

ANNIVERSARY

By Bonnie Theard



The Firestone Financial family on its 40th anniversary, (l-r): Scott Cooper, Larry Yaffe, Sal Cifala, Helen Mooney, Melissa Siegal, Bob Fanger, Ed Yaffe, Mike Miller, Celine Perreault, Jim Hunt, David Cohen, and Jim Hines. (Siegal is no longer with the company).



David Cohen was named man of the Year for 2007 by the Amusement and Music Operators Association (AMOA) of New York. Russ Mawdsley (l) of AMOA joins Cohen and daughters Sara and Rebecca Cohen.



David and Sue Capilouto with Scott Cooper (r) of Firestone at an anniversary party in 2005 during the AMOA Expo.

Firestone Financial marks a milestone

There is a saying that goes, “After 40 you pick up speed.” That sentiment applies to Firestone Financial Corp., which is a strong, continually growing company that has been serving the financial needs of the amusement industry since the 1970s.

Consider the depth of experience; 45 years in business, 45 employees (many long-term). Nearly half a century of service in the financial marketplace resulting in a solid reputation and the respect of the industries it serves.

Fortunately for the coin-op world, Firestone Financial recognized the industry’s unique requirements and has been partnering with manufacturers to offer special promotions and financing on new equipment. No easy feat in today’s economic climate.

While the economy has been slow to rebound, Firestone has continued to offer much-needed financial services that range from route purchase financing to pre-approved FastTrack credit

lines. The company has remained constant through all economic cycles and maintained a steady business.

On the occasion of the company’s 45th anniversary this month, *Play Meter* caught up with David Cohen, President and CEO; Scott Cooper, Executive Vice President and Chief Financial Officer; Larry Yaffe, Senior Vice President of Sales and Marketing; and Jim Hines, Vice President of Sales.

Their years with Firestone give them a unique perspective on the industry: the past, the present, and the future. Combined, they represent 78 years of expertise.

In the November 2005 issue of *Play Meter*, on the occasion of the company’s 40th anniversary, Cohen said that Firestone “has an excellent track record of assessing potential and making business happen.” That still holds true and is one of the key reasons for Firestone’s success.

Cohen commented, “The amusement business continues to be one of

the major areas of financing for our business. We are feeling the same thing that manufacturers and distributors in the industry are feeling: There is less business due to the economy. But we still see business and we still focus on providing financing assistance for the factory-sponsored programs we put on the table.”

Firestone has built relationships in the coin-op community and understands the dynamics of the industry.

“We talk to operators all day long,” said Yaffe. This knowledge allows us to be flexible and work with them in tough times. We’re constantly working to improve our business and improve our services to operators. We’re not sitting back waiting for tough times to go away. We are being proactive and investing to make our business even better.”

MARKET REALITIES

Cohen spoke about the realities of the amusement marketplace as we

move into 2011: "Operators are buying equipment when they really need it. There is no more, 'We'll take five because we have homes for three and we will find a space for the other two.' There is no excess capacity."

He continued, "Manufacturers are only building what customers order. Distributors are not inventorying product. Operators are only ordering what they have homes for."

Hines said, "Back in the day, operators took a few more risks for several reasons: times were better and the equipment was cheaper. Today operators don't take many gambles. They are conservative, and that affects the amount of new product that gets out on the street. If they are wrong in their purchase, it's an expensive mistake."

Cohen takes a positive approach: "The people we are doing business with today have survived whatever economic downturn they have experienced in their business."

Cooper agreed, "Our customers are very finance-able today because they have not bought as much equipment and they have less debt. They are now in a good position to reinvest."

Yaffe commented, "Over the last three years we've been working with a lot of customers to help them get through one of the worst economic crises in our nation's history. They can now focus on growing their business. We try to act as advisors because of the relationships we've had with them for many years."

He added that due to the consolidation occurring in the industry, Firestone expects to see more business in financing small route acquisitions.

"The economic downturn has covered three years of the last five-year business cycle, said Cooper. "And still we are very healthy and have a tremendous amount of support from the industry. Just being able to get all of our customers through the last couple of years has been rewarding. We continue to provide funding and

we are helping operators in these difficult times."

MOVING FORWARD

Even though caution can be understood, what does it take to move forward in the coin-op industry?

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Hines responded: "Operators know that if they don't invest in their business, the business becomes stale and they could go out of business or have to sell out. Some companies don't have



ABOVE: Employees gather for a photo on the occasion of Firestone Financial's 40th anniversary in 2005.

RIGHT: From left: Ed Yaffe and Mike Miller of Firestone, Rich Babich of Game Exchange of Colorado, and Al Kress of Benchmark Games in 2005.



BELOW: Firestone's David Cohen and Jim Hines (kneeling) with Platinum Partner Club distributor honorees at the Amusement Expo in March this year.



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a succession plan in place. Those who want to stay in the business have to reinvest.”

He continued, “Measured debt is a healthy way to grow your business. Manufacturers are motivated to sell product, and there are great promotions available. Firestone has been at the forefront of providing factories with financial promotions. I don’t know if rates will always be this low.”

Bottom line, Hines said, “At the end of the day, operators realize that they have to start reinvesting in equipment in order to keep their business fresh, healthy, and viable.”

Will Firestone extend its financial services to the newly developing video gaming market in Illinois?

