

MEDONE ONE



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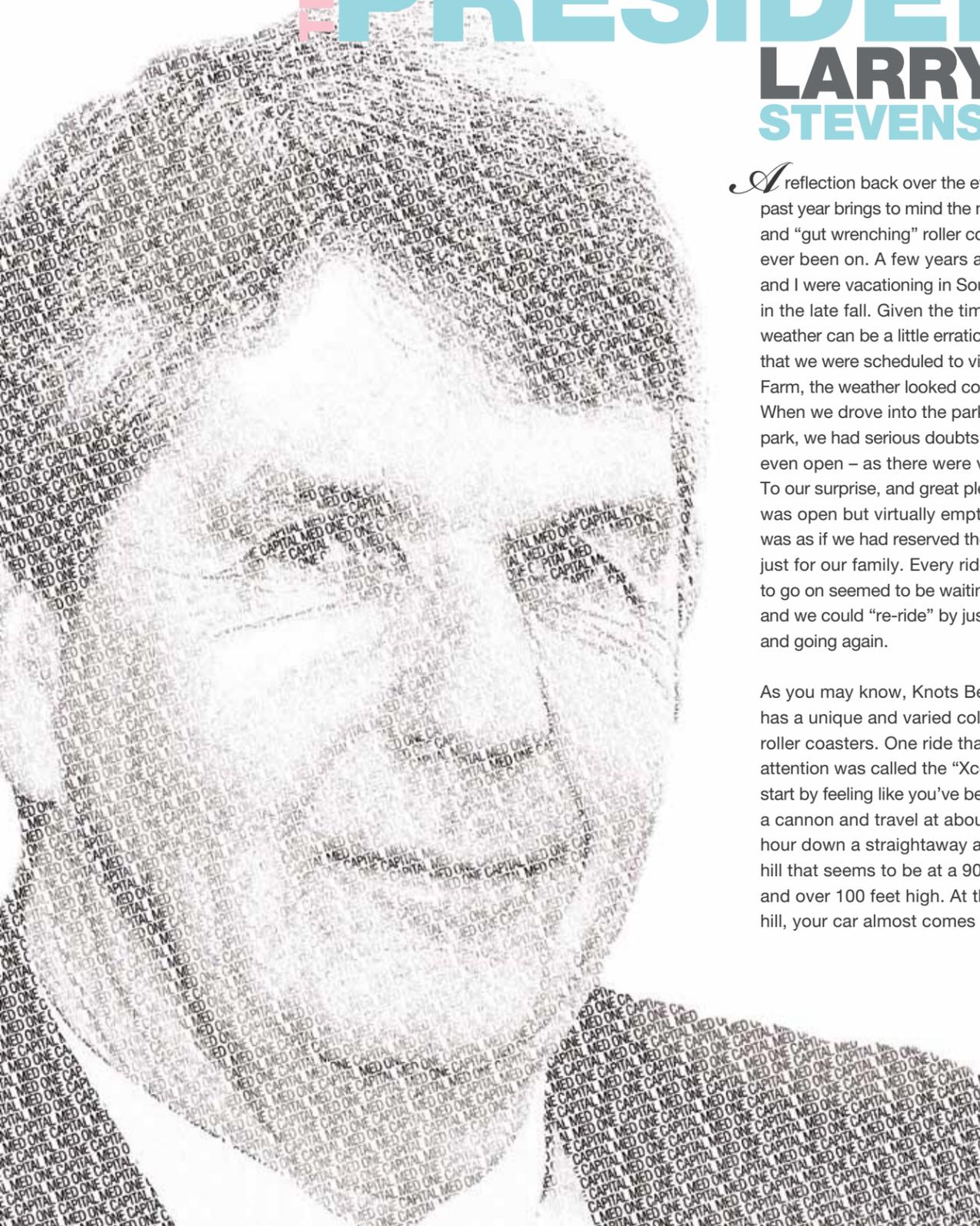
Happy Holidays



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LETTER FROM THE PRESIDENT LARRY STEVENS



Larry Stevens
President
Med One Capital

A reflection back over the events of the past year brings to mind the most turbulent and “gut wrenching” roller coaster ride I’ve ever been on. A few years ago my family and I were vacationing in Southern California in the late fall. Given the time of year, the weather can be a little erratic. On the morning that we were scheduled to visit Knots Berry Farm, the weather looked cool and drizzly. When we drove into the parking lot of the park, we had serious doubts that they were even open – as there were very few cars. To our surprise, and great pleasure, the park was open but virtually empty of visitors. It was as if we had reserved the whole facility just for our family. Every ride we wanted to go on seemed to be waiting just for us and we could “re-ride” by just staying on and going again.

