

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

“Getting Your ESOP On The Green”

March 18 and 19, 2010

Pinehurst Resort

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7:30-8:30	Registration and Continental Breakfast		
8:30-8:40	Welcome and Agenda Overview	<i>Gale Alexander-President, New South Chapter Gale Marett-President, Carolinas Chapter Keith Robertson-President Mid-Atlantic Chapter</i>	
8:40-9:00	Employee Ownership Foundation Update	<i>Alex Moss, Employee Ownership Foundation Trustee</i>	
Breakouts	Communication Course-Staying on the Fairway This course contains a range of topics primarily focused on the Cultural and Communication side of ESOP activities. Members of corporate communication committees and others within their organization involved in communicating ESOP issues will benefit from these sessions	Technical Course -Lessons From the Pros These sessions are ESOP Professionals covering the technical drive. These topics will help improve your grip and your swing. The attendees will include plan sponsors and individuals responsible for the day to day operation of the plan.	Variety -Avoiding the Hazards The sessions in this course are designed to give players an opportunity to attend and participate in a wide variety of formats and topic discussions.
9:05-10:00	Teaching Employees About Business Operations <i>Paul Horn, WorkPlace Consultants, LLC Mac Francfort, Wiley/Wilson</i> Learn how to teach employees about financial information, how business works. This session reviews success of high performance companies and what tools need to be in place.	Repurchase Obligation-Forecasting and Overview of Funding Methods <i>Jay Van Heyde, Dean Mead Maurice Chevalier-New England Financial Steve Susel, Marshall-Stevens</i> The Repurchase Obligation explored from A to Z. A panel of experts will explore the legal, forecasting, funding, and valuation issues associated with the repurchase obligation for ESOP Companies, and provide an analysis of (i) how the obligation arises and the view of the issues by the DOL, (ii) how to forecast the obligations and deal with the variables that create it, (iii) the techniques to plan for and /or fund the obligation, and (iv) the impact of the obligation and its funding on the ESOP company's annual valuation.	ESOP Fiduciary Liability-Understanding the Risk and the Protection Available <i>Jeffrey Gelburd, Murray Risk Management Merri Ash-First Bankers Trust Services Mike Holzman-Morgan, Lewis & Bockius, LLP</i> Fiduciaries of ESOPs face very real exposure to liability. It is important for the fiduciaries of ESOPs to understand what conflicts could exist and the type of protection available including the purchase of insurance.
10:00-10:20	Break		
10:20-11:15	Effective Communications to Cultivate Trust <i>Carla Klingler, PyraStar Pension Group, - Moderator Mark Jones, CALIBRE Systems Gale Marett, Salem Distributing</i> Improving Employee Communications - training your management team to see the cup at least half-full.	ESOP Transactions in Today's Market <i>Will Stewart, PCE Investment Bankers Marshall Bartlett, Independence Trust Peter Briggs, Shareholder Strategies, Inc.</i> The panelists will discuss economic conditions, selling to an ESOP, merging ESOP's, and ESOP's buying other companies. Significant focus will be on transactional financing, dilution, fiduciary issues and how these affect deal structure	Sustainability Panel <i>Michael Coffey, Corporate Capital Resources Rick Mapp, Kaufman & Canoles Don Comer, Bobbitt Design Build, Inc. Susan Banks, ComSonics</i> The issues of sustainability and proper management of long-term ESOP obligations are interrelated. The techniques available to maturing ESOP companies confronting the management of cash and stock flows for the emerging buyback obligations are sometimes poorly understood. This session will examine specific cases involving share price appreciation/depreciation, corporate stock redemptions, recycling, releveraging, funding mechanisms and other issues. The management of ESOP companies must understand these prudent and broader strategies available to optimize the coordination of corporate financial, valuation and legal issues for maturing ESOPs in light of both fiduciary responsibilities and employee perceptions
11:20-12:15	ESOP Company Stories-Why and How Your ESOP Has Made a Difference <i>Dennis Lofe, Wilson Senior Care Bill White, Stevenson & Palmer Engineering Victor Brannon, American Maritime Holdings</i> This session will feature stories from the Tri-chapter areas highlighting efforts being made to compete and survive in this challenging economic environment. Come hear tactics and initiatives employed and ownership culture efforts from the participating companies	Basic Administration-Leverage ESOP Loan Release, S Corp Anti-abuse (409(p)) <i>Connie Woodmansee, Swerdlin & Company Tom Roback, Blue Ridge ESOP Associates</i> This session will provide you with a good stance and approach to ESOP administration. The Administration of an ESOP is similar in most ways to the administration of any employee benefit plan. However, ESOPs also have their own unique requirements and many of these requirements are complex, detailed and subject to numerous exceptions and conditions.	CEO/CFO Roundtable <i>Ron Gilbert, President, ESOP Services, Inc. JL Nichols, President, Nichols Foodservice Marshall Combs, CFO, White Electrical Construction Company</i> Three seasoned and experienced CEOs will share their insights and facilitate an open dialogue on leading an effective ESOP Company. Discussion will be driven by those attending CEOs, focusing on issues such as: creating an ownership culture, best practices concerning corporate governance, repurchase obligation planning, valuation, staffing, banking and other issues in the current economic situation.

