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FINANCIAL FEDERAL CORP
Form 10-Q
March 09, 2001

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended January 31, 2001

Commission file number 1-12006

FINANCIAL FEDERAL CORPORATION
(Exact name of registrant as specified in its charter)

Nevada
(State of incorporation)

88-0244792
(I.R.S. Employer Identification Number)

733 Third Avenue, New York, NY 10017
(Address of principal executive offices)
(Zip code)

(212) 599-8000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

At March 1, 2001, 16,462,631 shares of Registrant's common stock, \$.50 par value, were outstanding.

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FINANCIAL FEDERAL CORPORATION
AND SUBSIDIARIES

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Quarterly Report on Form 10-Q
for the quarter ended January 31, 2001

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FINANCIAL FEDERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET (Dollars in Thousands)

	January 31, 2001 *	July
ASSETS		
Finance receivables	\$1,234,365	\$1,137
Allowance for possible losses	(20,462)	(19

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Finance receivables - net	1,213,903	1,118
Cash	6,323	6
Other assets	3,608	3
	-----	-----
TOTAL ASSETS	\$1,223,834	\$1,127
	=====	=====
LIABILITIES		
Senior debt:		
Long-term (\$48,911 at January 31, 2001 and \$37,073 at July 31, 2000 due to related parties)	\$561,237	\$608
Short-term	318,815	182
Subordinated debt (\$4,681 at January 31, 2001 and July 31, 2000 due to related parties)	93,490	93
Accrued interest, taxes and other liabilities	32,118	43
Deferred income taxes	29,369	26
	-----	-----
Total liabilities	1,035,029	955
	-----	-----
STOCKHOLDERS' EQUITY		
Preferred stock - \$1 par value, authorized 5,000,000 shares, none issued		
Common stock - \$.50 par value, authorized 100,000,000 shares; shares issued: 16,458,861 (net of 136,961 treasury shares) at January 31, 2001 and 14,958,379 at July 31, 2000	8,229	7
Additional paid-in capital	61,970	58
Warrants - issued and outstanding 1,606,500 at July 31, 2000		
Retained earnings	118,606	106
	-----	-----
Total stockholders' equity	188,805	172
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$1,223,834	\$1,127
	=====	=====

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FINANCIAL FEDERAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS
AND RETAINED EARNINGS *
(Dollars in Thousands, Except Per Share Amounts)

	Three months ended January 31,		Six months e January	
	2001	2000	2001	---
	-----	-----	-----	-----
Finance income	\$34,760	\$26,667	\$67,853	\$52
Interest expense	16,970	12,542	33,095	24
	-----	-----	-----	-----
Finance income before provision for possible losses on finance receivables	17,790	14,125	34,758	27

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Provision for possible losses on finance receivables	1,100	550	2,250	1
	-----	-----	-----	-----
Net finance income	16,690	13,575	32,508	26
Gain on debt retirement		385		
Salaries and other expenses	(4,044)	(2,965)	(7,964)	(5)
	-----	-----	-----	-----
Earnings before income taxes	12,646	10,995	24,544	21
Provision for income taxes	4,916	4,248	9,542	8
	-----	-----	-----	-----
NET EARNINGS	7,730	6,747	15,002	12
Retained earnings - beginning of period	113,402	85,648	106,130	79
Aquisition of treasury shares	(2,526)		(2,526)	
	-----	-----	-----	-----
RETAINED EARNINGS - END OF PERIOD	\$118,606	\$92,395	\$118,606	\$92
	=====	=====	=====	=====
EARNINGS PER COMMON SHARE:				
Diluted	\$0.43	\$0.38	\$0.84	\$
	=====	=====	=====	=====
Basic	\$0.49	\$0.45	\$0.98	\$
	=====	=====	=====	=====

FINANCIAL FEDERAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS *
(Dollars in Thousands)