Cohen said, “We would like to provide smart financing to the operators in that market and other busi-

ness owners who come in and want to operate video gaming equipment in Illinois. We have been focusing on how to do that and we are committed to providing as much capital as we can to that market. We continue to have plans to do so.”

Cohen used a baseball reference: “We are on the ball field and want to play. We hope to bring financing to that marketplace when the time is right, which we think will be the second quarter in 2011.”

KEY MOMENTS

When asked about key moments in recent Firestone history, Cohen replied: “2001 was a critical time for us when we were successful in buying the business back from Citizens Bank, which had acquired it through a transaction. In 2007, we were able to secure long-term financing for the

business to provide us the ability to grow the business and provide competitive financing.”

Another big step occurred six years ago when the company moved into its new headquarters in Newton, Mass.

Firestone’s business is primarily in the amusement and vending equipment category, in addition to carnival rides, game trailers, and other ancillary equipment for the carnival business.

The company continues to look at opportunities in other markets because, as Cohen said, “If as a business you are not strategically looking for other opportunities, that does not bode well. There are a few other markets we are confidently looking at for the future.”

COMMITMENT

“There are many things that we do silently,” said Cohen. “Our staff is very engaged with the industry and the marketplace. Two years ago we sent our first participant to the Amusement and Music Operators Association (AMOA) Notre Dame Management Program. Sal Cifala of our sales staff graduated from Class XIV in October. Spencer Norton of the sales staff is part of the new Class XV that just began.

“We’re committed to working with people and organizations who support the industry and staying in touch with what is shaping the marketplace, even as it is changing,” said Cohen.

In addition, Firestone also supports the other industries it serves. Yaffe is a board member of the Outdoor Amusement Business Association (OABA).

In addition, several Firestone staff members have volunteered to present education programs about financing. Cohen said, “That’s certainly something that’s good for us, shows our interest in being an integral part of the industry, and recognizes the value we add to amusement businesses.”

Cohen is in the middle of a two-year



LEFT: Celebrating the 40th anniversary: Danny Guidry (l) and Preston Guidry (r) of Dixie Phonograph join Larry Yaffe.

BELOW: Inside sales and marketing team, front row, (l-r): Sal Cifala, Melissa Siegal, Samantha Hermann, and Kurt Engelhardt; back row, (l-r): Larry Yaffe, Peter Aldrich, Tony Costanza, Jim Hines, Helen Mooney, and Spencer Norton. (Not pictured: Tina Pankievich. Siegal is no longer with the company).



term as Chairman of the American Amusement Machine Association (AAMA). He was honored as "Man of the Year 2007" by the Amusement and Music Operators Association (AMOA) of New York.

Another example of Firestone's commitment to the coin-op industry came with the establishment of the company's annual Platinum Partner Club Awards presented in the spring to manufacturers and distributors. Selections are made based on innovation and leadership for Firestone's top partners during the previous year.

STAFF

What small staff turnover occurs at Firestone is due to retirements. Many employees have been with the

company for 25 and 30 years. For example, Helen Mooney of the sales team and Linda Refelta of operations have been with Firestone for 25

"We're constantly working to improve our business and improve our services to operators."

years. In senior management, Celine Perrault has been with Firestone for 16 years. Robin Place, Vice President and Controller, has been with Firestone for 13 years.

Cooper, a 22-year veteran, said, "These employees have seen many business cycles. They add value to our company and our customers." Cohen has been with Firestone for 24 years; Yaffe and Hines have logged 16 years.

The Firestone group is close knit, and blends senior staff members with new employees who help grow the business and learn from the experienced crew.

Firestone's 13,000-square-foot headquarters houses sales and marketing, executive offices, operations (credit underwriting documentation and funding of transactions), accounting, treasury (relationships with banks), and technology. For more information on Firestone Financial, call (800)851-1001; Web (www.firestonefinancial.com). ▲

Firestone History

Forty-five years ago, Mike Miller, a lawyer, and Bob Fanger, a food broker, spotted a good business opportunity. A business lending company started by Paul Firestone had been sold after his passing to Lou Magerer and Bill Barkin. Barkin decided to sell his interest, which was acquired by Miller and Fanger.

Miller, Fanger, and Magerer were investors; the day-to-day business was directed by Ed Yaffe (father of Larry Yaffe and now retired). Ed, who had a background in vending, developed the business along with Sam Rizzari until 1969 when Miller and Fanger took on more active roles. This team of four used all their business acumen to grow Paul Firestone's concept and guided the company for nearly 20 years.

They identified good business opportunities, built relationships, added key personnel throughout the years, and became a trusted household name in the industries they served.

Early customers included a who's who of the coin-op amusement industry, including Ron Gold of Cleveland Coin, Ruben Franco of Franco Distributing, and Jerry Marcus of Atlas Distributing. With key relationships in place, the future of the company was secured. ▲



Firestone isn't afraid to say those 3 special words you've been longing to hear...

You've Been Approved!

This past year, **over 90%** of business owners who applied for financing with Firestone Financial **were approved.**

No, that's not a misprint. While banks cut lending in 2009, Firestone funded over 2,700 contracts to more than 1,500 customers.

Helen Mooney, Firestone Inside Sales Supervisor, has over 20 years of industry finance expertise.

Servicing Businesses Like Yours Since 1965.

FIRESTONE FINANCIAL

CELEBRATING **45** YEARS IN BUSINESS

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