

Tri-Chapter Regional Conference and Golf Tournament
Proudly presented by
The Carolinas, Mid-Atlantic and New South Chapters of The ESOP Association

"Tee Up For Success"

March 25—March 27, 2012
Pinehurst Resort, North Carolina

80 Carolina Vista Drive • Village of Pinehurst, NC 28374
800-487-4653 • 910-235-8507 • www.pinehurst.com

Golf Registration: <http://events.constantcontact.com/register/event?llr=puod9fdab&oeidk=a07e5ij57yn58b5ca34>

Conference Registration: <http://events.constantcontact.com/register/event?llr=puod9fdab&oeidk=a07e5i62qkcf6ff8f3c>

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"Tee up for Success"



Sunday March 25 12:30 —4:30 pm	Conference Registration Opens		
1:00—6:00 pm	CEO/CFO Roundtables: This forum, reserved for Leaders of ESOP Companies, will consist of facilitated open discussion on leading an effective ESOP Company. Attending CEOs and CFOs determine the agenda topics. <i>(a light lunch will be provided)</i>	<i>Moderators: Alex Moss, Praxis Consulting Group; and Adrian Loud, Bennett Thrasher PC</i>	A separate registration is required to attend the roundtables. Members attending the roundtables AND the conference qualify for a discount. (See the registration form for details.)
3:30—6:00 pm	<p style="text-align: center;">HR Roundtable</p> This forum, reserved for Human Resources personnel of ESOP Companies, will consist of facilitated open discussion pertaining to human resource issues affecting ESOP Companies.	<i>HR Moderators: Richard Duffy, Chapter Development Officer, TEA and Paul Horn, Workplace Consultants</i>	
6:30—7:30pm	Opening Night Complimentary Reception <i>Social and networking event including appetizers and beverages for all conference attendees.</i>		
Monday March 26	Breakfast on Your Own		
7:45—8:15 am	Conference Registration		
8:15—9:00 am	Welcome and Introductions by Chapter Presidents: <i>Carolinas Chapter-JL Nichols, III; Mid-Atlantic Chapter-Steven King; New South Chapter-Sayward Masselter</i> Opening Address by Michael Keeling, President, The ESOP Association		
Concurrent Breakout Sessions begin at 9:15 sharp!			



NOTES: This conference has not been pre-certified for CPE/CLE Credit. Pick up a Certificate of Attendance at the registration table to apply for CPE/CLE credits in your state. The speakers are confirmed at the time of publication. Roster subject to change. Edits will be published in the program distributed at the conference.

Conference Educational sessions are followed by 10-15 minute breaks to allow time to visit sponsors display tables AND the Employee Ownership Foundation Raffle Table. Take a chance to win valuable prizes for only \$1.00 per ticket!

Conference GOLD Sponsors:

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Concurrent Breakout Sessions

