



Are you cashing in on your trucking assets?

Transforming Tax Liability into Cash Flow

America's trucking industry today faces an unusual set of challenges. Business is tight – both for transportation companies themselves and for their customers. Credit is drying up, with even the largest firms struggling to find reliable sources of operating cash, and everyone is looking for creative ways of driving and managing profitability.

Access to operating capital and a powerful cash management strategy are major keys to success. Fortunately, there's a tried and true strategy for dramatically increasing cash flow – Section 1031 Like-Kind Exchanges (LKEs), which allow companies like yours to keep your cash and invest it back into the business.

Accruit is the qualified intermediary (QI) for some of the most successful transportation and leasing companies in the U.S., assisting them in creating millions of dollars in cash flow. The success of an Accruit Like-Kind Exchange program is powered by the only patented software process in the industry, a dedicated one-to-one client services model and a commitment to tailoring a program around your specific business dynamics. Accruit's one-of-a-kind integration of software, process and services represents the most complete solution available, eliminating the need for additional headcount and allowing our clients to focus on running their core business.

Whether you're conducting one transaction a year or several a month, whether you're best served by a series of single exchanges or a comprehensive repetitive program, Accruit has a comprehensive, end-to-end solution that can help you maximize cash flow while minimizing risk and administrative burden.

1031: How Like-Kind Exchanges Work

Section 1031 of the Internal Revenue Code (IRC) allows leasing businesses like yours to defer the taxes associated with the sale of depreciated assets, provided those savings are then reinvested in "like-kind" assets. If you sell

a portfolio and use the proceeds of the sale to purchase other like-kind assets, for instance, the taxes you would have incurred can then be deferred.

1031 is a well-established tax strategy that's been part of the IRC since 1921, and companies operating in a wide range of industries are using it to transform billions of dollars of tax liability each year into available cash.

The benefits of an LKE are realized through the services of a qualified intermediary like Accruit – the leading QI for corporate assets in the United States. **The role of the qualified intermediary is critical, and the QI should therefore have this as their primary – or only – business.** The QI should be bonded (and in some states must be bonded); operate according to a tightly defined process that provides clients with a comprehensive audit trail; and provide documentation demonstrating that the funds are secured and 100% liquid, and that principal is protected.

Working in concert with your tax advisor, an Accruit-facilitated LKE defers the gain when the assets are sold, allowing you to keep cash that would otherwise be paid.

Accruit: The Top QI in the U.S. and a Proven Winner for Transportation Enterprises

Accruit is the only QI with a patented process and online exchange management system*. We act as the QI for many of the most prestigious companies in the US and have helped them defer over a billion dollars in tax liability.

A key component of our success – as well as the success of our clients – owes to a passion for customer service. Instead of entrusting your critical 1031 program to a call center, Accruit's personalized service model assigns a dedicated member of our highly trained client services team to your account. This professional is intimately familiar with your operations and is personally responsible for making sure that your LKEs are effectively and efficiently managed from inception through completion.

*U.S. Patent No. 7,379,910, and other patents pending

"NationalLease recommends you consider Accruit as your LKE service provider. Based on Accruit's commitment to the truck rental and leasing industry, their success creating significant cash flow for their clients, and their ability to work effectively and efficiently with tax advisors, NationalLease recommends its owners strongly consider Accruit when evaluating their LKE service provider options." - CFO, NationalLease

Features and Benefits of an Accruit LKE Program

- › Accruit Exchange Manager™ software platform – the most advanced (and only patented) LKE technology on the market
- › Dedicated Client Service Managers knowledgeable in trucking and transportation issues
- › Certified Exchange Specialist® (CES) on staff
- › Certified Project Management Professional (PMP) on staff
- › Tax Attorney on staff
- › Asset-level tracking capability built into Exchange Manager™
- › Audit-ready documentation
- › Periodic data optimization enables maximum program benefit
- › Integrates with customer's preferred banking technology
- › Unparalleled data security – multiple redundant ISO- and SAS-audited processes
- › Only QI that reconciles assets and funds in an LKE program on a daily basis; possible because Accruit integrates financial and software functionality in a centralized system

Case Studies: Trucking Scenarios

To get a real feel for the financial impact of a Like-Kind Exchange (LKE) program, it's helpful to review the five-year cash flow benefit for certain volume levels. Every business is unique so each implementation of an LKE program is slightly different; however, these examples should provide a general understanding of the benefits.

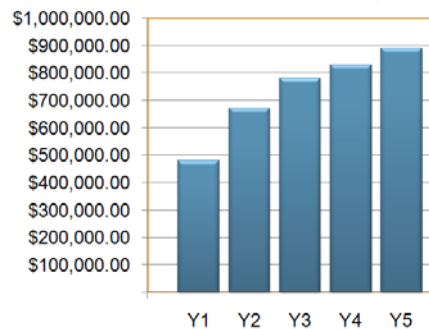
Scenario 1: 72 Tractors Sold / Year

ASSUMPTIONS

- › Annual Tractor Sales: \$1,800,000
- › Tax Life: 3 Years
- › Average Age at Sale: 5 Years
- › Income Tax Rate: 40%
- › Exp. Annual Growth: 5%
- › Exp. Annual Inflation: 2%

5-Yr Bottom-Line Benefit: \$889,000

Cumulative Net Cash Flow Benefit, 5 Years



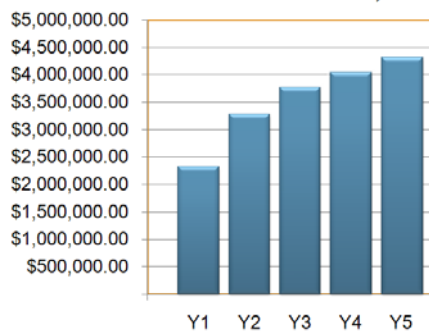
Scenario 2: 350 Tractors Sold / Year

ASSUMPTIONS

- › Annual Tractor Sales: \$8,750,000
- › Tax Life: 3 Years
- › Average Age at Sale: 5 Years
- › Income Tax Rate: 40%
- › Exp. Annual Growth: 5%
- › Exp. Annual Inflation: 2%

5-Yr Bottom-Line Benefit: \$4,323,000

Cumulative Net Cash Flow Benefit, 5 Years



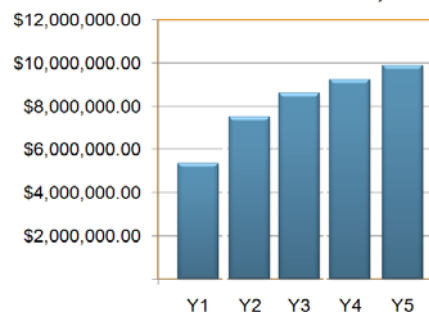
Scenario 3: 800 Tractors Sold / Year

ASSUMPTIONS

- › Annual Tractor Sales: \$20,000,000
- › Tax Life: 3 Years
- › Average Age at Sale: 5 Years
- › Income Tax Rate: 40%
- › Exp. Annual Growth: 5%
- › Exp. Annual Inflation: 2%

5-Yr Bottom Line Benefit: \$8,881,000

Cumulative Net Cash Flow Benefit, 5 Years



- Auto/Truck Rental
- Construction
- Green
- Heavy Equipment
- Leasing
- Manufacturing
- Mining
- Oil & Gas
- Personal Investment
- Real Estate
- Telecommunications
- Transportation
- Utilities



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