

Industrial loan corporations eye Nevada *State offers better corporate tax structure than Utah*

HENDERSON, NEV. – Ray Specht knows a thing or two about industrial loan corporations (ILC). After all, he had been working in the industry for nearly two decades in Utah.

So when Toyota Financial Services approached Specht about opening its own ILC three years ago, he knew where he wanted to go – Nevada.

Henderson, Nevada to be exact. Henderson is located adjacent to Las Vegas and, along with its outstanding business environment, has been recognized nationally for its high quality of living.

While Utah has been solicited as the “leading” state in which to form an ILC, its neighbor to the West is much more attractive on paper.

“With no state corporate tax, no state income tax and some of the lowest property and sales tax structures in the nation, Nevada is the ideal place to open an industrial loan corporation,” said Specht, president and CEO of Toyota Financial Savings Bank in Henderson. “Things have been great for us here since opening our doors. People want us here and we want to be here.”

Nevada law, like Utah law, allows for non-bank financial companies to operate a bank-like company with federal deposit insurance that can take deposits, issue credit cards and make loans. ILCs cannot offer standard checking and saving accounts if their total assets exceed \$100 million.

Henderson-based Toyota Financial Services offers banking products to Toyota and Lexus customers nationwide.

“Nevada and Utah are really the only two states in the nation who are

currently positioned to allow corporations to establish these subsidiaries,” Specht said.

“And when you compare the two options, Nevada just makes much better business sense.”

And that is good news for the Nevada economy. According to Specht, the ILC industry accounts for 12,000 to 15,000 jobs in Utah.

That is one of the reasons a portion of the economic development efforts in

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President/CEO, Toyota Financial
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Henderson and throughout Nevada are focused on alerting financial services firms about the unique opportunities in one of the nation’s most business-friendly states. In fact, *Business Facilities* magazine recently indicated that Nevada ranks among the top 10 locations for financial services companies.

“Toyota Financial Services is a tremendous success story for us and for all of Nevada,” said Bob Cooper, manager of the City of Henderson’s

Economic Development Division. “We want ILCs and ILCs should want Nevada.”

Henderson offers the convenience of being located in the booming Las Vegas valley without having a Las Vegas mailing address, which some businesses still shy away from having.

Henderson made a name for itself in the 1990s as being the fastest-growing city in the nation. In fact, Henderson – known for its master-planned communities and high-quality of living – has been at the front of Nevada’s growth spurt, growing from just 60,000 people in 1990 to currently over 250,000.

“We chose Henderson because of its favorable business climate, its close proximity to the airport and the favorable tax rates – both personal and business – for Nevada,” Specht said.

Specht and his team at Toyota Financial Saving Bank do a lot of business traveling. Henderson’s convenient location makes the city an attractive location for the headquarters of a business doing work nationally.

Henderson is located just 15 minutes from the Las Vegas Strip and 10 minutes from McCarran International Airport. It is approximately a 40-minute flight or a five-hour drive from Los Angeles and can be reached, by air, from Phoenix, Salt Lake City and San Diego in under an hour and from San Francisco in less than two.

With McCarran International Airport providing frequent and inexpensive flights throughout the world, travel to

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HENDERSON ECONOMIC NEWS REPORT

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CON'T – ILC

and from Southern Nevada is made easy for people headquartered here – and people needing to come meet here on business.

In addition to the benefits of its proximity, ILC leaders are also finding a strong support group in Henderson and all of Nevada. The Nevada Development Authority, which attracts, retains and expands the business base to enhance the overall socioeconomic development of Southern Nevada, is working in cooperation with the City of Henderson and Nevada professionals to help ILCs locate to Nevada.

“The Nevada Development Authority is very pleased to have Henderson join us in our recruiting efforts for ILCs. We make a great team,” said Somer Hollingsworth, president of the Nevada Development

Authority. “Southern Nevada can be a benefit to industrial loan companies and these companies can benefit us. It’s important that we create and maintain a strong support group of professionals to work with ILCs in Southern Nevada and we have worked hard to do just that.”

Existing local professionals are excited companies such as Toyota Financial Savings and Braeburn Capital – an asset management company incorporated by Apple Computer in Nevada earlier this year – are coming to the state.

In fact, many professionals are helping the efforts to recruit and help establish ILCs in the state. Matthew Saltzman is a partner with the Las Vegas-based law firm Kolesar & Leatham, one of the leading financial law firms in the state. He has been

active in working with local economic development officials to help attract ILCs to the area.

“Whenever a company makes a decision to locate to a new state, it must feel comfortable in all aspects of the move and particularly comfortable with how the state’s laws and regulations will impact its industry,” Saltzman said. “For companies evaluating a state in which to charter its industrial loan corporation, Nevada is very attractive, particularly when taking into account Nevada’s tax structure.”

For ILCs, yesterday, it was Utah. Today, it’s Nevada – Henderson, Nevada that is. Just ask Ray Specht and Toyota Financial Savings.

For more information on the City of Henderson’s Economic Development Division, call (702) 267 -1650.