

A black and white photograph of two hands shaking in a firm grip, symbolizing a business deal or agreement. The hands are wearing white shirt cuffs and dark suit sleeves.

Assessing the Feasibility of an ESOP

October 15, 2019

Agenda

- Crash Course on ESOPs
- What is an ESOP Feasibility Study?
- Primary Components of ESOP Feasibility Studies
- Additional / Optional Components of ESOP Feasibility Studies
- Case Studies
- Next Steps: Is an ESOP Right for Your Company?
- About GBQ's Valuation and ESOP Advisory Practice



Speakers



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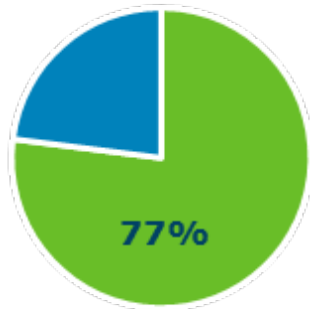


Assessing the Feasibility of an ESOP

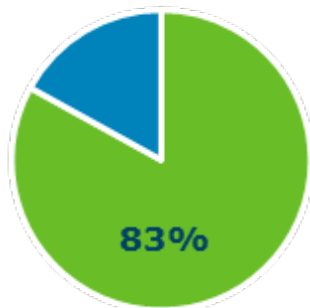
Crash Course on ESOPs

ESOPs are Usually Successful

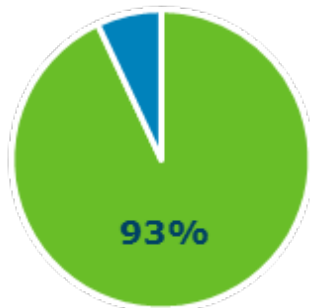
Source: Employee Ownership Foundation 24th Annual Performance Survey



- **77%** of ESOP companies report that their ESOP improved employee productivity



- **83%** of ESOP companies report that their ESOP stock value increased in the past year



- **93%** of ESOP companies report that creating employee ownership through an ESOP "was a good business decision that has helped the company"

ESOPs Help Business Owners Achieve Various Goals

<u>Owner Objective</u>	<u>3rd Party Sale</u>	<u>MBO</u>	<u>ESOP</u>
Build/Preserve Legacy	??	YES	YES
Assure Financial Security	YES	??	YES
Flexibility/Control Timing of Transaction	??	YES	YES
Ownership Culture	??	??	YES
Minimize Taxes	??	??	YES

