CAI International, Inc.
Form 424B5
December 10, 2010
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Filed pursuant to Rule 424(b)(5)
Registration Statement No. 333-168480

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED SEPTEMBER 29, 2010

2,703,360 Shares

CAI International, Inc.

Common Stock

We are selling 1,351,680 shares of common stock and the selling stockholders are selling 1,351,680 shares of common stock.

Our common stock is listed on the New York Stock Exchange under the symbol CAP. The last reported sales price of our common stock on December 9, 2010 was $18.06 per share.

The underwriters have an option to purchase a maximum of 405,504 additional shares of common stock from us and the selling stockholders to cover overallotments, if any.

The aggregate value of the shares we are selling, including the overallotment, is $24,799,320.

Investing in our common stock involves risks. See Risk Factors beginning on page S-12 of this prospectus supplement and beginning on page 6 of the accompanying prospectus.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Issuer	Proceeds to Selling Stockholders
Per Share	$17.50	$1.00625	$16.49375	$16.49375
Total	$47,308,800	$2,720,256	$22,294,272	$22,294,272

Delivery of the shares of common stock will be made on or about December 15, 2010.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse **Keefe, Bruyette & Woods**

Piper Jaffray

The date of this prospectus supplement is December 9, 2010.

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Prospectus Supplement

Prospectus

Neither we, nor the selling stockholders, nor the underwriters have authorized any other person to provide you with information different from that contained in this prospectus supplement and the accompanying prospectus or in any free writing prospectus that we may provide to you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give. We and the selling stockholders are offering to sell and are seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus is accurate only as of the date such information is presented regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of common stock. Our business, financial condition, results of operations and prospects may have changed since such date.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of shares of our common stock. The second part is the accompanying prospectus, which gives more general information. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in the prospectus and this prospectus supplement or any related free writing prospectus, you should rely on the information in this prospectus supplement or the related free writing prospectus; provided that if any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in the prospectus, this prospectus supplement or any related free writing prospectus the statement in the document having the later date modifies or supersedes the earlier statement.

As permitted by the rules and regulations of the SEC, the registration statement of which this prospectus supplement forms a part includes additional information not contained in this prospectus supplement. You may read the registration statement and the other reports we file with the SEC at the SEC s website or at the SEC s offices described below under the heading Where You Can Find More Information.

You should read this prospectus supplement along with the accompanying prospectus carefully before you invest. Both documents contain important information you should consider when making your investment decision. This prospectus supplement contains information about the shares of common stock offered in this offering and may add, update or change information in the accompanying prospectus.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus to CAI, we, us, our, the Company or similar references mean CAI International, Inc. together with its consolidated subsidiaries.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary highlights basic information about CAI and this offering. This summary does not contain all of the information you should consider before making a decision to invest in our common stock. You should review this entire prospectus supplement and the accompanying prospectus carefully, including the risks of investing in our common stock discussed in the Risk Factors section, our consolidated financial statements and notes thereto and the documents incorporated by reference.

Our Business

Founded in 1989, we are one of the world s leading container leasing and management companies. We purchase new containers, lease them primarily to container shipping lines, freight forwarders and other transportation companies and either retain them as part of our owned fleet or sell them to container investors for whom we then provide management services. In operating our fleet, we lease, re-lease and dispose of containers and contract for the repair, repositioning and storage of containers. As of September 30, 2010, our fleet comprised 799,500 twenty-foot equivalent units (TEUs) of containers, 64.0% of which represented our managed fleet and 36.0% of which represented our owned fleet.

We lease our containers to lessees under long-term leases, short-term leases and finance leases. Long-term leases cover a specified number of containers that will be on lease for a fixed period of time. Short-term leases provide lessees with the ability to lease containers either for a fixed term of less than one year or without a fixed term on an as-needed basis, with flexible pick-up and drop-off of containers at depots worldwide. Finance leases are long-term lease contracts that grant the lessee the right to purchase the container at the end of the term for a nominal amount. As of September 30, 2010, 98.4% of our fleet, as measured in TEUs, was on lease, with 75.9% of these containers on long-term leases, 21.3% on short-term leases and 2.8% on finance leases.

We manage containers under management agreements that cover portfolios of containers. Our management agreements typically have terms of 10 years and provide that we receive a management fee based upon the actual rental revenue for each container less the actual operating expenses directly attributable to that container. We also receive fees for selling used containers on behalf of container investors.

We have a global infrastructure with 12 offices in 10 countries and over 220 third party container depot facilities in 42 countries. As of October 31, 2010, we have approximately 86 employees worldwide.

Our Competitive Strengths

We believe our strengths include the following:

- ***Growth Profile***. We have grown our owned fleet between December 31, 2009 and September 30, 2010 by 44.2%, based on net book value, and 23.3%, based on TEUs, which has resulted in operating income growth rates of 186.8% and 70.6%, respectively, for the three and nine month periods ended September 30, 2010, as compared to the same periods in 2009. We believe that the relatively small size of our owned fleet provides us with a competitive advantage and a significant opportunity to grow our owned fleet, revenues, and earnings in the coming years.

- ***Profitable and Scalable Business Model with Attractive Return Profile***. We have historically enjoyed strong profitability (71.4% EBITDA margin[1] for the nine months ended September 30, 2010) and return on stockholders equity[2] (12.2% for the nine months ended September 30, 2010) as a result of our

[1] EBITDA margin is EBITDA divided by total revenue. The most comparable performance measure under GAAP is net income divided by total revenue, which was 34% for the nine months ended September 30, 2010. We describe our calculation of EBITDA in footnote 1 to the table on page S-10.

[2] Return on stockholders equity is net income divided by stockholders equity.

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established market presence, financial strength, highly scalable global operating infrastructure, and attractive long-term container leasing industry fundamentals, including:

The container leasing business is a direct beneficiary of growth in global trade which does not depend on a single market or economy; and

Containers are a highly standardized, re-marketable asset type, with relatively long useful lives and strong residual values. Additionally, the container leasing industry is currently experiencing an imbalance of supply and demand for leased containers due to significant under-investment in recent years by the market participants.

Strong Capitalization. We believe we are well-positioned to capitalize on the current market opportunity created as a result of strong growth in global trade in 2010, limited container production in 2010 after a year of minimal production in 2009, and a growing demand for leased containers from commercial shipping lines. As of October 31, 2010, we had $124.2 million of availability under our senior secured credit facility, and we are negotiating a new term credit facility to supplement our borrowing capacity to invest in additional containers in 2011. Additional availability under the anticipated new term credit facility, if we successfully close it, together with proceeds from this offering, would further strengthen our capital base and enhance our financial flexibility to better take advantage of favorable industry conditions.

Revenue and Earnings Visibility. 75.9% of our fleet is on long-term leases as of September 30, 2010, providing us with a highly visible and recurring revenue stream. Our container rental revenue and management fee revenue have remained relatively stable through economic cycles as a result of our focus on long-term leases.

Long-standing Container Lessee Relationships with Attractive Credit Characteristics. As of September 30, 2010, we leased containers to over 280 container lessees, including many of the largest international commercial shipping lines. As of September 30, 2010, we had conducted business with the top 20 lessees of our total fleet, as measured in TEUs, for an average of over 13 years. These top 20 lessees had, as of September 30, 2010, a weighted-average Dynamar credit rating of 3.6 on a rating scale of one through ten, with a one representing the strongest credit rating. Dynamar B.V. provides credit ratings to the container leasing industry.

Multiple, Diversified Sources of Revenue. Our business is structured to generate a diversified stream of revenue from multiple sources. We actively manage a mix of owned and managed containers in our fleet to provide us with diversified revenues over long periods of time. When permitted by market conditions, we supplement container rental revenue and management fee revenue with gains on sale of container portfolios that, in certain periods, have generated significant incremental revenue and can facilitate the growth in management fee revenue as we convert containers owned by us to containers managed by us for our container investors. We are also able to diversify our revenue base by managing the mix of containers under long-term, short-term and finance leases. Maintaining a range of lease types and duration allows us to provide services customized to our clients needs. By having multiple sources of revenue, we believe that we have been able to realize a higher return on assets and equity than would have been possible if our fleet had consisted entirely of containers owned by us. We believe it is important to maintain a balance between the size of our owned fleet and our managed fleet to maintain our multiple sources of revenue.

Flexibility to Satisfy Changing Market Demands. Our operating expertise and financial flexibility enable us to meet the evolving requirements of lessees and container investors. When market conditions permit, we leverage our significant experience in structuring and selling to container investors portfolios of containers and have achieved attractive investment returns in the past. By selling these portfolios to

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container investors, we have been able to purchase a substantial number of new containers while at the same time maintaining significant borrowing capacity under our senior secured credit facility. This has enabled us to choose when to purchase new containers based upon our expectations of near-term market conditions and quickly respond to the changing demands of lessees for short- and long-term leases.

Proprietary, Real-time Information Technology System. We have developed a proprietary, real-time information technology (IT) system to assist us in managing our container fleet. Our information technology system allows us to monitor lease status, repair billings and contract terms of every individual container in our fleet. By actively maintaining and reviewing this information, we are able to more efficiently manage the logistics and billings of our business. Our proprietary IT system has been essential to providing a high level of customer service and we believe it is scalable to satisfy our future growth without significant capital expenditures.

