



# Wisconsin Chapter of The ESOP Association

May, 2009

## Chapter News

- ESOP Association Annual Conference News
  - Award Winners Recognized
  - Conference Attendees Meet With State Legislators

## Calendar of Events

- CEO/CFO Roundtable Event  
June 10 at Sentry Equipment

<http://www.esopassociation.org/pdfs/CEO-CFORegistration2009.pdf>

- ESOP Regional Conference,  
September 24-25 Sponsorship Form

## Welcome New Member

Oconomowoc Residential Programs, Inc.  
Douseman, WI 53118-0278

## Chapter Officers

**President**

**Pam Klute**

*Trachte Building Systems, Inc.*

[pklute@trachte.com](mailto:pklute@trachte.com)

**Vice President**

**Betty Bollis**

*Amerequip Corporation*

[bbollis@amerequip.com](mailto:bbollis@amerequip.com)

**Vice President**

**Aaron Juckett**

*ESOP Insourcing LLC*

[ajuckett@esopinsourcing.com](mailto:ajuckett@esopinsourcing.com)

**Vice President**

**Sandy Paavola**

## Chapter Members Honored at Annual Conference

### **Sandra Paavola of Enterprise Services, Inc. Receives Membership Recruitment Award from The ESOP Association**

The ESOP Association presented Sandra Paavola, Enterprise Services, Inc., with the 2009 Membership Recruitment Award for a Professional Member at the 32<sup>nd</sup> Annual Conference in Washington, D.C. "Sandra has done a tremendous job furthering the community's cause and encouraging ESOP companies to join the Association," said J. Michael Keeling, ESOP Association President. "I am pleased to present her with this award."



### **Michael Festge of Amerequip Corporation Named 2009 Outstanding Board of Governors Member by The ESOP Association**

Mike Festge was also honored during the Awards Banquet at the Annual Conference where he was named 2009 Outstanding Board of Governors Member. "Mike is an enthusiastic supporter of The Association and has gone above and beyond in his duties as a member of the Association's Board of Governors," said J. Michael Keeling. "He is leading his Chapter in government relations work and reaching out to companies to help increase understanding of the ESOP concept among members of Congress. I am pleased to present him with this award."

### **Western Building Products, Inc., Milwaukee, Receives Silver Award**

Western Building Products, Inc. was among 12 corporate members of the Association to receive a 2009 Silver ESOP Award. "It is my pleasure to present these companies with the 2009 Silver ESOP Award for excellence in sustaining their ESOP for 25 years."

*Enterprise Services, Inc.*  
[spaavola@esi-enterprise.com](mailto:spaavola@esi-enterprise.com)

*Vice President*  
*Ken Williams*  
*Ruekert & Mielke, Inc.*  
[kwilliams@ruekert-mielke.com](mailto:kwilliams@ruekert-mielke.com)

#### *Executive Committee Members*

*Mickey Maier*  
*Alpha Investment Consulting Group*  
[maier@alpha-investment.com](mailto:maier@alpha-investment.com)

*Sherri McDermott*  
*Sentry Equipment*  
[sherri@sentry-equip.com](mailto:sherri@sentry-equip.com)

*Renee Stadtmueller*  
*Principal Financial Group*  
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#### **Contact Us**

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Congratulations to all," said J. Michael Keeling, ESOP Association President.

*Congratulations Sandy, Mike and Western Building Products!*

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## CEO & CFO Roundtable, June 10 at Sentry Equipment Corporation

CEO and CFO members of the Wisconsin ESOP Chapter are invited to participate in roundtable discussions at Sentry Equipment Corporation, Oconomowoc, on June 10, 2009.

The agenda will be driven by those attending, focusing on issues such as: creating an ownership culture, best practices concerning corporate governance, repurchase obligation planning. Facilitating the event will be: Mike Farrell, CEO, Sentry Equipment; Randy Baumgart, CFO, Hatco Corp.; and Mickey Maier, Senior Consultant, Alpha Investment. Interested members may download the registration form at: <http://www.esopassociation.org/pdfs/CEO-CFORegistration2009.pdf>

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## Conference Attendees Meet With State Legislators



Chapter members visited Capitol Hill to meet with members of congress and their staff during the Annual ESOP Conference in Washington D.C. the first week of May. The purpose of the meetings was to talk about ESOPs and to lobby for federal legislation that encourages ESOPs and to prevent changes in tax law that negatively impacts ESOPs.