Primary Benefits of ESOP

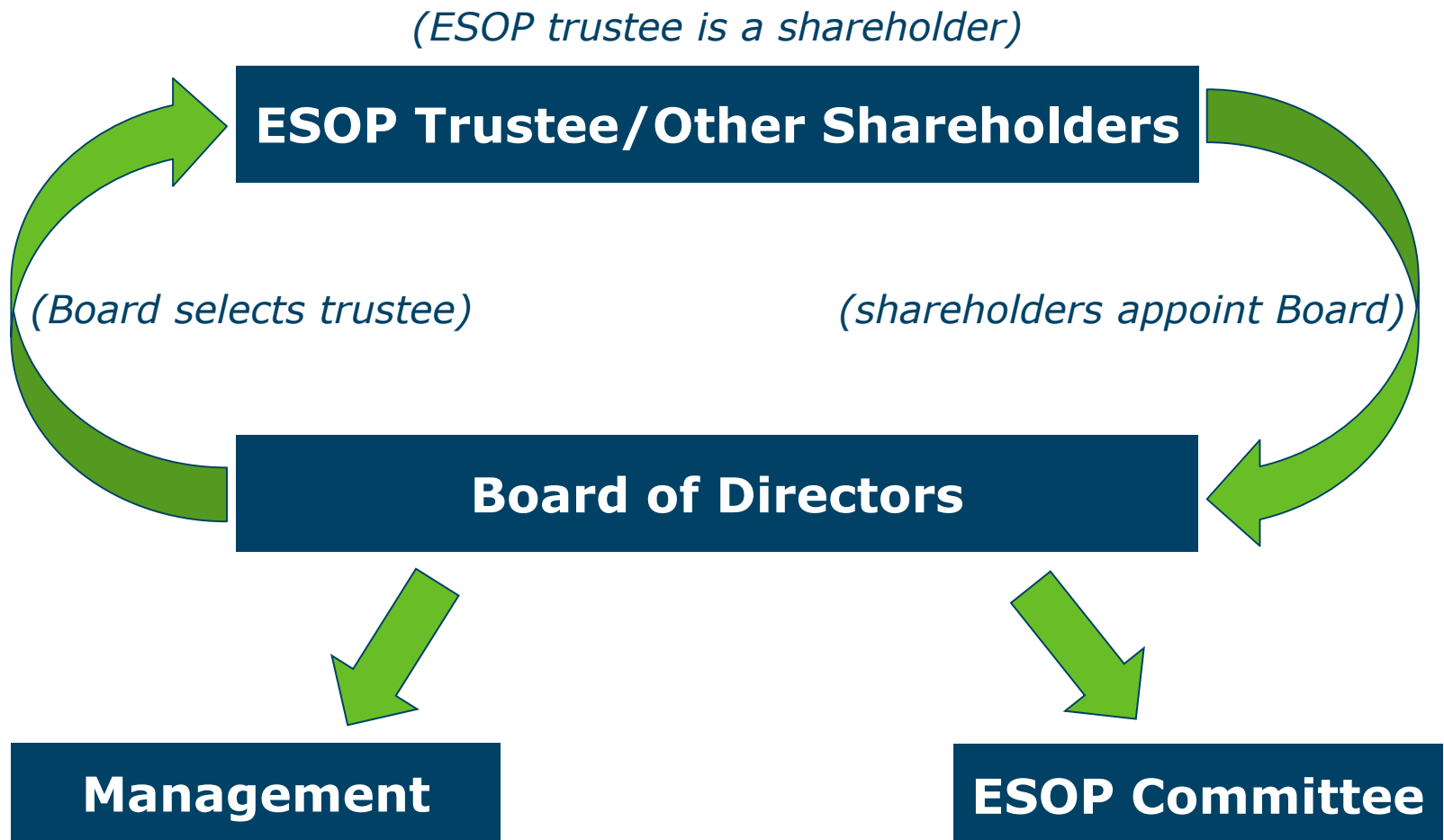
Financial

- Can create income tax free company (if 100% ESOP owned)
- Tax-deductible financing (including principal)
- Tax savings finance large portion of transaction
- Stock sale (favorable tax treatment)
- Potential for tax-free rollover
- Sellers can participate in ESOP
- Opportunity for additional return through interest, warrants, SARs

Non-Financial

- Unique ownership transition alternative tool that preserves a company's legacy
- Sellers can retain operational control of the business
- Reward, attract, retain and motivate employees
- Flexible; can customize ESOP
- Low "transaction risk"; ESOP transactions almost always close
- Productivity gains are likely
- Tax/cash flow savings can facilitate growth

Corporate Governance in an ESOP Company



Typical ESOP Characteristics

Participation

- ESOPs are inclusive; generally, everyone participates
- Typical ERISA rules apply (18 years of age, 1,000 hours of service)

Allocation

- Shares may be allocated based on compensation or combination of compensation & tenure
- Plan cannot be “top-heavy” or discriminatory

Vesting

- Can have a maximum of 3-year cliff or 6-year graded vesting schedule
- Can give “credit” for service-to-date

Repurchase

- Shares must be purchased on a non-discriminatory basis
- Can defer payments until ESOP loan is repaid and pay out over 5 years

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Assessing the Feasibility of an ESOP

What is an ESOP Feasibility Study?

Are You in this Situation?

- Your initial research indicates that an ESOP may be a viable choice for your business (or your client's business). You have read articles, attended seminars, and talked to advisors.
- Now, you want to **really** evaluate the ESOP option.
- A logical next step is an **ESOP Feasibility Study**.

Purpose of an ESOP Feasibility Study

- An ESOP feasibility study is a study that helps determine whether an ESOP is feasible for a business.
- An ESOP feasibility study provides a business owner (and other stakeholders) the information they need to determine if an ESOP is right for their business.