Experienced Management Team. We have significant experience in the container leasing industry. Our four key officers have an average of approximately 24 years of experience in the container leasing industry. In addition, our marketing and operations personnel have developed long-term relationships with leading container shipping lines.

Our Growth Strategy

We plan to leverage our competitive strengths to increase our revenues and profitability. In executing our growth strategy, we intend to take advantage of the favorable long-term sector fundamentals as well as the current market opportunity available to well-capitalized container leasing industry participants with an established market position. We intend to pursue the following strategies:

Invest in Additional Containers. We have purchased or committed to purchase in excess of $250 million of containers in 2010, representing an approximate 85% growth in the book value of our container rental equipment since the beginning of 2010. We have successfully placed the purchased containers that have been delivered to us on long-term leases. We believe our relatively small asset base combined with continued strong demand characteristics for containers could allow us to further grow our owned fleet at a higher pace than the overall industry and grow our market share.

Further Expand our Product and Customer Relationships. We are actively working to diversify our existing fleet and customer base by procuring and pursuing new business opportunities in the areas of refrigerated and specialized container equipment leasing. We believe that this strategy will further strengthen our business and allow us to continue to diversify our revenue.

Further Expand our Management Services. We plan to capitalize on our reputation among container investors as a high quality company providing container management services by expanding our management services into new investor groups as market conditions permit. We have served European container investors since 1999 and have been offering our management services to Japanese container investors since 2004.

Opportunistically Pursue Acquisition Opportunities. Through our acquisition of CAI Consent Sweden AB (formerly Consent Equipment AB) in 2008, we have demonstrated our ability to identify, effect and integrate attractive acquisition opportunities. We may in the future opportunistically pursue acquisition opportunities to diversify our product and customer base and enhance our economies of scale.

Recent Developments

We have a senior secured credit facility with a maturity date of September 25, 2014 and a maximum credit commitment of $330 million, with $205.6 million outstanding and $124.2 million in availability as of October 31, 2010. We are currently negotiating an additional term credit facility that we anticipate will close

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in December, 2010. We have obtained signed commitments for $250 million in new incremental financing under the proposed facility and, in light of strong syndicate interest, may seek to further increase this amount by $50 million. The funding of such commitments is subject to various terms and conditions and the execution of definitive documentation. We expect this facility will provide us with additional borrowing capacity to take advantage of attractive market opportunities. There can be no assurance, however, that we will be able to secure this or other additional debt financing on acceptable terms, or at all. The successful completion of this offering of common stock is not a condition to closing the proposed term credit facility.

Development Bank of Japan Inc. Relationship

In February 2007, an affiliate of Development Bank of Japan Inc. (DBJ), one of the selling stockholders in this offering, entered into an agreement with Mr. Ogawa to acquire approximately 15% of our outstanding common stock from him. Additionally, on August 20, 2009, we signed a $10.0 million, five-year loan agreement with DBJ. The term loan had a balance of $9.2 million and interest rate of 2.9% as of September 30, 2010. As of the date of this prospectus supplement, DBJ owns the entire amount of the shares which its affiliate acquired in 2007, and DBJ s shareholdings now represent approximately 9.4% of our outstanding common stock.

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Additional Information

Our corporate headquarters and principal executive offices are located at Steuart Tower, 1 Market Plaza, Suite 900, San Francisco, CA 94105. Our telephone number is (415) 788-0100. Our U.S. branch offices are located in Charleston, South Carolina and Florham Park, New Jersey. We operate our business in 12 offices in 10 countries including the United States, and have agents in Asia, Europe, South Africa, Australia and South America. Our wholly owned international subsidiaries are located in the United Kingdom, Japan, Malaysia, and Barbados. We also own 80% of CAIJ Ltd. in Japan.

We maintain a website at www.capps.com where our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports are available without charge, as soon as reasonably practicable following the time they are filed with or furnished to the SEC. The contents of our website are not incorporated into this prospectus supplement or the accompanying prospectus. You may read and copy any materials we file with the SEC at the SEC s public reference room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0300. The SEC also maintains a website that contains our reports, proxy and information statements, and other information at http://www.sec.gov.

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The Offering

Common stock offered by us	1,351,680 shares
Common stock offering by the selling stockholders	1,351,680 shares
Common stock to be outstanding immediately after this offering	19,265,670 shares
Over-allotment option	We and the selling stockholders have granted the underwriters an option to purchase up to an additional 405,504 shares solely to cover over-allotments.
Offering price	$17.50 per share
Use of proceeds	We expect to use the net proceeds from this offering for working capital and other general corporate purposes, which may include investment in containers. We may also use the net proceeds, or a portion thereof, to pay down a portion of our senior secured credit facility. You should read the discussion under the heading Use of Proceeds on page S-30 for more information.
New York Stock Exchange symbol	CAP
Risk Factors	Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page S-12 of this prospectus supplement, on page 6 of the accompanying prospectus, and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should consider carefully before deciding to invest in our common stock.

The number of shares to be outstanding after this offering is based on the number of shares outstanding as of October 31, 2010. Unless we specifically state otherwise, the information in this prospectus supplement:

- is based on the assumption that the underwriters will not exercise the overallotment option granted to them by us and the selling stockholders;
- excludes an aggregate of 972,680 shares of our common stock subject to outstanding options as of October 31, 2010 at a weighted average exercise price of $10.32 per share; and
- excludes 194,230 shares of common stock reserved for future issuance under our 2007 Equity Incentive Plan.

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Summary Historical Consolidated Financial and Operating Data

The selected financial data presented below under the heading Consolidated Statement of Operations Data for the years ended December 31, 2009, 2008 and 2007, and the heading Consolidated Balance Sheet Data as of December 31, 2009 and 2008 have been derived from our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2009. The selected financial data presented below under the heading Consolidated Statement of Operations Data for the nine months ended September 30, 2010 and 2009, and the heading Consolidated Balance Sheet Data as of September 30, 2010 and 2009 have been derived from our unaudited consolidated financial statements included in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010.

Historical results are not necessarily indicative of the results of operations to be expected in future periods. You should read the selected consolidated financial data and operating data presented below in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and with our consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2009.

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Consolidated Statement of Operations Data

	Nine Months Ended September 30,		Year Ended December 31,		
	2010	2009	2009	2008	2007
(in thousands, except per share data)					
Revenue:					
Container rental revenue	$ 43,502	$ 40,982	$ 53,747	$ 56,436	$ 38,148
Management fee revenue	6,961	6,409	8,546	11,969	12,663
Gain on sale of container portfolios	614	753	753	12,443	12,855
Finance lease income	1,598	1,802	2,218	2,297	1,206
Total revenue	52,675	49,946	65,264	83,145	64,872
Operating expenses:					
Depreciation of container rental equipment	14,077	12,858	17,140	15,824	8,805
Amortization of intangible assets	1,034	1,207	1,566	1,534	1,241
Impairment of container rental equipment	40	80	86	331	365
Gain on disposition of used container equipment	(5,760)	(2,391)	(3,626)	(4,155)	(4,400)
Gain on settlement of lease obligation					(780)
Equipment rental expense				20	961
Storage, handling and other expenses	4,941	6,367	8,717	4,854	3,077
Marketing, general and administrative expenses	15,452	14,679	18,848	20,215	15,772
Impairment of goodwill				50,247	
Restructuring charges			972		
Loss (gain) on foreign exchange	527	(153)	(215)	564	(104)
Total operating expenses	30,311	32,647	43,488	89,434	24,937
Operating income (loss)	22,364	17,299	21,776	(6,289)	39,935
Interest expense	3,262	3,344	4,311	9,346	10,705
Gain on extinguishment of debt					(681)
Interest income	121	(8)	(10)	(229)	(126)
Net interest expense	3,141	3,336	4,301	9,117	9,898
Income (loss) before income taxes	19,223	13,963	17,475	(15,406)	30,037
Income tax expense	1,288	3,481	3,919	11,547	10,990
Net income (loss)	17,935	10,482	13,556	(26,953)	19,047
Less: Net income attributable to non-controlling interest	(49)				
(Accretion)/decretion of preferred stock					(5,577)
Net income (loss) attributable to CAI common stockholders	$ 17,886	$ 10,482	$ 13,556	$ (26,953)	$ 13,470
Net income (loss) per share attributable to CAI common stockholders:					
Basic	$ 1.00	$ .59	$ 0.76	$ (1.55)	$ 0.92
Diluted	$ 0.99	$ .59	$ 0.76	$ (1.55)	$ 0.85
Weighted average shares outstanding:					
Basic	17,910	17,901	17,902	17,406	14,713
Diluted	18,122	17,901	17,902	17,406	16,682
Other Financial Data:					

EBITDA (unaudited)(1)	$ 37,607	$ 31,609	$ 40,794	$ 61,824	$ 50,473
Adjusted EBITDA (unaudited)(1)	41,656	35,777	46,326	68,387	54,464
Purchase of containers	104,174	30,201	31,284	189,600	219,530
Net proceeds from sale of container portfolios	12,367	5,840	5,840	99,773	113,402

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Consolidated Balance Sheet Data

