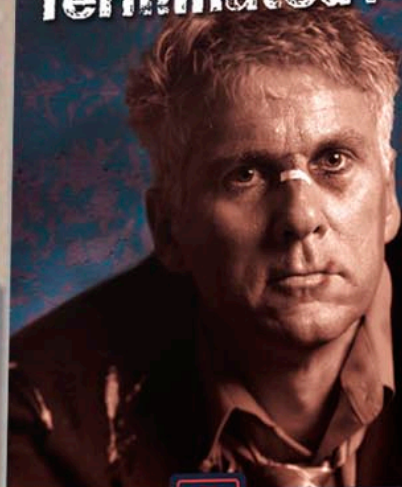




**Will Your  
Business Be  
Terminated?**



NEVADA  RESCUE

[expand2nevada.com](http://expand2nevada.com)





## New & Expanded Companies Fiscal Year 2004

Company	Type	Sq. Ft.	Number of Employees	Location	Origin
101 Pipe & Casing	W/D	7,440	10	North Las Vegas	CA
4yoursoul.com	HQ	5,997	12	Henderson	CA
Acclaim Electronics	HQ	3,600	16	Clark County	CA
Ace Vending	S	2,000	15	Clark County	AZ
AIM Broadcasting, LLC	S	4,000	10	Clark County	NY
Allen Tel Products, Inc.	HQ	56,000	33	Henderson	CA
Amesbury	M	32,200	100	Reno	MA
Analysts, Inc.	R&D	17,000	45	Clark County	CA
APA Marketing	M	150,000	60	Henderson	CA
Aquatic Investments, LLC	M	50,400	18	Mesquite	CA
Artesian Spas/May Manufacturing, LLC	M	120,000	100	Clark County	CA
Big Mountain Imaging	M	12,079	15	Clark County	PA
Bio-Cell USA	R&D	3,000	10	Clark County	FL
Brother's Manufacturing	M	35,000	25	Sparks	CA
Buena Vista Shutters	M	24,000	60	North Las Vegas	CA
Calpine Corporation	W/D	5,000	2	North Las Vegas	CA
Caltrol, Inc.	M	27,000	45	Clark County	CA
CardioVascular BioTherapeutics	M	2,513	5	Henderson	CA
Complete Medical Consultants	S	1,837	2	Henderson	WI
Computer-Show.com	S	16,000	12	Henderson	CA
Covance Diagnostic	R&D	51,280	125	Reno	NV
DiaCleanse, LLC/Global Health Management, LLC	M	57,000	40	Henderson	AZ
Do It Best Corp.	W/D	500,000	94	Mesquite	IN
Earthly Mineral Solutions, Inc.	M	44,000	35	Clark County	AZ
Equipment Wholesale	M	113,256	50	North Las Vegas	CA
Global Recovery Systems	M	56,000	15	Reno	FL
Graematter, Inc.	M	2,000	8	Henderson	MO
HDFS, Inc.	S	100,000	465	Carson City	NV
Helios Energy Products	M	12,000	3	Reno	
IBC Group	M	63,000	40	Reno	FL
Imaging Technologies Services, Inc.	D	21,600	10	Henderson	GA
James Hardie Building	M	250,000	125	RTI/Storey	IL/CA
JNLV Consulting Co., Inc.	S	2,400	7	Clark County	CA
Kelly Products	W/D	3,500	40	Clark County	CA
MCE USA, Inc.	S	4,200	35	North Las Vegas	WA
Mega Care, Inc./M.C. International	M	6,200	25	Clark County	CA
Mobile Productivity	CC	12,000	60	Las Vegas	CA
Monarc Group, Inc.	S	600	6	Henderson	NC
New Pointe Group	HQ	8,000	28	Clark County	CA
Novum Pharmaceutical Research Services of Nevada	R&D	20,900	32	Clark County	PA
NuGen Biotech	R&D	10,000	50	Clark County	CA
PAC International	W/D	2,000	8	Clark County	OR
Pacific Cheese	M	100,000	50	Reno	CA
Pacific Coast Flange	M	25,000	30	Carson City	CA
Paragon Enterprises, Inc.	W/D	8,660	10	Clark County	NY
PC Doctor	HQ	12,400	50	Reno	CA
PDM Steel Service Centers, Inc.	M	29,000	14	North Las Vegas	CA
Perfection Services	CC	2,000	10	Henderson	OH

