

# CASCADE RE-NEWS

A Quarterly Newsletter of Cascade Asset Management

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Since Cascade opened in April, 1999, we've:

- » Paid more than \$3.9 million in rebates to customers
- » Refurbished and resold or donated over 796,880 monitors, computers and printers
- » Collected & Processed over 32.6 million pounds of old electronics
- » Demanufactured and recycled over 2,915,383 cathode ray tubes
- » Kept more than 1.6 million pounds of lead out of landfills
- » Donated more than \$214,000 worth of equipment to local charities and causes in developing countries

## Cascade Releases New White Paper on Asset Value Trends

In a recently issued industry White Paper entitled "Don't Settle for Less: What can you expect that computer on your desk to be worth a year from now" Cascade analyzes resale values and trends for more than 60,000 desktop and laptop computers it tested, cleaned, repaired and/or refurbished for resale and reuse over the last four years.

With more than 85% of Cascade's resold equipment generated by Fortune 1000 companies with 3-4 year refresh cycles, the data reveal that resale prices for these items dropped at an average monthly rate of 1.88%; far below the commonly cited

monthly depreciation rate of 6-10% reported by International Data Corporation (IDC). In addition, a company with a consistent three year refresh of its equipment actually saw the resale price of its laptops rise over time. Finally, the White Paper presents data illustrating a consistent relationship between the resale price of desktop computers and their processor speed, while trends indicate laptop resale values per MHz of processor speed are declining. The report offers useful benchmarking data for enterprises embarking on IT asset retirement management and helps to establish the value to be gained through active planning in responsible IT asset disposition.

Please visit [www.cascade-assets.com/resources/research.htm](http://www.cascade-assets.com/resources/research.htm) to download a full copy of this report.



## IBM Mishap Costs Millions

Working for a company focused on data management and security, current and former IBM employees would assume their information would be safe and protected in perpetuity. Recently, MSN.com (April 2007) reported that this assumption was challenged when a third-party logistics vendor shipped pallets of data tapes to a new location. Upon arrival at the receiving facility it was found that several tapes were missing, as they had fallen out of the vehicle during transportation. Though extensive searches were conducted, the tapes were never found.

Using conservative estimates the missing tapes contained information for 1/10th of current and past IBM employees. With 360,000 current employees worldwide, this abrasion in chain-of-custody procedure makes roughly 36,000 individuals

vulnerable to a data leach. One of our own at Cascade has been closely affected by the IBM accident, citing that significant data including social security number, birth date, work history and address have been lost.

In response, IBM notified all affected employees and offered to provide credit monitoring services. Based on rough calculations, Cascade projects that IBM has spent close to \$5 million to cover their liabilities from the loss of multiple data tapes.

Cascade believes that a holistic data security system does not simply entail a sophisticated data wiping program. Instead it should also include employee training, facility monitoring, logistics and end-market partner agreements, and the option of on-site media destruction.

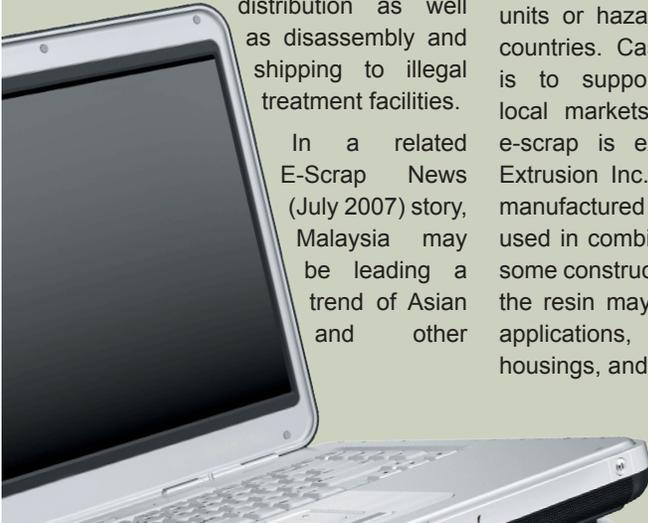
## The Ugly Face of Exportation Rears its Head, Again

Despite on-going industry awareness about the dangers of exportation, a substantial electronic waste market was recently discovered and shut down in South China's Guangdong Province, according to a recent story by E-Scrap News (July 2007). For 9 years, the Huafa Electrical Appliance Market (Foshan) accepted large shipments of illegally imported electronic waste from developed countries, including the U.S. and Japan. Huafa operations included importation, reassembly, wholesale and distribution as well as disassembly and shipping to illegal treatment facilities.

In a related E-Scrap News (July 2007) story, Malaysia may be leading a trend of Asian and other

developing countries banning the import of plastic waste. Malaysia's Trade and Industry Ministry recently established a 5-year ban on certain plastic waste, parings and scraps beginning October 1, 2007. They cite the potential environmental damage caused by contaminated plastics and the Ministry's inability to effectively assess such materials.

As an original signer of the Electronic Recycler's Pledge of True Stewardship, Cascade never exports untested whole units or hazardous wastes to developing countries. Cascade believes the solution is to support existing and emerging local markets. For example, our plastic e-scrap is exclusively sent to Pro Ex Extrusion Inc. (Oshkosh, WI), where it is manufactured into a clean resin that is used in combination with virgin material in some construction applications. Eventually, the resin may also be used in packaging applications, lighting fixtures, electronics housings, and body panels for tractors.



## Cascade Offers End of Lease Agreement Services

There are several key issues that companies and agencies should consider when making the decision to lease IT equipment or purchase it out-right. Leasing offers the advantage of shifting the responsibility of IT asset disposal to another party and ensures a predictable asset refresh plan. The lessee; however, must incur handling and shipping costs to return the assets back to the leasing company. These costs can easily top \$100 per asset and outstrip the costs of disposal of owned assets.

Furthermore, at the end of the lease agreement, businesses and agencies can incur expenses related to preparing the equipment for return. Leasing companies usually require all systems be reset to their original configuration.

Cascade offers a solution that can reduce these costs and provide a nationwide, turn-key solution to collect, test, erase data, audit, report and return leased equipment back to the original owner – thus allowing customers to focus on their core business. Information on lease return activity is driven through an on-line web server that tracks requests for returns and disposal options for all managed assets. Cascade provides this service for a single per-asset disposition fee.

Costs are assessed on a per-asset basis, regardless of the origin of the equipment. Contact us so we can better understand your needs and develop the best program

## What's New on the Web

[www.cascade-assets.com](http://www.cascade-assets.com)

- » Updated Contact Information
- » Asset Value White Paper
- » Fox Milwaukee & Denver News Story about Cascade



## More Cascade Resources To Serve you better

Cascade is proud to announce that we have added to our team to better serve our customers and stakeholders. Within the last year, we have increased our employee base to nearly one-hundred talented and dedicated members. The addition of a 3rd shift for demanufacturing and expanded resale and customer support teams ensures that we process equipment more efficiently and address our customers' and partners' needs more effectively. Our two processing facilities offer expanded coverage to clients throughout the U.S. We are looking forward to continued growth and enhancing the impact of our mission and services.