Six Months Ended January 31,	2001	
-----	-----	-----
Cash flows from operating activities:		
Net earnings	\$15,002	\$12
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Provision for possible losses on finance receivables	2,250	1
Depreciation and amortization	4,176	3
Deferred income taxes	2,400	2
Gain on debt retirement		
Decrease in other assets	60	
(Decrease) in accrued interest, taxes and other liabilities	(11,437)	
	-----	-----
Net cash provided by operating activities	12,451	19
	-----	-----
Cash flows from investing activities:		
Finance receivables:		
Originated	(343,777)	(336)
Collected	241,705	266
Other	(208)	
	-----	-----
Net cash (used in) investing activities	(102,280)	(70)
	-----	-----
Cash flows from financing activities:		

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Commercial paper:		
Maturities 90 days or less - net proceeds (repayments)	(232,216)	50
Maturities greater than 90 days:		
Proceeds	108,430	39
Repayments	(82,195)	(59)
Bank borrowings - net proceeds (repayments)	267,110	(34)
Proceeds from senior term notes	63,000	50
Repayments of senior term notes	(35,000)	
Repurchases of convertible subordinated notes		(1)
Variable rate senior term notes - net proceeds (repayments)	(425)	6
Proceeds from exercise of stock options	219	
Proceeds from exercise of warrants	1,114	
Other	47	
	-----	-----
Net cash provided by financing activities	90,084	50
	-----	-----
NET INCREASE IN CASH	255	
Cash - beginning of period	6,068	5
	-----	-----
CASH - END OF PERIOD	\$6,323	\$5
	=====	=====
Supplemental disclosures of cash flow information:		
Interest paid	\$30,973	\$22
	=====	=====
Income taxes paid	\$9,510	\$5
	=====	=====

FINANCIAL FEDERAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION

In the opinion of the management of Financial Federal Corporation and Subsidiaries (the "Company"), the accompanying unaudited consolidated financial statements contain all adjustments (consisting only of normal recurring items) necessary to present fairly the financial position at January 31, 2001 and the results of operations and cash flows of the Company for the three and six month periods ended January 31, 2001 and 2000. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and note disclosures included in the Company's Annual Report on Form 10-K for the year ended July 31, 2000. The consolidated results of operations for the three and six month periods ended January 31, 2001 and 2000 are not necessarily indicative of the results for the respective full years.

NOTE 2 - DESCRIPTION OF BUSINESS

The Company is an independent financial services company providing collateralized lending, financing and leasing services nationwide to primarily middle-market commercial enterprises representing diverse industries such as general construction, road and infrastructure construction and repair, manufacturing, transportation and waste disposal. The Company lends against, finances and leases a wide range of revenue-producing equipment such as cranes, earth movers, machine tools, personnel lifts, trailers and trucks.

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NOTE 3 - EARNINGS PER COMMON SHARE

Earnings per common share was calculated as follows (in thousands, except per share amounts):

	Three months ended January 31,		Six months ended January 31,	
	2001	2000	2001	2000
Net earnings (used for basic earnings per share)	\$7,730	\$6,747	\$15,002	\$12,987
Effect of convertible securities	722	749	1,452	1,511
Adjusted net earnings (used for diluted earnings per share)	\$8,452	\$7,496	\$16,454	\$14,498
Weighted average common shares outstanding (used for basic earnings per share)	15,656	14,865	15,309	14,863
Effect of dilutive securities:				
Convertible subordinated notes	3,024	3,147	3,024	3,157
Warrants	760	1,382	1,076	1,383
Stock options	301	243	255	244
Adjusted weighted average common shares and assumed conversions (used for diluted earnings per share)	19,741	19,637	19,664	19,647
Net earnings per common share - Diluted	\$0.43	\$0.38	\$0.84	\$0.74
Net earnings per common share - Basic	\$0.49	\$0.45	\$0.98	\$0.87

NOTE 4 - SENIOR DEBT

At January 31, 2001, the Company had \$477.0 million of committed unsecured revolving credit facilities with various banks including \$192.0 million that expire after January 31, 2002 and \$285.0 million that expire before January 31, 2002. Long-term senior debt of \$561.2 million at January 31, 2001 comprised \$122.0 million of borrowings under credit facilities that expire after January 31, 2002, \$70.0 million of borrowings under credit facilities that expire before January 31, 2002 that were supported by credit facilities that expire after January 31, 2001 and \$369.2 million of term notes payable. In September 2000, the Company established a \$200.0 million Medium Term Note

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Program and, in October 2000, issued \$38.0 million of 8.5% fixed rate term notes thereunder that mature in May 2003.