ESOP Feasibility Study: Definition

- There is no universal definition of an ESOP feasibility study
- Different ESOP advisors may include different elements in an ESOP feasibility study
- ESOP feasibility studies may be offered by valuation firms, investment banks, commercial banks, attorneys, record-keepers, accountants, or other ESOP consultants. Areas of emphasis are often a result of the advisor's primary areas of expertise.
- Certain elements are critical in virtually every situation, and are therefore included in virtually all ESOP feasibility studies. Other elements may be critical in some situations but not others, so these may, or may not, be addressed in an ESOP feasibility study.
- ESOP feasibility studies can (and should) be customized to address the specific issues that a business owner is most interested in.

A black and white photograph of two hands shaking, symbolizing a business deal or agreement. The hands are wearing white shirt cuffs and dark suit sleeves.

Assessing the Feasibility of an ESOP

Primary Components of ESOP Feasibility Studies

Primary Elements of Most ESOP Feasibility Studies

- **Valuation**

- How much will I get?
- What are key drivers of value?
- Is the timing right to sell (from a valuation perspective)?

- **Financing & Cash Flow Analysis**

- How will I finance this transaction (bank, seller notes, or both)?
- What terms can the company afford without impairing operations?
- When do I get my money?

- **Basic Transaction Structure, Governance & Administration Issues for an ESOP**

- How much should I sell (100%? 49%? 30%, other?)
- What is corporate governance look like under ESOP ownership?
- Basic ESOP administration requirements

How Valuations Work with ESOPs

- ERISA prohibits ESOPs from paying in excess of fair market value
- The DOL has repeatedly and aggressively challenged prices paid (and other financial terms) in ESOP transactions
- ESOP transactions are negotiated between seller and trustee
- The trustee (with help from an ESOP valuation firm), ultimately determines how much an ESOP can pay
- A selling shareholder will not see the ESOP trustee's valuation analysis or report, nor will they know the ESOP trustee's "bottom line"
- It is helpful to a selling shareholder to have a financial advisor "on their side"

Recent DOL ESOP Lawsuits

- Acosta v. Reliance Trust (Tobacco Rag Processors)
- Perez v. First Bankers Trust (SJP Group)
- Perez v. First Bankers Trust (Sonnax)
- Perez v. Vinoskey (Sentry Equipment)
- Perez v. Potts (Triple T Transport)
- Perez v. Cactus Feeders
- Perez v. Commodity Control
- Perez v. Bat Masonry
- Perez v. Ginsberg (Laser Skin & Surgery of NY)
- Perez v. Bruister (Bruister & Associates)
- Perez v. Gruber Systems
- Perez v. AIT Labs
- Harris v. First Bankers Trust (Rembar)
- Solis v. Webb (Parrot Cellular / EVI)
- Perez v. PBI Bank (Miller's Health)
- Perez v. First Bankers Trust (Maran)
- Acosta v. Wilmington Trust (Graphite Sales)
- Acosta v. Wilmington Trust (HCMC Legal)
- Acosta v. Zander Group (Zander Group)
- Acosta v. Big G Express, Inc. (Big G Express, Inc.)
- Acosta v. Nicholas L. Saakvitne (Bowers + Kubota Consulting, Inc.)
- Acosta v. Wilmington Trust (Stargate Apparel, Inc.)

Recent Private Plaintiff ESOP Lawsuits

- Brundle v. Wilmington Trust (Constellis Group)
- Chesemore v. Fenkel (Alliance Holdings; Trachte Building Syst)
- Swain v. Wilmington Trust (ISCO Industries)
- Jessop v. Larsen (Mona Vie)
- Brown v. Wilmington Trust (Henny Penny)
- Allen v. GreatBanc Trust (Personal-Touch)
- McMaken v. GreatBanc Trust (Chemonics)
- Nistra v. Reliance Trust Company (Bradford Hammacher Group)
- Appvion v. various (Appvion)
- Godfrey & Sheldon vs. GreatBanc Trust (McBride & Son Management)
- Woznicki v. Lubbock National Bank (Raydon Corporation)
- Rush v. GreatBanc Trust (Segerdahl Corporation)
- Zavala v. GreatBanc Trust (Kruse-Western, Inc.)
- Wilcox v. Martin, Sansom & Origen Biomedical (Origen Biomedical, Inc.)