<u>12:30-1:45</u>	<u>Lunch</u>	Speaker: J. Michael Keeling, CAE <i>President, The ESOP Association</i>	
<u>1:45-2:45</u>	<u>How ESOPs Can Save Capitalism</u>	<i>Paul Horn, WorkPlace Consultants, LLP</i>	
	<u>Course 1-Staying in the Fairway</u>	<u>Course 2-Lessons From the Pros</u>	<u>Course 3-Avoiding the Hazards</u>
<u>2:45-3:00</u>	<u>Break</u>		
<u>3:00-3:55</u>	<p>Best Practices: ESOP Committees <i>Facilitator: Markita Madden, ComSonics</i> <i>Jay Lewis, Wiley/Wilson</i> <i>Jerry Bohnsack, Cross Company</i></p> <p>ComSonics ESOP Advisory Committee has been in place since 1986, created one year after the company became 100% ESOP owned. Among the committee's many successful achievements is ComSonics' unparalleled 12 First Place AACE Awards from The ESOP Association. Such a string of successes has not come by becoming stagnant, or without some setbacks, and Ms. Madden will share some of the things their EAC has done to fine-tune itself and make it more effective as a committee. Among them will be how they have redefined roles of each committee member and divided the workload, and also things their Committee has done well that others in the company look forward to and are the most excited about.</p>	<p>401(K) ESOP Integration Issues: Combines Compliance Testing, Advantages and Disadvantages to a Combined Plan. <i>Dolores Lawrence, Blue Ridge ESOP Associates</i> <i>Adam Stone, Swerdlin & Company</i> <i>Craig Wheaton, Smith Law</i></p> <p>This session will focus on the advantages, disadvantages and other considerations associated with combining 401(k) and ESOP provisions into one plan (KSOP). Whether a plan sponsor has a KSOP, or separate ESOP and 401(k) plans, certain compliance tests must be performed on a combined basis for both plans. We'll briefly discuss the information required for accurate completion of those tests as well as fiduciary issues related to the integration of 401(k) and ESOP provisions.</p>	<p>Executive Compensation Trends <i>Matt Keene, Principal Financial Group</i> <i>Michael Canan, GrayRobinson</i></p> <p>Executive compensation is under more scrutiny than ever, yet ESOP companies need to attract and retain key talent to drive long-term ESOP value. Please join us as we discuss: recent trends in executive compensation; pay practices for actual ESOP companies; balancing cash and performance-based pay; and, fiduciary considerations for executive pay in light of the ESOP shareholder. Note to tech committee: we have been performing compensation benchmarking studies for a lot of ESOP companies during normal operations and when installing nonqualified plans during new ESOP transactions. Through this work, we notice trends in ESOP compensation versus other companies. We will of course also discuss governance and fiduciary considerations for executive pay, given the ESOP shareholder and the need to prove reasonable compensation.</p>
<u>4:00-4:55</u>	<p>Putting the Culture of Ownership Into Action <i>Mike Shay, Praxis Consulting</i></p> <p>This session will detail examples of how the basic techniques of Lean, and other process improvement strategies, have been utilized to operationalize the culture of ownership by:</p> <ul style="list-style-type: none"> Organizing and utilizing the workforce as a critical resource to maximize the rate of improved organizational performance Developing new informal leaders Developing a sense of ownership, not only of problems, but also of solutions, implementation and results Resisting the temptation to develop bureaucratic drag. 	<p>What do I do? Someone wants to buy me! <i>Stephen Smith, Krieg Devault</i> <i>Mike Pretiger, Medical Doctor Associates</i> <i>Mike Hartman, Willamette Management Associates</i></p> <p>The sale of an ESOP company is a common experience - even for companies intending to remain employee-owned. These transactions raise many legal, valuation, financial fairness, pass-through voting and other acquisition-related issues. They implicate the company's board of directors and senior management, the ESOP trustee and its valuation advisor and ESOP counsel. This session will cover these issues in the context of an actual transaction which involved the sale, by a 100% S corporation ESOP company, of its assets to a public company; the ESOP was leveraged at the time of sale.</p>	<p>Advocacy - The Who, What, Why and How of Hosting a Visit by Your Congressperson or Senator <i>J. Michael Keeling, CAE</i> <i>Keith Robertson, ComSonics, Inc.</i> <i>Markita Madden, ComSonics, Inc.</i> <i>Mike Wolfe, Fisher Tank Company</i></p> <p>Planning for trips to Capitol Hill in Washington DC as well as inviting a member of Congress to your company will be discussed. ComSonics has recently achieved success in both areas and have learned that effort and patience go hand in hand with accomplishing and scheduling these visits.</p>
<u>5:00-6:30</u>	<u>Free Time</u>	Take this time to relax before the evening's activities, or explore.	
<u>6:30-7:00</u>	<u>Networking Reception</u>	A great opportunity to meet with your fellow attendees.	
<u>7:00-8:30</u>	<p>Dinner and Chapter Awards Presentations <i>(Included in conference registration)</i></p>	Enjoy Pinehurst's superb culinary offerings while you continue to network with your fellow attendees. Celebrate your chapter's annual award winners.	

