

Testimony of Janis Herschkowitz

**President and Chief Executive Officer
PRL, Inc.
Cornwall, Pennsylvania**

On

**Nomination to the Board of Directors of
The National Consumer Cooperative Bank**

Before the

**Committee on Banking, Housing and
Urban Affairs**

United States Senate

May 10, 2007

Chairman Dodd, Ranking Member Shelby, and distinguished Members of the Committee, I am honored to appear before you today on my nomination as the Small Business representative to the Board of Directors of the National Consumer Cooperative Bank.

Mr. Chairman, before I get started I would like to introduce my mother, Barbara Herschkowitz, my sister, Pat Herschkowitz, and my significant other, LTC Wallace Vitez, who are all here today.

I am President and CEO of PRL, Inc., which consists of four small manufacturing companies located in Lebanon county Pennsylvania. I became President of PRL in 1989 upon the death of my father. Prior to joining the company, I was financial manager of the Magnetics Division of Zenith Electronics Corporation. PRL's facilities include:

Regal Cast—A foundry, which opened in 1989

PRL Industries—A metals upgrading facility

Brenner Machine Shop—A conventional machine shop

LTC, Inc.—A CNC machine shop

Despite the fact we only have 122 employees, PRL is a proud supplier of high specification castings for many industries. As an example we manufacture pumps and valve bodies, which are currently used in nuclear submarines and power plants around the world. We have a highly skilled labor force, feel we have the most

vertically integrated foundry in the country, and play a critical role in our nation's defense. Our team's dedication to quality is reflected in our customer base, which includes, such important military suppliers, as Electric Boat, Northrop Grumman, and Curtiss-Wright. The motto on PRL's shop floor is, "to treat every part processed, as though it is going on the same submarine as my son."

Under my leadership, PRL has overcome many challenges, including opening a foundry, being highly leveraged while losing the majority of our customer base to defense cuts, and surviving the onslaught of foreign out sourcing. I know the stress of trying to cover cash flow, while still meeting payroll obligations. I also know what it takes to borrow money, since at the age of 29 I was able to attain a bank loan to open a foundry. The loan amount was so large that our local hometown bank couldn't cover it, so PRL had to partner with a major lending institution in Philadelphia to get the necessary financing. I understand the important role a bank can play in operating a business, and how it can turn on a dime. I also know how fostering a positive relationship with a banker, can play an integral role in overcoming obstacles. One of my proudest accomplishments is that as a small manufacturer PRL has managed to thrive in an environment where the vast majority of our competitors have been forced to close their doors.

I feel this business experience, coupled with my strong Financial and Board background, make me an ideal candidate for this position.

I have an MBA in Finance from the University of Texas, and was fortunate enough to serve as Chairman of the Business Advisory Council for The Federal Reserve Board of Philadelphia. I also have served on numerous other state and local Boards in leadership positions, including community service organizations, as well as business chambers.

In addition, I have a very diverse background and have a BA in International Relations from Penn State University. I grew up in Bolivia, and moved to the states at the age of twelve when my family decided to leave for political reasons. I also speak Spanish and started my career working in maquiladoras in Matamoras, and Juarez Mexico as a financial analyst for Zenith Electronics Corporation. This provides me with a unique perspective, which helps me to better understand other cultures, and enhances my decision-making capabilities.

However, what truly makes me particularly qualified to be a member of the Board of Directors is my newly found passion for NCB. Having undergone an extensive briefing process I now understand, NCB represents what a lending institution can accomplish when it enables people to help themselves, and is a role model of public and private sector cooperation.

As you are aware, Congress created National Consumer Cooperative Bank –or NCB – in 1978 to address the financial needs of an underserved market niche – people who join together to meet personal, social or business needs, especially in low- and

moderate-income communities by forming cooperatives. Today, the Bank provides a broad array of banking and financial services, complemented by a special focus on cooperative expansion and economic development. It's at the core of who they are and what they do.

The primary markets the Bank serves include the basic ingredients of vibrant communities – housing, education, healthcare, social services and small businesses. In the small business market, NCB leverages relationships it builds with cooperatives to provide the best possible products to its customers. For example, NCB is a SBA national preferred lender, providing almost \$30 million in loans to small businesses. In addition, the Bank is also a preferred lender to Ace Hardware, one of the largest cooperatives in the country. In fact, in the last five years alone, NCB has arranged more than \$75 million in loans for Ace member-retailers throughout the United States.

The Bank's commitment to Ace and other cooperatives serving independent retailers -- in the hardware, grocery and other industries -- is becoming even more important in today's marketplace, as these entrepreneurs look to grow their businesses in the midst of competition from the national chain stores and big box retailers. Cooperatives often make a critical difference when locally owned small businesses compete against the big boxes.

NCB's performance during 2006 illustrates its firm commitment to fulfilling the important goals of its charter to do well and to do good, with net income reaching \$19.4 million and total assets of \$1.8 billion.

NCB understands that small business is the engine that runs today's economy, and that NCB provides a mechanism for small businesses to not only survive, but also prosper. Given my business and life experiences, I feel I can play a significant role in further realizing this mission.

In closing, I would be proud to serve as a Board Member to the National Consumer Cooperative Bank, appreciate your consideration, and would welcome the opportunity to answer any questions. Thank you.