As you may know, Knots Berry Farm has a unique and varied collection of roller coasters. One ride that caught our attention was called the “Xcelerator”. You start by feeling like you’ve been shot out of a cannon and travel at about 80 miles an hour down a straightaway and then up a hill that seems to be at a 90 degree angle and over 100 feet high. At the top of the hill, your car almost comes to a stop and

you look around and have the sensation that you are suspended in mid air, only to plunge back down at another 90 degree angle. Along the way, there are sharp, “G force” curves, 360 degree loops, hills, and more speed. By the time the ride is over you are scared to death and certain that you never want to leave solid ground again. This roller coaster is definitely not kid friendly but I, together with the more adventurous members of the family, probably rode that instrument of torture five times in a row. One can only imagine the condition of our stomachs when we finally had the belated good sense to get off.

Two thousand and eight has had a lot of the same characteristics of the “Xcelerator”. Whether you are considering international affairs, domestic politics, or the economy – it’s been quite a rollercoaster ride so far, and unfortunately we don’t have the option to get off and settle our stomachs. Med One has been in the midst of its own roller coaster ride this year as well. We’ve seen new business bookings and revenue growth take off, only to slow in the summer months. We’ve experienced gut wrenching “G force” curves and even a few 360 degree loops. We are now poised for a VERY strong close to our year, which we believe will continue with sustaining momentum into 2009 and beyond.

Considering the state of our world economy, and the roller coaster ride that we all seem to be on, we are very happy to be serving a business segment that appears to be somewhat insulated from much of what is being reported in the nightly news. Health care is something that has to continue no matter what happens to the stock market, the unemployment rate, or the value of real estate. Certainly much of the elective type of health care could be restricted, but day-to-day health care has to remain constant. We believe that the major impact on health care institutions resulting from the pressures of the economy will be a significant tightening of capital budgets. All things being equal, acute care hospitals will have less available cash to spread around to competing requests for equipment and capital projects. As manufacturers continue to offer products that will improve the quality of care there will be enormous pressure on capital budgets.

At Med One Capital, our mission statement is “Making Medical Equipment Available”. Our customers and business partners can comfortably count on Med One to continue a strong focus on this mission as we continue together on this ride that doesn’t seem to have an end in sight.

- 1 Our sources of capital are very solid and insulated from the real estate market and other pressures that have caused a tightening of credit and deterioration of investment earnings. We have the resources to continue to Make Medical Equipment Available.
- 2 We continue to enjoy the flexibility to create and enhance programs that our customers and business partners can access to keep the needed equipment available for important patient care.
- 3 We are preparing to introduce some new and exciting acquisition products that are focused on helping hospitals to acquire the use of important equipment that might not be available to them in an environment of restricted access to capital.

4 We have increased our inventory of patient-ready equipment available for peak need rental by over 55% (\$7 million plus) during 2008 and we are prepared to add more as the need may dictate.

I don’t think we’ll be off this roller coaster any time soon. Navigating through these turbulent times is going to be tricky at best and will require a steady hand and calm nerves. I assure our employees, our customers, and our business partners that we are committed to keep our seat belts on and stay on the ride and we will continue to do what we do best – whatever it takes.

In behalf of the senior management and ownership group of Med One, Brent and I want to take an opportunity as this year draws to a close to express our appreciation for each of our employees, for the business partners we are privileged to work with, and the customers that we serve. We hope that you will enjoy a wonderful holiday season with your families and loved ones. We also wish you success in the year ahead. We assure you that the privilege and opportunity that is ours to associate with and know each of you will enhance our joy and happiness during this season of the year.

“Xcelerator”
Knots Berry Farm
California



“MAKING
MEDICAL
EQUIPMENT AVAILABLE”

LETTER FROM THE EDITOR
TROY TAIT **WALKING AND TALKING**
THE WALK AND TALKING
THE TALK

Recently one evening I had a chance to sit down and watch a little TV. As I sat there searching for the perfect show, I came across several infomercials. Some offered kitchen gadgets that would allow you to cook perfect food in a matter of minutes. Another channel offered a workout program that was so good you could burn off fat just thinking about using it. And don't forget the amazing all in one vacuum, carpet steaming, barbecue grilling, painting device that no one can live without.

While many of these products sounded pretty good, I couldn't help but question that any of them really lived up to all the hype. Once I finally found the show I wanted to watch, I continued to pay attention to the commercials. With each one, I found myself wondering, "Does that company really do what they say they do?" Then came the crucial question, "Does Med One really do what we say we do?" The answer to that question is yes.

