



# MONTHLY NEWS

Think SEC/N First!

March 2006



## A Word From the President

March 2006



Growing up as a child you were occasionally asked the question; "What do you want to be when you grow up?" Back then your mind was full of wild ideas such as becoming a fireman, policeman, doctor, nurse, baseball player, etc. However, I don't ever recall hearing anyone say "I want to sell and service used equipment in the semiconductor and electronics

industry when I grow up." Nor would I expect to hear that from someone today, but here we are. Each of us taking a separate path that has led us to membership in SEC/N, scratching out a living in the secondary capital equipment market. The opportunities seemed endless years ago, so why and how did we all end up here? I can only imagine the hours of entertainment one would have listening to some of these stories.

The evolution of our trade organization is much like many others. It starts with a good idea, followed by enthusiastic participation, growth and then.... and then.... Oh yeah, that's the next part and that's where SEC/N is. In many respects we need to rephrase the question, this time with a slightly different connotation. "What does SEC/N want to be when it grows up?" Several years ago the opportunities seemed endless, but yet as with most organizations things change. Priorities change, people change, the industry changes. We are at a crossroads and its time to ask the members "What do you want this organization to be?"

We represent a very diverse group that is focused on doing business in the used semiconductor and electronics equipment business. It is difficult to be all things to all people, and trying to achieve this is a recipe for failure. Populating our membership with device makers and end users was a good idea, but has proven to be more difficult than originally thought. Several years ago we concentrated on increasing member value, versus increasing membership. The thought behind that reasoning was that increased membership would follow if increased value was provided, however membership numbers have remained virtually unchanged during that period. Companies come and go, but the overall number stayed about the same.

Networking and education are key products that SEC/N provides its members. Participating at SEMI sponsored trade shows and producing stand alone seminars and conferences. We also work with various government agencies here and abroad to further our message, but I ask you, is this enough? What do you want to see from your organization as we move forward? The Board wants to hear from the members on this subject. Here are some questions to ponder...

- Do you want to see SEC/N and SEMI work together to produce seminars at future trade shows or would you like to see SEC/N produce these seminars on its own?
- Do you want the SEC/N conferences and seminars to all be clustered with Semicon shows or do you like the idea of having dedicated SEC/N conferences and seminars at varying locations?
- Are the membership, seminar and conference fees in line with what you expect from a trade organization, or are they too low or too high?
- Do you mind doing booth duty in the SEC/N booth at trade shows or would you like to see someone else man the booth?
- What kind of information should be on display in our trade show booth?
- Should member companies be allowed to hand out promotional items at the SEC/N booth or should the handouts be limited to SEC/N literature?
- Would you like to see more or less involvement with government agencies?
- Would you like to get updates in this newsletter on current litigation that may affect the way you do business? What if that litigation involved your company, would you want others to know what was going on?

Interesting questions to say the least, but I ask them only because I would like to know what direction you want your trade organization to take. As always, the Board of Directors value your input.

Best Regards,  
Tim Hayden - SEC/N President  
**Rite Track**  
8655 Rite Track Way  
West Chester, OH 45069  
513-881-7820 main  
513-645-8615 direct  
513-645-8616 fax  
[tim.hayden@ritetrack.com](mailto:tim.hayden@ritetrack.com)

Issue # 6

one

# EVENTS

Visit SEC/N's  
Web Site  
[Click Here](#)

## SEMICON CHINA

SEC/N will be exhibiting again this year at SEMICON China (March 21-23). The SEC/N Booth will be located in Hall #2 and is Number 2812. The location is excellent and directly across from the SEMI Booth. If you are a SEC/N Member and planning on attending SEMICON China, please notify the SEC/N office as we would appreciate your help in the SEC/N Booth. And if you are not a SEC/N Member, please drop by and say "Hello."

SEMI China is going to emphasize used equipment as a major topic at SEMICON China. SEMI and SEC/N are co-sponsoring a free seminar from 9:30 AM until 12:15 PM on the second day of the Show (Wednesday 22nd). SEMI is anticipating a large turnout since the China used equipment market is still a hot topic and the seminar is going to be located on the Show site. Last year's seminar was a 30 minute bus ride from the Show but still garnered a standing room only audience.

For more information on SEMICON China '06, please contact the SEC/N Office ([email@secn.org](mailto:email@secn.org)) or visit the SEMI website ([www.semi.org](http://www.semi.org)).



## SEMICON EUROPA

SEC/N will be exhibiting again this year at SEMICON Europa (April 4-6). SEC/N's Booth (#A2-352) can easily be found located in the middle of Hall 2.

