



**THE ILLINOIS CHAPTER OF  
THE ESOP ASSOCIATION  
2010 WINTER CONFERENCE**

**THURSDAY, MARCH 4, 2010**

**8:45 a.m. – 5:00 p.m.**

**CHICAGO MARRIOTT OAK BROOK HOTEL**

**1401 W. 22nd St. • Oak Brook, IL • [www.marriottoakbrook.com](http://www.marriottoakbrook.com)**

***THE PAST, PRESENT AND FUTURE OF ESOP'S***

**Three-track Conference:**

- **Employee Communication**
- **Legal and Legislative**
- **Technical**

*Thank You Sponsors:*

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Insurance and Risk Management Specialists



# *"The Past, Present, and Future of ESOPs" Three-Track Conference Program*

## *Track I - Technical*

## *Track II - Legal/Legislative*

## *Track III - Communication/Culture*

**8:00 - 8:45 am Registration & Continental Breakfast**

**8:45 - 9:15 am GENERAL SESSION**

Introductions, Chapter Business, and Agenda Overview

- Meet the 2010 Chapter Officers
- Learn What's in Store for 2010
- Preview the Chapter's New Website
- Congratulate Chapter Award Winners

**Presenters: Illinois ESOP Chapter Officers:**

*Tony Lessmeister, President*

*Julie Govreau, Vice President*

*Art Miller, Vice President*

*Mickie Murphy, Vice President*

*David Solomon, Vice President*

*Bill Muirheid, Executive Committee*

*Scott Szafasz, Executive Committee*

**9:15 - 9:35 am Address by Michael Keeling,  
President, The ESOP Association**

**9:45 - 10:45 am BREAKOUT SESSIONS**

**Track I: VALUATION BASICS/COMMUNICATION WITH TRUSTEE ON VALUATION ISSUES**

This session will provide an overview of methodologies commonly utilized by valuation professionals to estimate the value of a company. This session will address certain ESOP-specific values to valuations. The objective is to provide the audience with a better understanding of what drives value. This session will also focus on the interaction between the valuation firm and the ESOP trustee as it relates to the periodic valuation of stock for the purposes of ESOP administration.

**Presenters: Jeff Buettner, Stout Risius Ross**

*Kjersti Cory, First Bankers Trust*

*Peter Aliferis, Prairie Capital Advisors*

**Track II: LEGAL AND LEGISLATIVE UPDATE**

This session will focus on relevant case law and regulatory developments and how they relate to day-to-day operation of ESOPs. Particular emphasis will be on indemnification and insurance for ESOP fiduciaries and problems arising from recent developments and possible solutions. Presentation will also address related regulatory developments on these issues.

**Presenters: Gregory K. Brown, Katten Muchin Rosenman LLP**

*Ted Becker, Morgan, Lewis & Bockius, LLP*

**Track III: DELIVERING BAD NEWS AND KEEPING THE FAITH**

Laying off staff, closing locations, failing to meet loan covenants, reducing wages, instituting furlough days, cutting benefits while raising benefit costs, getting fewer people to do more work - how do you do these things and

simultaneously design techniques that keep people committed and faithful to the Company? This session explores the details of managing in tough times while working to maintain morale.

**Presenter: Dick Hill, Parksit Inc.**

**10:45 - 11:00 am BREAK**

**11:00 - 12:00 pm BREAKOUT SESSIONS**

**Track I: EXECUTIVE COMPENSATION IN ESOP COMPANIES**

This session will provide an overview of considerations for designing incentive compensation arrangements and making awards (equity and cash-based) to executives. We will cover special ESOP considerations such as fiduciary issues, using compensation studies, and how to determine appropriate compensation levels. The discussion will include examples of incentive programs used by various ESOP companies.

**Presenters: Kathleen Scheidt, Katten Muchin Rosenman LLP**

*Megan Sandquist, Levenfeld Pearlstein, LLC*

*Paul Trost, North Star Trust Company*

**Track II: SURVIVING IRS AND DOL AUDITS**

This session will provide a comprehensive review of DOL and IRS audits of ESOPs, including programs that target ESOPs for audit and steps that can be taken by ESOP plan sponsors to limit their exposure prior to, or in case of, an audit. We will also review the steps taken in a governmental audit and internal management of the audit process, including records review, subpoenas for records, and administrative interviews. We will also share past experiences with both agencies during the audit process. A summary of both agencies corrective programs will also be discussed in this presentation.

**Presenters: Brian Hector, Morgan Lewis & Bockius, LLP**

*Danielle Montesano, GreatBanc Trust Company*

**Track III: THE OWNERSHIP CULTURE CHECK-UP**

How does your ownership culture rate? Whether you are just starting to build an ownership culture or you have an ESOP communications committee and a fully engaged team, this session will evaluate and measure where you are at and identify action items to take your ownership culture to the next level.

**Presenters: Aaron Juckett, ESOP Insourcing, LLC**

*Tony Lessmeister, Forsythe Technologies*

**12:00 - 1:15 pm LUNCH**

**Keynote Address: Scott Brave, Business Economist,  
Economic Research, Federal Reserve Bank of Chicago**

## **1:30 - 2:30 pm BREAKOUT SESSIONS**

### **Track I: ESOP SUSTAINABILITY/REPURCHASE OBLIGATION**

This session will address the effect of the repurchase obligation on a company's financial performance, balance sheet and stock value. The session will include an overview of the relationship between long-term strategic planning and repurchase obligation and will address the steps a company can take today to ensure the ESOP is a viable long-term employee benefit solution.