In response to the challenges hospitals are facing right now, Med One recently unveiled two new solutions that will help our customers obtain the equipment they need. These two new programs are just another example of our creativity, flexibility and willingness to be responsive to the needs of our customers.

Our new **committed rental term** offers an option for customers to quickly improve the quality of equipment they are renting. Not only does this put new equipment in a facility but the cost is significantly lower. For example, you have a \$35,000 ventilator. Typical rental on this item is in the \$1,800 per month range. With the Med One committed rental, the payment is in the \$1,600 range. This program allows the customer to achieve significant savings in their rental budget. They also receive brand new equipment shipped directly from the vendor, which is a win-win situation for both the customer and vendor. The customer is

also able to access equipment when normal rental inventories might be restricted. The program is executed with only a purchase order from the hospital.

The second program is our new **short-term renewable operating lease**. Talk about ultimate flexibility in an operating lease! This program has it all: a short term (12 months), low payments (similar to payments in a 60-month operating lease), and most importantly a FASB qualifying structure. After the 12-month period the customer has the ability to purchase the equipment for FMV, renew for another 12-month term or simply return the equipment to Med One. It doesn't get much better than that.

Don't expect to see an infomercial for Med One talking about these programs, but rest assured we are one of the companies who really do what we say we do.

EXCERPT FROM A RECENT
IMDA NEWSLETTER WWW.IMDA.ORG

With the economy continuing along its downward trend, Mark Thill, Communications Director with IMDA, contacted Med One Capital in hopes of getting some insight into how Med One is approaching business during these tough economic times. The following article was then published in the IMDA newsletter.

As the nation's financial crisis rocked and rolled throughout September and October, IMDA members were no doubt feeling the pinch. But even so, they have good reason to continue to sell equipment to their acute-care customers, according to one observer.

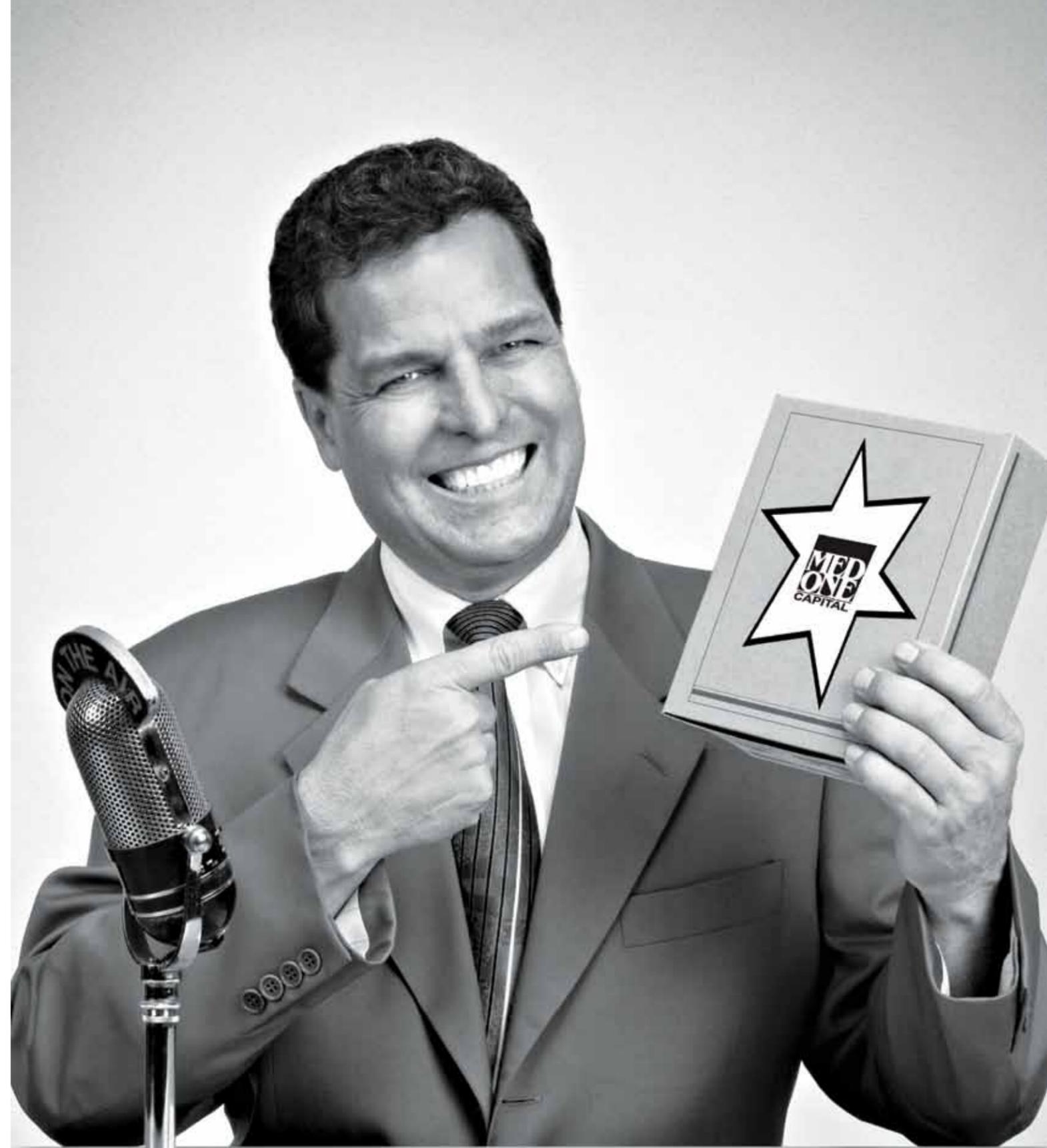
"Every one of my customers that sells capital equipment is telling me that their reps are seeing reluctance on the part of their accounts to say, 'Let's do this thing,'" says John Campbell, director of national