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Friday 7:45-8:15	<u>Breakfast</u>		
<u>Breakouts</u>	<u>Communication Course-Staying on the Fairway</u>	<u>Technical Course -Lessons From the Pros</u>	<u>Things You Should Know-Avoiding the Hazards</u>
<u>8:15-9:10</u>	<p><u>Open Book Management</u> <i>Michael Dougherty, CEO of Kindermusik</i> <i>John Jaskot, Web Industries</i> <i>Steven King, Gala Industries</i></p> <p>Open book management is a powerful business strategy that gives employees insight into what their organization's performance and their individual roles in achieving business results. Employee owned companies who have experienced the real power behind Open-book management will attest it takes much more than simply sharing financial information to get employees excited and engaged in the business, let alone to think, act and feel like owners. Join us in this session to learn how to capture the real power behind Open-Book management</p>	<p><u>ESOP Valuation: Basic Considerations and Advanced Teasers</u> <i>Adrian Loud, Bennett Thrasher PC</i> <i>Bucky Wright, ComStock Advisors</i> <i>David Bogus, Ellin & Tucker, Chartered</i></p> <p>Valuation is part science and part art. This session will address both the qualitative aspects of valuations performed for ESOP companies, touching on basic valuation approaches and current "hot topics" that may affect valuations, including repurchase obligation, contingent considerations, independent audit requirements, and tax structure.</p>	<p><u>Nifty 50 - 50 Best ESOP Ideas in Rapid Fire Format</u> <i>Alex Moss, Praxis Consulting Group</i> <i>Cindy Prodoehl, Principal Financial Group</i> <i>Susan Banks, ComSonics</i></p> <p>Come and attend this rapid fire session to gain new communication and education ideas from your peers at other ESOP companies. Presenters will share what has worked at their firms to build a better understanding of ESOP ownership, generate business knowledge, grow enthusiasm for ownership and run successful events. The session's goal is to share at least fifty different ideas from each panelist. Come and learn something new and at the end of the session be ready to offer ideas that were not part of the nifty 50 ideas presented.</p>
<u>9:15-10:10</u>	<p><u>Communication Tools</u> <i>Moderator: Cindy Prodoehl; Principal Financial Group</i> <i>Sayward Masselter, Atlanta West Carpets</i> <i>Nick Verna, Social & Scientific Systems</i> <i>Brandi Garrett, Flippo Construction</i></p> <p>Come hear about what companies are doing to communicate! We will discuss tools for learning, tools for engaging, tools for fun and tools for measurement. This will be an interactive session - so bring your ideas to share with the group!</p>	<p><u>Distributions: Policy Changes, Mechanics of the Process</u> <i>Pete Prodoehl, Principal Financial Group</i> <i>William Gust, Gentry Locke Rakes & Moore</i></p> <p>Relating to distribution policy changes, the speakers will discuss what you can and can't do and share best practices relating to developing a distribution policy.</p>	<p><u>Health Care</u> <i>Dell Kubler, Swerdlin & Company</i> <i>Dave Williams, Schiff Hardin</i> <i>John Jaskot, Web Industries</i> <i>JL Nichols, Nichols Foodservice</i></p> <p>The session will address trends in employer-provided group health-care, cost containment initiatives, significant group healthcare regulations, and the status of proposed federal healthcare legislation. The panel members represent employers, and include a healthcare consultant and an attorney who represents employers on group healthcare matters.</p>
<u>10:10-10:30</u>	<u>Break</u>		
<u>10:30-11:25</u>	<p><u>Leadership in ESOP Companies</u> <i>Alex Moss ,Praxis Consulting Group</i> <i>Carrie Harris, Southern Pan Service Company</i> <i>Bill White, Stevenson & Palmer Engineering</i></p> <p>This session will cover key elements of leadership in an ESOP Company that include, open book management, effective communications, appropriate level of decision making and providing opportunities for employees to grow and learn. Leaders in successful ESOP companies tend to lead by example, and foster an environment of trust and respect. Learn what qualities leadership must have to effectively lead an employee owned organization.</p>	<p><u>Winding Down an ESOP: Freezing or Plan Termination</u> <i>Karen Hurley, SES Advisors, Charlottesville, VA,</i> <i>Bill Whitehurst, Womble Carlyle Sandridge & Rice, PLLC,</i></p> <p>Topics covered in this session include: operating your plan after contributions have stopped, pitfalls to freezing a plan, terminating an ESOP, what to do with payouts and shares in the plan.</p>	<p><u>AACE - The Who, What, Why and How to Get Involved</u> <i>Susan Banks, ComSonics, Inc.</i> <i>Keith Robertson, ComSonics, Inc.</i></p> <p>ComSonics has participated in the AACE Program of The ESOP Association since its inception, and has won an unparalleled 12 First Place AACE Awards.</p> <p><i>Steve Earle, Mid-South Building Supply, Inc.</i> AACE awards won: 1996 External ESOP advertising, print; 2008 - total communication; 2009 - printed material and special events, series (runner up)</p> <p><i>Bonnie Ezzell, Nichols Foodservice</i></p> <p>We will discuss why and how to submit in multiple categories of the AACE program each year as an exercise to help us determine where we have been and where we need to be. We will also discuss how an ongoing AACE program can serve as an ad-hoc benchmarking tool for your company's ESOP communications program.</p>
<u>11:30-12:00</u>	<u>Lunch</u>	Light Lunch will be served.	
<u>12:30</u>	<u>Employee Ownership Golf Tournament</u>	Head for the Links!	Golf Registration is attached

