



June 21st – June 27th, 2010 (Week 25)

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WEEKLY ECONOMIC REVIEW

Housing

- Existing home sales fell sharply to 5.66 million units (SAAR) in May, down from last month's total of 5.79 million units. This represents a 2.2% decrease in the level from its previous level. The fall in existing home sales came as a surprise as market expectations were for a level in May closer to 6 million units. However, the drop in existing home sales should not have come as a surprise given the expiration of government tax credits to spur home sales last month
 - Since the housing bubble imploded, the economy has been building up a high level of existing home inventories. Normally the stock of existing home inventories is under 6 months; currently that level is about 8.3 months and this abnormally high level of housing supplies is likely to increase further as tax credit-related activities are wound through the system
 - When the supply of existing homes exceeds 6 months this normally leads to falling house prices, whereas prices typically increase when supply falls under half a year. Thus one would expect a price decline for existing (same sale) homes, even as the Case-Shiller housing index has shown strength in recent months
- The WSJ reported last week that in a survey of 106 economist by MacroMarkets, that a majority (56%) expect house prices to fall. This compares with 40% of economists who predicted a house price decline in an earlier survey just one month ago. The quick and sharp turnaround in sentiment for the housing sector is a reflection of the unexpected gains in house prices since the unofficial end of the recession (in August 2009)
 - If house prices start falling again this could be the catalyst that plunges the economy back into a recession, i.e. there is a real risk of a double-dip recession. Nevertheless, the economy has kept growing, even if at a slow rate (and not enough to move needle on unemployment)

China-US relations:

- China de-pegged its currency from the US dollar last week lifting markets in Asia and also bringing positive sentiments to Europe and the US. Most economists regard China's currency as grossly undervalued, so the move to allow greater flexibility for the renminbi will mean that US trade competitiveness against China will improve. Allowing China's currency to rise will also help stem part of the global imbalances whereby Chinese savings are used to finance American consumption (as expressed by the large trade deficit that the US has vis-à-vis China)
 - The US currency has made substantial gains against its major global currencies of late, in spite of the fact that interest rates in the US are near zero and the US has been the de facto ground zero for the global financial meltdown. The renewed interest in the US dollar is a perverse factor risk aversion: investors have been piling into US dollars since other assets/currencies are seen to be even more risky, albeit the increase in risk aversion is largely attributable to the weakness of the US economy. Nevertheless, it now costs just US\$1.20 (or thereabouts) to purchase a euro, whereas the prevailing exchange rates last year saw the euro trading at about \$1.50.
- The fiscal crisis in Europe is in large part to blame for the resurgence of the dollar. Doubts are now growing over the long-term viability of the euro. The likelihood of a Greek default looks more and more likely, even as its neighbours have come to its rescue. Beyond the problems of Greece, other eurozone nations are suffering budgetary crises (e.g. Ireland, Spain, etc.)

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Problems abroad:

- The UK announced steep budget cuts last week to help shrink its deficit. The UK recently witnessed an election in which no single political party won a majority of the seats of government. This gave rise to a coalition government with the conservative Tories leading the group to form the government. The actions in the UK may be an omen of things to come in the US. The UK suffered a very deep recession and their economy has mirrored very much the performance of the American economy, with subprime consumers and an over-leveraged financial system at the heart of the crisis

Great Depression redux?