accounts for Med One Capital, Sandy, Utah, a long-time sponsor of the IMDA Annual Conference. "Hospitals are afraid. They don't know what the future will bring, and they're finding their lines of credit aren't very liquid." Aggravating the situation is the fact that would-be patients are postponing elective surgery, threatening many hospitals' revenues.

Yes, credit is tight, says Campbell, whose company offers flexible financing arrangements for health care providers wishing to make medical purchases. "There is a lot of money sitting out there right now, but no one wants to part with it." That said, Med One Capital continues to have access to capital, he says. "Med One is poised and ready. Our company is strong internally, and our funding sources are sound. We need people to realize we can keep putting our hard dollars to work for them."

As always – but especially in the current climate – IMDA members should lead their sales efforts with the leasing option, instead of offering it as an afterthought, says Campbell. "If you ask a car dealer how much a certain car costs, and he says, 'Fifty thousand dollars,' you'd have to chew on it," he says. "But if that dealer said, 'Four hundred dollars a month,' then it's a lot more palatable." Similarly, hospitals might resist buying a ventilator outright, but not at taking on a \$1,000-a-month lease.

"I think things will get worse before they get better, and IMDA members are going to find it more difficult to close business," says Campbell. "Every one is much more conservative right now. With that said, I'll go back to my earlier statement that hospitals need Med One more than ever. And the same is true for IMDA members. We can help them overcome the challenges posed by this crunch and help them close the business."



**... AND AFTER YOU USE THEM,
 OUR SOLUTIONS CAN BE FOLDED UP
 AND STORED NEATLY UNDER YOUR BED.**

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YEARS OF SERVICE TO OUR CUSTOMERS

MED ONE CAPITAL	OCT 2008	2008 YTD	OCT 2007	2007 YTD
NEW EQUIPMENT PURCHASED	\$6,981,808	\$94,852,637	\$11,340,751	\$101,493,199
NUMBER OF NEW LEASES	39		83	
TOTAL CUSTOMERS		1,519		1,751
TOTAL EQUIPMENT LEASED		\$229,426,627		\$236,591,222

MED ONE EQUIPMENT RENTAL	OCT 2008	2008 YTD	OCT 2007	2007 YTD
TOTAL RENTAL REVENUE	\$653,979	\$6,740,510	\$478,386	\$3,003,982

**WHERE WE
STAND**



CREATIVITY

ROBB STEVENS
ACCOUNT MANAGER

At Med One Capital, we not only emphasize creativity in our unique programs and solutions but in the very way we approach our business.

Recently I had a sales rep request a quote but in the busyness of the day, I wasn't able to get it to her before her meeting with a customer. Knowing she'd have her cell phone with her, I pulled out my own cell phone and sent the numbers she needed for the meeting via text! She texted me back and we worked a few details out for her customer using that mode of communication as she met with her customer. With determination and some creative use of technology, their meeting was a success and Med One Capital proved once again that we do one thing very well, **whatever it takes.**

Holiday Traditions

LETTERS TO
THE EDITOR

Med One employees reflect on some of their most memorable holiday traditions.

