



# Rental Market

## UPDATE

### **United Rentals agrees to settle SEC case**

United Rentals recently reached a final settlement with the U.S. Securities and Exchange Commission. The Greenwich-based company has agreed to pay a \$14 million penalty to settle fraud allegations, but did not admit or deny the charges as part of its settlement with the SEC.

The inquiry related to a range of the company's historical accounting practices, principally during 2002 and prior years, which were also the subject of an investigation by a special committee of the company's independent directors. The SEC alleged that the company engaged in fraudulent transactions to meet earnings forecasts and analysts' expectations.

"We are very pleased to bring this matter to a conclusion for the company," said Michael Kneeland, president and CEO. "The company has cooperated fully with the SEC throughout the commission's review of our historical accounting practices. We have also made a number of important changes since the SEC inquiry began in 2004, including restructuring the company's finance, treasury, internal audit and compliance functions, among many other positive steps."

The company continues to cooperate fully with a related U.S. Attorney's office inquiry that has led to charges against its two former chief financial officers.

Former United Rentals chief financial of-

ficer Michael Nolan pleaded guilty last year to making false filings with regulators that enabled him to make a profit of \$11 million, according to federal prosecutors. John Milne, who succeeded Nolan in the role of CFO and also served as vice chairman and president of the company, was indicted earlier this year by a federal grand jury for conspiracy, securities fraud, insider trading and making false filings with the SEC. Federal prosecutors say Milne used insider information when he sold 850,000 shares of United Rentals stock and made more than \$22 million.

### **Hertz Equipment Rental begins operations in China**

Hertz Equipment Rental Corp. recently began operations in Shanghai, China. Hertz is beginning with an initial product line of aerial lifts, air compressors and generators, and plans to expand to include, excavators, wheel loaders, cranes and rollers.

"HERC has a strong growth agenda with a focus on geographic expansion," said Mark Frissora, chairman and CEO for Hertz Corp.

“The equipment rental market in China is in its infancy and with an established presence there, HERC will be able to capitalize upon the growth of the Chinese marketplace over the coming years.”

“Operating in China is critical to Hertz’s overall strategy as it enables us to continue our geographical expansion while tapping into our diverse product line to service many of the growing industries in China, including the manufacturing, shipbuilding, industrial and construction markets,” added HERC president Gerry Plescia.

HERC Asia targets multinational companies already familiar with the rental concept as well as large Chinese contractors and state-owned enterprises such as shipyards, refineries, highway construction and mining. Operating as its own foreign-owned enterprise with a national rental license, HERC seeks to work with local Chinese partners and to identify potential regions within the within the country for Greenfield expansion.

HERC, based in Park Ridge, NJ, has more than 375 branches in the U.S., Canada, France and Spain. ■

### **Pedestrian trencher for rent**

Vermeer has introduced the RTX100 pedestrian trencher with an easy-to-use intuitive steering system and interchangeable tracks and tires for rental markets. The VZ Steer system allows the operator to simply move the handlebars in the direction the operator wants to move, and the machine responds. When moving, the input and pace of the operator moving the handlebar will control the angle and sharpness of the turn, allowing the operator to maneuver in



and around confined spaces and around obstacles where other machines cannot. The RTX100 also features interchangeable tires and tracks, which allow the machine to be configured for maximum productivity in varying ground conditions. The unit is powered by either a 13-hp Honda GX390 or 15-hp Kohler CH15 gas engine.