**Presenters:** *Tom King, King Financial, Inc.*  
*Julie Williams, Cognient Group, LLC*

### **Track II: ESOP ADVOCACY ON THE NATIONAL & LOCAL LEVEL**

This session will focus on how to lobby your elected representatives regarding the value of the ESOP at your company and will help you coordinate a visit from a legislator at your company.

**Presenters:** *Art Miller, Holden Industries*  
*Michael Silverman, SmithBucklin Corporation*  
*Julie Govreau, Morgan Lewis & Bockius, LLP*  
*Tony Lessmeister, Forsythe Technologies*  
*Michael Keeling, President, The ESOP Association*

### **Track III: TO TELL THE TRUTH; A CULTURE OF HONESTY**

We are told as children to "always tell the truth". This mantra is repeated to children by teachers, parents, grandparents and siblings. When was the last time you were asked to tell the truth as an employee owner? Did you? This session will discuss ideas and tools for creating a culture of honesty that can improve the bottom line and allow organizations to act with dignity in tough times.

**Presenter:** *Victor Aspengren, RSM McGladrey*

## **2:40 - 3:40 pm BREAKOUT SESSIONS**

### **Track I: ESOPs IN DISTRESS**

This session will help companies which are facing a downturn in their business address various related issues that may arise in administering their ESOP during such challenging times.

**Presenters:** *Todd Young, Hinshaw & Culbertson*  
*Tony Jacob, Hinshaw & Culbertson*  
*Bill Merten, McDermott, Will & Emery*  
*David Solomon, Levenfeld Pearlstein, LLC*

### **Track II: FIDUCIARY LIABILITY RISK MANAGEMENT/DIRECTORS AND OFFICERS LIABILITY**

This session will provide a discussion of the current marketplace for fiduciary liability and Directors and Officers liability insurance and how the current coverages must be changed to adequately address the specific exposures of an ESOP Company.

**Presenters:** *Andrew Haake, Lockton Companies, LLC*  
*Joe Shoaf, Lockton Companies, LLC*

### **Track III: LEADERSHIP IN AN ESOP COMPANY**

This session on leadership will explore the idea that real leaders lead with the power of example rather than the example of their power. We will discuss the meaning of the axiom..."Managers do things right while leaders do the right things". This interactive session will also seek examples of

leadership from attendees own experience and will work to develop a definition of leadership useful to each attendee.

**Presenter:** *Dick Duffy, The ESOP Association*  
*Tony Lessmeister, Forsythe Technologies*

## **3:40 - 3:55 pm BREAK**

## **3:55 - 4:55 pm BREAKOUT SESSIONS**

### **Track I: ACCOUNTING FOR ESOPs**

This session will include a comprehensive overview of the various aspects of ESOP accounting including leveraged transactions. Examples illustrating the accounting for the original transaction and the first few years of the loan amortization. Controllers, CFO's and others new to ESOP bookkeeping will benefit from this session.

**Presenters:** *Andrea Meinardi, Crowe Horwath*  
*Scott Szafasz, Bimba Manufacturing*  
*Bill Muirheid, Hobbico*

### **Track II: HOW SHOULD THE BOARD OF DIRECTORS AND THE TRUSTEE BE INTERACTING?**

This session will provide an overview of how the board of directors of an ESOP company and the ESOP trustee need to interact and to explain the roles and responsibilities of each in managing the company and the ESOP.

**Presenters:** *David Ackerman, Morgan Lewis & Bockius*  
*Merri Ash, First Bankers Trust*

### **Track III: PRESENTING ACCOUNT VALUE PROJECTIONS TO EMPLOYEES**

This session will assist members of an ESOP Committee to communicate with ESOP participants regarding the value of their ESOP benefits.

**Presenters:** *Kim Abello, JP Morgan Chase Bank N.A.*  
*Cindy Prodoehl, Principal Financial Group*

**5:00 - 6:00 pm COMPLIMENTARY SOCIAL & NETWORKING HOUR.**



ILLINOIS ESOP CHAPTER CONFERENCE REGISTRATION FORM  
MARCH 4, 2010  
CHICAGO MARRIOTT OAK BROOK HOTEL

	<u>On or Before February 24</u>	<u>After February 24, 2010</u>
Members:	\$125 per person (1 <sup>st</sup> person per company) \$100 per person (2nd + per company)	\$25 additional per person
Non-Members:	\$150 per person	
At the Door:	\$175 per person	

**See Below for Hotel Room Reservation Information**

**Cancellation Policy:** No refunds will be given after February 19, 2010. You may send a substitute from your company at no additional charge.

Name(s): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Amount Enclosed: \$ \_\_\_\_\_ (check made payable to **THE ESOP ASSOCIATION**)

**Credit Card Payment**

Card Member Name: \_\_\_\_\_

Credit Card Type:  AmEx  MasterCard  Visa

Credit Card # \_\_\_\_\_

Total Amount: \_\_\_\_\_ Exp. Date: \_\_\_\_\_ Security Code: \_\_\_\_\_

Signature: \_\_\_\_\_

Send to: **Donna Walseth**  
906 97<sup>th</sup> Lane NE  
Blaine, MN 55434

Phone: 1-763-785-4122  
FAX: 1-763-785-4168  
[dmwalseth@msn.com](mailto:dmwalseth@msn.com)

**THANK YOU!**

Oak Brook Marriott Hotel Room Reservations  
Rate: \$105 Double or King. Request code: Illinois ESOP • **Rate Deadline: February 12, 2010.**  
Dial 1-800-228-9290 or 630-573-8555 • [www.marriottoakbrook.com](http://www.marriottoakbrook.com) (online code: illillo)