ANNE McOMBER

Walking into my grandma's house on Christmas night is unlike anything else; it truly is like a scene from a movie that seems too perfect to be realistic.

Standing ten feet tall, lit up by colored lights and decorated with all kinds of ornaments, my grandma's Christmas tree is something you just have to see for yourself. After Thanksgiving, the whole family gets to help put up the tree and decorate it with the boxes and boxes of ornaments she has collected over the years. Most ornaments have stories behind them, some are from different parts of the world, some are big and others are tiny. But my favorite ornaments are the ones my grandma has bought for each grandchild on their first Christmas. It's so fun for each of us to have an ornament on Grandma's tree that's especially for us.

Apart from the tree, what makes Christmas at Grandma's unlike anything else is the food. Homemade meatballs, sausages, crackers and cheese spreads, pasta salads, homemade coleslaw, slices of ham, turkey, and cheeses, rolls, shrimp, jello salads, fresh vegetables and dip, and fruit salad are all served in Grandma's Christmas china. A decorative ring of ice is placed in the punch bowl to keep the punch nice and cold. Hot wassail is kept warm and available in the kitchen.

And then, of course, there are the treats; Christmas just wouldn't be Christmas without them. On Christmas night, not an empty surface remains at Grandma's house. Every space has been filled with dishes full of goodies. Several trays sit

throughout the house covered in all kinds of homemade cookies. Homemade suckers decorate the sucker tree and store-bought as well as homemade candy (caramel and fudge being my favorite) are all around the house just waiting to be eaten.

Because of the traditions my grandma makes possible, Christmas is an occasion unlike any other time of the year. As I've grown older, I've become more aware of the time and sacrifice this kind of Christmas takes. Even after enduring some pretty tough years, my grandma keeps the Christmas traditions alive and provides a special opportunity for us to spend time together as a family and to continue creating memories - and that's really the best part of the whole thing.

DONNA CLYDE

Some of my favorite memories start with a time when a member of my family was in the hospital and the person in the bed next to him had no one to spend the holidays with. We invited him home for Christmas dinner and bought much needed clothing items for him as gifts. What a joy it was to see the look on his face as we shared with him the true spirit of Christmas.

Another year a box of used toys was left on my doorstep when my children were very young and there wasn't money for much that year. We were so grateful.

One year, my family received the twelve days of Christmas. Each night for twelve nights, someone left a piece of a Nativity scene at our doorstep until Christmas Eve when we had the complete set. We never found out who did this but have enjoyed this gift every year since.

As we have been the recipients of so much kindness during past holiday seasons, my family has found numerous ways to give back. We have had the opportunity to leave boxed Christmas dinners for someone going through a difficult time; we've been able to serve meals at the homeless shelters during the holidays; and we've even taken care of needs through the "Angel Tree", a tree full of "gifts" that are needed by families in our neighborhood.

Every year I find myself saying, "This is the best Christmas yet." It doesn't have anything to do with presents received but rather the happiness shared to make this time special for someone else.

JILL SHAVER

Ever since I can remember, my favorite things about Christmas have always been waking up early on Christmas morning and my stocking. The best part of waking up early was that it was still dark outside so it was easy to see the colored lights from our Christmas tree gleaming under my bedroom door. Once awake, my little sister and I would debate for a minute if it was too

early to get up...it never was. We would creep down the hall and at the end we would discover...Christmas!

My memories of Christmas will always include a mental picture of my living room, the Christmas tree all lit up, a Rudolph the Red-Nosed Reindeer basket with a big white teddy bear inside, presents wrapped under the tree and piled all around it, and all of our stockings hanging above the fireplace. Our stockings were hung in order from oldest to youngest, Dad first and usually a family pet last. My stocking was homemade with my name stitched across the top and, not to brag, but my stocking was huge! Every year my parents went all out on stockings, packing every one to the bursting point. Out the top of the stocking always sat an unwrapped present; girls got Barbie dolls, boys got trucks. I loved taking each item out without looking inside; what would be next? A pair of socks, an orange, an apple, and finally my favorite thing...a new ornament. Everyone in my family always got a new ornament and mine always had something to do with horses: rocking horses, horses made of wood, a carousel with horses, and once Yosemite Sam riding a horse.

Stockings always meant the most to me because my whole family opened them at the same time and always had similar items, but each had a personal touch provided by my parents. My parents created such an unforgettable atmosphere with lights and stockings that there will never be a Christmas season that passes when I don't think back to the memories with my whole family in our pajamas spending priceless time together.

