



of the ESOP Association

Chapter E-Newsletter
Issue 2 – July, 2007

Our mission is to help motivate, educate, and train existing and prospective employee-owned companies regarding the benefits of employee ownership.

HOT CHAPTER NEWS

- **Join Us August 9, 2007.** Company to company visit at Cross Company, Greensboro, NC. Program and registration is an attachment.
- **Mark your calendars! SE Regional Conference, March 6-7, 2008.** Marriott Charlotte City Center, Charlotte, NC. There will be an e-brochure coming soon with all the details of this event.
- **Coming soon: The first annual meeting for ESOP Company CEOs!** Michael Dougherty of Kindermusik International will be leading the charge with an ESOP company CEO-only day-long meeting. Michael will be contacting all Carolinas Chapter member CEOs soon about this new and exciting opportunity.

CAROLINA CHAPTER LEADERSHIP

The Carolinas' Chapter received some disheartening news during the first quarter of this year. Due to unforeseen circumstances our Chapter President, Lynn Minikel, had to resign. The Chapter wishes to express its sincere thanks to Lynn for her outstanding effort on behalf of Employee Ownership in America. A credit to Lynn was her ability to lead a great team of officers and executive committee members who were able to quickly take charge and keep the momentum that Lynn helped create going strong. The following Chapter Leaders are now in place to continue the development of the Chapter.

Gale Marett, President
Andrew Graven, Sr. Vice Pres.
Rebecca Krauss, Ex Vice Pres.
William R. Whitehurst, Vice Pres
Matt Keene, Vice Pres.
Deb Tompkins
Michael Davis, Immediate Past President

Salem Distributing Company
Zenith Engraving Company, Inc.
James M. Pleasants, Co, Inc.
Womble Carlyle Sandridge & Rice PLLC
Principal Financial Group
Chapter Administrator
Anderson & Associates, Inc.

Executive Committee Members:

Maurice Fox
J.L.Nichols III
Brant Armentrout
J. Randell Bishop
Nick Verna
Celina Mount
Wayne Oestriech

Salem Distributing Company
Nichols Food Services
ComStock Valuation Advisors, Inc.
J. Randall Bishop Consulting Services
Social & Scientific Systems, Inc.
Presentation Strategies, Inc.
Carver Machine Works, Inc.

Anyone interested in volunteering to join the Executive Committee to help run the Chapter (The majority of effort is conducted by e-mail and conference calls... a time commitment of app. 1 ½ hrs. monthly.) Please contact Gale Marett 800-234-1982 ext 221 or e-mail gmarett@salemdist.com or Deb Tompkins, Chapter Administrator 978-779-0199 or e-mail carolinasesop@comcast.net.

GOVERNMENT RELATIONS

One big advantage in belonging to the ESOP Association is Government Relations. See the ESOP link <http://www.esopassociation.org/gov/index.asp> for the latest news.

CAROLINAS CHAPTER INVITE A CONGRESSPERSON TO VISIT YOUR COMPANY PROGRAM

For those of you who believe in the power and efficacy of ESOPs and Employee Ownership and know that both are the off spring of Federal Law; it should then directly follow that you would want to inform your Congressperson of the benefits of Employee Ownership to your company, its Employee Owners and your community. What better way to do this then to invite your local Congressperson(s) to come and visit your company.

The Carolinas Chapter, as a part of a National effort to make every Congressperson aware and informed about ESOPs, is sponsoring a program to assist ESOP Company members to invite their Congressperson (Representative or Senator) to visit their respective companies.

Given the new democratically controlled House and Senate it is virtually imperative that we inform and educate these recently elected members on the benefits ESOPs and Employee Ownership can bring to America. Without their knowledge, we, the ESOP community run the risk of losing much that we have gained over the years in Federal Legislative support for ESOPs. Will you join the ESOP community of good citizens by agreeing to host a visit to your company by your elected Congressional Representative? The Carolinas Chapter Leadership will assist you in every way, once you volunteer to host a visit. In doing so you will join the ranks of those who work for a more economically just, productive, and competitive America. Won't you indicate your willingness to host a visit by calling the Chapter President, Gale Marett at 800-1982 ext. 221 or by e-mail at gmarett@salem-dist.com.

Please help ESOPs, help your company and help your Employee Owners by agreeing to host a visit by your Congressional Representative(s) to your company.

Find your congress person at the following link:
http://www.esopassociation.org/gov/gov_capitol_links.asp

NEWS FROM THE ESOP ASSOCIATION

- Upcoming events: visit http://www.esopassociation.org/meetings/meetings_calendar.asp
- Press Release:

91% of Companies State ESOPs are Good Business *Survey Reveals Overwhelmingly Positive Results*

Washington, DC (August 16, 2006) – Recently released results from the Employee Ownership Foundation's 15th Annual ESOP Economic Performance Survey prove that the decision to become employee-owned means better company performance and greater wealth creation for employee owners.