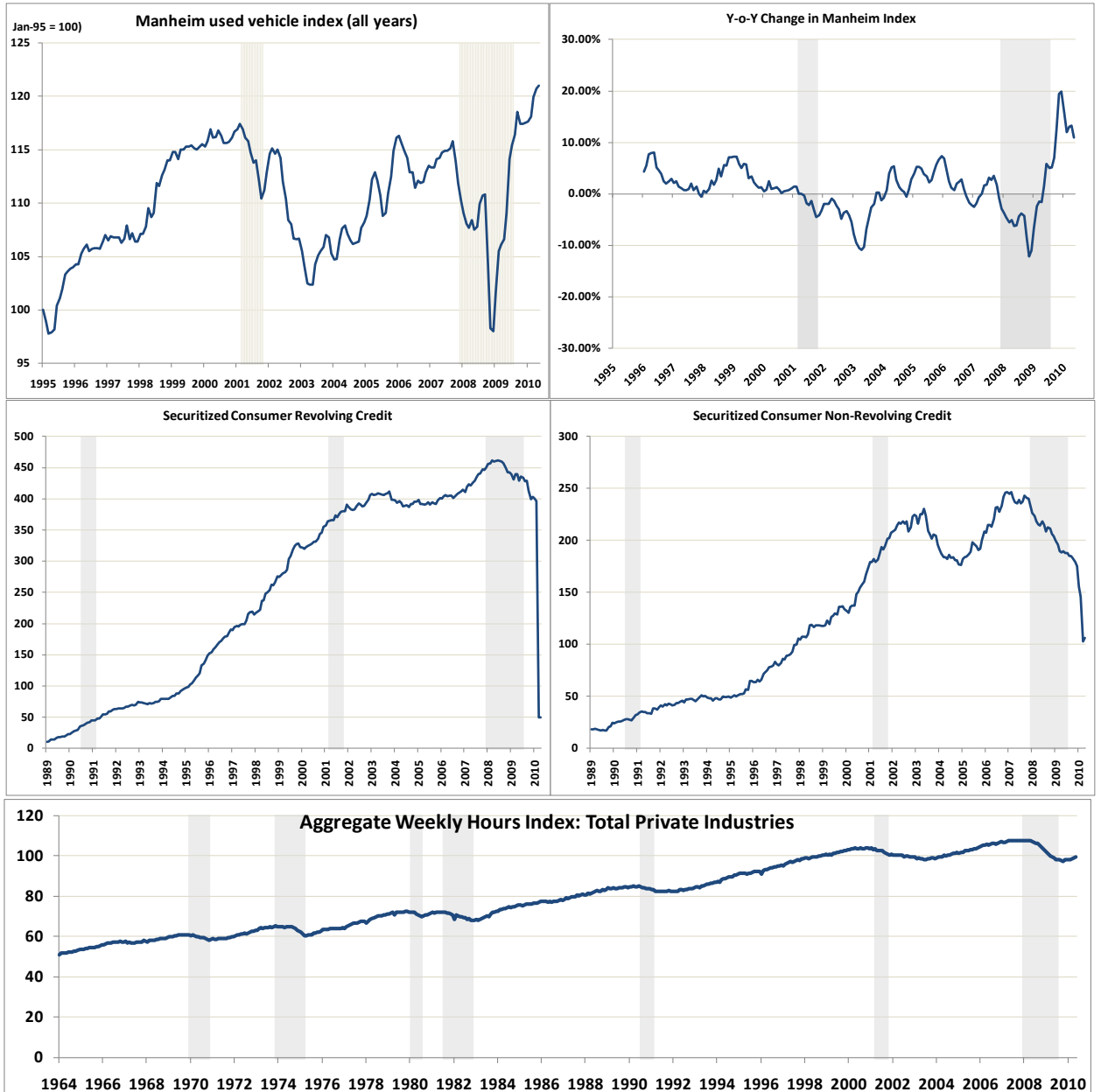
- The economy is almost definitely in a recovery and has likely been in a state of recovery of since August 2009. However, the NBER has yet to officially declare the end of the recession in spite of two consecutive quarters of economic growth. The economy will almost surely register another quarter of growth in Q2. Not only is there a spectre of a double-dip recession, but there is growing worries that the economy is on the verge of another depression. Most notably, economics Nobel laureate Paul Krugman opined recently that the actions of world leaders to focus on deficit reduction at a time when the economy is still in a deep funk may lead to a third depression

- Krugman's argument is rooted in Keynesian economics, arguing that austerity measures may jeopardize the long-term health of the economy. He argues that short-term budget tightening will have little impact on long-term debts, and will only make the current economic slowdown more severe. Yet world political leaders are pledging austerity, a formula which, in hindsight, seems to have been a bad remedy when Asia had suffered a severe economic crisis. Asia's crisis, as well as the crisis of Latin America in the 1980s, were greeted with calls for austerity measures and a liberalisation of trade along with a move towards greater deregulation. These remedies came to be known as the Washington Consensus, as these recommendations were espoused by the IMF and the World Bank

- There have been two depressions in the history of the United States. The first of these transpired in the late 1800s. The second – and more well known depression (the "Great Depression") – spanned the 1930s. Thus the natural question that arises is, How likely is it that the US (and perhaps the world) will succumb to a third depression? Krugman points out some notable similarities between today's recovery to that of the stalled recoveries of the 1930s. During the 1930s, in what later came to be known as the Great Depression, the economy was emerging from a severe downturn in 1933. Policy makers fretted about the debts and chose to end fiscal stimulus in favour of austerity measures. The result was that the economy fell back into its funk as the nascent recovery was not mature enough to have been weaned of support from the government. From this, economists such as Paul Krugman draw parallels, arguing that the economy remains very weak and that additional stimulus is needed to keep the economy afloat. To his credit, many of the economic signals of late are supportive of his views. For example, unemployment remains stuck near 10%, private sector employment growth in May was all but non-existent, while household income and consumer spending remain flat. Moreover, the likelihood of the presence of a mini bubble (and eventual bust) in housing has many economists worried that the US may slink back into a recession