TERRIE BUTLER, CINDY TALBOT

For many years, our family has observed holiday traditions relating to our Norwegian heritage. It was always fun to decorate the house with the straw ornaments, trolls, candles and rose-malled decorations, which our grandmother taught us about. The only time of the year our grandmother would make lefse was at Christmas and we always enjoyed eating risengrynsgrot (rice pudding) looking for one lone almond, which meant a surprise for the finder.

After our grandmother passed away, our mom took over the tradition. We kept some of the traditions and modified others and lumped them into a Christmas Eve gathering. And then about 6 years ago, our mom became sick and unable to carry on the tradition. As our own families have grown, we found it very difficult to keep the traditions going, so everything but the rice pudding was put on the shelf.

With our mom failing a little more each year and our dad having his own health problems, we decided last year to provide a little anonymous cheer by surprising them with the Twelve Days of Christmas.

The first night we provided a small Christmas tree which they could put in their TV room where they spend all their time. Each night we provided the appropriate two, three, four things in the form of treats, decorations, dog treats, etc. The things that we provided don't really matter. What mattered is that they were delighted. They looked forward with great anticipation to the end of the day when they would receive their next surprise. They did not know it was their family treating them, so it was so fun to receive their phone calls telling us what they had received and their feelings about it. Names of neighbors started popping up in their conversations. Dad was positive it was a certain neighbor and gave a little appreciation speech in Church.

Suffice it to say, on Christmas Eve when the family revealed that we were the culprits, Mom and Dad were very surprised and pleased. They had never given a thought that it might be their family. The joy that it provided us as their children was overwhelming. Not only were we able to provide gifts of love and appreciation to our parents, we were able to participate in their daily joy and anticipation.

In spite of all the traditions we have enjoyed over the years, this was one of our most memorable and favorite Christmas's ever!

MED ONE CAPITAL PASSIONATELY RAISES

\$2,240 FOR THE CURE

KATHY WHITING



Breast Cancer Awareness Month

On October 24th, I walked into our break room to a sea of pink; pink shirts, pink ties, pink socks, pink cards and even pink hair. This was the day dedicated to raising funds for Passionately Pink for the Cure.

Our original goal was to raise \$500 dollars but early on it was clear our employees weren't going to settle for \$500. They were quick to open their hearts and their pocket books and with the generous contributions of our owners, we managed to "burst" the fund raising thermometer! What a great tribute to not only the Cure but to our own Team Med One cancer survivors. Thank you all!

As we each go through life, none of us know how cancer may affect our loved ones or us. Remember the power that cancer doesn't have:

WHAT CANCER CANNOT DO:
IT CANNOT

Cripple Love

Shatter Hope

Corrode Faith

Destroy Peace

Kill Friendship

Invade The Soul

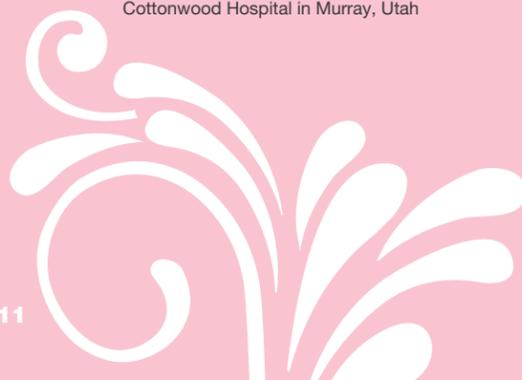
Steal Eternal Life

Conquer The Spirit

Suppress Memories

Silence Courage

Quote found on the 5th Floor Medical Ward
Cottonwood Hospital in Murray, Utah



Served **HOT**
FROM THE GRILL



*LEASE SOLUTIONS

CAPITAL LEASE

Commit to a fixed term of rental payments. At the end of the lease term, the customer owns the equipment with a \$1.00 buyout. Finance the equipment over a specified term when cash is not available for immediate purchase.

OPERATING LEASE

Customer commits to make monthly payments based on an established term. When the term ends, the monthly payment can be continued or equipment can either be purchased based on its fair market value or returned to Med One Capital.

*RENTAL SOLUTIONS

PEAK NEED

We can ship equipment within 24 hours to assist in census increases. Our daily, weekly or monthly solutions allow the customer to choose a time frame that meets their needs.

RENTAL REWARDS

Perhaps our best solution to help manage rental inventory. Simply issue a 1 month renewable purchase order, and the customer receives brand new equipment direct from the manufacturer. The customer can rent the equipment on a month to month basis, or if capital budget is allocated purchase the equipment with 50% of the rental paid going toward the purchase price. Payments are made from the operating budget, and the customer may return the equipment at any time.

