

The Depository Trust Company
IMPORTANT

B#: 0302
DATE: July 13, 2000
TO: All Participants
CATEGORY: Reorganization
FROM: DTC Proxy Department
ATTENTION: Proxy/Reorganization Manager
SUBJECT: Leasing Solutions, Inc.
Common Stock
CUSIP #522113 10 9

The Depository Trust Company received materials, including the attached Notice indicating that Leasing Solutions is soliciting acceptances by creditors of its First Amended Plan of Reorganization, dated June 21, 2000 (the "Plan"). DTC has been advised by Counsel that holders of Leasing Solutions Common Stock **have been deemed to reject the Plan \OR\ are unimpaired** and their votes are not being solicited on the Plan. A hearing on confirmation of the Plan is scheduled to be held on August 2, 2000. Any written objections to confirmation of the Plan must be filed no later than July 24, 2000. Participants may obtain copies of the materials for voting on the Plan by contacting in writing:

Charlott N. Benford, Paralegal
Stutman, Treister & Glatt, P.C.
3699 Wilshire Boulevard
Suite 900
Los Angeles, CA 90010

Karl Baker

Manager

Attachments

ROBERT A. GREENFIELD (State Bar No. 39648), and
GEORGE C. WEBSTER II (State Bar No. 82870), and
ERIC D. WINSTON (State Bar No. 202407)
Members of STUTMAN, TREISTER & GLATT
PROFESSIONAL CORPORATION
3699 Wilshire Boulevard, Suite 900
Los Angeles, California 90010

Telephone: (213) 251-5100
Telecopier: (213) 251-5288

Reorganization Counsel for
Leasing Solutions, Inc.,
Debtor and Debtor in Possession

Debtor's Mailing Address:
10 Almaden Boulevard, Suite 1500
San Jose, California 95113

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
DIVISION 5 (San Jose)**

In re	)	CASE NO. 99-57430 ASW
	)	CHAPTER 11
)	
	)	NOTICE OF: (1) HEARING ON
LEASING SOLUTIONS, INC.,	)	CONFIRMATION OF DEBTOR'S FIRST
a California corporation,	)	AMENDED PLAN OF REORGANIZATION
	)	(JUNE 21, 2000); (2) CONFIRMATION
	)	PROCEDURES AND DEADLINES; AND
	)	(3) SUPPLEMENTAL ADMINISTRATIVE
Debtor.	)	CLAIMS BAR DATE
)	
	)	<u>Confirmation Hearing</u>
)	
	)	Date: August 2, 2000
	)	Time: 9:00 a.m.
Federal Taxpayer I.D. No.:	)	Place: Courtroom 3099
770116801	)	U.S. Bankruptcy Court
	)	280 South First Street
	)	San Jose, California 95113
)	

TO CREDITORS, SHAREHOLDERS, AND OTHER PARTIES IN INTEREST:

On June 21, 2000, Leasing Solutions Inc. ("LSI") filed the "Debtor's First Amended Plan of Reorganization (June 21, 2000)" (the "Plan") and the "Disclosure Statement To Accompany Debtor's First Amended Plan Of Reorganization (June 21, 2000)" (the "Disclosure Statement"). Following the hearing held on June 21, 2000, to consider the adequacy of the Disclosure Statement, the Court entered its "Order: (1) Approving Disclosure

Statement; (2) Approving Solicitation And Notice Procedures; (3) Approving Form Of Ballot; (4) Fixing Supplemental Administrative Claims Bar Date; and (5) Establishing Confirmation Procedures And Deadlines" (the "Order"). Pursuant to the Order, the Court approved the Disclosure Statement as containing adequate information for members of classes entitled to vote on the Plan (the "Voting Classes"), Classes 1 through 20 under the Plan, to make an informed judgment in determining whether to vote to accept or reject the Plan. The Court having entered the Order,

NOTICE HEREBY IS GIVEN THAT:

A. Distribution Of Confirmation Materials.

1. If you have received only this notice, and not the Plan and Disclosure Statement, LSI's records reflect that either you do not currently hold an allowed or disputed Claim against LSI, or LSI believes that your Claim is not in a Class entitled to vote on the Plan. If you believe you hold an allowed or disputed Claim against LSI, or that you are a member of a Voting Class, or if you otherwise want a copy of the Plan, Disclosure Statement, and Ballot, then a copy of the Plan, Disclosure Statement, and a Ballot may be obtained in the manner set forth in section A(2) below.