	As of September 30,		As of December 31,		
	2010	2009	2009	2008	2007
(Dollars in thousands)					
Cash	$ 11,219	$ 8,425	$ 14,492	$ 28,535	$ 8,433
Container rental equipment, net	431,791	308,679	299,340	310,397	242,606
Net investment in direct finance leases	13,090	13,895	12,620	20,111	10,966
Total assets	503,162	385,077	374,083	412,628	359,099
Long-term debt	202,748	197,099	182,395	230,784	147,631
Total liabilities	338,513	259,077	244,985	298,838	227,951
Total stockholders equity	146,965	126,000	129,098	113,790	131,148
Selected Operating Data (unaudited):					
Managed fleet in TEUs(2)	509,488	511,753	507,681	534,553	500,433
Owned fleet in TEUs(2)	289,965	244,416	235,082	243,408	253,910
Percentage of on-lease fleet on long-term leases(3)	75.9%	78.1%	75.7%	72.9%	70.9%
Percentage of on-lease fleet on short-term leases(3)	21.3%	19.0%	21.5%	23.8%	26.8%
Percentage of on-lease fleet on finance leases	2.8%	2.9%	2.8%	3.3%	2.3%
Average utilization rate(4)	93.8%	82.3%	82.2%	94.3%	94.3%

(1) EBITDA is defined as net income before interest, income taxes, depreciation, amortization and impairment of goodwill and container rental equipment. Adjusted EBITDA is EBITDA plus principal payments from direct finance leases (DFL). We believe adjusted EBITDA is helpful in understanding our past financial performance as a supplement to net income and other performance measures calculated in conformity with accounting principles generally accepted in the United States (GAAP). Our management believes that adjusted EBITDA is useful to investors in evaluating our operating performance because it provides a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies in our industry. Adjusted EBITDA has limitations as an analytical tool and you should not consider it in isolation or as a substitute for any measure reported under GAAP. Adjusted EBITDA s usefulness as performance measures as compared to net income is limited by the fact that adjusted EBITDA excludes the impact of interest expense, depreciation and amortization expense and taxes, and additionally excludes principal payments from DFL. We borrow money in order to finance our operations; therefore, interest expense is a necessary element of our costs and ability to generate revenue. Similarly, our use of capital assets makes depreciation and amortization expense a necessary element of our costs and ability to generate income. In addition, since we are subject to state and federal income taxes, any measure that excludes tax expense has material limitations. Moreover, adjusted EBITDA is not calculated identically by all companies; therefore our presentation of adjusted EBITDA may not be comparable to similarly titled measures of other companies. Due to these limitations, we use adjusted EBITDA as a measure of performance only in conjunction with GAAP measures of performance, such as net income. The following table provides a reconciliation of adjusted EBITDA to net income, the most comparable performance measure under GAAP (in thousands):

	Nine Months Ended September 30,		Year Ended December 31,		
	2010	2009	2009	2008 (Unaudited)	2007
Net income (loss)	$ 17,886	$ 10,482	$ 13,556	$ (26,953)	$ 19,047
Add:					
Net interest expense	3,141	3,336	4,301	9,117	9,898
Depreciation	14,218	13,023	17,366	16,001	8,932
Amortization of intangible assets and impairment of container rental equipment	1,074	1,287	1,652	1,865	1,606
Impairment of goodwill				50,247	
Income tax expense	1,288	3,481	3,919	11,547	10,990
EBITDA	37,607	31,609	40,794	61,824	50,473
Add: principal payments from direct finance leases	4,049	4,168	5,532	6,563	3,991

Adjusted EBITDA	$ 41,656	$ 35,777	$ 46,326	$ 68,387	$ 54,464

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(2) Reflects the total number of TEUs in our managed or owned fleet, as applicable, as of the end of the period indicated, including units held for sale and units we have purchased but held at the manufacturer.

(3) Long-term leases comprise leases that had a contractual term in excess of twelve months at the time of inception of the leases, including leases that permit cancellation by the lessee within 12 months if penalties are paid, and leases that have exceeded their initial contractual term of 12 months or greater. Short-term leases comprise leases that had a contractual term of 12 months or less at the time of inception of the leases.

(4) Reflects the average number of TEUs in our fleet on lease as a percentage of total TEUs available for lease. In calculating TEUs available for lease, we exclude units held for sale and units held at the manufacturer that we have purchased. The utilization rate for a period is calculated by averaging the utilization rates at the end of each calendar month during the period. See Management Discussion and Analysis of Financial Condition and Results of Operations in our annual report on Form 10-K incorporated by reference herein for a discussion of the calculation of our utilization rate.

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RISK FACTORS

Prior to making a decision about investing in our common stock, you should carefully consider the following risks and uncertainties, together with the risks described beginning on page 6 of the accompanying prospectus and all of the other information contained in or incorporated by reference in this prospectus supplement or the accompanying prospectus. If any of the risks described in this prospectus supplement or accompanying prospectus, or the risks described in the documents incorporated by reference in this prospectus supplement or the accompanying prospectus, actually occur, our business could be harmed. In such case, the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to our Common Stock and the Offering

We have broad discretion to use the net proceeds from this offering; our investment of these proceeds may not yield a favorable return.

Our management has broad discretion as to how to spend and invest the net proceeds from this offering, and we may spend or invest these net proceeds in ways with which our stockholders may not agree and that do not necessarily improve our operating results or enhance the value of our common stock. Accordingly, you will need to rely on our judgment with respect to the use of the net proceeds, and you will not have the opportunity as part of your investment decision to assess whether they are being used or invested appropriately. Until the net proceeds are used, we plan to invest the net proceeds of this offering in short-term, investment-grade, interest-bearing securities. These investments may not yield a favorable return.

If you purchase shares of common stock in this offering, you will suffer immediate and substantial dilution of your investment.

The public offering price of the common stock will be substantially higher than the net tangible book value per share of our outstanding common stock. If you purchase shares of our common stock, you will incur immediate and substantial dilution in the amount of $8.76 per share. See Dilution.

Our stock price has been volatile and may remain volatile.

The trading price of our common stock may be subject to wide fluctuations in response to quarter-to-quarter variations in operating results, new products or services by us or our competitors, general conditions in the shipping industry and the intermodal container sales and leasing markets, changes in earnings estimates by analysts, or other events or factors. In addition, the public stock markets have experienced extreme price and trading volume volatility in recent months. The broad market fluctuations may adversely affect the market price of our common stock. Since the initial public offering of our stock at $15.00 per share on May 16, 2007, the closing market price of our stock has fluctuated significantly from a high of $21.17 per share to a low of $2.15 per share. Since our stock is not among the most heavily traded stocks in the market, stockholders may experience difficulties in liquidating our stock. Factors affecting the trading price of our common stock may include:

- variations in our financial results and other financial and operating data;
- changes in financial estimates or investment recommendations by any securities analysts following our business;
- the public s response to our press releases, our other public announcements and our filings with the SEC;
- our ability to maintain our competitive strengths and execute one or more elements of our growth strategy as well as to obtain additional borrowing capacity, all as described elsewhere in this prospectus supplement;
- our ability to achieve operating results consistent with securities analysts projections;

- the operating and stock price performance of other companies that investors may deem comparable to us;

- recruitment or departure of key personnel;

- our ability to timely address changing container lessee and container investor preferences;

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- global trade conditions and container market and industry factors;
- changes in accounting standards, policies, guidance, interpretations or principles;
- general stock market conditions; and
- other events or factors, including those resulting from war, incidents of terrorism or responses to such events.

In addition, if the market for companies deemed similar to us or the stock market in general experiences loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business or financial results. The trading price of our common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us.

Future new sales of our common stock by us or outstanding shares by existing stockholders, or the perception that there will be future sales of new shares from the company or existing stockholders, may cause our stock price to decline and impair our ability to obtain capital through future stock offerings.

A substantial number of shares of our common stock held by our current stockholders could be sold into the public market at anytime. In addition, the perception of, or actual sale of, new shares may materially and adversely affect our stock price and could impair our ability to obtain future capital through an offering of equity securities.

We have no current plans to pay dividends.

We have no current plans to pay cash dividends to holders of our common stock. In addition, our senior secured credit facility includes restrictions on our ability to pay cash dividends. Agreements governing future indebtedness, including the term credit facility we are currently negotiating, may contain similar restrictions on our ability to pay cash dividends. Although our board of directors may decide in the future to declare and issue a dividend, or to set a dividend policy, no assurance is given that decision to declare such a dividend or to set such a policy will be made in the future. Consequently, investors must rely on sales of their common stock as the only way to realize any future gains on their investment.

If securities analysts do not publish research or reports about our business or if they change their financial estimates or investment recommendation, the price of our stock could decline.

The trading market for our common stock will rely in part on the research and reports that industry or financial analysts publish about us or our business. We do not control or influence the decisions or opinions of these analysts and analysts may not cover us. If any analyst who covers us changes his or her financial estimates or investment recommendation, the price of our stock could decline. If any analyst ceases coverage of our company, we could lose visibility in the market, which in turn could cause our stock price to decline.

Our founder, Mr. Hiromitsu Ogawa, will continue to have substantial control over us and could act in a manner with which other stockholders may disagree or that is not necessarily in the interests of other stockholders.

Based upon beneficial ownership as of November 30, 2010, Mr. Ogawa beneficially owns approximately 41.3% of our outstanding common stock. Assuming Mr. Ogawa sells 675,840 shares in this offering, he will beneficially own 34.9% of our outstanding common stock immediately after completion of this offering. As a result, he may have the ability to determine the outcome of matters submitted to our stockholders for approval, including the election of directors and any merger, consolidation or sale of all or substantially all of our assets. In addition, he may have the ability to control the management and affairs of our company. Mr. Ogawa may have interests that are different from yours.

