underlying the proposed accounting for leases as presented in the FASB's Exposure Draft and any significant differences in the accounting and reporting provisions of the IASB's Exposure Draft. The panel will also discuss project developments in the accounting for financial instruments, revenue recognition, financial statement presentation, and disclosures about credit quality, the allowance for credit losses and certain loss contingencies, emphasizing the likely impact on lessors and lessees as preparers. The panel will also briefly discuss developments in international convergence.

#### **Moderator:**

**RODNEY W. HURD**

Bridgeway Capital Advisors, Inc.

#### **Panelists:**

**LAWRENCE SMITH**

Member, Financial Accounting Standards Board

**JOHN BOBER**

GE Energy Financial Services

Member, Joint Working Group on Lease Accounting

**DAN KNIGHTLY**

Ernst & Young

**MARIA DAVIS**

Deloitte & Touche

**RANDOLPH GREEN**

KPMG

**MARC JERUSALEM**

PricewaterhouseCoopers

#### **Lease Pricing (I)**

Session covers the concepts of pricing to achieve targeted returns. Includes pricing of true leases, quasi leases and municipal (tax-exempt) leases. Also includes a discussion of the pricing impact of the Lease Accounting Project and the tax Codification of Economic Substance Doctrine.

#### **Presenter:**

**ROBERT P. HAFF**

GE Energy Financial Services

3:30 – 3:45 pm

## Break

3:45 – 5:00 pm

## Concurrent Sessions

### *Hot Topics (III)*

Presenters:

**SHERI WYATT**

PricewaterhouseCoopers

**RANDOLPH GREEN**

KPMG

### *Residuals (II)*

Presenter:

**KATHLEEN WALSETH**

U.S. Bancorp Equipment Finance

5:15 – 6:30 pm

## Hosted Reception

## Wednesday, September 15

8:30 – 9:00 am

## Continental Breakfast

9:00 – 10:15 am

## Concurrent Sessions

### *Overview of Financial Instrument Project (III)*

This session provides an overview of the proposed financial instrument standard. Topics include:

- Background
- Scope
- Classification & Measurement
- Impairment
- Hedge Accounting

Presenters:

**JAMES J. MCKINNEY**

RBS Asset Finance

**BRIAN WILSON**

Bank of America Leasing

### *Intermediate Accounting (I)*

Session covers intermediate lease accounting topics such as lease classification issues and accounting for sale leasebacks. The session is intended for participants that are new to lease accounting and are looking to explore the following:

- Lessee and lessor considerations in determining minimum leases payments
- Impact on lease classification of economic penalties and residual value guarantees
- Market structures - classification considerations
- Accounting for sale leasebacks and integral equipment

Presenters:

**DEBORAH BRADY**

Key Equipment Finance

**SHAWN HALLADAY**

The ALTA Group

10:15 – 11:30 am

## Concurrent Sessions

### *Securizations (III)*

Presenter:

**BARBARA GALAINI**

CIT Group

### *IFRS Developments (II)*

Presenters:

**MARIA DAVIS**

Deloitte & Touche

**JOE SEBIK**

## 2010 ELFA Financial Accounting Committee

**RODNEY W. HURD**

*Committee Chair*

BRIDGEWAY CAPITAL ADVISORS

**LIZ BARZELATTO**

IBM GLOBAL FINANCING

**MINDY BERMAN**

JONES LANG LASALLE

**JOHN BOBER**

GE COMMERCIAL FINANCE

**WILLIAM J. BOSCO, JR.**

LEASING 101

**DEBORAH A. BRADY**

KEY EQUIPMENT FINANCE

**DAVID CONNOLLY**

FIRST AMERICAN EQUIPMENT  
FINANCE

**BETTY DAVIS**

ERNST & YOUNG

**MARIA DAVIS**

DELOITTE & TOUCHE

**BARBARA GALAINI**

CIT GROUP

**RANDOLPH GREEN**

KPMG

**SHAWN HALLADAY**

THE ALTA GROUP

**ANNE HANDY**

SUNTRUST LEASING CORP.

**MARC JERUSALEM**

PRICEWATERHOUSECOOPERS

**JAMES J. MCKINNEY**

RBS ASSET FINANCE

**AMY NELSON**

DE LAGE LANDEN FINANCIAL  
SERVICES

**KATHLEEN WALSETH**

U.S. BANCORP EQUIPMENT FINANCE

# Registration and General Information

Please register as far in advance as possible. **Register by Friday, September 3, 2010** to ensure that your name appears on the list of attendees. Please note: you may also register for this conference via the Internet at ELFA Online – <http://www.elfaonline.org/pub/events/2010/LAC/>

## Registration Fees

Individual: ELFA Member ( <i>1st Person</i> ):	\$1,150
Each additional ELFA Member representative:	\$1,035
Non-Members:	\$2,300
Committee Member or Speaker Fee ( <i>attending entire conference</i> ):	\$575
Speaker Fee ( <i>if attending day of presentation/one day only</i> ):	waived
Spouse/Companion Fee:	\$250

### **Non-Members Registration Policy: Please read carefully**

Leasing and Finance Companies who are non-members are welcome to attend this conference and must register at the non-member rate.