Pet Edge	D	48,400	45	Reno	MA
Petroglyph	HQ	2,700	10	Las Vegas	NV
Phoenix Door Manufacturing Company	HQ	34,000	35	Henderson	CA
PPU Packaging & Logistics	W/D	22,000	28	Henderson	TX
Prime Health/Think Thin	D	18,000	10	Reno	CA
Pro-Line Printing	M	100,000	65	Reno	NC
Pure Delight	D	57,000	15	Reno	UT
Quality Bindery & Mailing	W/D	49,000	30	Clark County	CA
Quality Corrections & Inspections	S	31,120	45	Henderson	PA
Redemtech	M	40,000	40	Sparks	OH
Royal Wire Products, Inc.	W/D	18,000	12	Clark County	OH
RS Furniture Home Store	D	13,500	25	Reno	N/A
Scott Drake Enterprises	M	86,400	60	Henderson	CA
Shade & Hail Net Systems	W/D	10,000	25	Clark County	S. Africa
Shurjoint Piping Products	W/D	22,000	6	Clark County	WA
Simpro USA, LLC	HQ	39,982	90	Henderson	CA
Southern Chain & Roller	W/D	3,800	3	North Las Vegas	GA
Spacecraft Components Corp.	HQ	60,000	75	North Las Vegas	CA
Specialty Vehicles, Inc.	HQ	10,000	10	Henderson	CA
Stereolithographers, LLC	S	1,000	8	Henderson	NV
Tanabe, USA	W/D	6,250	4	Clark County	CA
Tehama, Inc.	W/D	51,475	70	North Las Vegas	CA
Texstyles, Inc.	W/D	64,000	30	Clark County	KY
The Steel Network	M	14,510	3	Clark County	NC
Tool Source Warehouse	D	24,600	15	Sparks	GA
Touro College	O	69,000	44	Henderson	NY
Unit Chemical	W/D	28,000	10	Henderson	CA
Veristeel, Inc.	M	37,000	15	North Las Vegas	NV
Volare Broadband	HQ	5,000	11	Clark County	CA
Westpoint Stevens	M	200,000	195	Reno	
Zappos.Com, Inc.	CC	27,260	221	Clark County	CA
<b>New Primary Jobs</b>			<b>3315</b>		
<b>Total New Businesses</b>			<b>79</b>		

### Expanded Companies

Company	Type	Sq. Ft.	Number of new Employees	Location	Origin
Cardinal Health, Inc.	CC	10,000	15	Clark County	OH
ClientLogic	CC	N/A	400	Clark County	NV
CMX Productions, Inc.	O	15,000	15	Clark County	IL
CTM Enterprises dba Purafilter 2000	M	42,000	14	Clark County	NV
Ford Credit	CC	111,000	64	Henderson	NV
Kloehn Company	M	20,000	12	Las Vegas	NV
Nutri Pharmaceutical Research, Inc.	M	80,000	15	Clark County	NV
PABCO Gypsum	M	N/A	34	Clark County	NV
Psychological Services, Inc. (PSI)	S	13,100	45	Clark County	CA
Purdy Corporation	M	445,250	35	Reno	NV
Re-Skin	R&D	8,000	5	Clark County	NV
TekTube, Inc.	W/D	24,000	6	Clark County	NV
<b>New Primary Jobs</b>			<b>660</b>		
<b>Total Expansions</b>			<b>12</b>		

CC = Call Center, HQ = Headquarters, M = Manufacturing, O = Other, R&D = Research & Development, S = Service, W/D = Warehouse/Distribution



## **CASE STUDIES**

### ***California Companies Relocated to Nevada***

#### **Southern Nevada (Las Vegas, Henderson, Boulder City, Mesquite)**

##### **YellowPages.com**

###### **Located from San Francisco, Calif. to Henderson, Nev.**

- **Company Profile:** YellowPages.com is a leading and readily recognizable online search tool for customers seeking quick and easy access to commercial and residential information and contacts. A time-tested and effective business tool, the company provides local visibility to advertisers looking to attract local buyers as its core product of advertising and directory services. With 160 current employees worldwide, the company operates in two countries. YellowPages.com also operates a Travel directory and an Industrial/B2B directory. The company is headquartered in Henderson, NV, and can be found online at [www.YellowPages.com](http://www.YellowPages.com).
- **Testimony:** "Southern Nevada is a vibrant place and incredibly pro-business," Madsen said. "It also makes a big difference when we're recruiting top tech people and can show them the standard of living they can have here versus Silicon Valley."
- **Contact:** Dane Madsen, President & CEO  
Ph: (702) 454-0505