* MEDONECAPITAL.COM *

(WET YOUR APPETITE AND VISIT US ONLINE)

UPDATED INFO



MIKE EMPLOYEE SPOTLIGHT MANNING



VP COO EQUIPMENT SERVICES

TIME FOR A NEW TV?



GEEK REPORT
NATE DAVIS
MED ONE'S NETWORK ADMINISTRATOR

Mike Manning was born and raised on a small farm in Northwest Lehi, UT, which was definitely not the Lehi it is today, Mike points out. He received his schooling at Lehi High class of '62 (where were you in '62?) and Brigham Young University - go Cougars! In his sophomore year he met his love Colleen (Chicken) on a blind date at a dance. "I had a broken foot and I couldn't dance very well. Chicken tells everyone that my dancing hasn't improved. We raised two beautiful daughters. They have married, and we have 6 grandchildren." After the "Y" in August of 1969 came Army OCS Fort Benning, GA. Though his goal was to be a General in the Army, he settled instead for Captain and served in both the active regular Army as well as the reserves.

Mike's all-time favorite desserts are crembroulet, rice pudding and English trifle. "My bride tells me that they are not good for me so eleven months a year all I do is dream about them, but on my birthday I get my choice."

One of Mike's favorite outdoor sports is fly-fishing. "There is nothing more therapeutic than an afternoon of fly-fishing." He says his greatest accomplishment in fly-fishing was catching a 42-pound King Salmon on the Deshika River in Alaska. "I caught it on a fly I tied, a 2/0 purple egg sucking leech." Mike even held the state record for three years with a Brook Trout he caught on the Boulder Mountain. Along with fishing he also loves shooting and

THERE IS NOTHING MORE THERAPEUTIC THAN AN AFTERNOON OF FLY-FISHING.

hunting and has bagged buffalo, moose, elk, wild boar, javelin, antelope, and four species of deer- Axis, Coues, Whitetail, and Mulies.

Mike has always enjoyed horses and has been riding ever since he could climb a barbwire fence. "While balancing on the top wire I would grab a handful of Dolly's mane and jump on her back. I used to ride her bare back all over the place. My older brother Tom would sometimes

let me go riding with him. I remember we only had one saddle. On one of our rides in the area where Cabela's (an Alpine, Utah retail outfitter) stands we encountered a rattle snake that startled the horses. I slid off the back of Dolly breaking my collarbone. Big brother was right there and taking his boot off said, 'This might hurt a little.' And with that warning he smacked my collar bone with the heel of his boot, ripped off his belt and strapped my arm to immobilize it and said, 'You can ride the saddle home.'"

Starting in September of 1997, Mike has worked for Med One for over eleven years in many capacities. As the current Chief Operating Officer of Equipment Services, his goals here at Med One are to make Equipment Services a highly respected and profitable entity for Med One Capital; to have a well trained quality biomed to provide service for both Med One and its customers; and for Equipment Services to be a first call for hospitals who need equipment but do not have the capital budget for the latest technology.

The holiday season is upon us and technology is only getting better. If you're one of the many people looking to purchase a new TV this holiday season as a gift or just as a special treat for yourself then keep reading. New technology comes with new factors and options that make a hard decision harder. One of the main differences is the type of screen; LCD versus plasma. Without going into extreme detail, here is how LCD and plasma compare.

HOW THEY WORK

LCDs, also known as Liquid Crystal Displays, have a small thin layer of liquid that changes color when given a specific electrical current. On the other hand, plasmas have a mixture of noble gases that change color when an electrical current is applied to the small chamber of gas (Wikipedia has more info, but it is the same concept as LCD).

COLOR QUALITY

Both are pretty similar. Plasma color richness and naturalness are better in rooms with low to normal lighting. LCDs are better in brightly lit rooms (mostly due to their brightness and

anti-glare technology). Plasma has the best black levels and contrast ratios, but LCDs are steadily making improvements and are not too far from making up the difference.

PICTURE QUALITY

Resolution is similar on both, but expect to pay a little more for a similar sized LCD than plasma. Plasma images are not affected when viewing them at different angles. LCD images fade slightly when seen from extreme horizontal or vertical angles. However, LCD manufacturers have been making progress to eliminate this.

MOTION BLUR

Plasmas usually don't have a motion blur during fast motion playback. LCDs, although it may be difficult to notice, are subject to possible motion blurring.

HIGH DEFINITION OR STANDARD DEFINITION

High definition picture quality will be excellent on both LCD and plasma as long as you have an HDTV-compatible model. With standard

definition the smaller the screen the better standard-def usually looks, for both LCD and plasma.