For example, he may support proposals and actions with which you may disagree or which are not in your interests. The concentration of ownership could delay or prevent a change in control of us or otherwise discourage a potential acquirer from attempting to obtain control of us, which in turn could reduce the price of

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our common stock. In addition, as Chairman of our Board of Directors, Mr. Ogawa will influence decisions to maintain our existing management and directors in office, delay or prevent changes of control of our company, or support or reject other management and board proposals that are subject to stockholder approval, such as amendments to our employee stock plans and approvals of significant financing transactions.

Our certificate of incorporation and bylaws and Delaware law contain provisions that could discourage a third party from acquiring us and consequently decrease the market value of an investment in our common stock.

Our certificate of incorporation and bylaws and Delaware corporate law each contain provisions that could delay, defer or prevent a change in control of our company or changes in our management. Among other things, these provisions:

- authorize us to issue preferred stock that can be created and issued by the board of directors without prior stockholder approval, with rights senior to those of our common stock;
- permit removal of directors only for cause by the holders of a majority of the shares entitled to vote at the election of directors and allow only the directors to fill a vacancy on the board of directors;
- prohibit stockholders from calling special meetings of stockholders;
- prohibit stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of our stockholders;
- allow the authorized number of directors to be changed only by resolution of the board of directors;
- establish advance notice requirements for submitting nominations for election to the board of directors and for proposing matters that can be acted upon by stockholders at a meeting;
- classify our board of directors into three classes so that only a portion of our directors are elected each year; and
- allow our directors to amend our bylaws.

These provisions could discourage proxy contests and make it more difficult for our stockholders to elect directors and take other corporate actions, which may prevent a change of control or changes in our management that a stockholder might consider favorable. In addition, Section 203 of the Delaware General Corporation Law may discourage, delay or prevent a change in control of us. Any delay or prevention of a change in control or change in management that stockholders might otherwise consider to be favorable could cause the market price of our common stock to decline.

Risks Related to our Business and the Container Leasing Industry

Current economic conditions may adversely affect our industry, business and results of operations.

The United States and foreign economies are in various stages of recovery from the 2009 economic recession. The capital markets are currently experiencing a high level of volatility and liquidity has become constrained across the debt and equity markets. In addition, recent disruptions in national and international credit markets have led to a scarcity of credit, tighter lending standards and higher interest rates on business loans.

We increased our allowance for doubtful accounts in 2009 to recognize the increased credit risk brought about by the current economic environment. A prolonged economic downturn or a continuing scarcity of credit could further adversely affect the financial condition and levels of business activity of our customers. This may in turn have a corresponding negative impact on our future operating results as some of our customers may suffer business failures that may cause us to further incur higher bad debt expense in the future while others may react to worsening conditions by reducing their level of investment in container portfolios or reducing their leasing of containers from us. In addition, worsening economic conditions may impair our ability to attract new customers.

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For example, our average fleet utilization rate declined from 94.2% during the third quarter of 2008 to 81.9% during the fourth quarter of 2009. If any of these economic circumstances remain in effect for an extended period of time, there could be a material adverse effect on our future financial results.

The demand for leased containers depends on many political, economic and other factors beyond our control.

Substantially all of our revenue comes from activities related to the leasing of containers. Our ability to continue successfully leasing containers to container shipping lines, earning management fees on leased containers and attracting container investors to purchase container portfolios from us depends in part upon the continued demand for leased containers. The demand for containers is affected by numerous factors.

Demand for containers depends largely on the rate of world trade and economic growth, with consumer demand being one of the most critical factors affecting this growth. Recent economic downturns in one or more countries, particularly in the United States and other countries with consumer-oriented economies, have resulted in a reduction in world containerized trade growth or in demand by container shipping lines for leased containers. Most of the container investor programs into which we sell container portfolios employ a certain amount of debt in order to increase investor equity returns. The uncertainty on future demand for containers from container shipping lines, the potential of lower than expected performance of existing investments in container funds and the more difficulty in container investors being able to access debt for future investment programs, increases the potential that we may not be able to sell containers to investor programs in the future. In such case, our revenue, net income and cash flow will be lower, which will limit the level of growth in our operating fleet that we might otherwise be able to attain.

The recent economic recession resulted in a decline in the demand for shipping containers by our customers and an increase in the number of containers returned to us, reduced our container rental revenue, reduced utilization of our fleet and increased our operating expenses (such as storage, bad debt and repositioning costs). We cannot predict the degree to which the future economic recession in the U.S. and foreign economies will have on our financial condition and our future operating results.

Much of our leasing business involves shipments of goods exported from Asia. From time to time, there have been economic disruptions, health scares (such as SARS and H1N1 flu), financial turmoil, natural disasters and political instability in Asia. If these events were to occur in the future, they could adversely affect our container lessees and the general demand for shipping and lead to reduced demand for leased containers or otherwise adversely affect us. Other general factors affecting demand for leased containers, utilization and per diem rates include the following:

- available supply and prices of new and used containers;
- economic conditions and competitive pressures in the shipping industry;
- shifting trends and patterns of cargo traffic;
- the availability and terms of container financing;
- fluctuations in interest rates and foreign currency values;
- overcapacity or undercapacity of the container manufacturers;
- the lead times required to purchase containers;

the number of containers purchased by competitors and container lessees;

container ship fleet overcapacity or undercapacity;

increased repositioning by container shipping lines of their own empty containers to higher-demand locations in lieu of leasing containers from us;

consolidation or withdrawal of individual container lessees in the container shipping industry;

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- import/export tariffs and restrictions;
- customs procedures, foreign exchange controls and other governmental regulations;
- natural disasters that are severe enough to affect local and global economies;
- political and economic factors; and
- currency exchange rates.

All of these factors are inherently unpredictable and beyond our control. These factors will vary over time, often quickly and unpredictably, and any change in one or more of these factors may have a material adverse effect on our business and results of operations. Many of these factors also influence the decision by our customers to lease or buy containers. Should one or more of these factors influence our customers to buy a larger percentage of the containers they operate, our utilization rate would decrease, resulting in decreased revenue and increased storage and repositioning costs.

Our operating results have fluctuated significantly in the past and may fluctuate significantly in the future.

Our revenue comes primarily from the leasing of containers owned by us, management fees earned on containers owned by container investors and gain on sale of container portfolios to container investors. Historically, our annual and quarterly total revenues, net income and cash flows have fluctuated significantly as a result of fluctuations in our gain on sale of container portfolios. Selling containers to container investors has very little associated incremental expense, which means that our quarterly results may fluctuate significantly depending upon the amount of gain on sale of container portfolios, if any, we realize in a quarter.

Due to seasonal increased demand for containers in the several months leading up to the holiday season in the United States and Europe and higher demand for purchasing containers by container investors toward the end of the calendar year, a higher proportion of our container sales to investors has typically occurred in the second half of each calendar year. Although by comparison our container rental revenue and management fee revenue have historically fluctuated much less than our gain on sale of container portfolios, container rental revenue and management revenue may also fluctuate significantly in future periods based upon the level of demand by container shipping lines for leased containers, our ability to maintain a high utilization rate of containers in our total fleet, changes in per diem rates for leases and fluctuations in operating expenses.

A large part of our historical revenue comes from gain on sale of container portfolios and our container sale activities in the future may result in lower gains or losses on sales of containers.

Our revenue from gain on sale of container portfolios depends on our ability to make a profit on containers that we purchase and then resell to container investors. We typically enter into firm purchase orders for containers before we begin finding lessees for the containers, and the time necessary to lease these containers may be much longer than we anticipate. The price that a container investor is willing to pay for a portfolio of containers depends on a number of factors, including the historical and future expected cash flows from the portfolio to the container investor, the credit ratings of the lessees, the mix of short-term and long-term leases, the number of TEUs in the portfolio, the timing of the sale and alternative investment opportunities available to the container investor. If any of these factors changes unexpectedly during the period between the date of our purchase order to the date a container investor purchases the container from us, we may recognize a lower gain on sale of the containers to investors, sell them to container investors at a loss or retain them as part of our owned fleet.

The capital markets have experienced a high level of volatility and liquidity has been constrained across the debt and equity markets. Most of the container investor programs into which we sell container portfolios employ a certain amount of debt in order to increase investor equity returns. The uncertainty on future demand for containers from container shipping lines, the potential of lower than expected performance of existing investments in container funds and the reduced availability of credit for future investment programs, increases the potential that the Company may not be able to sell container portfolios in the future. In such case, our revenue, net income and cash flow will be adversely affected.

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Per diem rates for our leased containers may decrease, which would have a negative effect on our business and results of operations.

Per diem rates for our leased containers depend on a large number of factors, including the following:

- the type and length of the lease;
- embedded residual assumptions;
- the type and age of the container;
- the number of new containers available for lease by our competitors;
- the location of the container being leased; and
- the price of new containers.

Because steel is the major component used in the construction of new containers, the price of new containers and per diem rates on new containers are highly correlated with the price of raw steel. In the late 1990s, new container prices and per diem rates declined because of, among other factors, a drop in worldwide steel prices and a shift in container manufacturing from Taiwan and Korea to areas in mainland China with lower labor costs. From 2003 to 2004, and again in the second half of 2006, container prices and leasing rates increased partially due to an increase in worldwide steel prices. Similarly, container prices during the first nine months of 2008 rose from their 2007 levels partially due to higher commodity prices. There has been a decrease in steel prices since the beginning of September 2008 and it is believed there has been reduced demand for newly manufactured containers by our customers and competitors. In 2010, container prices have begun increasing due to limited production by container manufacturers. We cannot predict container prices in the future. If newly manufactured container prices decline, we may need to lease the containers at low return rates or at a loss.