##### **Acclaim Electronics**

###### **Located from San Diego, Calif. to Las Vegas, Nev.**

- **Company Profile:** Acclaim Electronics is a stocking distributor of semiconductor electronic components and computer products. They distribute to the global electronics industry. Acclaim is also a leader in buying and stocking excess material. After four years in San Diego, Calif., the company relocated its corporate headquarters to Las Vegas, Nev.
- **Testimony:** "Nevada has no personal or corporate income tax, inventory tax, capital gains tax, or inheritance tax, and a much lower workers' compensation rate than most other states. Nevada is the best place to operate a business, and a great place to live. We saved 40% in operating costs by moving from California to Nevada and we have more motivated and more educated employees here. The best thing you can do for your business is to move to Nevada."
- **Contact:** Bruce Cowan, Chief Executive Officer  
Ph: (702) 869-4900

##### **Scott Drake Enterprises**

###### **Located from Oxnard, Calif. to Henderson, Nev.**

- **Company Profile:** Featuring over 7500 quality products, Scott Drake is the world's largest manufacturer of reproduction parts for classic Mustangs. They also offer many GM products. Their products are only available through popular Mustang parts retailers and distributors, along with restoration shops.
- **Testimony:** "We have found the Nevada Development Authority instrumental in helping us with all aspects of moving our business from California to Nevada. It is nice to see an organization and a state that is pro-business that welcomes new companies. Moving to Nevada was a strategic decision which positions us for new heights and future growth."
- **Contact:** Scott Drake, Owner  
Ph: (805) 988-9992

## CASE STUDIES

### *California Companies Relocated to Nevada*

#### **Northern Nevada (Reno, Sparks, Carson City)**

##### **Momar Industries - Manufacturing**

**Located from San Jose, Calif., to Reno, Nev., March 2004**

- **Company Profile:** Momar Industries manufactures high barrier products for the food industry (e.g. foil for pill packaging, paper lids for products like Cup o' Noodles and sterilized liner caps for bottling) with clients such as Nissan and Maxell. The company president, Victor Monia, moved the company to Reno because he didn't feel Calif., was doing what was necessary to improve the business climate. According to Monia, Calif., is too expensive to do business, make a profit and provide employees with greater benefits and quality of life. For example, in Reno Monia pays 33 cents per square foot for warehouse space versus \$1.10 per square foot in Calif. Monia relocated the majority of his 40-person staff to Reno.
- **Testimony:** *"My employees have 25 percent to 35 percent more buying power in Reno. People who couldn't afford a house in Calif. are buying homes here. I'm in the market now for a new building. We need more space; we'll be up to 80 people within two years."*  
- Victor Monia, president, Momar Industries
- **Contact:** Victor Monia, president  
Ph: 408.205.5647

##### **PC-Doctor, Inc. - Manufacturing**

**Located Corporate Headquarters from Emeryville, Calif., to Reno, Nev., Oct. 2003**

- **Company Profile:** PC-Doctor, Inc. is the leading provider of PC hardware diagnostic, customer support and manufacturing tools for top PC vendors and Information Technology (IT) organizations such as IBM, Dell Computers, Gateway and Hewlett Packard. After 11 years in Emeryville, Calif. the company relocated its corporate headquarters to Reno, Nev., including relocating more than half its highly skilled employees and hiring the remaining staff locally.
- **Testimony:** *"We needed to grow and were concerned about the long-term viability of continuing to do business in California. It was critical to us that we be able to expand our products and services in the future and provide our employees a quality of life – Reno offers that."* – Aki Korhonen, president, PC-Doctor, Inc.
- **Contact:** Aki Korhonen, president  
Ph: 775.336.4040  
[www.pc-doctor.com](http://www.pc-doctor.com)

