



of the ESOP Association

Chapter E-Newsletter
Issue 3 – June, 2008

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

CONGRATULATIONS TO ALL MEMBERS OF THE CAROLINAS CHAPTER!

During the National ESOP Association Meeting in early May, the Carolinas Chapter was given two awards:

- **Outstanding Membership Achievement Award** for meeting goals set to increase membership. This not just about numbers; with each company that joins we gain new ideas and relationships that are invaluable resources in the ESOP world. The Carolinas Chapter was one of three chapters that received this award. There are 18 chapters in all.
- **Chapter of the Year Award**. This is given to ONE chapter. It is based on the chapter's activities and programs. Our chapter has been very active in membership, government relations with congressional visits and expanding our programming.

Many companies and individuals in our chapter have contributed to the activities that have made it possible for the Carolinas Chapter to grow and become more active. I want to thank everyone for their contributions to our ESOP culture and education and look forward to our continued efforts as the Carolinas Chapter continues to shine.



Carolinas Chapter President, Gale Marett and Vice President, Rebecca Kraus with Chapter Development Officer, Richard "Duff" Duffy at the Congressional Reception

HOT CHAPTER NEWS

Eggs & ESOPs:

What is "Eggs & ESOPs"?

An opportunity for ESOP companies to get together locally for an hour or two to discuss topics of interest.

Where and when are these scheduled?

Winston-Salem, NC – Friday, June 27, 2008 – This event was held and attended by 7 members. It's a great start to build on and we look forward to additional meetings locally.

Durham, NC – Wednesday, July 16, 2008

Columbia, SC – Thursday, July 17, 2008

How do I get more information?

Look for an email regarding details of the upcoming events or contact any of the following:
Winston-Salem – Brant Armentrout, barmentrout@comstockadvisors.com
Durham - Caryn McNeill, cmcneill@smithlaw.com or Nick Verna, verna@niehs.nih.gov
South Carolina – Carla Jimenez, Carla_Jimenez@ml.com
Carolinas Chapter Administrator - Deborah Tompkins, carolinasesop@comcast.net
OR any Chapter Officer

CEO Roundtable An Outstanding Success!

First Annual Carolinas Chapter CEO Roundtable

Our First Annual Carolinas Chapter CEO Roundtable was hosted by Michael Dougherty at Kindermusik International, Inc. in Greensboro on May 22-23. Richard Duffy, Ownership Visions, was our meeting facilitator and was assisted by Michael. An email from Michael a few days after our meeting summed up my feelings and seemed to be the consensus of the participants. Michael said "The event exceeded my expectations and I sensed a commitment to continue the discussions at a future date. We created surprising rapport and community in just a few short hours together." Thank you, Michael and Duff, for a successful kickoff to what I expect will be one of the annual milestones of our Carolinas ESOP Chapter.

The agenda was set by the attendees. During our introductions, Michael asked everyone to provide their needs from the meeting and what each participant could offer others. We had fourteen top management people representing thirteen companies based in the Carolinas. We had a couple of companies who are thinking about an ESOP, one financial planner who helps companies make ESOP type decisions and the rest were ESOPs that varied from companies with some ESOP experience to companies with many years of successful ESOP organization. The participants were from a wide variety of businesses including retail, music, wholesale distribution, manufacturing, software, printing and construction. It was amazing how we all interacted and seemed to have ideas and experiences to share with each other. Of course, the common thread was ESOP. Everyone left with a lot more than they brought to our meeting.

This event was very successful. Michael indicated there were at least another dozen people who were interested in attending this roundtable but they had scheduling conflicts. We discussed having at least twenty in our next annual roundtable. We also discussed the possibility of including CFOs and having separate breakouts at our next event.

I expect we will make contact with one or two other CEOs from the event to continue the dialogue we started on May 22-23. This networking and the reinforcement at the top will assure us plenty of participation in this and other ESOP events in the future. It will also be a key component to make us the repeat National ESOP Chapter of the Year in 2009, a worthy goal for our chapter.

J.L. Nichols, III, Attendee

Join Us at the 1st Annual Carolinas Chapter Meeting August 27 & 28, 2008 in Pinehurst, NC

Come join us for a conference packed full of employee-owners sharing their experiences and knowledge on ESOPs while receiving 5-star treatment at reasonable rates.

Tentative plans include a Wednesday afternoon golf outing for those interested and an evening reception. Thursday will include general sessions and breakout sessions covering ESOP topics of interest. More details to follow.