Ranking the Most Problematic Valuation Issues Raised in Recent ESOP-Related Court Cases

Rank	Valuation Issue	Number of Mentions
1.	Projections	19
2.	Management synthetic equity & dilution (SARs, ISOs, etc.)	15
3.	Control premiums & control adjustments	14
4.	Guideline public company method issues	12
5.	Normalization adjustments / add-backs	8
6.	Warrants & dilution (attached to seller financing)	7
7.	Cyclicalities / changing industry dynamics	7
8.	Prior valuations, offers, deals, indications of value	6
9.	Discount rate, WACC, beta, risk	6
10.	Exit multiple / implied LT growth rate	6
11.	Insufficient time allowed for trustee/valuator due diligence	5
12.	DLOM	5
13.	Key customer risk	4

Valuation Methods



- ESOP feasibility studies should consider, and potentially utilized, these methodologies (income and market approaches are most common with ESOPs)
- For valuation to be credible, it should be a “deep-dive” that involves a comparable level of due diligence and rigor to what will be conducted by the trustee’s ESOP valuation firm

Benefits of Valuations in ESOP Feasibility Studies

- Set expectations appropriately with realistic range of likely values
- Identify key value drivers, risks, and potential mitigating factors
- Solidify and evaluate forward-looking financial forecast
- Provider of feasibility study should “put themselves in the trustee’s shoes” and replicate analysis of ESOP trustee’s valuation firm
- Offer suggestions/insights on value drivers and how to maximize value (within the context of FMV) in an ESOP transaction
- Quantify impact of various factors on valuation (e.g., comp, SARs)
- Assess is timing is right for an ESOP (from a valuation perspective)

Valuation: Example Output from ESOP Feasibility Study (supporting exhibits and analysis excluded)

Valuation Conclusions													
Valuation Method								Low		Mid		High	
Discounted Cash Flow Method								\$ 30,100,000		\$ 32,400,000		\$ 34,700,000	
Guideline Public Company Method								31,400,000		33,600,000		35,700,000	
Guideline Transaction Method								31,300,000		34,000,000		36,600,000	
Concluded Enterprise Value								\$ 30,500,000		\$ 33,000,000		\$ 35,500,000	
Less: Interest-Bearing Debt								(4,586,788)		(4,586,788)		(4,586,788)	
Plus: Cash and Equivalents								2,543,860		2,543,860		2,543,860	
Plus: Non-Operating Assets								544,000		544,000		544,000	
Less: Distributions Prior to ESOP Transaction								(1,000,000)		(1,000,000)		(1,000,000)	
Marketable, Controlling-Interest Value of Equity								28,001,072		30,501,072		33,001,072	
Less: Dilutive Impact of SARs				5.0%				(1,400,054)		(1,525,054)		(1,650,054)	
Prediscounted Value of Equity								26,601,018		28,976,018		31,351,018	
Less: Discount For Lack of Marketability				5.0%				(1,330,051)		(1,448,801)		(1,567,551)	
Fair Market Value of Equity to be Purchased by ESOP								\$ 25,300,000		\$ 27,500,000		\$ 29,800,000	
Implied Valuation Multiples:													
Enterprise Value / 2018 Revenue								0.88x		0.95x		1.03x	
Enterprise Value / 2019 Revenue								0.80x		0.87x		0.93x	
Enterprise Value / 2018 EBITDA								6.1x		6.6x		7.1x	
Enterprise Value / 2019 EBITDA								5.6x		6.0x		6.5x	

Financing an ESOP Transaction

Senior Debt

- Banks generally look at ESOPs favorably
- Very common

Mezzanine Debt

- This is oftentimes not a good fit for ESOPs given the expensive nature of the financing and the short-term focus of these investors
- Not common