Although there is no current legislation pending, it is anticipated that tax legislation will be drafted within the year, and we wanted to create a relationship and rapport with congressional leaders now, so that they know us and our cause. That way, as legislation is proposed, we have an "in" to the Senators and their key advisors to make our voices heard.

As with the recent Rangel tax bill that included a provision to impose a heavy tax burden on deferred compensation arrangements in S corporation ESOPs, legislation can be drafted with unintended consequences to ESOPs. It is the opinion of many that the Rangel bill was a reaction to the Sam Zell-Chicago Tribune transaction, but with over-reaching impact. We see that our collective job is to educate and lobby against damaging bills and to promote those bills that benefit ESOPs.

In this our first organized effort as a chapter, we focused on visiting our two senators. The individuals who attended either one or both of the Hill visits include:

Amerequip Corp: Mike Festge, Betty Bollis; Sentry Equipment: Mike Farrell, Sherri McDermott, Fred Soto, Lynn Drewicz, and Rich Wartgow; Scot Forge (Clinton location): Chris Ecklund, Isamael Salgado, Jesse Kuether, Aimee McGillivray; Enterprise Services: Sandy Paavola, Craig Olinger, Scott Miller; ESOP Insourcing: Aaron Juckett; and Alpha Investment Consulting: Mickey Maier

Here is a brief recap on our visits:

### **Senator Herb Kohl**

Our chapter met with Jeff Cruz, a key advisor to Senator Kohl in his role as Chairman of the Senate Aging Committee. This committee is involved with issues concerning the elderly including health care and pension plan benefits. Jeff and the committee's focus have not necessarily been on tax law, so we took the opportunity to do some education and highlight the benefits of employee ownership. We also discussed some of the negative perceptions about ESOPs, for example, diversification of plan assets, the Tribune deal, media accounts, etc. It was a good discussion, and although it appears the Senator's office has not given much thought or consideration to ESOPs overall, we are welcomed to keep the lines of communication open on issues important to us. We are hopeful that as anticipated proposals on tax revenue policies are advanced, we will win the Senator's support on issues relating to ESOP companies.

Senator Kohl was hosting a breakfast for all constituents that morning and although he joined us for a short while and took a photo with us, we did not get a chance to discuss policy decisions with the Senator directly.

### **Senator Russ Feingold**

Our chapter met with Policy Director, Sumner Slichter, and Senator Feingold. Sumner has been the Senator's key advisor on tax issues for around 10 years. He is knowledgeable about ESOPs and is very open to hearing from us on the impact that any particular tax proposal may have on ESOPs. Senator Feingold joined our meeting and agreed to listen to our concerns. He also said he would take a closer look as the laws encouraging ESOPs are proposed, e.g., the ESOP Promotion and Improvement Act of 2007 sponsored by Senator Blanche Lincoln (D-AK).

Senator Feingold was gracious and offered a photo opportunity with us. He seemed to be very open to supporting our goal in the continuation of policy that encourages broad-based ownership. Our task will be to stay in touch with his office as tax law proposals are made and bring to his attention any impact (both positive and negative) to ESOPs.

Overall, we were pleased with the results of the visits, they provided a reminder of how critical it is that we not take the current legislation benefiting ESOPs for granted. We need to constantly remind our representatives in Washington how great employee ownership is for their constituents, keeping this issue on top of their minds as debate begins about raising new tax revenues. It is up to all of us to advocate the issues that impact the ESOP community, and we must all make a commitment to create opportunities to talk

about the benefits of ESOPs to our Senators and Representatives.

This was our first organized effort to coordinate Capitol Hill visits, and we hope to continue this effort each year, expanding on the number of congressional members. In addition, we hope to encourage one or two visits hosted by our association members directly at their ESOP companies this year.

If your company would like to host a congressional meeting please let me know: The chapter officers are here to help you with the details! Together we can continue our goal to educate and advocate for ESOPs and legislation that promotes employee ownership!

If you have any questions at all, please do not hesitate to contact me.

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