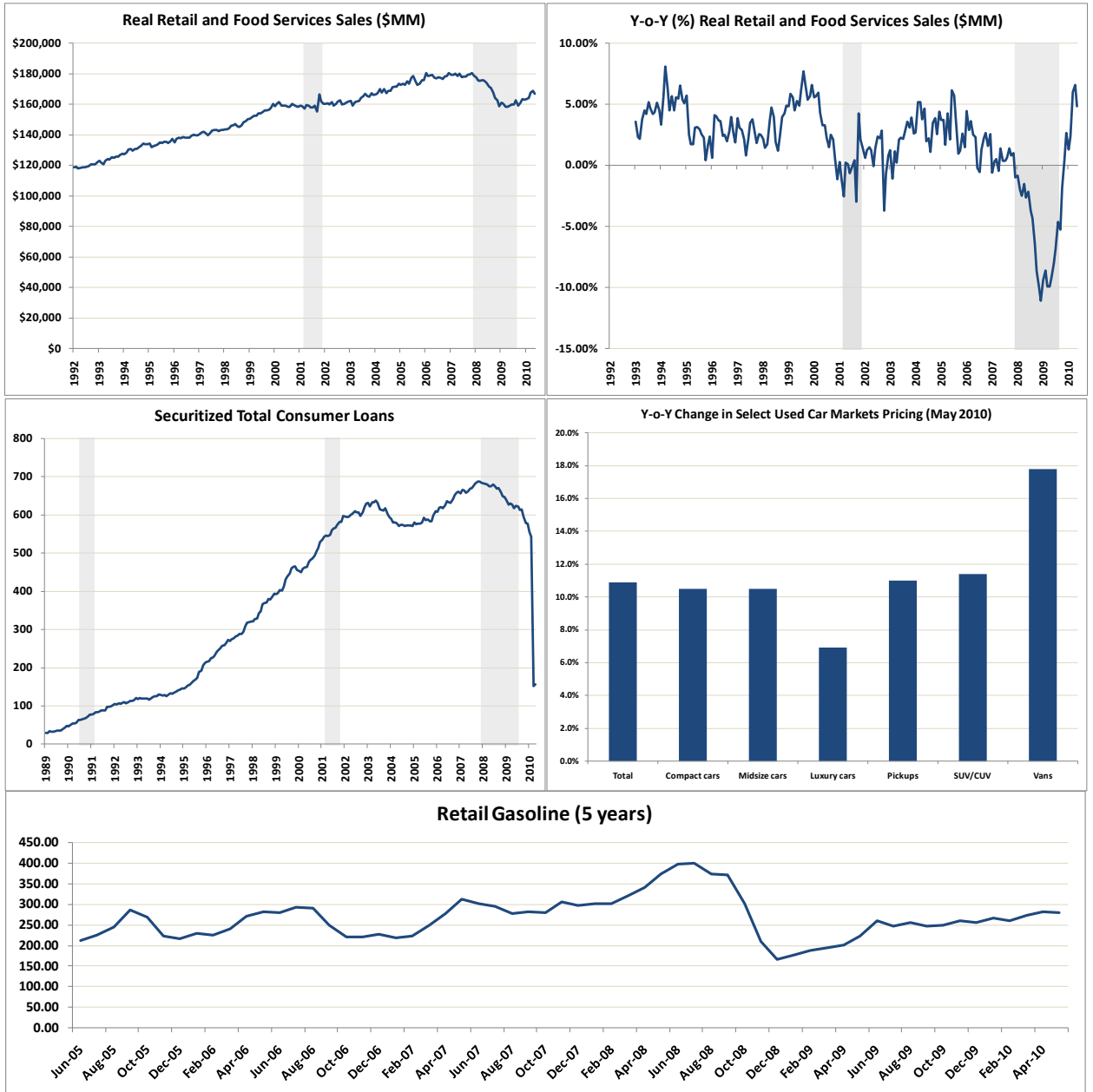
- The experience of Japan offers the best insight into what problems may lie ahead for the country. Japan experienced a lost decade (or two) of economic growth after its economy imploded from its bubble economy. In the two decades since then Japan has yet to fully regain its footing and risks becoming a laggard nation. Japan's mistake was that it raised rates too soon when its economy began to "recover", only to have the higher rate choke off the recovery