In 2006, 91% of respondents declared that creating employee ownership through an ESOP (employee stock ownership plan) was "a good business decision that has helped the company." This is the highest response in the 15 years the survey has been conducted. In addition, 72% of companies that responded to the survey also indicated they outperformed three major stock indices including the Dow Jones Industrial Average, the NASDAQ Composite, and the S&P 500. Approximately 10% stated they outperformed at least one index, and 9% said they performed worse than all three indices.

"It's hard to argue with these results," said J. Michael Keeling, President of the Employee Ownership Foundation. "These numbers prove what we in the ESOP community have been saying for more than 15 years – employee ownership creates better companies. It's time for our national leaders to start promoting policies to encourage more companies to become employee owned through an ESOP. It is time to have policies to create a fair and equitable society."

In addition, the survey asked companies to indicate their performance in 2005 relative to 2004:

- *78% indicated a better performance in 2005*
- *9% indicated a nearly identical performance*
- *13% indicated a worse performance*
- *85% indicated that revenue increased; 15% indicated that revenue did not increase*
- *77% indicated that profitability did increase; 23% indicated that profitability did not increase*
- *68% of survey respondents indicated that the ESOP improved the overall productivity of the company's employees*
- *54% of companies responded yes when asked if their company had created an employee participation program since establishing the ESOP*

The 2006 Economic Performance Survey was distributed to The ESOP Association's approximately 1,400 members in June 2006. The results are based on 426 responses. The over 30% response rate validates the survey results for these 1,400 companies.

CAROLINA CHAPTER-INVITE AN EMPLOYEE OWNER PROGRAM

The Carolinas' Chapter is embarking on a new program entitled "Invite an Employee Owner". This program is modeled after a similar successful program conducted by the Wisconsin Chapter. The intent of the program is to invite ESOP Companies who are not members of The National ESOP Association to come to a Chapter Program at NO cost in the belief that once that ESOP Company attends a Chapter Program they will begin to realize the value Association membership delivers to its company members in terms of networking, government relations/advocacy, and education on technical/operational ESOP issues and of course teaching interested members how to build an ownership culture with all employees thinking and acting like owners. If you know of an ESOP Company that is not a member of The ESOP Association, please pass that information along to either the Chapter President, Gale Marett, 800-234-1982 ext 221 or e-mail gmarett@salem-dist.com or Chapter Administrator Deb Tompkins 978-779-0199 or e-mail carolinasesop@cast.net. An invited member to a conference who joins The ESOP Association will give the individual suggesting the non-member ESOP Company a free registration to the Southeast Regional Conference in Charlotte, NC in March of 2008.

CAROLINAS CHAPTER AWARD WINNERS ANNOUNCED AT THE SE REGIONAL CONFERENCE IN ST. AUGUSTINE

The Carolinas chapter honored its award winners at the Southeast Regional Conference. On hand to present the honors was J. Michael Keeling, President of the ESOP Association. Join us in congratulating the winners:

Employee Owner of the Year-Lynn Minikel, Kindermusic International, Greensboro, NE
ESOP Company of the Year-Salem Distributing Company, Inc, Winston-Salem, NC

It's not too early to start thinking about nominating your choice for employee owner, or your company. For more details about the award selection process, contact the chapter office.

COMPANY SPOTLIGHT

Social & Scientific Systems (SSS), Inc., a long time member of the Mid-Atlantic Chapter of the ESOP Association, is pleased to become a member of the Carolinas Chapter. SSS, a 100% employee owned company, is focused on improving public health world-wide. SSS has offices in Abidjan, Cote d'Ivoire; Durham, North Carolina; Silver Spring, Maryland; and Kampala, Uganda.

The company's Durham staff is a part of the Survey and Epidemiology Services Division. Durham-based staff designs and implements population-based health studies dedicated to uncovering the genetic and environmental causes of a wide range of diseases largely in support of the National Institute of Environment Health Sciences (NIEHS). SSS also supports HIV/AIDS programs in Africa as well as the largest study of breast cancer ever conducted in the United States, the Sister Study.

OWNERSHIP CULTURE

- ESOP committee:
 - Allows employees to contribute ideas
 - Creates a “buy-in” attitude
 - Sparks interest and enthusiasm regarding ESOPs
 - Generates FUN events

Would you like to share your ESOP Committee stories? We'd love to hear from you. Send your entries to Deb Tompkins.

QUESTION OF THE MONTH

Q. Do ESOP contributions really add value and build retirement plans?

A. Yes, Companies are reported to contribute about 8% to 10% to ESOPs in the private sector. This amount is often more than or equal to the 401(k) matches that are offered.

CAROLINAS CHAPTER PURPOSE

We will accomplish our mission by:

- Providing/sponsoring cost-effective educational and networking opportunities for ESOP companies.
 - Facilitating the exchange of knowledge and ideas between, and providing support and communication to ESOP companies.
 - Publicly supporting the Vision and Mission of the National ESOP Association.
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We welcome your suggestions and comments. Let us know what you would like to see.

We look forward to meeting you at the upcoming chapter activities.

Thank you for your support of Employee Ownership