SEC/N's newly established European Regional Council ("ERC") had their first organizational meeting on December 8th and will be coordinating the activities at the SEC/N booth, including a reception. Last year's reception was attended by close to 100 people. If you are a SEC/N Member and plan on attending SEMICON Europa, please contact the SEC/N Office or Mr. Jos Vreeker ([jos.vreeker@asml.com](mailto:jos.vreeker@asml.com)) to volunteer your support. And if you are not a SEC/N Member, please drop by and say "Hello."

For more information on SEMICON Europa '06, please contact the SEC/N Office ([email@secn.org](mailto:email@secn.org)) or visit the SEMI website ([www.semi.org](http://www.semi.org)).



## Lessors are Remarketers Too

By Steve Grundon  
Tip Electronics

Customer types range from investment grade Integrated Device Manufacturers (“IDM’s”) for hundreds of millions of dollars to venture capital start-up companies. Financing can take the form of a direct lease of new or used equipment to the customer, a vendor sponsored lease or a sale/leaseback of existing customer owned equipment. From a geographic perspective all major centers of electronic manufacturing are represented with companies located in China being the new market entrants.

The primary reasons why customers lease include improved cash flow, off-balance sheet accounting treatment, improved financial ratio’s, shifting the risk of equipment obsolesce to the lessor and flexibility to adjust the lease to adapt to changing business conditions. Equipment leasing companies are active participants in the used market for electronics equipment and several participants are active members of SEC/N. Lessors have a vested interest in the secondary market for three main reasons:

Some lessors assume significant residual value positions in the lease as a method of reducing the monthly payment for use to the customer. The lessor’s profit or loss on the transaction is directly tied to their ability to extract, from remarketing, their residual value position at lease maturity.

Some lessors are active participants in the spot buy/sell or contract remarketing market and are subject to the same daily market concerns as other used equipment market participants.

All lessors are interested in the collateral value of the equipment over the life of the lease as a secondary source of repayment in the event of a default by the lessee during the lease term.

As a general statement, lessors flow through the value of their remarketing experience to the end-user customer by the size of the lease payments. When lessors are achieving their residual value and remarketing positions they tend to reduce monthly payments and the opposite effect takes place when lessors are unsuccessful in achieving their forecasted positions.

Currently, lessors are interested in the evolving intellectual property policies of the OEM’s related to software re-licensing and spare parts due to the direct relationship to the fair market value of used equipment. Like other used equipment market participants, lessors will continue to monitor OEM policies and make adjustments to their pricing models as appropriate regarding their perceived ability to achieve forecasted fair market value targets in the future.

[EMAIL STEVE](#)

Issue # 6

# Member News



SEC/N  
MEMBERS

Japan Regional  
Council

European  
Regional  
Council

Board of Directors

CONTACT US

SEC/N Event  
Calendar



## Foresight Processing

has moved. Their new  
address is:

1301 W. Geneva Drive,  
Tempe, AZ 85282-3434.

Their phone and fax  
numbers are the same.



SEC/N Members please meet Deanne Stewart, Deanne is taking Brandi Hasbach's position at SEC/N's as Office Administrator.

Deanne was born and raised in Southern California. She moved to Arizona a year and a half ago with her family. Recently she and her husband Ron celebrated their 16 year anniversary. They have two children Ashley 15 ½ and Grant 10. As a family they love going camping, riding quads and dirt bikes in the sand dunes and boating at Lake Havasu.

Deanne work schedule is from 8:30am - 12:30pm Monday -Friday. She can be reached at the SEC/N office 480-348-0142 or Email: [email@secn.org](mailto:email@secn.org).

**EXTRA  
EXTRA  
READ ALL  
ABOUT IT!**

*Do you have news?  
Let us know what it  
is and we help you  
spread the word.*

**PUSH HERE**



Issue # 6



# SEC / N News



## EXECUTIVE DIRECTOR'S REPORT

By: Gary Alexander - March 2005

March and April are very hectic months for the Officers and staff of SEC/N. Between the SEMICON China and Europa Trade Shows and formulating plans for SEMICON West, the time really flies. The good news is that SEC/N's new Office Administrator, Deanne Stewart, is now onboard and available for assistance from 8:30 AM - 12:30 PM (Phoenix Time), Mondays through Fridays.

SEC/N's booth (W2-2812) at SEMICON China (March 22-24) will have a new look this year as Barrie Van Devender (Axus Technology & SEC/N VP) developed and procured four new posters to be mounted on the back walls. To date, six companies have volunteered their assistance in the booth. We have again made arrangements for a local college student to help with interpretation in the booth. The SEC/N-SEMI Seminar on Used Equipment is being held on Wednesday Morning (22nd) and has over 300 attendees pre-registered to date.