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Top left: The Manheim index (a measure of used car prices) has climbed to an all-time high. *Source: Manheim Consulting.*
Top right: The y-o-y change in the Manheim index. *Source: Manheim Consulting.* **Middle left:** Securitized consumer loans fell sharply last month as due to changes in accounting treatment of securitized portfolios. *Source: FRB.* **Middle right:** Securitized non-revolving credit has not fallen as sharply as revolving credit. *Source: FRED.* **Bottom:** An index of aggregate weekly hours. Average weekly hours is still well below its pre-recession level. *Source: FRB.*

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Top left: Time series of real retail sales inclusive of food services sales (remain below pre-recession level). *Source: FRB.*
Top right: Y-o-y change in real retail sales. Although the y-o-y change is high, this is an artifact of the low base given the plunge in retail sales in late 2008. *Source: FRB.* **Middle left:** A time series of securitised consumer loans. Recent changes have seen less securitised loans recognised. *Source: FRB.* **Middle right:** Y-o-y price change in select used car markets. *Source: Manheim Consulting.* **Bottom:** A time series of retail gasoline prices. Prices beginning to rise again. *Source: EIA.*

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SPECIALTY FINANCE HEADLINES

Credit Cards

Economists say consumer debit fee savings limited

- A regulatory reform bill that was passed last Friday will limit the fees that retailers need to pay banks for processing debit card purchases
- This benefit to retailers will likely be passed on to consumers in the form of lower prices due to the high degree of competition present in retailing; the distribution of benefits will ultimately depend on the degree and type of competition in the sector, as well as the elasticity of consumer demand
- These savings could possibly be cancelled out as consumers could end up paying annual fees to banks for service products such as reward programs
- Despite this, most economists are optimistic; Adam Levitin, professor at Georgetown University Law School says, "I cannot imagine a scenario in which US consumers do not save"
- Credit card networks disagree as major credit card companies expect merchants, whom receive reduced interchange rates, to pocket most of the savings for personal betterment
- MasterCard prepared a statement expressing disappointment in the final bill, declaring that provisions stand to benefit "the largest retailers in the world and will harm not only consumers, but also community banks, credit unions, and government benefits administrators"

Source: Reuters

Fitch affirms Discover's Long-Term IDR at 'BBB' as outlook revised to stable

- Fitch Ratings affirmed the long-term issuer default rating of Discover Financial Services at triple-B while the rating outlook has been improved to stable from negative
- These revisions reflect Discover's sound credit card franchise, growing payment services payment, solid liquidity profile, strong capital levels, and reduced reliance on brokered deposits for funding
- Discover continues to generate earnings and capital despite the economic challenges as Fitch projects an improvement in core earnings, even with the \$305 million reserve build recorded in the first quarter; credit metrics have improved as cost containment initiatives remain successful
- Net charge-offs decline to 7.91% from 8.51% while delinquencies greater than 30 days decreased for the second consecutive quarter, reaching 4.52%, compared with 4.87% a year earlier
- Tangible common equity as a percent of tangible manage assets was 9.06% as opposed to 8.14% last year and predicted to increase as earnings generation exceeds dividend payments and asset growth
- Discover's liquidity profile remains strong with \$10.9 billion in its liquidity portfolio, \$2.4 billion revolving credit facility, \$3.5 billion of undrawn conduit capacity, and \$6.2 billion of Federal Reserve discount window capacity versus \$15.6 billion of debt maturities over the next year
- Upgrade in individual ratings reflects an improving operating environment resulting from a stabilization in unemployment and general economic recovery

Source: Business Wire

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SPECIALTY FINANCE HEADLINES

Credit Cards (cont'd)

Congress one step closer to swipe fee reform

- Swipe fee reform provisions are expected to bring financial relief to retailers and consumers while increasing competition within the credit card industry
- The swipe fees under revision refer to the percentage of each transaction that credit card dealers collect from retailers each time the card is used
- The Durbin Amendment ensures that retailers have the choice to decline credit cards for small dollar purchases and the choice between at least two card networks
- Americans paid over \$48 billion in swipe fees last year, accumulated most by major banks, thus creating legislation targeting these companies while providing exemption for banks less than \$10 billion in assets (99% of banks; 99% of credit unions; 97% of thrifts)
- Card fees, as a percentage of overall sales increased in 2009 from 1.35% to 1.45% of total industry sales; total credit card fees (\$7.4 billion) surpassed convenience store industry pretax profits for the fourth straight year (\$4.8 billion)
- The reformation of swipe fees strives to protect both retailers and consumers at the banks' expense

