



Dear readers, welcome to **Basement Talk**, *Leasing Life's* monthly diary page, filled with the latest gossip and insight on the less visible aspects of the asset finance industry

### Sorry, forgot to say, you're fired

Leasing companies are coming up with ever more imaginative ways of telling their staff that they've been fired. Last month we heard that one well-known asset finance company had simply left out those they were making redundant from a new staff seating plan.

Apparently they hadn't bothered to tell staff in advance that they were out of a job. No doubt managers are busily clearing up the HR mess that ensued.

### Everything actually is OK

Last month a very concerned *Leasing Life* reported that phone lines were down at GE Capital's Bristol office, its principal leasing hub. We made clear that despite this, GE Capital is absolutely confident that it has no intention of closing down that office.

Similarly, when we called the deputy head of securitisation at Deutsche Bank in Europe last month, only to discover that he wasn't picking up his phone, that also was simply because he was busy doing business, and not because he had gone home early for lack of work.

### LPM's 21st

"Satanic verses", "mutant turtles", "lesbian protestors" and "outsourcing solutions" – four concepts that one might not expect to find linked together into one train of thought.

These were, however, all phrases that made it into the first 60 seconds of a speech by Five Arrows chief Sam Geneen, as he marked 21 years of LPM Outsourcing at the back office specialist's birthday celebration last month.

The event, which filled the function room at London landmark The Ivy, was well attended by a good portion of the UK's leasing aristocracy, not to mention a sizeable press delegation (ahem), and came hot on the heels of LPM's recent agreement with Triplepoint.

The event was widely remarked to have generated the closest thing to a relaxed atmosphere that the industry has seen in months, and as such offered a subtle sales opportunity for LPM – as Geneen mentioned shrewdly in his speech.

We look forward to another 21 years, so long as we can come to the next bash.

### Who's my employer again?

Charles Peugeot has been appointed as head of sales for new commercial vehicles at, er, Citroën UK. No chance he'll forget which company he works for then!

### On and off the menu

The BVRLA dinner at the London Hilton was a marvellous evening, as ever, with great food, great company and a great after-dinner speaker in the shape of William Hague, who was (by quite some way) more entertaining than the comedian Dominic Holland.

Chairman Nigel Stead (whose day job is, of course, running the largest fleet company in the UK) acknowledged the tough times facing the industry, with attendance at the dinner "a couple of hundred down" on last year; his own Lloyds TSB Autolease took one table rather than its customary two.

And one major lessor was notable by its absence, with not a single representative from Lombard Vehicle Management, the UK's fourth-largest lessor, present.

It must have been deemed bad PR for Lombard staff to attend the dinner, what with their parent Royal Bank of Scotland having had to accept untold billions in state bailout funds and all.

### The way things were

OK, we realise we're quite late with this (about 19 years too late) but the excellent book *Barbarians at the Gate*, about the epic 1988 takeover battle which engulfed US food and tobacco giant RJR Nabisco, contains an illuminating anecdote for the leasing industry.

Henry Kravis, boss of leveraged buyout specialist Kohlberg Kravis Roberts, called CFO of RJR Nabisco, Ed Robinson, into a meeting as part of the due diligence process; Robinson was less than keen to co-operate

("Hostility radiated from [him] like summer heat from a city street").

KKR partner Paul Raether asks Robinson about RJR Nabisco's leasing subsidiary, "whose existence [Raether] had learned of only through an unsolicited letter to Kravis offering to buy it."

Robinson's reply – "what leasing company?" – was not exactly helpful, and perhaps illustrates the low esteem in which leasing was held at the time.

Of course, we all know it is a far more prestigious industry nowadays, as even KKR has acknowledged, with its recent (albeit reportedly abandoned) bid to buy fallen insurance titan AIG's aircraft leasing business International Lease Finance Corp.

### The end of pot and plant leasing

While plant leasing is generally seen as a dependable business for banks, it would seem that Bank of America has had a different experience of finance in the plant sector.

BoA's London offices are said to have foregone renewal of contracts for the leasing and maintenance of potted plants, offering the maintenance duties to staff instead – according to a memo sent out to the bank's Bromley and Croydon offices.

With resale hardly an opportunity for BoA's foliage portfolio, the units have been left to the mercies of employees under an "adopt-a-plant" scheme, with any distressed assets to be disposed of when looking "a little sad", to use the bank's words.

### The caring leasing industry

It has emerged that leasing companies are more caring than one might have originally thought them to be. It has emerged, for instance, that kindly Daimler Financial Services, during its "day of care" which it treats its staff to annually, there is a focus session on corporate social responsibility.

How kind.

Also, gentlemanly Natixis has pronounced to the world that it will no longer finance or invest in companies involved in, er, the anti-personnel land mines or cluster bomb industries.

What generous souls.



■ Natixis has decided to stop financing land mines