**Mark your calendar and make plans to join us on
August 27 & 28, 2008!!**

The ESOP Association: Upcoming events

Visit http://www.esopassociation.org/meetings/meetings_calendar.asp

GOVERNMENT RELATIONS

One big advantage in belonging to the ESOP Association is Government Relations. Part of the organization's directives is "aggressive advocacy program, as the leading voice before Congress and regulatory agencies on protecting and enhancing ESOP law". ESOP laws affect us all and we should actively support pro-ESOP bills and fight anti-ESOP bills. As a community of ESOP companies we can make a difference. Visit the ESOP link <http://www.esopassociation.org/gov/index.asp> for the latest news.

CAROLINA CHAPTER LEADERSHIP

Gale Maret, President
Rebecca Krauss, Ex Vice Pres.
William R. Whitehurst, Vice Pres.
Matt Keene, Vice Pres. - Membership
J.L.Nichols III, Vice Pres.
Deb Tompkins
Michael Davis, Immediate Past President

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

Executive Committee Members:

Brant Armentrout
Nick Verna
Carla Jimenez
J. Randell Bishop
Celina Mount
Wayne Oestriech
Caryn McNeill

ComStock Valuation Advisors, Inc.
Social & Scientific Systems, Inc.
Merrill Lynch
J. Randall Bishop Consulting Services
Presentation Strategies, Inc.
Carver Machine Works, Inc.
Smith Anderson

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 Maret 800-234-1982 ext 221 or e-mail gmaret@salemdist.com or Deb Tompkins, Chapter Administrator 978-779-0199 or e-mail carolinasesop@comcast.net.

CAROLINAS CHAPTER INVITE A CONGRESSPERSON TO VISIT YOUR COMPANY PROGRAM

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 invite their Congressperson (Representative or Senator) to visit their respective companies. We want to inform our Congresspersons of the benefits of Employee Ownership to our companies, our Employee Owners and our community. What better way to do this than to invite your local Congressperson(s) to come and visit your company.

It is virtually imperative that we inform and educate our elected members on the benefits of ESOPs and what Employee Ownership can bring to America. Without their support the ESOP community runs 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. Will you indicate your willingness to host a visit by calling the Chapter President, Gale Maret at 800-1982 ext. 221 or by e-mail at gmaret@salemdist.com.

In 2007, we had successful and exciting congressperson visits at Fisher Tank Company, Lexington SC, Salem Distributing Company, Winston Salem, NC and Haywood Builders Supply, Waynesville, NC. See attached press release from Haywood. **Will your company be next??**

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

CAROLINA CHAPTER-INVITE AN EMPLOYEE OWNER PROGRAM

The Carolinas' Chapter is continuing our program "Invite an Employee Owner". 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. It is our 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 Matt Keene, Vice President - Membership, Keene.Matthew@principal.com or Chapter Administrator, Deb Tompkins, carolinasesop@cast.net.

CAROLINAS CHAPTER AWARD WINNERS ANNOUNCED AT THE SE REGIONAL CONFERENCE IN CHARLOTTE

The Carolinas chapter honored its award winners at the Southeast Regional Conference in March. 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 - Diane Luter, Salem Distributing Company, Winston-Salem, NC
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

Holland Industrial has recently joined the ESOP Association; however they have been a 100% ESOP since December of 2004. Holland Industrial has thirty-eight employees and is located in Henderson, NC. They started in 1952 and have seen continuous growth since that time.

Holland Industrial is an industrial distributor as well as an electric motor repair facility. They repair not only AC and DC electric motors, but pumps and gearboxes as well. They also design and build control panels for all different types of industries. Holland is a full line industrial distributor and service company, offering outside services like thermography, laser alignment and vibration monitoring. Their product line includes electric motors and drives, motor control, power transmission equipment and many other items.

For more information on Holland Industrial visit their website at <http://www.hollandindustrial.com/#>.

OWNERSHIP CULTURE

Should we foster an ownership culture?

"Most ESOP companies had the desire to set up an employee benefit or incentive as one reason for starting their plan, but for many companies that's the only reason. Some companies hope that by making employees owners they will increase their dedication to the firm, improve work effort, reduce turnover, and generally bring a more harmonious atmosphere to the company. Research has shown that giving workers a significant stake in their companies can improve employees' attitudes towards their companies, and that these improved attitudes towards their companies can translate into bottom line improvements. Other companies want to set up some kind of benefit plan, and find that an ESOP is the best choice."

Would you like to share your Company Story? We'd love to hear from you. Contact Deb Tompkins, carolinasesop@cast.net.

QUESTION OF THE MONTH

Q. Are ESOPs for large or small companies?

A. Both. ESOPs exist in large and small companies – 71% of Association members have less than 250 employees.

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