	<p>Communication Course: “Play Your Best Ball” This course contains a range of topics focused on the Cultural and Communication side of ESOP activities. Corporate communications committee members and others involved in communicating ESOP issues will benefit from these sessions.</p>	<p>Technical Course: “Lessons From the Pros” These sessions feature ESOP Professionals covering the technical drive, helping you improve your grip and your swing. Plan sponsors and individuals responsible for the day-to-day operations of the Plan will benefit from these sessions.</p>	<p>Bonus Course: “Perfecting Your Game” Whether you are a novice or a seasoned player, there are always tips and lessons to be learned to perfect your game. The sessions in this course offer a variety of bonus topics you may find useful in perfecting your ESOP game.</p>
<p>9:15 — 10:05</p>	<p>ESOP 101 for New Employee Owners: <i>Susan Banks & Markita Madden, ComSonics; Nick Verna, Social & Scientific Systems</i> Learn the methods to market the value of being part of the ESOP Committee. Receive advice on how to recruit when its time for new members to join an established committee.</p>	<p>Repurchase Obligation: <i>Ben Wells, Dinsmore & Shohl; Cecilia Loftus, ESOP Economics; Maurice Chevalier, New England Financial</i> Few new ESOP companies consider their repurchase obligation when they establish their ESOP. Most are more worried about getting the transaction financed and closed and making sufficient plan contributions. Later they often find that the terms of their Plan documents and policies have caused an unexpected increase in their repurchase obligation. This session will examine steps that new ESOP companies take to address repurchase obligation. Topics will include plan design issues; distribution policies, contribution levels, debt structuring and financing covenants.</p>	<p>We Like Being an ESOP: Go Away!: <i>Paul Horn, WorkPlace Consultants, Rick Mapp, Kaufman & Canoles</i> How can you remain an independent ESOP Company and keep away unwanted suitors? Our experts will tell you how.</p>
<p>10:15 — 11:05</p>	<p>Growing Your ESOP Culture from Good to Great: <i>Paul Horn, WorkPlace Consultants; Steven King, Gala Industries</i> Learn the metrics to measure and the techniques to make your ESOP a competitive advantage with your employees, customers, and the public.</p>	<p>Basic Administration: <i>Susan Ledingham, R.K. Schaaf; Carla Klingler, Pyrastar; Karen Hurley, SES Advisors</i> Getting off on the right foot with your annual ESOP administration is essential. This session will focus on the operational procedures of plan administration and provide the foundation which all Plans must meet in order to comply with IRS and DOL regulations. We will examine subject matter in the administration process relating to plan eligibility, allocations to participant accounts, forfeitures, distributions, and compliance testing, all leading up to final year-end plan reporting. Knowing what to expect and how to avoid common errors helps make the annual administration process a more positive experience and avoid costly mistakes and misperceptions.</p>	<p>Applying Health Care Reform & Wellness Plans in Your ESOP Company: <i>William Whitehurst, Womble Carlyle; Joe Laneberry, AonHewitt; Kim Taylor, Avion Solutions</i> The program will provide a comprehensive update on the status of health plan reform and wellness plan development, including information on industry trends and best practices. The program will address the implications of these developments for ESOP companies.</p>
<p>11:15 — 12:05</p>	<p>Challenges of Open Book Management: <i>Tom Oettinger & Morgan Milton, The Onyx Group; Charles Jordan, Computer Credit, Inc.</i> Companies successful in practicing open-book management give their employees the tools they need to make informed decisions, teach them how to read financial statements, and encourage them to be involved. It's relatively easy to communicate open book management to employee owners when the business is doing well, but it gets increasingly difficult when times are tough. So what happens when employees begin to question decisions when things aren't as good as they once were? What are some of the biggest challenges you will face with open book management during the tough times?</p>	<p>Correcting Plan Errors/Administration Mistakes: <i>David Joffe, Bradley Arant Boult Cummings; Barbara Clough, Blue Ridge ESOP</i> Plan administrators often find themselves faced with administrative errors. This session will address common administrative errors related to areas such as eligibility determination, vesting, share release calculations, and diversification to name a few. It will provide a brief overview of the IRS correction system and its related programs: SCP, VCP, and Audit CAP. The program will address specific problems encountered in the correction process and identify appropriate correction methods for administrative errors as well as other types of errors such as plan document failures. The program will also touch on the DOL's correction program for Form 5500s (DFVCP). Attendees will walk away from this session with a good understanding of what can go wrong in the maintenance and administration of a Plan but more importantly how errors can be corrected! Additionally, participants will also see the benefit of "self-auditing" their Plans and the benefit of a compliance review.</p>	<p>Issues for New(er) ESOPs: <i>Lisa Durham, Krieg DeVault; Justin Jordan, Essential Ingredients; Susan Petreirena, Swerdlin & Company</i> This session will address questions that often arise in the first year of an ESOP: What is the difference between an internal and external loan? What administrative concerns are there? What is the timeline for administration? What fiduciary concerns are there?</p>