## Speaker/Committee Registration Policy

All speakers and committee members must complete and return the registration form. Speakers attending the entire conference pay half the registration fee (In this case \$575). The fee is waived for speakers who are attending only on the day of their presentation. Committee members, regardless of length of stay at the conference, pay half the registration fee (\$575). Please make sure you check the appropriate box on the registration form. If you have questions regarding these policies, please contact Racquel Codling at (202) 238-3414 or [rcodling@elfaonline.org](mailto:rcodling@elfaonline.org)

## Spouse/Companion Fee

A spouse/companion attending any portion of the conference or social functions must be registered and must pay the spouse/ companion fee (\$250). Please mark the appropriate box on the registration form. If your spouse/companion is employed in leasing and wishes to attend any portion of the conference, the full attendee (member/nonmember) registration fee is due.

## Mail-In-Address – Please Review Carefully

For check or credit card payments, mail to: ELFA, PO Box 34733, Alexandria, VA 22334-0733. If you are using express mail to register for this workshop, please mail to: ELFA, 1825 K Street, NW, Suite 900, Washington, DC 20006.

## Register By Fax

You can register for ELFA meetings with the ease of faxing. Simply complete the registration form, including the appropriate credit card information, and fax this to ELFA at 202-478-0980. A confirmation will be forwarded to you.

## Register On-Line

Visit ELFA Online at [www.elfaonline.org/pub/events/2010/LAC/](http://www.elfaonline.org/pub/events/2010/LAC/) for information about this and other educational programs. Go to the Events & Training section for details on the agenda, speakers, location and registration information. You can register directly on-line via American Express, MasterCard, Discover, Diners Club or VISA on our secure server. You will receive a confirmation from the website.

## Cancellations & Substitutions

### **Cancellation Policy**

- Refund minus \$100: Should you need to cancel, refunds will be processed less a \$100 administrative fee.
- No refund: No refunds of registration fees will be given for cancellations received on or after **Monday, August 30, 2010**. ELFA regrets that refunds will not be given for no-shows.

*Please Note:* Cancellations by telephone will be accepted, but must be followed up with a letter that includes the name of the ELFA staff member who accepted the cancellation. This letter may be:

- a. mailed to Janet Fianko at ELFA Headquarters:  
1825 K Street, NW, Suite 900, Washington, DC 20006-1203
- b. faxed to (202) 478-0980, Attn: Janet Fianko, or
- c. emailed to Janet Fianko at [jfianko@elfaonline.org](mailto:jfianko@elfaonline.org)

### **Substitutions**

Substitutions for the entire program may be made at any time including on-site registration.

## Membership Information

If you are interested in joining ELFA, please call ELFA Member Services at (202) 238-3429, or check the appropriate box on the registration form.

## CFO Roundtable

If you would like to attend the CFO Roundtable, scheduled 10:00 am – Noon, Monday, September 13, 2010, please check the appropriate box on the registration form.

## First Time Attendee Reception

If you would like to attend the First Time Attendee Reception scheduled 5:00 – 5:30 pm on Monday, September 13, 2010, please check the appropriate box on the registration form.

## Photographs Taken at the Conference – Please Note the Following

Photographs of speakers and attendees may be taken at this conference. These may appear in ELFA publications or on the ELFA website. By registering for this conference, you authorize ELFA the right to use any photographs taken of you during the course of the Lease and Finance Accountants Conference.

## Hotel Information

A block of rooms is being held for attendees of the 2010 Lease Accountants Conference at the **Loews Vanderbilt Hotel**, 2100 West End Avenue, Nashville, TN 37203.

A special conference rate of \$185 + 15.25% tax plus \$2.50/night occupancy tax is being offered to attendees. Please call the hotel directly at **(615) 320-1700 or (800) 336-3335** before **Monday, August 23, 2010** to ensure the group rate. Be sure to tell the reservations clerk you are attending the ELFA Lease and Finance Accountants Conference in order to get the group rate. Reservations made after the August 23 cutoff date are based on availability and may be at a higher rate.

## Hotel Information

You may also make your hotel reservations online by going to this link: [www.loewshotels.com/en/Hotels/Nashville-Hotel/GroupOffers/ELFA.aspx](http://www.loewshotels.com/en/Hotels/Nashville-Hotel/GroupOffers/ELFA.aspx)

## Getting There

Loews Vanderbilt Hotel is located just 10 miles from the Nashville International Airport; taxis are available for approximately \$30.