NOTE 5 - STOCKHOLDERS' EQUITY

In December 2000, the Company and the majority of the warrant holders amended the warrant agreements to purchase the Company's common stock. The amendment

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permitted the warrant holders to pay for the exercise of their warrants with previously owned common stock of the Company in lieu of cash at the holders' option.

During the quarter ended January 31, 2001, subsequent to the amendment, all of the Company's 1,606,500 outstanding warrants were exercised. The total proceeds to the Company were \$4.5 million (1,125,000 warrants at an exercise price of \$2.83 per warrant and 481,500 warrants at an exercise price of \$2.72 per warrant). The Company received \$1.1 million and 136,961 shares of its common stock at an average market value of \$24.70 per share. As a result of receiving 136,961 shares, the amount available under the Company's Stock and Convertible Debenture Repurchase Program decreased to \$6.6 million at January 31, 2001.

At January 31, 2001, the Company held the 136,961 shares in treasury.

NOTE 6 - RECENT ACCOUNTING PRONOUNCEMENTS

In August 2000, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" and SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities." These Statements require the fair value of derivatives to be recorded as assets or liabilities. Gains or losses resulting from changes in the fair values of derivatives are accounted for depending on the purpose of the derivatives and whether they qualify for hedge accounting treatment. The adoption of SFAS 133 and SFAS 138 did not have a material effect on the Company's earnings or financial position.

PART I
Item 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

Comparison of three months ended January 31, 2001 to three months ended January 31, 2000

Finance income increased by 30% to \$34.8 million in the second quarter of fiscal 2001 from \$26.7 million in the second quarter of fiscal 2000. The increase was primarily due to the 22%, or \$217 million, increase in average finance receivables outstanding to \$1.214 billion in the second quarter of fiscal 2001 from \$997 million in the second quarter of fiscal 2000 and higher yields on new receivables and on variable rate receivables resulting from recent increases in market interest rates through December 2000. Finance receivables booked in the second quarter of fiscal 2001 and fiscal 2000 were \$171 million and \$161 million, respectively.

Interest expense, incurred on borrowings used to fund finance receivables, increased by 35% to \$17.0 million in the second quarter of fiscal 2001 from \$12.5 million in the second quarter of fiscal 2000. The increase was primarily due to the 22% increase in average debt outstanding in the second quarter of fiscal 2001 from the second quarter of fiscal 2000, higher rates incurred on short term and variable rate debt resulting from higher average market interest rates in the second quarter of fiscal 2001 from the second quarter of fiscal 2000 and recent issuances of additional term debt.

Finance income before provision for possible losses on finance receivables increased by 26% to \$17.8 million in the second quarter of fiscal 2001 from

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\$14.1 million in the second quarter of fiscal 2000. Finance income before provision for possible losses expressed as an annualized percentage of average finance receivables outstanding ("net interest margin") was 5.8% in the second quarter of fiscal 2001 compared to 5.6% in the second quarter of fiscal 2000. Subsequent to December 2000, market interest rates have been declining. Since approximately 90% of the Company's finance receivables are fixed rate and approximately 50% of the Company's debt is scheduled to reprice in the

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third quarter of fiscal 2001, a decline in market interest rates could have a positive impact on the Company's net interest margin beginning in the third quarter of fiscal 2001.