Source: Forbes

Auto Finance

Auto dealers nearing exemption from consumer law

- Automobile dealers drew nearer to securing a measure that would grant them immunity from the wide-ranging financial regulations proposed by Congress
- The aggressive, extended lobbying campaign correlated directly with the \$5.64 million exhausted on lobbying in 2009 – an 18% increase from the previous year
- Consumer advocates opposed the exemption by arguing that car ownerships engage in deceptive practices similar to that of subprime lenders
- Dealers countered that legislation would create burdensome regulations resulting in inefficient scrutiny as focus would shift from other major lending organizations
- Negotiations are in process that would draft a final bill poised to provide dealers with protection from oversight such that they maintain relative freedom with respect to financial transactions
- Despite aversion with the proposal that would exempt auto-dealers, the president will nevertheless likely sign the bill because of the inclusion of other consumer protection directives along with general Wall Street reforms
- The projected freedom for dealers maintains the automotive status-quo between sellers and buyers as dealers succeed in escaping oversight by the new consumer regulator

Source: Wall Street Journal

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SPECIALTY FINANCE HEADLINES

Auto Finance (cont'd)

Credit Acceptance launches tender offer while extending revolving credit facility

- Auto loan provider Credit Acceptance announced its intention to buy back up to four million in outstanding shares to boost its per-share earnings
- Offering to buy each share at \$50, indicative of a 6% premium over the last closing price of \$47.29 posted on June 17th, Credit Acceptance will distribute excess capital to shareholders
- Credit Acceptance announced the expiration date extension of the revolving period on the \$325 million secured warehouse facility
- The interest rate on borrowings has been downgraded from the floating rate equal to the commercial paper rate plus 5% to the commercial paper rate plus 3.5%
- This loan will be compounded by the company's \$150 million revolving credit line in order to finance the tender offer for the four million shares
- Upon completion of the tender offer, Credit Acceptance will have sufficient capital to fund new originations with approximately \$190.0 million in unused and available capacity on its revolving lines of credit

Source: Marketwatch

Student Loans

KeyCorp Student Loan Trust 2002-A-Group I notes affirmed by Fitch

- Fitch Ratings affirmed the 2002-A-Group I student loan notes held by KeyCorp Student Loan Trust that were issued under the 2002 Trust Indenture
- The senior Group I class A notes retained the stable classification assigned by the rating outlook while the subordinate Group I class B notes were upgraded from negative to stable based on the trust's fulfillment of performance expectations
- KeyCorp has enough credit enhancement, senior parity is increasing from 107.11% while total parity remains around 100.46% as off January 21, 2010, to maintain the stable rating for the next two years
- The basic risk associated with the KeyCorp Student Loans is alleviated as the trust is not obligated to pay the excess interest portion, should the interest rate cap provider fail to cover the floating bond rate over the net loan rate, unless surplus cash is readily available
- The loans are serviced by master servicer, KeyBank NA, and sub-servicer, Pennsylvania Higher Education Assistance Agency
- The collateral that supports KeyCorp notes consist of government guaranteed student loans that have originated under the Federal Family Education Loan Program, which assure at least 97% of the principal and accrued interest

Source: Yahoo Business

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SPECIALTY FINANCE HEADLINES

Other Consumer Finance

Financial overhaul bill creates massive negative implications for major banks

- Wall Street financial service companies stand to lose a decent proportion of annual revenue under new rules that would diminish or limit trading and derivatives profits
- The “Volcker Rule” will restrict high-risk trading, thus inhibiting speculative investments if they are not on behalf of the investors; e.g. Goldman Sachs would be limited to investing \$2.05 billion, as opposed to the \$27.6 exposed in the first quarter of 2010, in hedge funds and private equity
- This legislation limits proprietary and risky derivatives trading by major financial firms and subjects them to numerous new capital and margin requirements
- The new consumer “watchdog agency” strives to protect consumers from dubious mortgages, credit-cards, and pay-day lending practices, while imposing new policies on major credit card issuers
- The measure establishes national minimum underwriting standards designed to eliminate risky mortgage products as well as require banks to retain some credit from the loans they package for securitization; however, this risk-retention rule could constrict the credit available to respective banks
- The new bill also aim to enable the creation of a class of low-risk mortgages that are exempt from the risk-retention regulation, which enables independent mortgage lenders to continue business
- The bill has been called “the toughest financial reform” since the Great Depression, and came as a response to the 2008 crisis. Proponents of the new law say it represents a victory for consumers, while Wall Street advocates say that it will hurt profitability of financial firms without providing protection to consumers

Source: Wall Street Journal



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Weekly Specialty Finance Industry Review