Seller Financing

- Very flexible; can be structured many ways, as long as it's "fair" to the ESOP
- Can provide attractive benefit/payment stream to selling shareholders
- Very common

Rollover from 401(k) Funds

- Sponsoring companies can allow employees to elect to roll 401(k) money into a new ESOP
- Detailed and expensive process, including comprehensive "offering document" with significant legal disclosures
- Not common

Key Components of Financing Analysis in ESOP Feasibility Study

- Estimate amount and terms of bank financing (if any)
- Estimate amount and terms of seller financing
 - Assess fairness to ESOP and selling shareholder
 - Discuss preference between interest and warrants; illustrate the trade-off between interest & warrants
- Confirm that financing is financially feasible for company without impairing operations
 - Cash flow analysis for company
 - If financing is “tight” in early years, consider warrants, PIK, extending the term, etc.
 - Can the Company borrow this money without a Personal Guarantee (also referred to as non-recourse loan)?
- Illustrate likely payments to seller over time with proposed financing

Transaction Financing: Illustration

Sources of Capital			
			Interest Rate
2018 Adjusted EBITDA (rounded)	\$ 2,400,000		
Senior Debt EBITDA Turns	2.50x		
Senior Debt Facility		\$ 6,000,000	5.0%
Seller Financing		10,000,000	10.0%
Total Purchase Price		\$ 16,000,000	8.1%

Interest vs. Warrants: Illustration

Split of Warrant Percentage and Interest Rate at a Specific IRR

Interest Rate	0.0%	2.0%	4.0%	6.0%	8.0%	10.0%
Detachable Warrants	13.1%	10.1%	7.0%	3.9%	0.5%	n/a
IRR	10%					
Interest Rate	0.0%	2.0%	4.0%	6.0%	8.0%	10.0%
Detachable Warrants	9.5%	6.9%	4.0%	1.0%	n/a	n/a
IRR	8%					

Interest vs. Warrants: Illustration

Split of Warrant Percentage and Interest Rate at a Specific IRR						
Interest Rate	0.0%	2.0%	4.0%	6.0%	8.0%	10.0%
Detachable Warrants	17.5%	14.1%	10.8%	7.1%	3.5%	0.0%
IRR	12%					
Interest Rate	0.0%	2.0%	4.0%	6.0%	8.0%	10.0%
Detachable Warrants	13.1%	10.1%	7.0%	3.9%	0.5%	n/a
IRR	10%					
Interest Rate	0.0%	2.0%	4.0%	6.0%	8.0%	10.0%
Detachable Warrants	9.5%	6.9%	4.0%	1.0%	n/a	n/a
IRR	8%					

* Assumes a \$15.9 million purchase price of which \$11.9 million is mezzanine seller financing

Cash Flow to Company: Illustration

Free Cash Flow to Equity - Warrant Example					
Purchase Price	\$ 29,500,000				
Senior Bank Note	7,800,000				
Subordinated Seller Note	21,700,000				
Subordinated Seller Note #2	-				
	Year 0	Year 1	Year 2	Year 3	Year 4
	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
EBITDA		\$ 4,884,000	\$ 6,260,400	\$ 7,672,320	\$ 9,206,784
Less: Capital Expenditures		(35,954)	(43,145)	(51,774)	(62,129)
Less: Incremental Working Capital		(483,000)	(573,000)	(687,000)	(825,000)
Less: Debt Repayment		(3,764,000)	(3,713,800)	(3,664,685)	(3,616,682)
Free Cash Flow to Equity		601,046	1,930,455	3,268,861	4,702,973
Beginning Cash Balance		3,048,843	3,484,889	4,959,344	7,463,205
Less: Retirement/Separation Share Cash-out (ass)	-	(165,000)	(456,000)	(765,000)	(1,163,000)
Less: MIP Payout	-	-	-	-	(1,330,863)
Ending Cash Balance	3,048,843	3,484,889	4,959,344	7,463,205	9,672,316
<u>Senior Bank Note</u>					
Beginning Principal		7,800,000	6,240,000	4,680,000	3,120,000
Debt Payment		2,028,000	1,934,400	1,840,800	1,747,200
Principal		1,560,000	1,560,000	1,560,000	1,560,000
Interest		468,000	374,400	280,800	187,200
Ending Principal	7,800,000	6,240,000	4,680,000	3,120,000	1,560,000
<u>Subordinated Seller Note #1</u>					
Beginning Principal		21,700,000	22,242,500	22,798,563	23,368,527
Debt Payment		1,736,000	1,779,400	1,823,885	1,869,482
Principal		-	-	-	-
PIK Interest		(542,500)	(556,063)	(569,964)	(584,213)
Cash Interest		1,736,000	1,779,400	1,823,885	1,869,482
Ending Principal	21,700,000	22,242,500	22,798,563	23,368,527	23,952,740
Warrant Cash-out		-	-	-	-
Fixed Charge		1.29	1.67	2.06	2.50
Fixed Charge Covenant		1.20	1.20	1.20	1.20

