



STREETINVESTING.COM

## NEWS

June 05, 2007

### RIFCO Inc. vs. The Global Market

By Street investing Staff

Both Wall Street and Bay Street managed to continue their climb Monday, finishing slightly higher as investors seemed unphased by another slide in Chinese stocks. Bay Street was push ahead by a strong performance from energy and industrial issues. Energy stocks surged 1.1% as crude-oil futures traded up \$1.13 to \$66.21 a barrel. Gold shares, on the other hand, gave back 0.7% as the price of gold was off 50 cents at US \$670.70 an ounce. RIFCO Inc. (TSX-V: RFC) was attracting attention Monday, finishing unchanged on a trading volume of approximately 2,000.

Recently, our experienced team of researchers has been placing an increased focus on various companies throughout the Canadian Markets. RIFCO Inc. was one of the prospective companies which we have chosen to bring to your attention.

In some of the most recent news to surface Monday, June 4, 2007 surrounding this Company, RIFCO Inc. announced that Community Credit Union Ltd (CCU) has granted RIFCO a new annual facility of \$30,000,000 for the purpose of securitizing loan receivables. CCU has been purchasing loan receivables through securitizations for over 5 years.

RIFCO maintains and utilizes a \$20 million securitization facility with Securcor Trust. RIFCO expects to maintain and utilize both facilities.

Securitization is the manner in which RIFCO funds a percentage of its loan originations. Regular sales of loan receivables into special purpose trust entities, in which the company is not a beneficiary, provide cash resources for new originations. RIFCO continues to service all sold loan contracts and maintains a retained interest in the loans through a performance-based holdback.

RIFCO continues to successfully pursue its strategic plan to strengthen the company's balance sheet while at the same time allowing the company to pursue its robust growth objectives with confidence.

Access to increasing amounts of low cost capital is important to the company's growth aspirations. In the last reported quarter RIFCO originated over \$5M in loans and in March 2007 announced that it reached the \$50 million milestone in loan originations.

A second securitization facility improves the company's overall access to funds and it is expected that multiple securitization sources will ultimately provide for stronger value creation for shareholders.

RIFCO Inc.'s business operating entity, the wholly-owned subsidiary, Repair Industry Finance Corporation ("Repair Industry"), is party to an agreement with CCU pursuant to which Repair Industry may transfer secured vehicle and repair loans to CCU for payment to Repair Industry of an amount calculated pursuant to the agreement. The agreement provides that Repair Industry may request the transfer of loans from time to time, up to a total facility amount of \$30 million.

In lieu of this recent news, in combination with this stock's recent impressive market performance, Streetinvesting.com has become further interested in what the future might be holding in store for this company. Subsequently, our research team has chosen to continue our look at RIFCO throughout the ensuing weeks and months. During this time, we will also be quick to pass on to you, our valued members, any further news or developments concerning this Company which we may come across in the future.