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ANALYSIS OF SELECTED PUBLICLY TRADED SPECIALTY FINANCE COMPANIES

(\$ in millions, except per share data)

Company	TKR	Stock Price			Market Cap	Total Enterprise Value /						Price /			Est. EPS	'10E PEG	Growth	Ratio	LTM ROE	LTM ROA		
		Current ¹	High ¹	Low ²		LTM ⁴		FY 2010E		FY 2011E		LTM ⁵	FY 10E	FY 11E								
						Rev	EBITDA	Rev	EBITDA	Rev	EBITDA										TBV ⁶	BV ⁶
Credit Card																						
American Express Company	AXP	41.14	48.05	22.27	49,324	102,450	4.9x	NM	3.7x	NM	3.5x	NM	4.8x	3.7x	20.9x	14.4x	12.4x	9.5%	2.20	17.7%	2.0%	
Discover Financial Services	DFS	14.21	17.08	9.12	7,657	17,321	6.9x	NM	2.6x	NM	2.7x	NM	1.2x	1.3x	7.6x	33.0x	9.3x	5.7%	1.33	16.2%	2.0%	
Alliance Data Systems Corporation	ADS	64.34	77.98	37.44	3,497	9,507	4.4x	17.3x	3.4x	11.7x	3.1x	10.4x	NM	NM	20.4x	11.1x	9.7x	14.4%	1.42	100.1%	4.5%	
CompuCredit Holdings Corp.	CCRT	3.78	6.50	2.08	180	984	NM	NM	NA	NA	NA	NA	1.4x	1.0x	NM	NM	0.0x	20.0%	NM	(119.1%)	(34.4%)	
Credit Card Median		\$27.68	\$32.57	\$15.70	\$5,577	\$13,414	4.9x	17.3x	3.4x	11.7x	3.1x	10.4x	1.4x	1.3x	20.4x	14.4x	9.5x	11.9%	1.42	16.9%	2.0%	
Auto Finance																						
AmeriCredit Corp.	ACF	19.02	26.17	11.83	2,581	9,773	16.2x	NM	7.0x	NM	7.3x	NM	1.1x	1.1x	14.0x	13.6x	12.8x	8.4%	1.67	8.9%	1.7%	
Credit Acceptance Corp.	CACC	48.30	53.22	11.85	1,494	1,939	5.4x	NM	4.7x	NM	4.3x	NM	2.8x	2.8x	10.3x	10.5x	9.0x	NA	NA	33.2%	12.4%	
Nicholas Financial Inc.	NICK	8.26	9.05	4.76	1,000	207	5.2x	17.3x	NA	11.7x	NA	10.4x	1.0x	1.0x	9.2x	NM	NM	NA	NA	11.9%	5.3%	
United Panam Financial Corp.	UPFC	4.50	4.50	2.05	71	360	13.9x	NM	NA	NA	NA	NM	0.5x	0.5x	NM	NM	NM	NA	NA	(16.4%)	(3.8%)	
White River Capital Inc.	RVR	13.95	15.50	9.00	55	90	4.1x	NM	NA	NA	NA	NM	0.6x	0.6x	11.4x	NM	NM	NA	NA	5.0%	3.5%	
Consumer Portfolio Services, Inc.	CPSS	1.30	2.25	0.47	23	916	81.4x	NA	NA	NA	NA	NA	0.8x	0.8x	NM	NM	NM	NA	NA	(105.2%)	(5.1%)	
First Investors Financial Services Gr	FIFS	5.00	5.40	2.55	22	372	15.2x	NA	NA	NA	NA	NA	0.6x	0.6x	20.6x	NM	NM	NA	NA	3.2%	0.3%	
Auto Finance Median		\$8.26	\$9.05	\$4.76	\$71	\$372	15.2x	17.3x	5.8x	11.7x	5.8x	10.4x	0.8x	0.8x	11.4x	12.1x	13.9x	8.4%	1.67	5.0%	1.7%	
Student Lending																						
SLM Corporation	SLM	11.38	13.58	8.17	5,576	192,411	101.7x	NM	50.6x	NM	55.8x	NM	1.5x	1.6x	9.7x	7.3x	8.0x	6.0%	1.62	14.3%	0.4%	
Nelnet Inc.	NNI	20.41	21.46	12.00	1,008	26,452	40.7x	NM	36.6x	NM	41.0x	NM	1.6x	1.2x	6.0x	4.9x	6.6x	12.0%	0.50	22.2%	0.6%	