Per diem rates may be negatively impacted by the entrance of new leasing companies, overproduction of new containers by manufacturers and over-buying of containers by container shipping lines and leasing competitors. For example, during 2001 and again in 2005, overproduction of new containers, coupled with a build-up of container inventories in Asia by leasing companies and container shipping lines, led to decreasing per diem rates and utilization rates. In 2007, competitive pressures also reduced per diem rates. In the event that the container shipping industry were to be characterized by overcapacity in the future, or if available supply of containers were to increase significantly as a result of, among other factors, new companies entering the business of leasing and selling containers, both utilization and per diem rates may decrease, adversely affecting our revenue and operating results.

A reduction in the willingness of container investors to have us manage their containers could adversely affect our business, results of operations and financial condition.

A significant percentage of our revenue is attributable to management fees earned on services related to the leasing of containers owned by container investors. This revenue has very low direct operating costs associated with it. Accordingly, fluctuations in our management fee revenue in any period will have a significant impact on our profitability in that period. If we fail to meet performance requirements contained in our management agreements, container investors may seek to terminate these agreements. During the year ended December 31, 2009, the Company did not meet certain performance criteria in several of its container management contracts. The Company has experienced nonperformance due to the reduced income resulting from the decline in world trade and global recession and its impact on equipment utilization. Total revenue for the year ended December 31, 2009 would have been approximately 4.5% lower if such container management contracts had been terminated for not meeting the agreed upon performance levels set forth therein.

If one or more container investors terminate their management agreements, our management revenue would be adversely affected and our ability to sell container portfolios to investors could be severely impaired.

However, no container investor has notified the Company of its decision to terminate its management agreement and management does not currently expect any container investor to terminate its agreement. Moreover, our ability to continue to attract new management contracts depends upon a number of factors, including our ability to lease containers on attractive lease terms and to efficiently manage the repositioning and disposition of containers. In the event container investors perceive another container leasing company as better able to provide them with a stable and attractive rate of return, existing contracts may not be renewed, and we may lose management contract opportunities in the future, which could affect our business, results of operations and financial condition.

Please see the risk factor We derive a substantial portion of our revenue for each of our container management and container leasing segments from a limited number of container investors and container lessees, respectively. The loss of, or reduction in business by, any of these container investors or container lessees could result in a significant loss of revenue and cash flow. on page S-22.

Gains and losses associated with the disposition of used equipment may fluctuate and adversely affect our results of operations.

We regularly sell used, older containers upon lease expiration. The residual values of these containers therefore affect our profitability. The volatility of the residual values of such containers may be significant. These values depend upon, among other factors, raw steel prices, applicable maintenance standards, refurbishment needs, comparable new container costs, used container availability, used container demand, inflation rates, market conditions, materials and labor costs and equipment obsolescence. Most of these factors are outside of our control.

Containers are typically sold if it is in the best interest of the owner to do so after taking into consideration earnings prospects, book value, remaining useful life, repair condition, suitability for leasing or other uses and the prevailing local sales price for containers. Gains or losses on the disposition of used container equipment and the sales fees earned on the disposition of managed containers will also fluctuate and may be significant if we sell large quantities of used containers.

The U.S. and foreign economies are in various stages of recovery from the economic recession in 2009, which increases the potential of increased future inventories of used equipment by leasing companies and shipping lines in depots. Such an increase in inventory of idle equipment increases the potential of reducing the prices attained for disposition of used containers. As a result, the Company may need to dispose of equipment at a loss or not be able to sell equipment, which would increase our storage and repositioning expenses.

We may incur significant costs to reposition containers.

When lessees return containers to locations where supply exceeds demand, we routinely reposition containers to higher demand areas. Repositioning expenses vary depending on geographic location, distance, freight rates and other factors, and may not be fully covered by drop-off charges collected from the last lessee of the containers or pick-up charges paid by the new lessee. We seek to limit the number of containers that can be returned and impose surcharges on containers returned to areas where demand for such containers is not expected to be strong. However, market conditions may not enable us to continue such practices. In addition, we may not accurately anticipate which port locations will be characterized by high or low demand in the future, and our current contracts will not protect us from repositioning costs if ports that we expect to be high-demand ports turn out to be low-demand ports at the time leases expire.

Lessee defaults may adversely affect our business, results of operations and financial condition by decreasing revenue and increasing storage, repositioning, collection and recovery expenses.

Our containers are leased to numerous container lessees. Lessees are required to pay rent and indemnify us for damage to or loss of containers. Lessees may default in paying rent and performing other obligations under their leases. A delay or diminution in amounts received under the leases (including leases on our managed containers), or a default in the performance of maintenance or other lessee obligations under the leases could adversely affect our business, results of operations and financial condition and our ability to make payments on our debt.

Our cash flows from containers, principally container rental revenue, management fee revenue, gain on sale of container portfolios, gain on disposition of used equipment and commissions earned on the sale of containers on behalf of container investors, are affected significantly by the ability to collect payments under leases and the ability to replace cash flows from terminating leases by re-leasing or selling containers on favorable terms. All of these factors are subject to external economic conditions and the performance by lessees and service providers that are not within our control.

When lessees default, we may fail to recover all of our containers and the containers we do recover may be returned to locations where we will not be able to quickly re-lease or sell them on commercially acceptable terms. We may have to reposition these containers to other places where we can re-lease or sell them, which could be expensive depending on the locations and distances involved. Following repositioning, we may need to repair the containers and pay container depots for storage until the containers are re-leased. For our owned containers these costs will directly reduce our income before taxes and for our managed containers, lessee defaults will increase operating expenses, and thus reduce our management fee revenue. We have seen an increase in the number of smaller regional shipping lines defaulting on their lease agreements since the second quarter of 2008. The Company is recovering equipment and incurring expenses for its account and for the account of container investors related to these customer defaults. We maintain insurance to reimburse the Company and container investors for such customer defaults. The insurance agreements are subject to deductibles of up to $3.0 million per occurrence and have significant exclusions and, therefore, may not be sufficient to prevent us from suffering material losses. Additionally, the increase in claims made by the Company under such insurance agreements may result in such insurance not being available to us in the future on commercially reasonable terms, or at all.

We may not be successful in obtaining additional debt financing, which may reduce our growth opportunities.

We are currently negotiating a term credit facility that we anticipate will close in December 2010, which we expect will be in addition to our existing senior secured credit facility. Obtaining additional debt capacity is important for us to be able to execute our growth strategy. While we have obtained signed commitments of $250 million and believe that we will be able to complete the definitive documentation necessary to obtain this additional debt financing, with the tightening of the credit markets over the last two years, there can be no assurance that such financing will ultimately be available or, if it is available, that we will be able to structure such financing on terms acceptable to us. If we do obtain the facility, our ability to borrow amounts under it will be subject to our satisfaction of conditions precedent and compliance with terms and conditions in the loan documents. If we are unable to obtain the proposed financing or borrow as anticipated under the facility, we may not be able to increase the size of our owned fleet and expand our business as planned and our growth could be constrained.

Our level of indebtedness reduces our financial flexibility and could impede our ability to operate.

We intend to borrow additional amounts under our senior secured credit facility and other debt facilities to purchase containers and make acquisitions and other investments. We are currently negotiating a term credit facility. We have signed commitments for $250 million of additional borrowing capacity and, in light of strong syndicate interest, may seek to further increase this amount by $50 million. Subject to definitive documentation, terms and conditions, we anticipate closing this new facility in December 2010 and we expect that it will be in addition to our existing senior secured credit facility. We expect that we will maintain a significant amount of indebtedness on an ongoing basis. All of our borrowings under our senior secured credit facility are due and payable on September 25, 2014 and there is no assurance that we will be able to refinance our outstanding

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indebtedness, or if refinancing is available, that it can be obtained on terms that we can afford. The capital markets are currently experiencing a high degree of volatility. To the extent that volatility in the capital markets continues, our access to capital may become limited and our borrowing costs may materially increase.

Our senior secured credit facility requires us to pay a variable rate of interest, which will increase or decrease based on variations in certain financial indexes, and fluctuations in interest rates can significantly decrease our profits. We expect the new term credit facility we are currently negotiating will also accrue interest at a variable rate. We do not have any material amounts of hedge or similar contracts that would protect us against changes in interest rates.

The amount of our indebtedness could have important consequences for you, including the following:

- requiring us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, thereby reducing funds available for operations, future business opportunities and other purposes;

- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

- making it more difficult for us to satisfy our debt obligations, and any failure to comply with such obligations, including financial and other restrictive covenants, could result in an event of default under the agreements governing such indebtedness, which could lead to, among other things, an acceleration of our indebtedness or foreclosure on the assets securing our indebtedness, which could have a material adverse effect on our business or financial condition;

- limiting our ability to borrow additional funds, or to sell assets to raise funds, if needed, for working capital, capital expenditures, acquisitions or other purposes; and

- increasing our vulnerability to general adverse economic and industry conditions, including changes in interest rates.