Seller Proceeds: Illustration

- Assumes \$25.2 million purchase price at a blended interest rate of ~6.7%
- Assumes that the Seller would also participate in the ESOP and MIP

Transaction Proceeds

	Principal	Interest	Warrant	Total
Year 1	\$ 1,600,000	\$ 1,696,000	\$ -	\$ 3,296,000
Year 2	1,600,000	1,632,000	-	3,232,000
Year 3	1,600,000	1,568,000	-	3,168,000
Year 4	1,600,000	1,504,000	-	3,104,000
Year 5	1,600,000	1,440,000	-	3,040,000
Year 6	1,720,000	1,376,000	-	3,096,000
Year 7	1,720,000	1,238,400	-	2,958,400
Year 8	1,720,000	1,100,800	-	2,820,800
Year 9	1,720,000	963,200	-	2,683,200
Year 10	1,720,000	825,600	-	2,545,600
Year 11	1,720,000	688,000	-	2,408,000
Year 12	1,720,000	550,400	-	2,270,400
Year 13	1,720,000	412,800	-	2,132,800
Year 14	1,720,000	275,200	-	1,995,200
Year 15	1,720,000	137,600	-	1,857,600

ESOP Account Value

ESOP Shares Allocated	Cumulative ESOP Shares	Estimated FMV per Share	ESOP Account Balance
226.66	226.66	\$ 80.14	\$ 18,164
192.66	419.32	160.26	67,200
163.76	583.08	258.83	150,920
139.20	722.28	369.66	266,997
118.32	840.60	510.18	428,856
100.57	941.17	588.67	554,035
97.70	1,038.86	675.47	701,722
94.91	1,133.77	767.81	870,518
92.19	1,225.96	866.71	1,062,550
89.56	1,315.52	969.41	1,275,278
87.00	1,402.52	1,077.60	1,511,361
84.51	1,487.04	1,191.41	1,771,667
82.10	1,569.14	1,311.06	2,057,240
79.75	1,648.89	1,436.74	2,369,035
77.48	1,726.37	1,568.72	2,708,181

Mgmt. Incentive Plan

MIP Shares Granted	MIP Payout
200	-
200	-
200	-
200	51,766
200	57,904
200	69,985
200	65,968
200	61,162
200	51,526
200	55,608
200	58,788
200	61,959
200	64,940
200	68,331
200	71,828

Total **\$ 25,200,000** **\$ 15,408,000** **\$ -** **\$ 40,608,000**

\$ 739,764

Common ESOP Transaction Structures

One-Time Sale of Minority Ownership Interest to ESOP

- Common when there is a desire for some employee ownership, but family or key executives require controlling ownership
- Allows seller to “take chips off the table” and diversify wealth while maintaining voting control of the business