12:15 — 1:30	<p align="center">Lunch and Keynote Speaker: “Humanity in the Workplace” presented by Mr. Sandy Costa, Smith Anderson Law Firm</p> <p align="center">Sandy is a highly popular speaker and business leader who brings new leadership insights and possibilities for a richer culture to organizations, associations, and corporations nationwide. Hear how Sandy’s nontraditional leadership style helped his workforce learn to create meaning and a caring culture as they achieved their best!</p>		
Concurrent Breakout Sessions			
	Communication Course: “Play Your Best Ball”	Technical Course: “Lessons From the Pros”	Bonus Course: “Perfecting Your Game”
1:40 — 2:30	<p>Employee Communications/Ownership Culture Ideas: <i>Connie Woodmansee, Swerdlin (Moderator); Tania DeBartolo, Haskell Company; Markita Madden, ComSonics; Brandi Garrett, Flippo; Kim Taylor, Avion Solutions, Inc.</i></p> <p>A team of company members will Tee Off with rapid-fire employee communication ideas. Use your driver to get the most distance out of your communication efforts and avoid the hazards. Pick up tips and ideas for perfect alignment in the game of ESOP Communications. Participation welcomed!</p>	<p>Use of Warrants & SARs: <i>Jay VanHeyde, Dean Mead; David Burdette, Prairie Capital Advisors; Lance Studdard, Reliance Trust</i></p> <p>The panel will focus on the theory/justification of warrants to selling shareholders or other lenders and SARs to key employees, the valuation of the warrant package at ESOP deal closing, valuing the warrant itself and setting the strike price for a warrant and grant price for a SAR, the impact of this topic on an S election, timing and restrictions on exercise of warrants, if any, and company put/call rights on warrants, and the tax treatment to warrant holders at ESOP deal closing and upon exercise/call and to SAR employees upon exercise.</p>	<p>Surviving IRS & DOL Audits: <i>Dolores Lawrence, Blue Ridge ESOP; Merri Ash, First Bankers Trust</i></p> <p>This session will cover current DOL and IRS enforcement initiatives and issues being raised on exam, as well as best practices in preparing for an exam. Discussion will also include the September 2011 IRS and DOL memorandum of understanding for working together to curb misclassification of employees as independent contractors.</p>
2:45 — 3:35	<p>Valuation JEOPARDY!: <i>Adrian Loud, Bennett Thrasher; Caryn McNeill, Smith Anderson; David Bogus, Ellin & Tucker; Bucky Wright, Reliance Trust Company</i></p> <p>Come test your knowledge of valuation and fiduciary issues in this popular, quiz-show format. You are the contestants and the categories include: "FMV Considerations", "Valuation Reports", "Fiduciary Responsibilities" and "Potluck". Top scores garner top prizes! This is JEOPARDY!</p>	<p>Mature ESOP Issues: <i>Bob Massengill; Howard Kaplan, Reliance Trust; Michael Coffey, Corporate Capital Resources</i></p> <p>An interactive discussion with the attendees will bring the perspectives of a consulting fiduciary/ESOP trustee, an ESOP transaction designer and a stock repurchase obligation analyst/strategist to bear on issues confronting long-established ESOP companies. These issues will be illustrated by ESOP cases of: 1) Mistakes and successes in designing buyback strategies to create a long-term sustainable ESOP; 2) Successful and not-so-successful corporate governance when dealing with the pros/cons of creating and maintaining fiduciary committees, participant voting, ESOP share purchase requirements and developing sustainable benefit level funding strategies; 3) The applications of some “follow-on” ESOP transactions to purchase still outstanding or newly-issued shares to create more robust and durable ESOPs.