Our debt and capital lease obligations were $182.4 million as of December 31, 2009 and $202.7 million as of September 30, 2010. If we succeed in closing the new term credit facility we are currently negotiating on terms that we currently anticipate, we may have the ability to incur a significant amount of additional debt obligations, subject to compliance with various terms and conditions. We may not generate sufficient cash flow from operations to service and repay our debt and related obligations and have sufficient funds left over to achieve or sustain profitability in our operations, meet our working capital and capital expenditure needs or compete successfully in our industry.

We will require a significant amount of cash to service and repay our outstanding indebtedness and our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and repay our current and future indebtedness and to fund planned capital expenditures will depend on our ability to generate cash in the future. Based on the balance of our long-term indebtedness as of December 31, 2009, we will require approximately $7.3 million to service our current indebtedness in the year ending December 31, 2010. This amount is expected to substantially increase if we succeed in closing the term credit facility currently under negotiation and increase our balance of long-term indebtedness. It is possible that:

- our business will not generate sufficient cash flow from operations to service and repay our debt and to fund working capital requirements and planned capital expenditures;

- future borrowings will not be available under our current or future credit facilities in an amount sufficient to enable us to refinance our debt; or we will not be able to refinance any of our debt on commercially reasonable terms or at all.

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Our senior secured credit facility imposes, and the terms of any future indebtedness, including our anticipated new facility, may impose, significant operating, financial and other restrictions on us and our subsidiaries.

Restrictions imposed by our senior secured credit facility will limit or prohibit, among other things, our ability to:

- incur additional indebtedness;
- pay dividends on or redeem or repurchase our stock;
- enter into new lines of business;
- issue capital stock of our subsidiaries;
- make loans and certain types of investments;
- create liens;
- sell certain assets or merge with or into other companies;
- enter into certain transactions with stockholders and affiliates; and
- restrict dividends, distributions or other payments from our subsidiaries.

If we succeed in closing the term credit facility we are currently negotiating, we anticipate that such facility will impose similar restrictions to those imposed by our senior secured credit facility and could potentially further constrain our operations.

These restrictions could adversely affect our ability to finance our future operations or capital needs and pursue available business opportunities. A breach of any of these restrictions, including breach of financial covenants, could result in a default in respect of the related indebtedness. If a default occurs, the relevant lenders could elect to declare the indebtedness, together with accrued interest and fees, to be immediately due and payable and proceed against any collateral securing that indebtedness, which will constitute substantially all of our container assets.

As we increase the number of containers in our owned fleet, we will be subject to significantly greater ownership risks.

The number of containers in our owned fleet fluctuates over time as we purchase additional containers and sell containers to container investors or into the secondary resale market. As part of our strategy, we plan to increase both the number of owned containers as well as the number of managed containers in our fleet. In particular, we may use a significant portion of the amount of borrowing available under a new term facility we are negotiating or under our existing senior secured credit facility to purchase additional containers and expand our owned fleet. We believe we will be able to find container investors to purchase the desired portion of the additional containers that we purchase and lease. If we are unable to locate container investors to purchase these containers, we will operate the containers as part of our owned fleet. Ownership of containers entails greater risk than management of containers for container investors, because as we increase the number of containers in our owned fleet, we are subject to an increased level of risk from loss or damage to equipment, financing costs, changes in per diem rates, re-leasing risk, changes in utilization rates, lessee defaults, repositioning costs, storage expenses, impairment charges and changes in sales price upon disposition of containers.

As we increase the number of containers in our owned fleet we will have significantly more capital at risk and may not be able to satisfy the future capital requirements of our container management business.

As we increase the number of containers in our owned fleet, either as a result of planned growth in our owned fleet, including the growth anticipated through purchases using funds from the proceeds from this offering and from the new term credit facility we are currently negotiating or from our existing senior secured credit facility, or as a result of our inability to sell containers to container investors, we may need to maintain higher debt balances which may adversely affect our return on equity and reduce our capital resources, including our ability to borrow money to continue expanding our managed fleet. Future borrowings may not be available under our senior secured credit facility or we may not be able to refinance the facility, if necessary, on commercially

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reasonable terms or at all. Furthermore, we may not succeed in closing the term credit facility that we are currently negotiating. We may need to raise additional debt or equity capital in order to fund our business, expand our sales activities and/or respond to competitive pressures. We may not have access to the capital resources we desire or need to fund our business. These effects, among others, may reduce our profitability and adversely affect our plans to continue the expansion of the container management portion of our business.

Our container lessees prefer newer containers, so to stay competitive we must continually add new containers to our fleet. If we are unable to make necessary capital expenditures, our fleet of containers may be less desirable to our container lessees and our profitability could suffer.

Potential defaults by current and future customers as a result of the expansion of our business and the size of our owned fleet could material impact our results of operations.

As we expand our business and increase the size of our owned fleet, we may face increased financial exposure to defaults by individual significant customers that account for greater revenues on a yearly basis. The failure of any significant customer to perform its obligations under our customer agreements could have a material impact on our business and results of operations.

We may incur future asset impairment charges.

An asset impairment charge may result from the occurrence of unexpected adverse events or management decisions that impact our estimates of expected cash flows generated from our long-lived assets. We regularly review our long-lived assets for impairment, including when events or changes in circumstances indicate the carrying value of an asset may not be recoverable. We may be required to recognize asset impairment charges in the future as a result of reductions in demand for specific container types, a weak economic environment, challenging market conditions, events related to particular customers or asset type, or as a result of asset or portfolio sale decisions by management.

The container investors that purchase containers from us are located in four countries and a change in the conditions and laws in any of these countries could significantly reduce demand by container investors to purchase containers.

The container investors that have historically purchased containers from us are located in Germany, Switzerland, Austria and Japan. The willingness of these investors to continue to purchase containers from us will depend upon a number of factors outside of our control, including the laws in the countries in which they are domiciled, the tax treatment of an investment and restrictions on foreign investments. If a change in tax laws or other conditions makes investments in containers less attractive, we will need to identify new container investors. The process of identifying new container investors and selling containers to them could be lengthy and we may not be able to find new container investors in these circumstances, which would result in a substantial reduction in the amount of gain on sale of container portfolios and cash flow.

We derive a substantial portion of our revenue for each of our container management and container leasing segments from a limited number of container investors and container lessees, respectively. The loss of, or reduction in business by, any of these container investors or container lessees could result in a significant loss of revenue and cash flow.

We have derived, and believe that we will continue to derive, a significant portion of our revenue and cash flow from a limited number of container investors and container lessees. Our business comprises two reportable segments for financial statement reporting purposes: container management and container leasing. The operating results of each segment and details of our revenues by for the years ended December 31, 2009, 2008 and 2007 are summarized in Note 17 to our consolidated financial statements contained in our Annual Report on Form 10-K and incorporated by reference in this filing. Revenue for our container management segment comes primarily from container investors that purchase portfolios of containers and then pay us to manage the containers for them. Revenue for our container leasing segment comes primarily from container lessees that lease containers from our owned fleet.

Revenue from our ten largest container lessees represented 45.5% of the revenue from our container leasing segment for the year ended December 31, 2009, with revenue from our single largest container lessee accounting

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for 7.3%, or $4.1 million, of revenue from our container leasing segment during such period. This $4.1 million of revenue represented 6.3% of our total revenue for this period. We do not distinguish between our owned fleet and our managed fleet when we enter into leases with container shipping lines. Accordingly, the largest lessees of our owned fleet are typically among the largest lessees of our managed fleet, and our management fee revenue is based in part on the number of managed containers on lease to container lessees. As a result, the loss of, or default by, any of our largest container lessees could have a material adverse effect on the revenue for both our container management segment and our container leasing segment. In addition, many of the management agreements with our container investors contain performance criteria, such as minimum per diem net income per container or minimum utilization rates for the pool of containers owned by the container investors. In the event we fail to meet one or more of these criteria in a management agreement, the independent investment arrangers who typically act on behalf of container investors may have the right to terminate the management agreement. In the year ended December 31, 2009, container investors associated with five investment arrangers represented 89.3% of our container management revenue. If we were to not perform our obligations as a container manager under the management agreements controlled by an independent investment arranger, the independent investment manager could decide to terminate all of the management agreements under which we have not performed our obligations. Managed containers associated with our single largest container investor accounted for 31.9%, or $3.0 million, of revenue from our container management segment during the year ended December 31, 2009. This $3.0 million of revenue represented 4.6% of our total revenue for this period. The termination of the management agreements under the control of a single investment arranger or the loss of our largest container investor as a management services customer could have a material adverse effect on the revenue for our container management segment.

Consolidation and concentration in the container shipping industry could decrease the demand for leased containers.

We primarily lease containers to container shipping lines. We believe container shipping lines require two TEUs of available containers for every TEU of capacity on their container ships. The container shipping lines have historically relied on a large number of leased containers to satisfy their needs. Consolidation of major container shipping lines could create efficiencies and decrease the demand that container shipping lines have for leased containers because they may be able to fulfill a larger portion of their needs through their owned container fleets. It could also create concentration of credit risk if the number of our container lessees decreases due to consolidation. Additionally, large container shipping lines with significant resources could choose to manufacture their own containers, which would decrease their demand for leased containers and could have an adverse impact on our business.

Changes in market price, availability or transportation costs of containers could adversely affect our ability to maintain our supply of containers.