The provision for possible losses on finance receivables increased by 100% to \$1.1 million in the second quarter of fiscal 2001 from \$550,000 in the second quarter of fiscal 2000. The provision for possible losses is determined by the amount required to increase the allowance for possible losses to a level that management considers appropriate. The allowance for possible losses was \$20.5 million, or 1.66% of finance receivables at January 31, 2001, compared to \$19.0 million, or 1.68% of finance receivables, at July 31, 2000 and \$17.3 million, or 1.70% of finance receivables, at January 31, 2000. The allowance is periodically reviewed by the Company's management and is estimated based on total finance receivables, net credit losses incurred and management's current assessment of the risks inherent in the Company's finance receivables from national and regional economic conditions, industry conditions, concentrations, the financial condition of counterparties and other factors. Future additions to the allowance may be necessary based on changes in these factors.

Net credit losses (write-downs of finance receivables less subsequent recoveries) were \$490,000 and \$84,000 in the second quarter of fiscal 2001 and 2000, respectively. Net credit losses expressed as an annualized percentage of average finance receivables outstanding ("loss ratio") was 0.16% and 0.03% in the second quarter of 2001 and 2000, respectively. Non-performing finance receivables were \$23.7 million, or 1.9% of total finance receivables, at January 31, 2001, compared to \$16.2 million, or 1.4% of total finance receivables, at July 31, 2000 and \$12.1 million, or 1.2% of total finance receivables, at January 31, 2000. Delinquent finance receivables (receivables with a contractual payment more than 60 days past due) were \$23.4 million, or 1.9% of total finance receivables, at January 31, 2001, compared to \$17.3 million, or 1.5% of total finance receivables, at July 31, 2000 and \$12.8 million, or 1.3% of total finance receivables, at January 31, 2000. The Company's non-performing and delinquent finance receivables and net credit losses have been increasing, and may continue to do so, although their current and expected levels are within industry standards.

Salaries and other expenses increased by 36% to \$4.0 million in the second quarter of fiscal 2001 from \$3.0 million in the second quarter of fiscal 2000. The increase was primarily due to the increase in the number of marketing and administrative employees, salary increases and the opening of the Company's sixth full service operations center in Atlanta, Georgia in February 2000.

Net earnings increased by 15% to \$7.7 million in the second quarter of fiscal 2001 from \$6.7 million in the second quarter of fiscal 2000. Diluted earnings per share increased by 13% to \$0.43 per share in the second quarter of fiscal 2001 from \$0.38 per share in the second quarter of fiscal 2000 and basic earnings per share increased by 9% to \$0.49 per share in the second quarter of fiscal 2001 from \$0.45 per share in the second quarter of fiscal 2000. The increase in diluted earnings per share was lower than the increase in net earnings primarily due to the effect that the convertible subordinated notes

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have on the diluted earnings per share calculation. The increase in basic earnings per share was lower than the increase in net earnings primarily due to the increase in the number of outstanding shares of the Company's common stock resulting from the exercise of the Company's 1,606,500 warrants in the second quarter of fiscal 2001.

In the second quarter of fiscal 2000, the Company repurchased \$2.3 million principal amount of its convertible subordinated notes for \$1.9 million. Excluding the net after tax gain on this retirement of debt, net earnings increased by 19%, diluted earnings per share increased by 16% and basic earnings per share increased by 11% in the second quarter of fiscal 2001 from the second quarter of fiscal 2000.

Comparison of six months ended January 31, 2001 to six months ended January 31, 2000

Finance income increased by 30% to \$67.9 million in the first half of fiscal 2001 from \$52.1 million in the first half of fiscal 2000. The increase was primarily due to the 21%, or \$210 million, increase in average finance receivables outstanding to \$1.190 billion in the first half of fiscal 2001 from \$980 million in the first half of fiscal 2000 and higher yields on new receivables and on variable rate receivables resulting from recent increases in market interest rates through December 2000. Finance receivables booked in the first half of fiscal 2001 and fiscal 2000 were \$344 million and \$336 million, respectively.