</p>	<p>Don't Do That! ESOP Trustee and Board of Directors Case Studies: <i>Marilyn Marchetti, First Bankers Trust; Randy Bishop, Independent ESOP Board Member</i></p> <p>Stories of triumphs studies of difficult issues and the division of responsibilities in troubled times. This session looks at case studies of the ultimate ESOP success story in selling to a strategic buyer; problems of the Board in addressing accounting irregularities; conflicts of interest when the trustee is wearing management and Board hats; and transition issues with aging owners.</p>
3:45 — 4:35	<p>ESOP Committees Roundtable: <i>Sayward Masselter (Moderator); Connie Burnette and Jay Lewis, Wiley Wilson; Terri Moore and Jerry Bohnsack, Cross Company</i></p> <p>ESOP Committee members or those wishing to start a committee will want to attend this interactive roundtable. Panelists will share their successes and failures. Learn what it takes to create and sustain an engaged and motivated committee.</p>	<p>Distributions in the Game of Life: <i>Lisa Tilley, Corporate Capital Resources; Melissa Spencer, Swerdlin & Company</i></p> <p>The life events of an ESOP participant, such as resignation from a job, retirement, or death, result in distributions that are subject to a variety of rules depending on the reason for distribution. We will be discussing the rules applicable to these types of ESOP distributions and more throughout an employee’s years of plan participation.</p>	<p>Corporate & Plan Governance: How Effective Boards Improve Governance: (two part session) <i>Stephen Smith, Krieg DeVault and J. Kirk Hancock, North Highland Group; (part 1) Jeff Gelburd, Murray Risk Management and Michael Powell, Great American Insurance Co. (part 2)</i></p> <ol style="list-style-type: none"> 1. Effective corporate governance is a key requirement for an ESOP company to meet its full potential. Board recruitment and development in an ESOP company presents special challenges and issues. Learn about the development of a highly effective Board of Directors of The North Highland Company from the perspective of its chief Financial Officer and ESOP Counsel. 2. Discussion will initially cover D&O, Fiduciary and Employment Practices, Liability Insurance, what is covered, what’s not, what are exposures to ESOP Companies. Discussion will lead into what to expect when a claim is filed.
6:30 - 8:30 pm	<p>Cocktail Reception, BBQ Buffet, Chapter Awards Presentation, Contests, Games, Prizes, and Foundation Auction at the Pinehurst Clubhouse</p> <p><i>Join in the fun!</i> Celebrate with Chapter Award winners and network with colleagues and associates at a casual reception and dinner buffet overlooking the classic Pinehurst golf courses. Participate in golf games. Bid on valuable prizes during the popular Pinehurst auction to benefit The Employee Ownership Foundation.</p>		