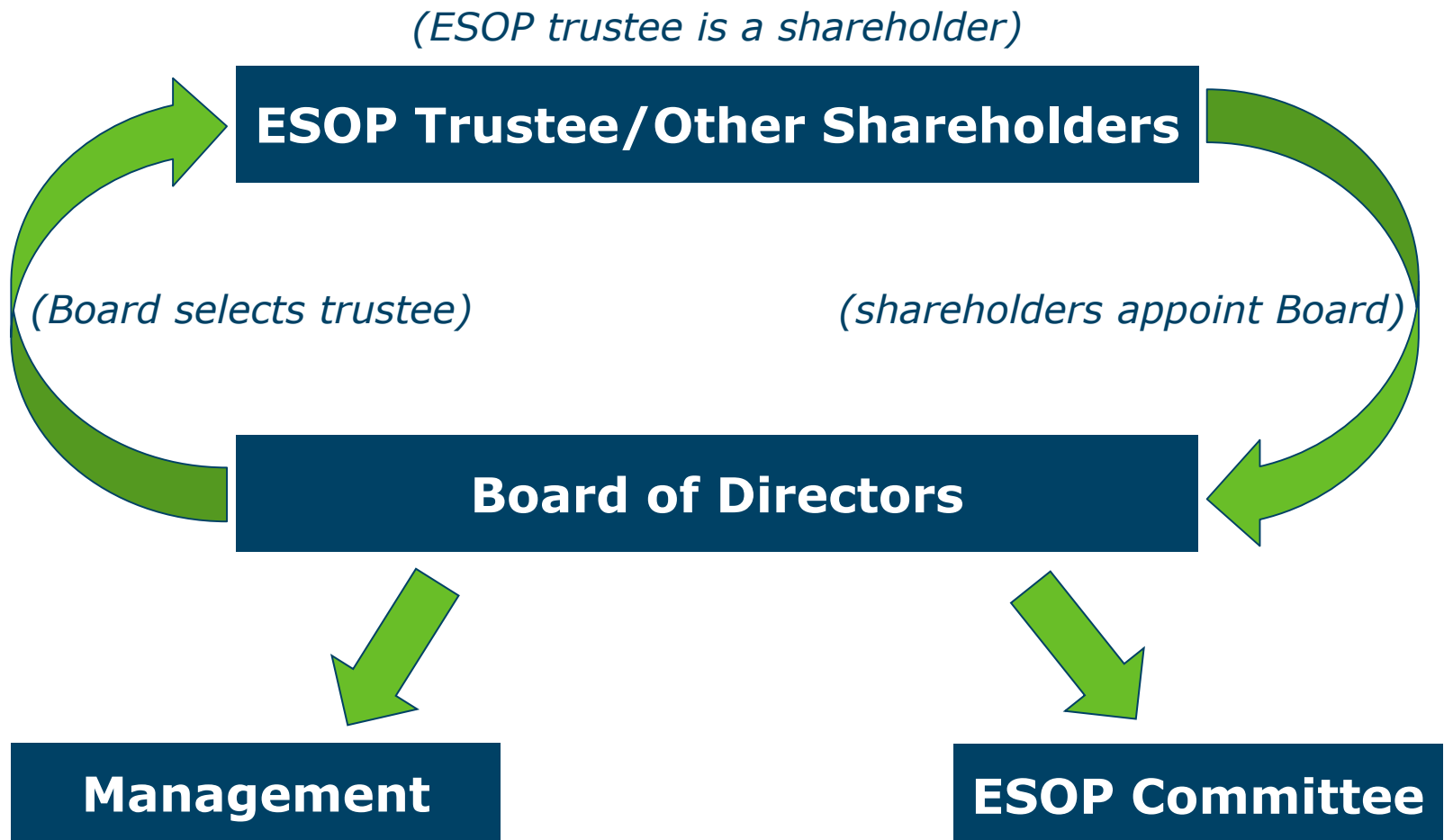
Multiple Transactions to Eventually Achieve 100% ESOP Ownership

- Size of transactions typically dictated by available bank financing
- Common with owners that want to gradually exit the business
- Common with owners that want to participate in “upside” of business

Sale of 100% to the ESOP

- More common than ever
- Companies immediately benefit from being income-tax free
- Selling shareholders often receive notes as part of their consideration
- Seller notes can be attractive investments for sellers