Interest expense, incurred on borrowings used to fund finance receivables, increased by 37% to \$33.1 million in the first half of fiscal 2001 from \$24.2 million in the first half of fiscal 2000. The increase was primarily due to

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the 22% increase in average debt outstanding in the first half of fiscal 2001 from the first half of fiscal 2000, higher rates incurred on short term and variable rate debt resulting from higher average market interest rates in the first half of fiscal 2001 from the first half of fiscal 2000 and recent issuances of additional term debt.

Finance income before provision for possible losses on finance receivables increased by 25% to \$34.8 million in the first half of fiscal 2001 from \$27.9 million in the first half of fiscal 2000. The net interest margin was 5.8% in the first half of fiscal 2001 compared to 5.7% in the first half of fiscal 2000.

The provision for possible losses on finance receivables increased by 84% to \$2.3 million in the first half of fiscal 2001 from \$1.2 million in the first half of fiscal 2000. Net credit losses were \$836,000 and \$154,000 in the first half of fiscal 2001 and 2000, respectively. The loss ratio was 0.14% and 0.03% in the first half of 2001 and 2000, respectively.

Salaries and other expenses increased by 36% to \$8.0 million in the first half of fiscal 2001 from \$5.9 million in the first half of fiscal 2000. The increase was primarily due to the increase in the number of marketing and administrative employees, salary increases and the opening of the Company's sixth full service operations center in Atlanta, Georgia in February 2000.

Net earnings increased by 16% to \$15.0 million in the first half of fiscal 2001 from \$13.0 million in the first half of fiscal 2000. Diluted earnings per share increased by 14% to \$0.84 per share in the first half of fiscal 2001 from \$0.74 per share in the first half of fiscal 2000 and basic earnings per

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share increased by 13% to \$0.98 per share in the first half of fiscal 2001 from \$0.87 per share in the first half of fiscal 2000. The increase in diluted earnings per share was lower than the increase in net earnings primarily due to the effect that the convertible subordinated notes have on the diluted earnings per share calculation. The increase in basic earnings per share was lower than the increase in net earnings primarily due to the increase in the number of outstanding shares of the Company's common stock resulting from the exercise of the Company's 1,606,5000 warrants in the second quarter of fiscal 2001.

In the first half of fiscal 2000, the Company repurchased \$2.3 million principal amount of its convertible subordinated notes for \$1.9 million. Excluding the net after tax gain on this retirement of debt, net earnings increased by 18%, diluted earnings per share increased by 15% and basic earnings per share increased by 14% in the first half of fiscal 2001 from the first half of fiscal 2000.

LIQUIDITY AND CAPITAL RESOURCES

The Company is dependent upon the continued availability of funds to originate or acquire finance receivables and to purchase portfolios of finance receivables. The Company may obtain required funds from a variety of sources, including operating cash flow, dealer placed and directly issued commercial paper, borrowings under committed unsecured revolving credit facilities, private and public issuances of term debt and securitizations, and sales of common and preferred equity. Management believes, but cannot assure, that the Company has available sufficient liquidity to support its future operations.

The Company issues investment grade commercial paper directly and through a \$350.0 million program with recognized dealers. Commercial paper outstanding at January 31, 2001 was \$129.9 million; a decrease of \$206 million from the amount outstanding at July 31, 2000. During the second quarter of fiscal 2001, the Company increased its borrowings under committed unsecured revolving bank credit facilities and reduced its outstanding commercial paper in order to lower borrowing costs and vary maturities using LIBOR-based bank borrowings. The Company's commercial paper is unsecured and matures within 270 days. Increases in commercial paper are generally offset by decreases in bank and other borrowings, and vice versa. The Company's current policy is to maintain committed revolving credit facilities from banks so that the aggregate amount available thereunder exceeds commercial paper outstanding.

At January 31, 2001, the Company had \$477.0 million of committed unsecured revolving credit facilities with various banks including \$192.0 million that expire after one year and \$285.0 million that expire within one year. At January 31, 2001, the Company had \$122.0 million of borrowings outstanding under credit facilities expiring after one year and \$189.0 million of borrowings outstanding under credit facilities expiring within one year.