We currently purchase almost all of our containers from manufacturers based in China. If it were to become more expensive for us to procure containers in China or to transport these containers at a low cost from China to the locations where they are needed by our container lessees because of changes in exchange rates between the U.S. Dollar and Chinese Yuan, further consolidation among container suppliers, increased tariffs imposed by the United States or other governments or for any other reason, we may have to seek alternative sources of supply. While we are not currently dependent on any single current manufacturer of our containers, we may not be able to make alternative arrangements quickly enough to meet our container needs, and the alternative arrangements may increase our costs. The availability of containers depends significantly on the availability and cost of steel in China. If a shortage of steel develops either in China or worldwide, container manufacturers may not be able to meet our demand for new containers which would limit our ability to add new containers to our fleet.

Terrorist attacks, the threat of such attacks, piracy or the outbreak of war and hostilities could negatively impact our operations and profitability and may expose us to liability.

Terrorist attacks and the threat of such attacks have contributed to economic instability in the United States and elsewhere, and further acts or threats of terrorism, violence, war or hostilities could similarly affect world trade and the industries in which we and our container lessees operate. For example, worldwide containerized trade dramatically decreased in the immediate aftermath of the September 11, 2001 terrorist attacks in the United States, which affected demand for leased containers. In addition, terrorist attacks, threats of terrorism, piracy or threats thereof, violence, war or hostilities may directly impact ports, depots, our facilities or those of our suppliers or container lessees and could impact our sales and our supply chain. A severe disruption to the worldwide ports system and flow of goods could result in a reduction in the level of international trade and lower demand for our containers. We maintain liability insurance that we believe would apply to claims arising from a terrorist attack, and our lease agreements require our lessees to indemnify us for all costs, liabilities and expenses arising out of the use of our containers, including property damage to the containers, damage to third-party property and personal injury. However, our lessees may not have adequate resources to honor their indemnity obligations and our insurance coverage is subject to large deductibles, a $15.0 million limit on coverage and significant exclusions. Accordingly, we may not be protected from liability (and expenses in defending against claims of liability) arising from a terrorist attack.

Our senior executives are critical to the success of our business and our inability to retain them or recruit new personnel could adversely affect our business.

Most of our senior executives and other management-level employees have over ten years of industry experience. We rely on this knowledge and experience in our strategic planning and in our day-to-day business operations. Our success depends in large part upon our ability to retain our senior management, the loss of one or more of whom could have a material adverse effect on our business. Our success also depends on our ability to retain our experienced sales force and technical personnel as well as recruiting new skilled sales, marketing and technical personnel. Competition for these individuals in our industry is intense and we may not be able to successfully recruit, train or retain qualified personnel. If we fail to retain and recruit the necessary personnel, our business and our ability to obtain new container lessees and provide acceptable levels of customer service could suffer.

We rely on our proprietary information technology system to conduct our business. If this system fails to adequately perform its functions, or if we experience an interruption in its operation, our business, results of operations and financial prospects could be adversely affected.

The efficient operation of our business is highly dependent on our proprietary information technology system. We rely on our system to track transactions, such as repair and depot charges and changes to book value, and movements associated with each of our owned or managed containers. We use the information provided by this system in our day-to-day business decisions in order to effectively manage our lease portfolio and improve customer service. We also rely on it for the accurate tracking of the performance of our managed fleet for each container investor. The failure of our system to perform as we expect could disrupt our business, adversely affect our results of operations and cause our relationships with lessees and container investors to suffer. In addition, our information technology system is vulnerable to damage or interruption from circumstances beyond our control, including fire, natural disasters, power loss and computer systems failures and viruses. Any such interruption could have a material adverse effect on our business, results of operations and financial prospects.

We face extensive competition in the container leasing industry.

We may be unable to compete favorably in the highly competitive container leasing and container management businesses. We compete with a number of major leasing companies, many smaller lessors, manufacturers of container equipment, companies and financial institutions offering finance leases, promoters of container ownership and leasing as a tax-efficient investment, container shipping lines, which sometimes lease their excess container stocks, and suppliers of alternative types of containers for freight transport. Some of these competitors have greater financial resources and access to capital than we do. Additionally, some of these competitors may have large, underutilized inventories of containers, which could lead to significant downward pressure on per diem rates, margins and prices of containers.

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Competition among container leasing companies depends upon many factors, including, among others, per diem rates; lease terms, including lease duration, drop-off restrictions and repair provisions; customer service; and the location, availability, quality and individual characteristics of containers. New entrants into the leasing business have been attracted by the high rate of containerized trade growth in recent years. New entrants may be willing to offer pricing or other terms that we are unwilling or unable to match. As a result, we may not be able to maintain a high utilization rate or achieve our growth plans.

The international nature of our business exposes us to numerous risks.

Our ability to enforce lessees obligations will be subject to applicable law in the jurisdiction in which enforcement is sought. As containers are predominantly located on international waterways, it is not possible to predict, with any degree of certainty, the jurisdictions in which enforcement proceedings may be commenced. For example, repossession from defaulting lessees may be difficult and more expensive in jurisdictions in which laws do not confer the same security interests and rights to creditors and lessors as those in the United States and in jurisdictions where recovery of containers from defaulting lessees is more cumbersome. As a result, the relative success and expedience of enforcement proceedings with respect to containers in various jurisdictions cannot be predicted.

We are also subject to risks inherent in conducting business across national boundaries, any one of which could adversely impact our business. These risks include:

- regional or local economic downturns;
- changes in governmental policy or regulation;
- restrictions on the transfer of funds into or out of the country;
- import and export duties and quotas;
- domestic and foreign customs and tariffs;
- international incidents;
- war, hostilities, terrorist attacks, a piracy, or the threat of any of these events;
- government instability;
- nationalization of foreign assets;
- government protectionism;
- compliance with export controls, including those of the U.S. Department of Commerce;

- compliance with import procedures and controls, including those of the U.S. Department of Homeland Security;

- consequences from changes in tax laws, including tax laws pertaining to the container investors;

- potential liabilities relating to foreign withholding taxes;

- labor or other disruptions at key ports;

- difficulty in staffing and managing widespread operations; and

- restrictions on our ability to own or operate subsidiaries, make investments or acquire new businesses in these jurisdictions.

One or more of these factors could impair our current or future international operations and, as a result, harm our overall business.

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We may incur costs associated with new security regulations, which may adversely affect our business, financial condition and results of operations.

We may be subject to regulations promulgated in various countries, including the United States, seeking to protect the integrity of international commerce and prevent the use of containers for international terrorism or other illicit activities. For example, the Container Security Initiative, the Customs-Trade Partnership Against Terrorism and Operation Safe Commerce are among the programs administered by the U.S. Department of Homeland Security that are designed to enhance security for cargo moving throughout the international transportation system by identifying existing vulnerabilities in the supply chain and developing improved methods for ensuring the security of containerized cargo entering and leaving the United States. Moreover, the International Convention for Safe Containers, 1972 (CSC), as amended, adopted by the International Maritime Organization, applies to new and existing containers and seeks to maintain a high level of safety of human life in the transport and handling of containers by providing uniform international safety regulations. As these regulations develop and change, we may incur compliance costs due to the acquisition of new, compliant containers and/or the adaptation of existing containers to meet new requirements imposed by such regulations. Additionally, certain companies are currently developing or may in the future develop products designed to enhance the security of containers transported in international commerce. Regardless of the existence of current or future government regulations mandating the safety standards of intermodal shipping containers, our competitors may adopt such products or our container lessees may require that we adopt such products. In responding to such market pressures, we may incur increased costs, which could have a material adverse effect on our business, financial condition and results of operations.

We operate in numerous tax jurisdictions. A taxing authority within any of these jurisdictions may challenge our operating structure which could result in additional taxes, interest and penalties that could materially impact our future financial results.

We have implemented a number of structural changes with respect to our international subsidiaries in an effort to reduce our income tax obligations in countries in which we operate. There can be no assurance that our tax structure and the amount of taxes we pay in any of these countries will not be challenged by the taxing authorities in these countries. If the tax authorities challenge our tax structure or the amount of taxes paid, we could incur substantial expenses associated with defending our tax position as well as expenses associated with the payment of any additional taxes, penalties and interest that may be imposed on us. The payment of these amounts could have an adverse material effect on our business and results of operations.

Environmental liability may adversely affect our business and financial condition.

We are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants to air, ground and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. We could incur substantial costs, including cleanup costs, fines and costs arising out of third-party claims for property or natural resource damage and personal injury, as a result of violations of or liabilities under environmental laws and regulations in connection with our or our lessees current or historical operations. Under some environmental laws in the United States and certain other countries, the owner or operator of a container may be liable for environmental damage, cleanup or other costs in the event of a spill or discharge of material from the container without regard to the fault of the owner or operator. While we typically maintain liability insurance and typically require lessees to provide us with indemnity against certain losses, the insurance coverage may not be sufficient, or available, to protect against any or all liabilities and such indemnities may not be sufficient to protect us against losses arising from environmental damage. Moreover, our lessees may not have adequate resources, or may refuse to honor their indemnity obligations and our insurance coverage is subject to large deductibles, coverage limits and significant exclusions.

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We may face litigation involving our management of containers for container investors.

We manage containers for container investors under management agreements that are negotiated with each container investor. We make no assurances to container investors that they will make any amount of profit on their investment or that our management activities will result in any particular level of income or return of their initial capital. We believe that as the number of containers that we manage for container investors increases, there is a possibility that we may be drawn into litigation relating to the investments. Although our management agreements contain contractual protections and indemnities that are designed to limit our exposure to such litigation, such provisions may not be effective and we may be subject to a significant loss in a successful litigation by a container investor.

