

Spring 2020 ESOP Seminar Series

Presented by The Menke Group

Learn how selling to an ESOP can give you a better rate of return than selling to a third-party buyer—explore your options.

*Thinking about Business Succession?
Consider an ESOP.*

No other alternative combines maximum tax and financial advantages with the flexibility that enables you to customize your business succession to fit your unique circumstances.



THE MENKE GROUP

ESOP ADVISORS & INVESTMENT BANKERS

What attendees say about our seminars...



"Prior to attending your seminar, I had a lot of misconceptions about how ESOPs operate and what they are designed to do. Your seminar helped to dispel a number of these misconceptions and gave me a new understanding of how an ESOP could be the answer to creating liquidity for our retiring shareholders."

"I learned more from your partial-day seminar than I learned from attending a 3-day ESOP conference presented by a host of speakers who presented conflicting ideas and technical information that was not relevant to my situation."

"After attending your seminar, I can't understand why there aren't more ESOPs. The tax and financial advantages are terrific, and the potential impact on employee productivity is huge!"

"I really enjoyed your ESOP seminar. Your case examples of ESOP uses were clear and straight forward and greatly helped me to understand how an ESOP might be best used to accomplish my objectives"

Five Reasons to attend this seminar:

- 1 Learn how selling some or all of your stock to an ESOP can enable you to sell your stock entirely tax-free.**
- 2 Learn how selling part or all of your stock to an ESOP can enable your company to become partially or totally exempt from paying federal and state income taxes.**
- 3 Learn how selling your stock to an ESOP can enable you to get a higher rate of return on your investment than selling to a competitor or selling to a third party.**
- 4 Learn how selling your stock to an ESOP can enable you to perpetuate your business as a separate stand-alone business for decades to come.**
- 5 Learn how selling your stock to an ESOP can enable your business to reduce employee turnover, increase employee productivity, and recruit top-notch employees.**

Who should attend?

This seminar series is designed to accommodate a range of people, but some typical attendees are:

- **CEOs, CFOs, and other corporate officers**
- **Company founders and shareholders**
- **Company advisors seeking to better understand ESOPs**

The Menke Group –About Us

The Menke Group was founded in 1974 by John D. Menke, with the idea of using employee ownership as a powerful business succession tool. Having co-drafted the original employee stock ownership plan (ESOP) legislation, he has written countless articles on the topics of estate planning, ESOPs, leveraged buyouts, and management compensation strategies.

Today, we are the recognized leader in the employee stock ownership industry. We've successfully closed over 3,500 ESOP transactions and administer plans for nearly 1,000 existing clients ranging in size from 10 to 10,000 employees who operate in every industry and are located in every state of the country. We provide all the services needed in connection with the ongoing upkeep and administration of an ESOP, including legal consulting, financial consulting, recordkeeping, and employee communications.

Our expertise has been carefully crafted since 1974, and unites deal structuring, ERISA law, plan administration, tax compliance and valuation.

www.menke.com

ESOP

SEMINARS

SPRING 2020

The ESOP: An Alternative Buyer of Company Stock

- ◆ A Tax-advantaged, Ready Source of Shareholder Liquidity
- ◆ A Fail-safe Strategy for Locking in the Current Capital Gains Tax Rate
- ◆ A Better Business Succession Strategy than Other Alternatives

ESOP Seminar Outline

Shareholder Liquidity — Financing Alternatives

- Seller Financing
- Two-stage ESOP Buyout
- Key Employee Stock Purchase
- Chip Away ESOP
- Unleveraged ESOP
- Prefunded ESOP
- Bank Lending

Five-hour Seminar Times:

8:30 AM – 9:20 AM

Business Succession

- Providing for Successor Management
- Providing for Family Members

9:20 AM – 9:40 AM

ESOP Versus Other Liquidity Alternatives

- Sale
- Going Public
- Management Buyout
- Merger
- Redemption

9:40 AM – 10:00 AM

Equity Incentives for Key Employees

10:00 AM – 10:20 AM

BREAK 10:20 AM – 10:40 AM

C Corporation ESOPs

- Seller Tax-free Strategies
- Seller Tax-deferred Strategies

10:40 AM – 11:00 AM

S Corporation ESOPs

- Unique Tax Benefits

11:00 AM – 11:20 AM

Financing an ESOP

- How Bankers Analyze an ESOP Loan

11:20 AM – 11:40 AM

Employee Productivity

- Increase Employee Productivity
- Employee Communication and Education

11:40 AM – 12:00 PM

Increase Cash Flow & Capital

- Issuing New Stock
- Financing Growth
- Increasing Cash Flow & Net Worth

12:00 PM – 12:10 PM

LUNCH 1:00 PM – 2:00 PM

Valuation of Closely-held Companies

- Valuation Techniques
- Tiers of Value
- Premiums
- Appraiser Independence
- Recasting Earnings
- Discounts

12:10 PM – 12:30 PM

Disadvantages — Perceived Versus Real

12:30 PM – 12:45 PM

Technical Aspects

- Eligibility
- Distributions
- Diversification
- Vesting
- Contributions
- Accounting

12:45 PM – 1:00 PM

Six-Hour Seminar Times:

8:30 AM – 9:20 AM

9:20 AM – 9:40 AM

9:40 AM – 10:00 AM

10:00 AM – 10:20 AM

10:40 AM – 11:20 AM

11:20 AM – 12:00 PM

12:00 PM – 12:20 PM

12:20 PM – 12:40 PM

12:40 PM – 1:00 PM

2:20 PM – 3:00 PM

2:40 PM – 3:00 PM (Break)

3:00 PM – 3:30 PM

The Menke Group

Seminar Staff



BRUCE C. ARMSTRONG has an extensive background in commercial banking, corporate finance, and the design and implementation of ESOPs. Mr. Armstrong graduated from Stanford University with a B.A. in Economics in 1975. He received an M.B.A. in Finance and Accounting from UCLA in 1979.



CHARLES W. BACHMAN is a business attorney specializing in taxation and employee benefits law. In addition to being a licensed attorney, Mr. Bachman is a C.P.A. Mr. Bachman received a B.A. degree from UCLA. He received his J.D. Degree from Santa Clara University School of Law.



KYLE COLTMAN Chief Executive Officer, has worked extensively in the design of employee buyouts since joining the firm in 1979. Mr. Colman's responsibilities encompass all phases of deal structuring, financing and coordination of ongoing services. Mr. Colman graduated with honors from the University of California, San Diego, receiving a B.A. degree in Economics. He received his M.B.A. degree in finance at the University of California, Berkeley.



PHIL DeDOMINICIS Prior to joining Menke, Mr. DeDominicis spent three years as Director of Mergers & Acquisitions at Citigroup. Prior to that, he spent ten years as Director of Mergers & Acquisitions at Morgan Stanley. He received his degree in Chemical Engineering from the University of Delaware and his M.B.A. degree in Finance and Accounting from UCLA.



MATTHEW NELS joined the firm in 2018 bringing over 15 years of commercial lending experience and over 10 years of ESOP experience. Prior to joining the firm, Mr. Nels spent several years with BMO Harris Bank and Fifth Third Bank where he was responsible for marketing, structuring, underwriting and managing leveraged ESOP, private equity and traditional middle market debt transactions across the United States. Mr. Nels also spent time in underwriting and portfolio management roles at Pangaea Asset Management, LaSalle Bank, GE Capital and Heller Financial. Mr. Nels holds a Bachelor of Science in Business Finance and Marketing from Eastern Illinois University and a Master of Business Administration in Finance from DePaul University.