



### *Why Lease?*

#### **Leasing is the right choice!**

80% of U.S. businesses, from Fortune 500 to the local family business, lease some portion of their equipment. By leasing your equipment, there is less impact on your cash flow, lower fixed monthly payments, preserves existing business credit lines, helps eliminate equipment obsolescence and has significant tax advantages. **By leasing The Stick<sup>®</sup> Phone/Fax/Modem switch, companies can reduce their monthly telephone line charge for \$ 50 to \$ 19 without any upfront equipment cost.**

#### **Low monthly payments**

The monthly lease payment of \$ 19 per month, per location, will lower your telecom cost by 62%. There are no added financing or interest charges.

#### **Preserve your cash flow**

In a stressed economy, businesses need to preserve their capital to fund growth, expansion, and operations. Growing businesses need cash to expand and purchase new equipment. Established businesses need cash for operating capital, expansion opportunities, and replacement of old and obsolete equipment. By leasing The Stick, your upfront costs are \$0.00. You get the equipment you need and comfortably spread your payments out over time.

#### **Preserve existing lines of credit**

Business or Commercial Equipment Leasing has no impact on your bank credit lines. Protect your borrowing power for short-term capital needs for operations and opportunities.

#### **Eliminate equipment replacement and repair cost**

Equipment you purchase today will need repairs in the future. Leasing The Stick allows you to eliminate the added and uncertain cost of equipment replacement and repair. If The Stick fails due to any reason, an advance replacement will be shipped to continue your normal operations.

#### **Fixed payments through the term of the lease**

Unlike bank lines of credit that usually have variable rates, lease payments are fixed. In the 1980's rates rose from 9% to over 20% in one year causing severe hardship for many businesses. In 2008 and 2009 the financial markets were in turmoil and are still not completely stable. By choosing to lease, you protect yourself from market fluctuations outside of your control.

#### **Significant tax and accounting advantages**

Prudent businesses take advantage of the tax deductions for equipment as set out in section 179 of the US tax code. Lease payments are generally reported as line item expenses on your P&L statement instead of being depreciated over long terms. And since lease payments can usually be treated as a pre-tax business expense you can reduce your taxes. Paying cash for equipment automatically adds 30-40% to the cost when you realize that cash = profits and taxes are paid on profits.