Thank you all for your attendance ant this event. Please take a few moments to let us know what you think by completing the evaluation forms in your packets.

Conference Registration Information

Sign me up!

Name: _____

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Additional Attendees:

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**Breakfast, Lunch, and Dinner Thursday and Breakfast and Lunch on Friday is included.*

Checks made payable to: The ESOP Association

Mail to: Deborah Tompkins

Carolinas Administrator

P.O.Box 625

Stow, MA 01775

Return completed registration by March 11, 2010

Note: The speakers are confirmed at the time of publication. However, the roster may change due to unforeseen circumstances

Your support of the Employee Ownership Foundation is greatly appreciated and we will be accepting donations for raffle prizes. If you would like to donate a gift, please indicate here to be included in the conference materials.

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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.

We have arranged the following bus Service to and from RDU at a reduced rate. Please indicate if you are interested in this option. YES _____

Pick up at RDU Wednesday March 17 4 pm and 8 pm

Pick up at Pinehurst, Friday March 19 1 pm and 6 pm

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 \$120.00 per person, per night.

Double Occupancy \$60.00 per person, per night.

Plus service charge and taxes. This special rate is offered March 17 thru March 20. Participants are responsible for making their own reservations by calling 1-800-487-4653 and pressing the Conference or convention Reservations prompt.

Mention that you are with the Carolinas ESOP Association.

Rooms will be available until 5:00 p.m. on February 15. After that, reservations will be accepted based on rate and room availability.

Special rates are valid 3 days pre and post conference dates.

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.