##### **Pacific Coast Flange - Manufacturing**

**Located from Ukiah, Calif., to Mound House, Nev. (adjacent to Carson City, Nev.) in April 2004**

- **Company Profile:** Pacific Coast Flange is the West Coast's largest importer and manufacturer of steel flanges used by municipal water districts to deliver water. The company has been in business in Ukiah, Calif., since 1995 and moved to Nevada in April 2004 citing California's escalating workers' compensation rates as the top reason for relocating. The company is saving more than 300 percent in its workers' compensation rates (\$30,000 per month in Calif., versus \$6,500 per month in Nev.) Additionally, the move saved the company approximately 50 percent in monthly utilities and improved its customer shipments to certain cities by one day, including Denver and Portland. Pacific Coast Flange also cites cheaper freight costs and a more business friendly tax climate as reasons for relocating to Nev.
- **Testimony:** *"Not only was coming to Nevada a smart business move from a workers' compensation and tax standpoint, but it was also a decision that will have a positive impact on my employees. We've moved 20 employees from Calif., many of whom are qualifying for the first time to purchase homes. That says a lot about why we chose to move to Nevada."* – Mike Fite, Pacific Coast Flange, president/CEO
- **Contact:** Mike Fite, president/CEO  
Ph: 775.246.8440  
[www.pacificflange.com](http://www.pacificflange.com)

**For Immediate Release**

October 2004

**Contacts:** Jeanie L. Ashe, 800-336-1800  
Julie Ardito, 775-829-3706  
James Woodrow, 702-254-5704

## **Reasons to Move or Expand Your Business in Nevada**

### **Tax Climate**

- **No** corporate income tax
- **No** personal income tax
- **No** unitary, franchise or inventory tax
- **No** inheritance tax
- **No** estate and/or gift tax

### **Workers' Compensation**

- Nevada's workers' comp rates lowered an average 9.1 percent in 2004
- California's workers' comp is double the national average
- California's workers' comp reform promised 20-30 percent savings to companies when in reality businesses have only seen approximately 9-10 percent savings
- California companies are paying more workers' comp insurance and employees are receiving proportionately fewer benefits

### **Utilities**

- Nevada's power costs are on average 28 to 36 percent lower than California's

### **Labor**

- Nevada is the second in the nation to have the highest job growth rate for the past five years
- Workforce of nearly 1.2 million
- In August 2004, Nevada's unemployment rate was four percent well below the U.S. unemployment rate of 5.4 percent and California's unemployment rate of 5.8 percent.

### **Central Access to Major Markets**

- Situated at the hub of the 11-state western region, Nevada is ideally located for companies seeking cost-effective, rapid access to major domestic and international markets
- With a market area of 51 million people within one day's drive, companies can benefit from Nevada's low cost tax and operations environment while accessing California, the world's sixth largest economy
- Nevada is strategically positioned for access to California's vast technology resources while escaping the costs and barriers of doing business in California

### **National Ranking**

- Nevada is ranked number two in the nation as the best place to grow a business according to the Small Business Survival Index 2003. Added to the lists of lower taxes, electricity rates and work comp rates, Nevada has lower health care costs and fewer bureaucrats to impede the process.

- # # # -

## Workers' Compensation Comparison

In order to see a true comparison on rate differences for Calif., and Nev., we've provided sample quotes for both states done on a sampling of the class codes that are common in many industries. In rating workers' compensation, there are other factors that come into the true class code description, such as the nature of operations, actual employee duties, etc. However, from the class codes given to the underwriter, it should give fair comparison between the two states. The experience modification was assumed to be 1.0 therefore no credit or debit was taken into consideration.

Description	California Rate	Nevada Rate	Dollar Difference	Percent Difference
Storage Warehouse NOC	\$23.26	\$4.16	\$19.10	Savings of 82.1%
Machine Shop NOC	\$12.71	\$5.31	\$7.40	Savings of 58.2%
Welding or Cutting NOC & Drivers	\$32.73	\$13.42	\$19.31	Savings of 60.0%
Clerical Office Employees NOC	\$1.91	\$0.49	\$1.42	Savings of 74.3%

NOC: Not Otherwise Classified

Rates are quoted per \$100 of payroll

Below is a true comparison of a real client that has exposure in both Nev., and Calif., for class code 8810, which is office clerical. As you can see, the rate in Calif., is **390 percent** higher than it is in Nev., for this class code.