Tuesday, March 27: Breakfast in The Carolina Dining Room (complimentary vouchers provided—dine on your own before the start of the educational sessions.)

Concurrent Breakout Sessions

	Communications Course: “Play Your Best Ball”	Technical Course : “Lessons From the Pros”	Bonus Course: “Perfecting Your Game”
8:00 — 8:50 am	<p>Combining Cultures - When it Does and Doesn't Work: <i>Judy Butts and Jessica Graziano, CALIBRE, Dale Piacine, Nichols Foodservice</i></p> <p>Learn from those experienced in the process how combining cultures caused by business acquisitions works well in some cases, and not so well in others. Panelists will share what they learned from how acquisitions were handled, how the cultures merged, and how to improve combining cultures in future acquisitions.</p> <p>LAST CHANCE TO PURCHASE EOF RAFFLE TICKETS BEFORE DRAWING (WINNERS POSTED AT 10:00)!</p>	<p>“Rapid Fire” Valuation Issues: <i>Ray Kukreja, Bennett Thrasher; Brandt Armantraut, ComStock Advisors</i></p> <p>Just in time for the height of valuation season, this session will cover several contemporaneous and oft-discussed valuation topics requiring nuanced judgment from the financial advisors involved. The speakers will highlight how contrasting assessments of different variables impact a company’s valuation for better or worse.</p> <p>LAST CHANCE TO PURCHASE EOF RAFFLE TICKETS BEFORE DRAWING (WINNERS POSTED AT 10:00)!</p>	<p>Trends in Executive Compensation: <i>Matt Keene, Principal Financial Group; Allison Wilkerson, K&L Gates; Andrew Ward, SRR</i></p> <p>This session will share results of a survey we recently conducted regarding the compensation practices of companies with a majority ESOP shareholder. We will share common designs for annual bonuses and long-term incentive programs, including funding targets and practices for allocating bonuses to executives and all employees. As we discuss these issues, we will also cover best practices in governance for compensation programs and valuation considerations for the most common synthetic equity programs (phantom stock and stock appreciation rights).</p> <p>LAST CHANCE TO PURCHASE EOF RAFFLE TICKETS BEFORE DRAWING (WINNERS POSTED AT 10:00)!</p>
9:05 — 9:55 am	<p>How to Win an AACE Award: <i>Susan Banks, ComSonics; Steve Earle, Mid South Building Supply</i></p> <p>Come meet and learn from companies who have won multiple Annual Awards for Excellence (AACE)! Chat with employees who work for the company who has been awarded an unprecedented 16 awards - the most of any ESOP company; and another who has won 5 consecutive AACE awards in as many years. Learn how to get started and their secrets for success!</p>	<p>Mergers & Acquisitions: <i>Greg Hogan, SC&H Capital; Mike Holzman, Dickinson Wright; Virginia Saloom, JPMorgan Chase</i></p> <p>ESOP owned companies face a unique set of opportunities and challenges when considering and executing M&A transactions. This session will include an in-depth discussion of (i) the current state of the M&A and credit markets facing ESOP companies, (ii) how an ESOP can be used as an acquisition tool to deliver additional value to buyers and sellers in a transaction, and (iii) what challenges ESOP companies are faced with when considering an acquisition or sale.</p>	<p>Designing Management Incentive Plans in ESOP Companies: <i>Steve Martin, Reliance Trust; Randy Smith, Krieg DeVault</i></p> <p>Discussion in this session will focus on Management Incentive Plans in ESOP companies, including discussion of such plans from the ESOP trustee's point of view and related issues, such as dilution of the ESOPs interests. How to make sure management's interests are aligned with the interests of the ESOP will also be covered.</p>
10:10 — 11:00 am	<p>How to Build Leadership and Empowerment Using Teams: <i>Jack Veale, PTCFO; Sayward Masselter, Atlanta West Carpets; Michael Dougherty, KinderMusik;</i></p> <p>Successful ESOP Ownership Cultures commonly embrace Empowered Teams. To have a championship team you need leaders on and off the course. Empowering your players will lead to more "birdies" which then lead to games won. Learn how Champion ESOPs win their games by developing empowered leaders and teams to quickly solve customer needs and expectations.</p>	<p>Fiduciary Compliance: <i>Fritz Richter, Bass, Berry, Sims; Marshall Bartlett, Independence Trust Company;</i></p> <p>In an environment where executives and employees continue to wear multiple hats, it is extremely important to know the fiduciary rules and stay in the center of the fairway. Hear an update on ERISA fiduciary compliance, including pertinent laws and current trends. A trustee’s perspective will be offered on how best to adapt to these issues to keep out of the rough.</p>	<p>Legal and Regulatory Update: <i>Craig Wheaton, Smith Anderson; Larry Gwaltney, Moore & Van Allen</i></p> <p>A review of recent legislative, regulatory, and case law developments of interest to the ESOP community; including the status of efforts to change the definition of “fiduciary”, court and DOL activity related to indemnification of ESOP fiduciaries, “stock-drop” litigation, and more.</p>
11:15	LUNCH & CLOSE OF CONFERENCE —GOLFERS MAY GRAB & GO TO PREPARE FOR 1:00 PM TEE OFF CHECK THE EOF RAFFLE WINNER BOARD BEFORE LEAVING.		
1:00 pm	EMPLOYEE OWNERSHIP FOUNDATION GOLF EVENT		

Conference Silver Sponsors: Crowe Horwath, LLP • JP Morgan • Krieg DeVault LLP • Mercer Capital
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Employee Ownership Raffle and Auction

Auctioneer extraordinaire, Paul Horn will once again be conducting a live auction at dinner on Monday evening. The top two prizes are listed below—and there is plenty of room for more:

1. **Three day/two night Pinehurst package** generously donated by our hosts at Pinehurst Resort including a round of golf : Value \$2,000.
2. **A two-night stay for two at The Greenbrier Resort in West Virginia—**generously donated by J.L. Nichols, III. The package includes daily breakfast for two in the main dining room and daily resort fee for two. Valid Sunday-Thursday; through June, 2012.