Student Loan Corp.	STU	26.44	52.55	25.73	529	45,181	133.9x	17.3x	NA	NA	NA	NM	0.4x	0.4x	4.5x	0.0x	0.0x	NM	NA	8.3%	0.3%	
First Marblehead Corp.	FMD	2.51	3.89	1.68	245	52	1.5x	NM	1.9x	NM	1.9x	NM	0.9x	0.9x	NM	NM	0.0x	NM	NA	(48.0%)	(5.0%)	
Student Lending Median		\$15.89	\$17.52	\$10.09	\$768	\$35,817	71.2x	17.3x	36.6x	NM	48.4x	NM	1.2x	1.0x	6.0x	4.9x	3.3x	9.0%	1.06	11.3%	0.3%	
Charged-Off Debt Buyers																						
Portfolio Recovery Associates Inc.	PRAA	68.49	72.37	36.50	1,147	1,438	4.9x	14.7x	4.2x	11.6x	3.5x	9.8x	3.0x	2.7x	21.6x	17.7x	14.8x	17.2%	1.26	13.6%	7.1%	
Encore Capital Group, Inc.	ECGP	21.69	23.90	11.91	512	824	2.5x	7.3x	2.2x	9.2x	2.0x	7.9x	2.1x	2.0x	15.2x	12.1x	10.1x	14.8%	1.03	14.8%	11.8%	
Asset Acceptance Capital Corp.	AACC	4.71	8.50	4.55	144	297	1.8x	NM	1.4x	16.4x	1.3x	8.5x	1.3x	1.2x	NM	60.5x	12.0x	10.4%	0.00	(105.2%)	(3.1%)	
Asta Funding Inc.	ASFI	9.08	9.15	5.13	129	217	3.9x	NM	5.8x	NM	NA	NM	0.8x	0.8x	NM	19.9x	0.0x	10.0%	0.00	(36.4%)	(20.5%)	
Charged-Off Debt Buyers Median		\$15.39	\$16.53	\$8.52	\$328	\$560	3.2x	11.0x	3.2x	11.6x	2.0x	8.5x	1.7x	1.6x	18.4x	18.8x	11.1x	12.6%	0.52	(1.0%)	1.8%	
Diversified Financials																						
JPMorgan Chase & Co.	JPM	38.62	47.81	32.27	151,310	153,034	2.1x	14.7x	1.5x	NM	1.4x	9.8x	1.6x	1.0x	14.8x	12.0x	8.1x	8.4%	1.76	7.7%	0.6%	
Bank of America Corporation	BAC	15.20	19.48	11.84	150,695	450,945	6.4x	7.3x	3.8x	NM	3.7x	7.9x	1.4x	0.7x	NM	14.6x	8.2x	6.5%	NA	2.2%	0.2%	
Wells Fargo & Company	WFC	27.11	33.88	22.87	139,945	270,316	4.1x	NM	3.2x	NM	3.1x	8.5x	2.3x	1.3x	16.2x	12.6x	9.1x	10.0%	1.62	10.9%	0.9%	
Citigroup, Inc.	C	3.86	5.23	2.59	109,544	84,089	1.9x	NM	0.9x	NM	1.0x	NM	1.0x	2.7x	NM	15.0x	8.9x	9.3%	NA	0.9%	0.1%	
Royal Bank of Canada	RY	52.79	62.42	44.99	75,478	NM	NM	NA	NA	NA	NA	NA	1.0x	1.0x	2.3x	14.2x	12.4x	10.0%	7.3%	1.93	15.5%	0.8%
US Bancorp	USB	22.97	28.26	16.49	43,341	98,556	8.7x	NA	5.6x	NM	5.4x	NA	3.1x	1.7x	21.1x	14.2x	10.3x	6.5%	3.25	8.7%	0.9%	
Capital One Financial Corp.	COF	42.49	46.73	20.47	19,526	64,700	6.5x	NA	4.0x	NM	4.2x	NA	2.0x	0.8x	14.8x	11.9x	10.5x	9.9%	1.66	7.0%	0.9%	
Washington Mutual Inc.	WAMU.Q	0.18	0.55	0.08	283	77,232	51.8x	NA	6.3x	NM	6.1x	NA	0.0x	0.0x	NM	0.1x	0.1x	12.0%	NA	(24.4%)	(2.0%)	
Diversified Financials Median		\$25.04	\$31.07	\$18.53	\$92,511	\$98,556	6.4x	11.0x	3.8x	NM	3.7x	8.5x	1.8x	0.9x	14.8x	12.5x	9.0x	8.7%	1.76	7.3%	0.7%	