2. Upon written request to Stutman, Treister & Glatt Professional Corporation, 3699 Wilshire Boulevard, Suite 900, Los Angeles, California 90010, Fax # (213) 251-5288, Attention: Charlotte N. Benford, Paralegal, the Plan, Disclosure Statement, and a Ballot shall be transmitted to you. DO NOT TELEPHONE THE COURT, THE OFFICE OF THE UNITED STATES TRUSTEE, LSI, OR THEIR COUNSEL TO REQUEST ANY OF THE FOREGOING.

B. Notice Of Hearing On Plan Confirmation.

1. The hearing to consider Confirmation of the Plan will be held on August 2, 2000, at 9:00 a.m., or as soon thereafter as counsel may be heard (the "Confirmation Hearing"), before the Honorable Arthur S. Weissbrodt, in Courtroom 3099, 280 South First Street, San Jose, California 95113. The Confirmation Hearing may be continued from time to time by announcement in open Court without further notice to parties in interest. Additionally, the Plan may be modified, pursuant to Bankruptcy Code section 1127 prior to or as a result of the Confirmation Hearing without further notice to parties in interest.

C. Notice Of Manner And Timing For Voting And Filing Objections To Confirmation.

1. If you are a creditor or shareholder of LSI, your rights may be "impaired" by the Plan. If your Claim is in an impaired Class, you will be receiving a complete voting package, including a Ballot, a copy of the Plan, and a copy of the Disclosure Statement. Please review and consider the voting package carefully, and timely return your Ballot accepting or rejecting the Plan.

2. The last day for the receipt of Ballots accepting or rejecting the Plan is 4:00 p.m. Pacific Time on July 24, 2000 (the "Voting Deadline"). For a Ballot to be counted, it must be received prior to the Voting Deadline by:

Charlotte N. Benford, Paralegal
Stutman, Treister & Glatt Professional Corporation
3699 Wilshire Boulevard
Suite 900
Los Angeles, California 90010

3. Any objections to Confirmation must conform with the Bankruptcy Local Rules of the United States Bankruptcy Court for the Northern District Of California, and be filed with the Bankruptcy Court, 280 South First Street, San Jose, California, 95113 (the Court must receive an original plus one copy marked "Judge's Copy" in black felt marker on the first page) and copies must be served on each of the following parties (the "Notice Parties") so that it is received by the Bankruptcy Court and the Notice Parties on or before 4:00 p.m. Pacific Time on July 24, 2000 (the "Confirmation Objection Deadline"):

- a. Stutman, Treister & Glatt
Professional Corporation
Attn: Eric P. Winston, Esq.,
3699 Wilshire Blvd., Suite 900
Los Angeles, CA 90010
- b. Douglas C. Neilsson, Esq.
Leasing Solutions, Inc.
10 Almaden Boulevard
Suite 1500
San Jose, CA 95113
- c. The Office of the United States Trustee
Attn: Kevin Epstein, Esq.
280 South First Street
Suite 268
San Jose, CA 95113
- d. Moses & Singer LLP
Attn: Alan E. Gamza, Esq.
1301 Avenue of the Americas
New York, NY 10019-6076

4. All declarants or affiants must appear and be available, without need for subpoena, for cross-examination at the Confirmation Hearing (except for declarants making declarations of service). The testimony of any declarant or affiant who does not appear and make himself or herself available for cross-examination at the Confirmation Hearing will be stricken from the record and will not be considered in determining contested matters at the Confirmation Hearing.