Be prepared to dig deep and bid high and often and have fun while benefitting the Employee Ownership Foundation.

A Chinese Raffle will also be held during the conference.

Winners announced on Tuesday morning before the golf outing.

*Donations are gratefully accepted for the raffle AND auction.
There is space on the registration form to indicate your contribution.*

Conference Registration Information

Registration link: <http://events.constantcontact.com/register/event?llr=puod9fdab&oeidk=a07e5i62qkcf6ff8f3c>

*****No Cancellations—You may send a substitute from your company at no additional cost.*****

Fee Structure—Per Person:

CEO/CFO Roundtable	\$100.00
CEO/CFO Roundtable/Conference Combo Package	\$255.00
HR Roundtable	\$50.00
HR Roundtable/Conference Combo Package	\$205.00
Conference (1st and 2nd person per company)	\$175.00
Conference (3rd, 4th, etc. person per company)	\$160.00
Conference—Non Member	\$255.00
Dinner Only Guest on Monday Evening	\$60.00

AFTER MARCH 15 AND AT THE DOOR ADD \$25/person

Questions about the conference?

Contact

Deb Tompkins: carolinasop@comcast.net; 978-779-0199

Donna Walseth: dwalseth@esopexec.org; 763-785-4122

Directions & Transportation

Pinehurst's full-time Transportation Department offers complimentary shuttle service within the resort property.

The department can also arrange shuttle vans and individual automobile service to and from nearby airports at [special rates](#) for Pinehurst guests. Please call for special pricing.

You may contact one of our Transportation specialists directly by dialing 910.235.8410. Airport shuttle service should be arranged no later than **48 hours before flight time** to take advantage of reduced rates.

Finding Pinehurst

Pinehurst is situated at 80 Carolina Vista Drive in the Village of Pinehurst, North Carolina. We are centrally located in the southern Sandhills of North Carolina and are accessible by automobile, air or rail.

- Guests can now dial 910.235.8080 for automated driving directions.
- Use 80 Carolina Vista Drive, Pinehurst, NC 28374 for the Carolina Hotel in any mapping program.
- The Holly Inn: the physical location is 155 Cherokee Road, Pinehurst, NC 28374
- The Manor Inn: the physical location is 5 Community Road, Pinehurst, NC 28374
- Condominiums: Check-in is at the Carolina Hotel (see above).

Distances from Pinehurst:

Atlanta.....343 miles
Baltimore.....395 miles
Charlotte.....92 miles
Myrtle Beach.....138 miles
Raleigh.....69 miles
Richmond.....225 miles

Room Reservations

Pinehurst is pleased to offer the following rates for overnight rooms.

Single Occupancy: \$124.00 per person, per night.

Double Occupancy: \$62.00 per person, per night.

Plus service charge and taxes. Group rate available 3 days before and after conference dates. Participants are responsible for making their own reservations by calling 1-800-487-4653 and pressing the Conference or convention Reservations prompt. Reference: 2012 ESOP Tri-Chapter Regional Conference.

Group Rooms rates will be available until 5:00 p.m. on February 28. After that, reservations will be accepted based on rate and room availability.

Alternate locations:

We expect that this block will sell out quickly. The properties listed below are within 1.5 miles of Pinehurst and offer affordable rates:

Homewood Suites-250 Central Park Ave.: 910-255-0300

Comfort Inn-9801 US15/501: 910-215-5500

Golf on Your Own

Golf Rates:

Pinehurst # 1, 3, 5 \$99.00

Pinehurst # 2 \$399.00

Pinehurst # 4, 6, 7, 8 \$229.00

***Includes green fees, carts and range balls.**

***Rates are offered 3 days pre and post conference.**

Individuals are responsible for reserving their own tee times outside the EOF Tournament.