State	Class Code	Classification	2002-2003 Estimated Payroll	2003-2004 Estimated Payroll	Dollar Difference	2002-2003 Rate	2003-2004 Rate
NV	8810	Office Clerical	\$1,579,776	\$1,707,938	\$128,162	\$0.48	\$0.49
CA	8810	Office Clerical	\$1,073,810	\$879,270	(\$194,540)	\$1.20	\$1.91

Data updated April 2004, courtesy of Marsh USA, Inc.

(Rev. 4/04)

## California vs. Nevada – Utility Comparison

---

### Edison Electric Institute Standard Electric Bills

	RESIDENTIAL	COMMERCIAL	INDUSTRIAL
City	Average Rates per kWh	Average Rates per kWh	Average Rates per kWh
<b>Reno/Sparks (Sierra Pacific)</b>	<b>\$.1039</b>	<b>\$.0955</b>	<b>\$.0738</b>
<b>Las Vegas (Nevada Power)</b>	<b>\$.0881</b>	<b>\$.0903</b>	<b>\$.0797</b>
Los Angeles Area (Southern California Edison)	\$.1281	\$.1201	\$.0843
San Francisco – Bay Area (PG&E)	\$.1264	\$.1352	\$.0852
San Diego (San Diego Gas & Electric Company)	\$.1459	\$.1455	\$.1181

Edison Electric Institute (Winter 2004)

### Utilities

Nevada's utility rates are competitive with other major western states. Nevada Assembly Bill 366, passed in 1997, opened the electric utility industry to competition. An added benefit of the deregulation process is a three-year cap on rates to business and residential customers. As of 2000, consumers have the opportunity to select their power provider.

The state's utility companies make use of various sources for producing energy-coal, hydropower and natural gas combined with purchase agreements provide a variety of options for delivering highly dependable service at the lowest possible price. Power companies offer cost-based time-of-use rate schedules for commercial and industrial customers, helping them save on their energy costs by coordinating their heavy-load consumption.

### Geothermal

Nevada ranks second only to California in the development and use of its geothermal resources for producing electricity. According to the Nevada Commission on Mineral Resources, there are currently 14 plants at 10 locations in the state with a total rated capacity of 236 megawatts (MW). Total state resources capacity has been estimated at 2,000 MW by the U.S. Geological Survey.

-# # #-

(7.04)



## **Paid Family Medical Leave Information**

The Family Medical Leave Act (FMLA) is a federal law that applies to all private employers with 50 or more employees and all public employees. California has enacted additional laws that are more favorable to the employee, while Nevada law is consistent with the federally mandated law.

1. In Nevada, the maximum leave is 12 weeks per year for a covered employee. The California Pregnancy Disability Act provides up to four months for a covered pregnant woman. California allows an additional six weeks for birth and bonding leave. Therefore, an employee could take a leave of absence for up to five and a half months.
2. In Nevada, an employee must live within a 75-mile radius of the workplace to qualify for coverage. California does not have this proximity criterion, which means California employers will be covering more employees and incurring additional costs.
3. California law does not permit an employer to obtain a second or third opinion on whether a family member meets the requirements needed for an employee to obtain leave.

Beginning July 1, 2004, California workers will receive up to six weeks of paid leave per year to care for a new child (birth, adoption, or foster care) or serious ill family member (parent, child, spouse, or domestic partner)

Myriad related legislation has been introduced in 28 states, all of which causes no end of worry to business groups and human resource practitioners. In California, it is the predicted, widespread use of paid leave that causes concern over absenteeism. In many other states, further debate revolves around the source of funding.

Julianne Broyles, director of insurance and employee relations for the California Chamber of Commerce, says that bill is "outrageous" because it does not carve out an exception for companies with a small number of employees. She describes the bill as a "job killer."

A report by the National Federation of Independent Businesses claims that paid family leave could create millions of dollars in hidden costs in the form of lawsuits, unrealized sales, overtime for workers covering for those on leave and liability insurance.

(Rev. 8/04)

# Nevada Economic Development Partnership

---



The Nevada Commission on Economic Development promotes a more diversified and prosperous economy enriching the quality of life for Nevada residents by stimulating business expansion and retention, encouraging entrepreneurial enterprises, and attracting businesses to create economic growth in Nevada, and assisting with community development.

**Contact:** Bob Shriver, Executive Director  
775.687.4325 bobs@bizopp.state.nv.us



The Nevada Development Authority (NDA) attracts, retains, and expands the business base to enhance the overall socioeconomic environment of Southern Nevada. Established in Las Vegas, Nev., in 1956 the NDA is Southern Nevada's largest economic development agency and contributes to the area's prosperity by attracting new companies and assisting local companies in expansion projects.

