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GOOD MORNING:

I AM RICHARD CULLEN, AND I AM THE ASSISTANT VICE-PRESIDENT-  
OPERATIONS FOR AN AFFILIATE OF JOHN DEERE CAPITAL CORPORATION.

THE CAPITAL CORPORATION, WHICH PRIMARILY PROVIDES FINANCING  
OPPORTUNITIES FOR FARMERS, CONSTRUCTION CUSTOMERS, AND  
HOMEOWNERS, HAS BEEN LOCATED AT THE SAME LOCATION IN  
DOWNTOWN RENO FOR NEARLY 33 YEARS. OUR PARENT COMPANY,  
DEERE & COMPANY HAS BEEN IN BUSINESS SINCE 1837.

CURRENTLY, THERE ARE APPROXIMATELY 35 JOHN DEERE EMPLOYEES  
LOCATED IN THE RENO AREA, INCLUDING THOSE AT OUR REGIONAL  
SALES OFFICE.

JOHN DEERE PAYS A COMPETITIVE SALARY AND INCLUDES ADDITIONAL  
BENEFITS THAT APPROXIMATE 35% OF AN EMPLOYEE'S SALARY.

ON MARCH 21, 2003, JOHN DEERE CAPITAL CORPORATION FILED AN  
APPLICATION FOR A NEVADA THRIFT COMPANY WITH THE NEVADA  
FINANCIAL INSTITUTIONS DIVISION HERE IN CARSON CITY. THE  
PROPOSED NAME OF THE INSTITUTION IS "JOHN DEERE SAVINGS BANK."

THE BANK IS EXPECTED TO BE HEADQUARTED IN RENO, NEVADA, LIKELY  
IN THE DOWNTOWN AREA. RENO NEVADA WAS CHOSEN AS THE  
LOCATION OF THE NEW BANK, BECAUSE WE ALREADY HAVE  
OPERATIONS THERE, NEVADA CURRENTLY PROVIDES A FAVORABLE  
BUSINESS CLIMATE, AND WE HAVE HAD A VERY FAVORABLE  
RELATIONSHIP WITH BOTH THE CITY AND THE STATE SINCE 1970.

THE PURPOSE OF THIS BANK IS TO ENABLE JOHN DEERE TO PROVIDE A  
BROADER OFFERING OF FINANCIAL SERVICES, WHICH INCLUDES THE  
TAKING OF RETAIL DEPOSITS FROM ITS' EXISTING CUSTOMERS.

THE BANK ALSO INTENDS TO OFFER OPERATING LOANS, PRIMARILY TO  
BUSINESSES AND LARGE RURAL FARMERS. JOHN DEERE CREDIT HAS  
OFFERED OPERATING LOANS TO THIS SAME CUSTOMER BASE FOR  
SEVERAL YEARS, BUT FROM A LOCATION IN THE MIDWEST.

IT IS EXPECTED THAT THE ASSETS FOR THE NEW BANK WILL EXCEED \$100  
MILLION.

WE BELIEVE, THAT THE PROPOSED BILL (AB389) UNDER CONSIDERATION, IF PASSED, WILL NOT DISCOURAGE NON-BANK ENTITIES, SUCH AS RETAILERS, FROM OWNING BANKS. ON THE CONTRARY, IF RETAILERS, OR COMPANIES LIKE JOHN DEERE ARE NOT ALLOWED TO START THESE BANKS IN NEVADA, THEY WOULD HAVE TO PURSUE OPPORTUNITIES IN ANOTHER STATE.

WE BELIEVE THAT THIS BILL WILL CERTAINLY COST NEVADA JOBS TODAY, AND REDUCE JOB GROWTH IN THE FUTURE FOR THE STATE.

JOHN DEERE PLANS TO ADD EMPLOYEES IN THE YEARS AHEAD IN OUR CREDIT OFFICE, IN OUR PROPOSED BANKING OPERATION AS WELL AS IN OUR DIVISION SALES OFFICE, ALL LOCATED IN NEVADA. PASSAGE OF THIS BILL MAY FORCE JOHN DEERE TO LOOK ELSEWHERE FOR MUCH OF THAT GROWTH.

A RECENT AMENDMENT TO THE BILL GRANDFATHERED THOSE COMPANIES WHO HAD APPLIED OR WERE ALREADY IN THE STATE ON OR PRIOR TO DECEMBER 31, 2002. BECAUSE OUR APPLICATION WAS MADE ON MARCH 21, 2003, JOHN DEERE IS IN A VERY PRECARIOUS POSITION.

IN SUMMARY, THIS IS AN IMPORTANT ISSUE, AND FOR THE REASONS SIGHTED, OUR COMPANY DOES NOT SUPPORT THE PASSAGE OF AB389 IN ITS CURRENT FORM.