SEMICON Europa (April 4-6) plans are also well underway with SEC/N's European Regional Council taking the lead. We could still use your booth participants if you are going to be at the Show and have not as yet volunteered. SEC/N's booth is located in Hall #2 and the number is A2-352. A reception is being planned at the booth on Wednesday evening, directly following the Show.

I am making an overnight trip back to Washington (March 15-16) to participate in the U.S. Department of Commerce Symposium on WTO "3R's" and "Remanufacturing" initiatives. SEC/N is contributing to my participation in the Symposium where I will be representing the interest of SEC/N's members as well as AMC International.

On an editorial note, there was an article about the refurbished equipment business published in last month's Semiconductor Manufacturing magazine. The article was written by an OEM who has to date shown very little interest in or has failed to promote the overall good and welfare of the semiconductor industry's used equipment market. Much of the information in the article was one-sided, misrepresented and unfounded, and painted a negative picture of the secondary equipment market and those that operate in it. On behalf of all of our members, SEC/N has responded to the Editors of Semiconductor Manufacturing and has suggested that an effort be made to see that a more objective article be published in the near future.

### Contact Gary

**"To provide both the forum and leadership which enables companies from around the world the opportunity to confidently participate in an open, informed and professional secondary market for equipment and services." - SEC/N Mission Statement**

# NEW MEMBERS

**No New Members  
this Month**

## Membership

Membership in SEC/N is open to reputable companies worldwide that are involved in any aspect of the secondary electronics equipment industry. Member companies include Integrated Device Manufacturers and Electronics Assemblers, Original Equipment Manufactures, Refurbishment Companies, Finance, Leading and Remarketing Companies, Equipment Dealers and Brokers, and Providers of Packaging, Transportation, Decontamination and other Services

## SEC/N GOALS

To create and continuously improve standards, guidelines, and definitions of common terminologies used in the secondary equipment market.

To establish standards of ethical behavior and respect for intellectual property rights among the industry participants on a global basis.

To educate and inform current and potential participants about the unique characteristics of the secondary equipment industry.

To provide a forum that regularly convenes interested parties from all segments of the secondary equipment industry for action-oriented discussion of topics that are critical to the continuing growth of the

**BECOME A MEMBER  
OF SEC/N**

**Browse by Service**

Issue # 6



# SPOT LIGHT ON OUR MEMBERS



TIP Electronics, LLC - [www.tipelectronics.com](http://www.tipelectronics.com)

7373 N Scottsdale Road

Suite A220

Scottsdale, AZ 85258

480-355-8410

480-355-8411 (fax)

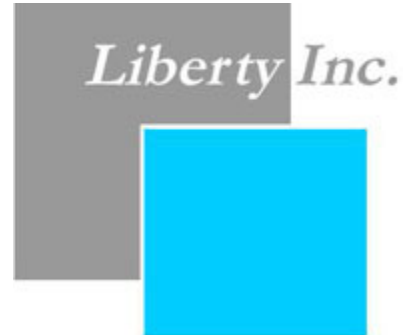
[jjens@tipelectronics.com](mailto:jjens@tipelectronics.com)

**Services:** Equipment Leasing, Financial & Trade, Refurbisher, Remanufacturer, Asset Management

**Company Overview:** TIP Electronics buys, sells and leases semiconductor production, ATE and PCB Assembly equipment. TIP Capital buys, sells and leases IT, manufacturing, furniture and communications equipment.

### Products and Services:

TIP Electronics ("TIP") provides life-cycle equipment management products and services for the semiconductor industry. These products include operating and finance leases, used equipment sourcing and remarketing services. TIP delivers used equipment products and services, for all wafer fab and ATE equipment, through a Global Alliance Team. Each member of the Global Alliance Team specializes in a vertical technology segment, provides configuration specific refurbishment, after sale support and storage of equipment.



Liberty, Inc - [www.libertyinc.co.jp](http://www.libertyinc.co.jp)

Nakaya 2nd Bldg 2F, 6-5-10 Hashimoto

Sagamihara City, Kanagawa

229-1103 JAPAN

+81-42-770-7805

+81-42-770-1265 (fax)

[info@libertyinc.co.jp](mailto:info@libertyinc.co.jp)

Services: Dealer, Asset Management, Spare Parts

**Company Overview:** Liberty provides a wide variety of valuable services to its customers. We are able to offer our clients one complete package for their used equipment needs.

### Products and Services:

1. Sales and Installation of Used Equipments
2. Sales of Quartz Parts, Furnace Heating Elements and other Semiconductor Spare Parts
3. De-installation Service
4. Process conversion and Installation service of Furnace and LPCVD