5. The following procedures have been approved for the purposes of the tabulating votes on the Plan:

- a. The amount of a Claim for voting purposes will be the Claim amount as listed in LSI's schedules (the "Schedules") if such Claim is listed as not contingent, not unliquidated, and not disputed (the "Scheduled Amount") and for which

there is no Liquidated Amount (as defined below), unless a proof of Claim in a specified liquidated amount has been timely filed and is neither the subject of an objection to Claim filed before the Confirmation Hearing nor has been disallowed prior to the Confirmation Hearing, whereupon the amount of the Claim shall be such specified liquidated amount (the "Liquidated Amount"), unless an amount has been temporarily allowed by the Bankruptcy Court for voting purposes after notice and a hearing in accordance with Bankruptcy Rule 3018(a), in which event the Claim will be counted in such amount (the "Temporary Amount"). In the event a proof of Claim is filed for an unliquidated, unknown, or unstated amount and there is no Scheduled Amount, then subsection C(5)(d) below shall govern the amount of the Claim for voting purposes.

b. If a creditor submits a Ballot that asserts a Claim amount that is different from the Scheduled Amount, the Liquidated Amount, or, if applicable, the Temporary Amount, then the amount of such Claim shall be: (i) the Scheduled Amount, if there is no Liquidated Amount; (ii) the Liquidated Amount, if there is a Liquidated Amount; or (iii) if applicable, the Temporary Amount, regardless of the Liquidated Amount or Scheduled Amount.

c. If a creditor submits a Ballot for a Claim for which there is no proof of Claim filed or which is not listed on the Schedules or is listed thereon as contingent, unliquidated, or disputed, then the Ballot will not be counted unless otherwise ordered by the Bankruptcy Court.

d. Ballots cast by creditors who have filed proofs of Claim in unliquidated, unknown, or unstated amounts that are not the subject of an objection and for which there are no Scheduled Amounts will be counted for satisfying the numerosity requirement of Bankruptcy Code section 1126(c), but will not be counted toward satisfying the aggregate amount provisions of that section.

e. There is one composite Ballot to be used by creditors in the Voting Classes. If creditors have Claims in more than one Class, such creditors must submit a separate Ballot for voting their Claims in each Class. If a creditor requires additional copies of the Ballot, such creditor may either photocopy the original Ballot or obtain an additional Ballot pursuant to the instructions set forth in Section A(2) above. If a creditor uses one Ballot to vote Claims in more than one Class, such Ballot will not be counted.

f. If a member of a Voting Class casts more than one Ballot voting the same Claim before the last day for submitting Ballots, the last Ballot received prior to the deadline for submitting Ballots shall supersede any prior Ballot(s).

g. Votes cast by a member of a Voting Class pursuant to a Ballot that is incomplete or is not timely received shall not be counted.

D. Supplemental Administrative Claims Bar Date.

1. The Order provides that July 28, 2000, shall be the last date for making requests for payment of certain claims against LSI and the estate based upon sections 503(b) and/or 507(a)(1) of the Bankruptcy Code.

2. Any and all requests for the payment of an Administrative Claim (as defined in the Plan) that arises between May 20, 2000, and July 20, 2000, other than a request for the payment of a Professional Fee Claim (except as provided in subsection D(3) below),

a Compensation Claim, or an Ordinary Course Claim (all as described in subsection D(3) below), must be filed with the Bankruptcy Court and served upon LSI in the manner set forth in subsection D(5) below, by not later than 4:00 p.m., Pacific Time, on July 28, 2000 (the "Supplemental Administrative Bar Date").

3. Exception For Professional Fee Claims, Compensation Claims, and Ordinary Course Claims: The Supplemental Administrative Bar Date shall not apply to the following: (i) a claim or request for payment by a Professional Person (as defined in the Plan) for compensation for professional services rendered and/or expenses incurred (a "Professional Fee Claim"), but Professional Persons must file "Professional Fee Estimates" as provided under subsection D(4) below; (ii) a claim or request for payment by an employee of LSI for wages, salaries, commissions, bonuses, severance payments, or other such employee benefits that are ordinary course claims or that have been authorized by order of the Court (a "Compensation Claim"); or (iii) a claim or request for payment by a vendor that constitutes an ordinary course obligation of LSI under 11 U.S.C. § 363(b) and is in the aggregate equal to or less than \$25,000 or the fees to which the Office of the United States Trustee is entitled to under 28 U.S.C. § 1930(a)(6) (an "Ordinary Course Claim").