Our 80 percent ownership in CAIJ Ltd, a container investment arranger and advisor focused on arranging container investments with Japanese investors, may subject us to material litigation risks and damage to our professional reputation as a result of litigation allegations and negative publicity.

CAIJ Ltd (CAIJ) was formed and began operation in 2007 for the purpose of arranging investments in our containers with Japanese investors. CAIJ arranged $5.8 million and $14.6 million of investments in container funds in 2009 and 2008, respectively, and we expect that CAIJ will arrange more container investments in the future. Because we are the seller and manager of the containers that will be sold to investors on whose behalf CAIJ acts as an arranger and advisor, there is an inherent conflict of interest between us and CAIJ. We disclose this inherent conflict of interest to container investors prior to any sale to them, but we do not provide them with any assurances that they will realize a specific or any investment return on the containers purchased from, and managed by, us. In the event that these container investors realize losses on their investments or believe that the returns on their investments are lower than expected, they may make claims, including bringing lawsuits, against CAIJ or us for our alleged failure to act in their best interests. Any such claims could result in the payment of legal expenses and damages and also damage our reputation with container investors and potential container investors and materially and adversely affect our business, financial condition or results of operations.

Certain liens may arise on our containers.

Depot operators, repairmen and transporters may come into possession of our containers from time to time and have sums due to them from the lessees or sublessees of the containers. In the event of nonpayment of those charges by the lessees or sublessees, we may be delayed in, or entirely barred from, repossessing the containers, or be required to make payments or incur expenses to discharge liens on our containers.

The lack of an international title registry for containers increases the risk of ownership disputes.

There is no internationally recognized system of recordation or filing to evidence our title to containers nor is there an internationally recognized system for filing security interest in containers. Although we have not incurred material problems with respect to this lack of internationally recognized system, the lack of an international title recordation system with respect to containers could result in disputes with lessees, end-users, or third parties who may improperly claim ownership of the containers.

As a U.S. corporation, we are subject to U.S. Executive Orders and U.S. Treasury Sanctions Regulations regarding doing business in or with certain nations and specially designated nationals (SDNs).

As a U.S. corporation, we are subject to U.S. Executive Orders and U.S. Treasury sanctions regulations restricting or prohibiting business dealings in or with certain nations and with certain specially designated nationals (individuals and legal entities). Any determination that we have violated such Executive Orders and U.S. Treasury sanctions regulations could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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We may pursue acquisitions or joint ventures in the future that could present unforeseen integration obstacles or costs.

We may pursue acquisitions and joint ventures in the future. Acquisitions involve a number of risks and present financial, managerial and operational challenges, including:

- potential disruption of our ongoing business and distraction of management;
- difficulty integrating personnel and financial and other systems;
- hiring additional management and other critical personnel; and
- increasing the scope, geographic diversity and complexity of our operations.

In addition, we may encounter unforeseen obstacles or costs in the integration of acquired businesses. Also, the presence of one or more material liabilities of an acquired company that are unknown to us at the time of acquisition may have a material adverse effect on our business. Acquisitions or joint ventures may not be successful, and we may not realize any anticipated benefits from acquisitions or joint ventures.

In the future, we may be required to pay personal holding company taxes, which would have an adverse effect on our cash flows, results of operations and financial condition.

The Internal Revenue Code requires any company that qualifies as a personal holding company to pay personal holding company taxes in addition to regular income taxes. A company qualifies as a personal holding company if (1) more than 50.0% of the value of the company s stock is held by five or fewer individuals and (2) at least 60.0% of the company s adjusted ordinary gross income constitutes personal holding company income, which, in our case, includes adjusted income from the lease of our containers. If we or any of our subsidiaries are a personal holding company, our undistributed personal holding company income, which is generally taxable income with certain adjustments, including a deduction for federal income taxes and dividends paid, will be taxed at a rate of 15.0%. Based upon our operating results, we were not classified as a personal holding company for the year ended December 31, 2009. Whether or not we or any of our subsidiaries are classified as personal holding companies in future years will depend upon the amount of our personal holding company income and the percentage of our outstanding common stock that will be beneficially owned by Mr. Hiromitsu Ogawa, who beneficially owned 41.3% of our common stock as of December 31, 2009. At some point in the future we could become liable for personal holding company taxes. The payment of personal holding company taxes in the future would have an adverse effect on our cash flows, results of operations and financial condition.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Our disclosure and analysis in this prospectus supplement, in the accompanying prospectus, in any related free writing prospectus, in the documents incorporated by reference and in some of our other public statements contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. This Act provides a safe harbor for forward-looking statements to encourage companies to provide prospective information about themselves so long as they identify these statements as forward-looking and provide meaningful cautionary statements identifying important factors that could cause actual results to differ from the projected results. In some cases, you can identify forward-looking statements by terminology such as anticipate, believe, continue, could, estimate, expect, intend, ma plan, potential, predict, should, or will, or the negative of those terms, or comparable terminology.

Any or all of our forward-looking statements in this prospectus supplement, in the accompanying prospectus, in any related free writing prospectus, in the documents incorporated by reference and in any other public statements we make may turn out to be inaccurate. Forward-looking statements reflect our current expectations or forecasts of future events or results and are inherently uncertain. Inaccurate assumptions we might make and known or unknown risks and uncertainties can affect the accuracy of our forward-looking statements. Accordingly, no forward-looking statement can be guaranteed and future events and actual or suggested results may differ materially. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

the strength of global and regional economies and their ability to recover from the recent recession;

changes in the amount of gain we can realize on sales of portfolios of leased containers to container investors;

changes in demand for container leases;

changes in investor demand for purchasing portfolios of leased containers;

changes in the mix of short-term versus long-term leases;

changes in the per diem rates for leases;

changes in container production and pricing;

changes in the number of containers in our owned fleet;

defaults by container lessees;

economic disruptions, health scares, financial turmoil and political instability;

terrorism, or the threat of terrorism, violence or hostilities that affect the flow of world trade and the demand for containers;

- the development of emerging economies in Asia and other parts of the world and the resulting change in trade patterns;
- fluctuations in interest rates;
- increased competition;
- our ability to obtain additional debt financing at expected levels or at all;
- loss of key members of our senior management; and
- other factors that we describe in the Risk Factors section of this prospectus supplement and the documents incorporated by reference.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make in our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as in any additional prospectus supplement relating to the accompanying prospectus and other public filings with the SEC.

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USE OF PROCEEDS

We estimate that the net proceeds from the sale of our common stock in this offering will be approximately $22.0 million (approximately $23.0 million if the underwriters overallotment option is exercised in full), based on the offering price of $17.50 per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

We expect to use the net proceeds from this offering for working capital and other general corporate purposes, which may include investment in containers. We may also use the net proceeds, or a portion thereof, to pay down a portion of our senior secured credit facility or other debt, expand our fleet and invest in or acquire businesses, assets, technologies and products that will complement our existing operations. We assess acquisition opportunities on an ongoing basis and from time to time have discussions with other companies about potential transactions. We currently do not have any understandings, commitments or agreements with respect to an acquisition and we cannot assure you that we will make any acquisitions in the future.

Pending these uses, we plan to invest the net proceeds in short-term interest-bearing obligations, investment-grade instruments, certificates of deposit or direct guaranteed obligations of the United States. The goal with respect to investment of these net proceeds is capital preservation and liquidity so that funds are readily available to fund our operations.

We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders.

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PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

Our common stock has traded on the New York Stock Exchange, or NYSE, under the symbol CAP since May 16, 2007. The following table sets forth, for the periods indicated, the high and low reported sale prices of our common stock as reported on the NYSE.

	High	Low
Fiscal Year ended December 31, 2008		
First quarter	$ 12.85	$ 8.18
Second quarter	$ 17.67	$ 12.67
Third quarter	$ 19.64	$ 9.57
Fourth quarter	$ 9.74	$ 2.90
Fiscal Year ended December 31, 2009		
First quarter	$ 3.86	$ 2.15
Second quarter	$ 6.33	$ 2.87
Third quarter	$ 7.79	$ 5.13
Fourth quarter	$ 9.33	$ 6.91
Fiscal Year ended December 31, 2010		
First quarter	$ 12.36	$ 7.49
Second quarter	$ 14.82	$ 11.85
Third quarter	$ 15.37	$ 11.56
Fourth quarter (through December 9, 2010)	$ 21.46	$ 14.62

As of November 30, 2010, there were approximately 28 holders of record of our common stock. On December 9, 2010, the last sale price reported on the NYSE for our common stock was $18.06 per share.

Dividends

We have never declared or paid dividends on our capital stock and we have no current plans to pay dividends. We have historically retained earnings, and may retain future earnings, to finance the operation and expansion of our business.

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CAPITALIZATION

The following table shows our cash, cash equivalents and investments and capitalization as of October 31, 2010 on an actual basis and on an as adjusted basis to give effect to the sale of our common stock in this offering and reflects an increase in cash, cash equivalents and investments resulting from the net proceeds pending use as described under Use of Proceeds, based on the offering price of $17.50 per share. You should read this table together with our financial statements and the related notes thereto, as well as Management s Discussion and Analysis of Financial Condition and Results of Operations and the other financial information included elsewhere or incorporated by reference in this prospectus supplement or the accompanying prospectus.

	As of October 31, 2010	
	Actual	As Adjusted(1)