For further information on this hotel, check out their website: [www.loewshotels.com/en/Hotels/Vanderbilt-Hotel/Overview.aspx](http://www.loewshotels.com/en/Hotels/Vanderbilt-Hotel/Overview.aspx)

## Sponsorship Opportunities

Your sponsorship with ELFA offers several important benefits that allows your company to achieve its marketing and sales objectives. As a sponsor, your company is showcased to decision-makers in all facets of the equipment leasing and finance industry. The following items are still available for sponsorship at this event:

Hotel Card Key:	\$4,000
Online Attendee Handouts	\$4,000
Attendee Roster	\$4,000
Monday, September 13	
Reception	\$7,500
Tuesday, September 14	
General Session Speaker	\$5,000
Continental Breakfast	\$3,000
Luncheon	\$5,000
Reception	\$7,500
Wednesday, September 15	
Continental Breakfast	\$3,000

To become a sponsor, contact Nick LaRich at [nlarich@larichadv.com](mailto:nlarich@larichadv.com) or (440) 247-1060

## CPE Credits

Individuals attending this conference will receive 16 CPE credits. Equipment Leasing and Finance Association (ELFA) is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Nashville, TN 37219-2417. Web site: [www.nasba.org](http://www.nasba.org) For more details regarding your CPE credits please contact Janet Fianko at [jfianko@elamail.com](mailto:jfianko@elamail.com) or you may call her at (202) 238-3420. You may also contact her regarding administrative policies such as complaint.

## Inquiries

If you have a question about this conference not related to registration, please call ELFA Professional Development at (202) 238-3400.

Email for registration inquiries:

[jfianko@elfaonline.org](mailto:jfianko@elfaonline.org)

(Note: no registrations can be made by telephone)

## Conference Registration Form

Please complete and return this registration form and mail with payment to: PO Box 34733, Alexandria, VA 22334-07332. If you are registering using Express Mail, send completed conference registration form and check to: ELFA, 1825 K Street, NW, Washington, DC 20006.

Please use one form per registrant: copy form for additional registrations. **To ensure your name appears on the list of attendees, ELFA must receive your registration form and payment no later than Friday, September 3, 2010.**

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Nonmembers:	\$2,300
Committee Member or Speaker Fee (attending entire conference):	\$575
Speaker Fee (if attending day of presentation/one day only):	waived
Spouse/Companion Fee:	\$250

- Cancellation Policy: I have read and agree to the ELFA cancellation policy (registration will not be complete unless box is checked)
- Yes, I would like to attend the CFO Roundtable 10:00 am – Noon, Monday, September 13, 2010
- Yes, I will be attending the First-Time Attendee Reception, 5:00 – 5:30 pm, Monday, September 13, 2010
- Yes, I would like information about my company becoming a member of ELFA.

NAME \_\_\_\_\_

NICKNAME FOR BADGE \_\_\_\_\_

TITLE \_\_\_\_\_

COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

TELEPHONE \_\_\_\_\_ FAX \_\_\_\_\_

E-MAIL ADDRESS \_\_\_\_\_

SPOUSE/COMPANION (IF ATTENDING) \_\_\_\_\_

**For Credit Card Reservations:**

FAX this form to (202) 478-0980 Attn: Meetings Dept.

VISA    Mastercard    Amex    Discover    Diners Club

Total Amount to be charged \$ \_\_\_\_\_

Card Number \_\_\_\_\_ Exp. Date \_\_\_\_\_

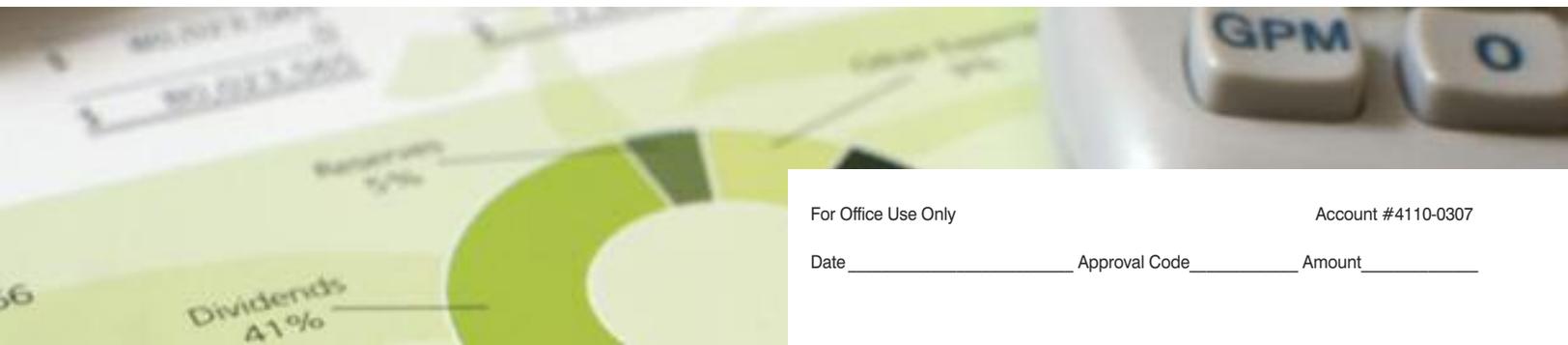
**Name & Address as it appears on billing statement** (PLEASE PRINT) \_\_\_\_\_

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Signature \_\_\_\_\_

**Confirmations will be forwarded after registrations are received and processed.**



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Date \_\_\_\_\_ Approval Code \_\_\_\_\_ Amount \_\_\_\_\_