In September 2000, the Company established a \$200.0 million Medium Term Note Program and, in October 2000, issued \$38.0 million of 8.5% fixed rate term notes thereunder that mature in May 2003.

FORWARD-LOOKING STATEMENTS

Certain statements in this document including the words or phrases "can be," "expects," "may affect," "may depend," "believes," "estimate," "project," "could," and similar words and phrases constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933

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and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are subject to various known and unknown risks and uncertainties and the Company cautions you that any forward-looking information provided by or on its behalf is not a guarantee of future performance. The Company's actual results could differ materially from those anticipated by such forward-looking statements due to a number of factors, some of which are beyond the Company's control, including, without limitation, (i) the ability to obtain funding on acceptable terms, (ii) changes in the risks inherent in the Company's receivables portfolio and the adequacy of the Company's reserves, (iii) changes in market interest rates, (iv) changes in economic, financial, and market conditions, (v) changes in competitive conditions and (vi) the loss of key executives or personnel. Forward-looking statements apply only as of the date made and the Company is not required to update forward-looking statements for subsequent or unanticipated events or circumstances.

PART II Item 2

CHANGES IN SECURITIES AND USE OF PROCEEDS

In December 2000 and January 2001, holders of 1,125,000 warrants originally issued to the Company's original stockholders in 1989 and holders of 481,500 warrants originally issued to certain officers of the Company in 1991 exercised their rights to acquire 1,606,500 shares of the Company's common stock. The total proceeds to the Company were \$4.5 million (1,125,000 warrants at an exercise price of \$2.83 per warrant and 481,500 warrants at an exercise price of \$2.72 per warrant). The Company received \$1.1 million and 136,961 shares of its common stock at an average market value of \$24.70 per share. The Company used the proceeds of \$1.1 million to repay short term debt and the Company is holding the 136,961 shares in treasury.

Item 4

SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the Company's Annual Meeting of Stockholders held on December 12, 2000, the following matters were voted upon:

The following nominees were elected to the Board of Directors:

Nominee	Number of Votes	
	For	Withheld
Lawrence B. Fisher	13,365,800	107,077
William C. MacMillen, Jr.	13,416,485	56,392
Bernard G. Palitz	13,354,961	117,916
Clarence Y. Palitz, Jr. *	13,365,496	107,381
Michael C. Palitz	11,841,799	1,631,078
Thomas F. Robards	13,417,274	55,603
Paul R. Sinsheimer	11,955,814	1,517,063
H. E. Timanus, Jr.	13,417,274	55,603

* Clarence Y. Palitz, Jr. passed away November 23, 2000.

The appointment of Arthur Andersen LLP as the independent public accounting firm to audit the Company's financial statements for the fiscal year ending July 31, 2001 was ratified by a vote of 13,441,849 shares for, 28,875 shares

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against and 2,153 shares abstained.

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Item 6

EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

- 4.14 Form of Second Amendment of Warrant to purchase Common Stock issued by the Registrant to stockholders in connection with its initial capitalization
- 4.15 Form of First Amendment of Warrant to purchase Common Stock issued by the Registrant to certain of its officers

(b) Reports on Form 8-K

The Company filed a report on Form 8-K dated November 23, 2000 reporting, under Item 5, the announcement of the passing away of its Chairman Clarence Y. Palitz, Jr. on November 23, 2000.

The Company filed a report on Form 8-K/A dated October 19, 2000 reporting, under Item 4, the announcement of the appointment of Arthur Andersen LLP as the Company's independent auditors.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FINANCIAL FEDERAL CORPORATION

(Registrant)

By: /s/ Steven F. Groth

Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

By: /s/ David H. Hamm

Controller and Assistant
Treasurer (Principal
Accounting Officer)

March 9, 2001

(Date)

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INDEX TO EXHIBITS

Exhibit No.	Exhibits
4.14	Form of Second Amendment of Warrant to purchase Common Stock issued by the Registrant to stockholders in connection with its initial capitalization
4.15	Form of First Amendment of Warrant to purchase Common Stock issued by the Registrant to certain of its officers

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