Commercial Finance																						
IX Corp.	IX	76.46	8,670.00	4,980.00	8,218	45,925	0.1x	NM	0.0x	NM	0.0x	9.8x	0.6x	0.6x	27.8x	14.2x	10.7x	NM	NA	2.4%	0.4%	
CI Group, Inc.	CIT	35.33	41.75	26.04	7,145	46,894	NM	NM	18.6x	NM	23.9x	7.9x	0.9x	0.8x	25.3x	NM	20.3x	12.5%	2.03	7.8%	0.9%	
CapitalSource Inc.	CSE	5.03	6.23	3.13	1,642	5,590	NM	NM	12.2x	NM	11.6x	8.5x	0.9x	0.8x	NM	NM	12.9x	13.0%	NA	(41.6%)	(2.1%)	
NewStar Financial, Inc.	NEWS	6.66	8.28	1.56	322	1,822	NM	NM	19.0x	NM	22.6x	NM	0.6x	0.6x	NM	NM	15.3x	25.0%	NA	(8.8%)	(7.2%)	
Medallion Financial Corp.	TAXI	7.36	8.83	6.87	125	467	11.7x	18.6x	NA	NA	NA	NA	0.8x	0.8x	NM	8.4x	7.4x	10.0%	NA	(0.5%)	2.6%	
MicroFinancial Inc.	MFI	3.65	4.04	2.76	52	106	5.0x	NM	NA	NA	NA	NA	0.8x	0.8x	12.8x	5.1x	4.1x	NM	NA	6.2%	3.4%	
Commercial Finance Median		\$7.01	\$8.56	\$5.00	\$982	\$3,706	5.0x	18.6x	15.4x	NM	17.1x	8.5x	0.8x	0.8x	25.3x	8.4x	11.8x	12.8%	2.03	1.0%	0.6%	
Infrastructure																						
Visa, Inc.	V	76.35	96.59	59.49	56,376	51,785	7.0x	12.2x	6.3x	10.3x	5.5x	8.5x	21.3x	2.7x	23.6x	19.2x	15.8x	NM	1.18	11.8%	7.8%	
Mastercard Incorporated	MA	212.27	267.22	160.56	28,110	25,038	4.8x	9.3x	4.5x	8.7x	4.0x	7.4x	9.0x	7.4x	18.2x	16.1x	13.5x	NM	1.04	51.3%	23.2%	
Western Union Co.	WU	15.53	20.56	15.26	10,438	11,957	2.3x	8.4x	2.3x	7.9x	2.2x	7.5x	NM	27.5x	13.0x	11.9x	10.8x	NM	1.07	336.8%	12.4%	
Equifax Inc.	EFX	28.87	36.40	25.17	3,692	4,788	2.6x	8.0x	2.6x	7.8x	2.4x	7.2x	2.2x	NM	2.2x	15.8x	15.7x	14.0%	NM	1.62	15.7%	7.9%
Global Payments Inc.	GNP	38.00	54.15	35.94	3,113	3,091	1.8x	7.6x	1.8x	7.6x	1.7x	6.8x	59.9x	3.3x	49.2x	14.8x	12.9x	NM	3.48	6.9%	12.3%	
Total System Services, Inc.	TSS	14.02	17.59	12.80	2,789	2,512	1.5x	5.1x	1.5x	5.5x	1.4x	5.2x	3.4x	2.3x	12.6x	14.8x	13.6x	NM	1.45	20.0%	12.9%	
Convergys Corporation	CVG	10.12	13.72	8.40	1,256	1,364	0.5x	6.8x	0.6x	4.9x	0.6x	4.3x	11.0x	1.0x	NM	10.2x	8.8x	NM	NA	(6.8%)	0.7%	
Fair Isaac Corp.	FICO	22.39	26.57	13.88	1,034	1,261	2.1x	8.0x	2.1x	7.2x	2.0x	NM	1.8x	1.8x	16.5x	14.9x	13.6x	NM	3.20	11.6%	6.1%	
Dealer/Track Holdings, Inc.	TRAK	17.19	21.35	14.14	695	513	2.3x	22.3x	2.1x	12.1x	1.9x	9.3x	3.1x	1.6x	NM	33.9x	24.0x	NM	NA	(0.3%)	(0.7%)	
Infrastructure Median		\$22.39	\$26.57	\$15.26	\$3,113	\$3,091	2.3x	8.0x	2.1x	7.8x	2.0x	7.3x	10.0x	2.3x	16.5x	14.9x	13.6x	NM	1.45	11.8%	7.9%	
Branch-Based: Pay-Day																						
Cash America International, Inc.	CSH	35.57	42.08	21.78	1,048	1,353	1.2x	5.9x	1.1x	5.4												