LONGEVITY

Both typically last 60,000 hours or about 20 years if used 8 hours per day.

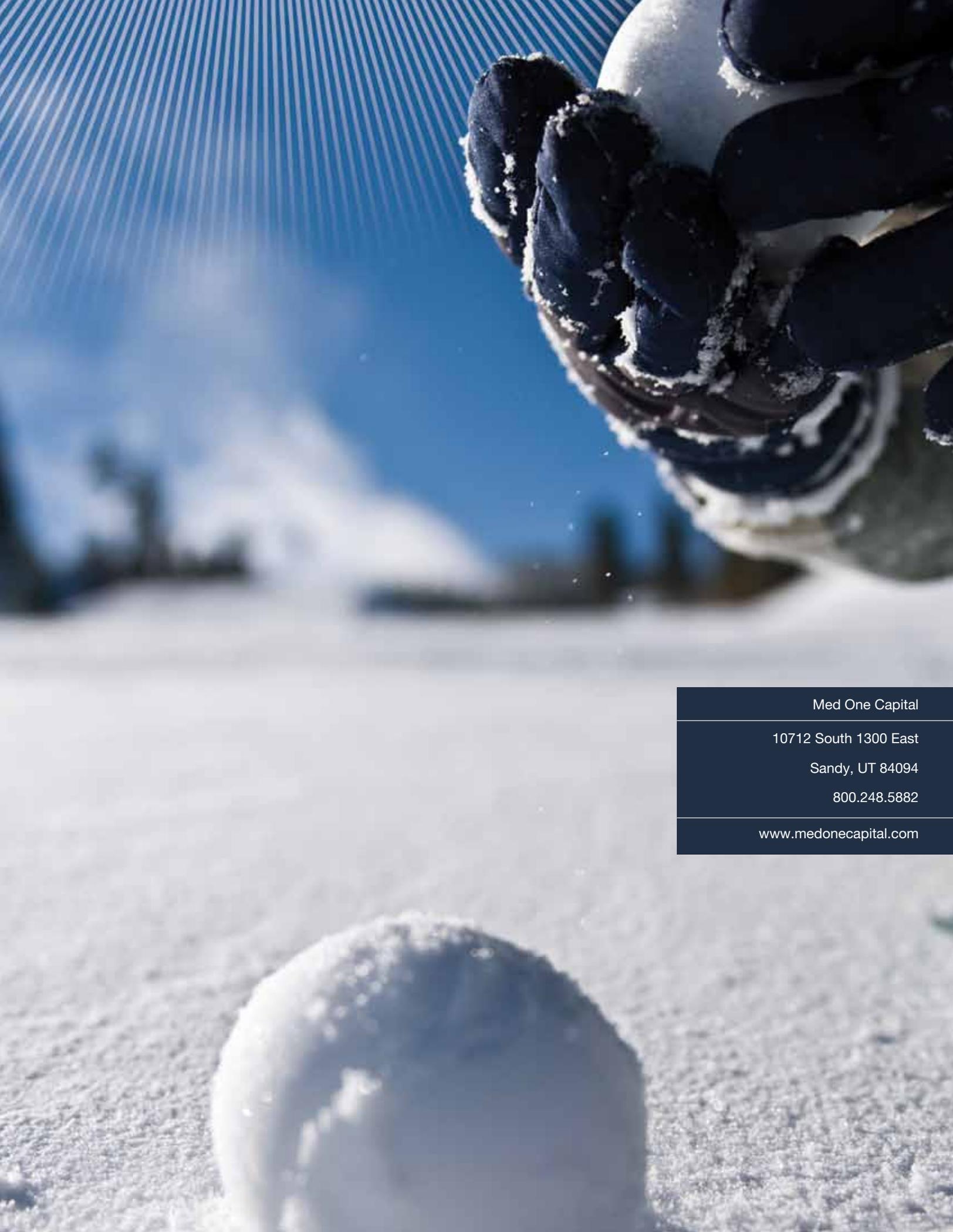
POWER CONSUMPTION

LCDs are more efficient per square inch and use less power than plasma.

SCREEN BURN-IN

This is not as much of a concern as it was a year ago; however, plasmas are still susceptible to burn-in (faint after-images left on the screen). In extreme situations this may happen on an LCD but it is much less likely than with plasma.

As you can see, both LCD and plasma have their advantages and disadvantages. Your perfect TV really all depends on your specific needs and uses. Most TV retailers let you view models side by side to help in the decision making process.



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