4. All Professional Persons are required to file and serve in the manner set forth below an estimate of their fees and expenses from the Petition Date to August 2, 2000, to the extent such fees and expenses: (a) will be the subject of a Final Fee Application (as defined in the Plan); and (b) have not been paid on an interim basis by LSI or by the use of a prepetition retainer (the "Professional Fee Estimates").

5. Filing And Service Procedures: A request for payment or Professional Fee Estimate subject to subsections D(2) or D(4) above must be filed with the Clerk of the Bankruptcy Court by mail, by personal messenger, or in person, at the following address:

Clerk, United States Bankruptcy Court
280 South First Street
San Jose, California 95113;

with a copy mailed to counsel for LSI at the following address:

Charlotte N. Benford, Paralegal
Stutman, Treister & Glatt
Professional Corporation
3699 Wilshire Blvd.
Suite 900
Los Angeles, California 90010

A request for payment or Professional Fee Estimate shall not be deemed timely filed unless the original of such request is actually received by the Clerk of the Bankruptcy Court by the Supplemental Administrative Bar Date.

6. Following the Supplemental Administrative Bar Date, an administrative expense claimant may amend a timely-filed request for payment only to the extent that: (i) the amended request is based upon the same facts and circumstances as the timely-filed request; and (ii) the additional amounts set forth in such request were not reasonably ascertainable by the Supplemental Administrative Bar Date.

7. Any holder of an Administrative Claim or Professional Person that is required to but does not file a request for payment or Professional Fee Estimate in compliance with the procedures and deadline set forth above shall be forever barred from participating in LSI's estate with respect to: (1) any Administrative Claim that arose between May 20, 2000, and July 20, 2000; or (2) any Administrative Claim of such Professional Person.

E. No Waiver Of Bar Dates — Reservation Of Rights Regarding Objections To Claims And Estate Actions.

1. This Notice and the Order shall not constitute a waiver of any other deadline for the filing of Claims against LSI or the Estate, including such deadlines imposed in the "Notice Of Chapter 11 Bankruptcy Case, Meeting Of Creditors, and Deadlines" dated November 19, 1999; (b) the "Order Establishing Procedures And Deadlines For Filing Administrative Claims Arising On Or Before May 19, 2000; Establishing Penalties For Failure To Comply Therewith; And Approving Form And Scope Of Notice" entered on or about May 16, 2000; and (c) "Supplemental Order Establishing Procedures And Deadlines For Filing Proofs Of Claim, Establishing Penalties For Failure To Comply Therewith, And Approving Form And Scope Of Notice Thereof" entered on or about May 16, 2000.

2. PLEASE TAKE NOTICE that the Order and the Plan provide that Disclosure Statement, the Confirmation Order and the Plan shall not in any manner, by way of collateral estoppel, res judicata, or otherwise, impair, prejudice or preclude the prosecution of Claims of LSI or the Estate (including claims for affirmative relief, to avoid transfers, and to subordinate claims against LSI and the Estate) or objections to Claims against LSI or the Estate, except as specifically provided in the Plan or the LSI Release attached to the Plan.

3. For the purpose of deciding how you will vote on the Plan, you should assume: (a) that LSI, the Estate Manager or a representative of the Estate will object to your Claim; and (b) that LSI or the Estate Manager will assert all Claims, setoffs, recoupments and rights to subordinate that LSI or the Estate has with respect to you and/or your Claims against LSI.

4. If you wish further information regarding the potential objections to your Claim(s), or potential Claims, setoffs, recoupments and rights of subordination of LSI or the Estate against you or your Claims, please contact in writing:

Stutman, Treister & Glatt
Professional Corporation
Attn: Eric P. Winston, Esq.,
3699 Wilshire Blvd., Suite 900
Los Angeles, CA 90010

DATED: June 22, 2000

/s / ERIC D. WINSTON

ERIC D. WINSTON, a Member of
STUTMAN, TREISTER & GLATT
PROFESSIONAL CORPORATION
Reorganization Counsel for Debtors
and Debtors in Possession