**Contact:** Somer Hollingsworth, President/CEO  
702.791.0000 shollingsworth@nevadadevelopment.org



The Economic Development Authority of Western Nevada (EDAWN) is a not-for-profit, public/private partnership established in 1982. Based in Reno, Nev., EDAWN works on behalf of the region helping companies looking to establish, expand or relocate operations to the northwestern Nevada area. Through Business Builders, local companies are supported in an effort to retain and expand existing business. EDAWN offers customized assistance to all areas of site selection support, including state incentive programs, research and employee relocation.

**Contact:** Chuck Alvey, President/CEO  
775.829.3737 alvey@edawn.org



The Northern Nevada Development Authority (NNDA) is a not-for-profit, public/private economic development organization dedicated to creating new investments and primary jobs that enhance the economic wealth of northern Nevada. The NNDA is a facilitator providing the needed resources to evaluate the area – at no cost to the company. NNDA, a regional development authority, has become the business recruiter for Carson City, Douglas, Storey and western Lyon counties.

**Contact:** Ron Weisinger, Executive Director  
775.883.4413 weisinger@nnda.org



Sierra Pacific Power Company has been assisting businesses throughout Nevada for more than a century. And no one knows the land better. Facilities to financing. Transportation to taxation. Our full-service Economic Development Department offers everything needed to keep a company on course.

**Contact:** Stan Thomas, Director of Business Development  
775.834.3640 sthomas@sppc.com

- # # # -

## About the Campaign:

KPSI3, an award winning full-service marketing firm based in Reno, NV, created the “Walking Wounded” marketing campaign. This is the second campaign KPSI3 has created for the Nevada Commission on Economic Development to highlight Nevada’s favorable business climate. Last year’s campaign, “Worst Case Scenario,” received national and regional attention, including coverage in Time Magazine and the Boston Globe.

This year’s campaign goal was to create attention-demanding messages and media. KPSI3 utilized dramatic creative approaches likening the California business owner to “Walking Wounded” - someone who is struggling for survival in the California business environment. These dramatic visuals of businessmen and women were used in a number of components within the campaign: wallscape, print advertisements, life-sized stand-up cutouts, sidewalk art, transit and other outdoor media, and a specialized web page all used these unmistakable images to create continuity within the campaign.

## About KPSI3:


KPSI3 was founded in 1991 and brings a 13-year history of strategic marketing and communications partnerships with clients. KPSI3 is proud of the long-standing relationships they develop with these clients – many of them a decade or more in duration. This is possible because KPSI3 acts as a strategic partner with its clients. The firm understands clients’ industries and business while providing high level consultative services, and then assisting clients execute marketing communications, public relations, web-based communications and promotional programs. KPSI3 has been very involved in marketing for clients in economic development, healthcare, real estate, outdoor/adventure, and renewable energy.

Unlike many others in the industry, KPSI3 approaches any communications or marketing program with a research-based, strategic foundation. With this extensive foundation, KPSI3 can supply market analysis, brand consultation and management, public relations, brand identity packages and strategy-based marketing communications and advertising.

KPSI3 supplies clients with expanded integrated approaches to marketing and communications in order to impact their markets more effectively.

For more information regarding KPSI3, call or visit the web site.

marketing | communicating | thinking    1-877-572-7263    [www.kps3.com](http://www.kps3.com)



Rising Workers' Compensation Costs

Increasing Utilities Costs

Family Medical Leave Act Impact

# Will Your Business Be Terminated?

NEVADA  RESCUE

Feel like you're getting hit from all sides by doing business in California? Well, you are. And it's expensive.

- California's Workers' Compensation costs are 30 to 60% higher than Nevada's.
- California's utility costs are 28 to 36% higher than Nevada's.
- California's Family Medical Leave Act gives employees a potential of 7 months compared to Nevada's 3 months.

Black and blue is not a good color for your business. Nevada... to your rescue.

Call us for a free and confidential comparative cost assessment.

**800-336-1600**

**[expand2nevada.com](http://expand2nevada.com)**

 **Nevada**  
Commission on Economic Development



**Will Your  
Business Be  
Terminated?**

NEVADA  RESCUE  
**expand2nevada.com**