Corporate Governance in an ESOP Company





Assessing the Feasibility of an ESOP

Additional / Optional Components of ESOP Feasibility Studies

Additional / Optional components of your ESOP Feasibility Studies

- Comparison to alternative transactions
- 100% vs. partial ESOP
- Bank financing vs. seller-financing
- After-tax net proceeds
- Management incentive plans for key executives
- “Level of benefit” analysis for employees
- Tax-free rollover under 1042?
- Included/excluded assets
- Post-ESOP employment agreements
- Plan design features
- Transaction structuring considerations

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Assessing the Feasibility of an ESOP

Case Studies

Case Study #1: Materials Handling Company Sells 100% of Stock to ESOP for \$54 million

Situation:

- 3 equal owners; two ready to retire; one (CEO) wants to remain active
- CEO believes that company has “upside”; wants to grow
- Looking for technique to buy out 2/3 ownership
- No desire to sell to 3rd party; want to preserve legacy & reward employees

ESOP Feasibility Study Recommendation:

- Sold 100% of ownership to newly-formed ESOP for FMV of \$54 million
- Bank financing of \$30m; seller financing of \$24m
- CEO took larger seller note (with warrants); continues to run company and have “upside potential”
- Other shareholders received more cash

Net Result:

- 2 retiring shareholders each received \$12m cash; \$6m note
- CEO received \$6m cash; \$12m note with warrants in lieu of interest
- CEO still runs the company (has day-to-day control)
- Company is now an income tax free 100%-ESOP owned S-corporation
- Since the ESOP transaction, Company has made 3 acquisitions
- Bank and seller notes are ahead of schedule
- Enterprise value growth of 22% CAGR

Case Study #2: Service Company uses 3-Stage ESOP Transaction over 8 Years

Situation:

- 2 equal owners of C-Corporation; both active in business
- Desires:
 - (a) 10-year ownership transition plan
 - (b) Maintain control for as long as possible
 - (c) monetize part of their ownership / diversify wealth / minimize taxes
 - (d) Reward, motivate, attract & retain employees

ESOP Feasibility Study Recommendation:

- Multi-stage transition to employee ownership through an ESOP
- Year 1: sold 30% for \$4.2m (\$14m valuation; repaid bank loan in 4 years)
- Year 5: sold 19% for \$3.6m (\$19m valuation; repaid bank loan in 3 years)
- Year 8: sold 51% for \$12m (\$24m valuation; \$8m bank; \$4m seller)

Net Result:

- All objectives above achieved
- 1st two transactions were financed with pre-tax dollars
- Shareholders elected 1042 tax-free rollovers
- Company elected S-corporation status after last deal and is now a 100% ESOP-owned, income tax-free company
- Owners participated in valuation increases
- Outstanding ownership culture; model ESOP company



Assessing the Feasibility of an ESOP

Next Steps: Is an ESOP Right for Your Company?

Once Again, Are You in this Situation?

Your initial research indicates that an ESOP may be a viable choice for your business (or your client's business). You have read articles, attended seminars, and talked to advisors.

Now, you want to **really** evaluate the ESOP option.

A logical next step is an **ESOP Feasibility Study**.

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ESOPs: A Savvy Business Succession Strategy

About GBQ's Valuation & ESOP Advisory Practice

About GBQ

Accounting Practice:

- Founded in 1953
- Ohio-based CPA firm with accounting offices in Columbus and Cincinnati
- Among largest Ohio-owned CPA firms
- ~185 employees
- 13 partners
- Clients are generally in Ohio

Valuation & ESOP Advisory Practice:

- “Reengineered” and “re-launched” in 2005
- 15 full-time valuation professionals
- Service offerings comparable to national valuation firms; professionals came from national valuation firms
- National client base
- National thought leaders in valuation and ESOP market

Ranked #1 Valuation Practice 5 Straight Years!

(among the largest 200 CPA firms)

INSIDE Public Accounting

The competitive advantage for accounting firm leaders since 1987



THE 2017 ALL-STAR FIRMS

THE TOP BUSINESS VALUATION FIRMS IN THE IPA 200

RANKING	FIRM	HEADQUARTERS	NET REVENUE	PERCENTAGE OF REVENUES
1	GBQ Partners LLC	Columbus, Ohio	\$30,112,202	10.1%

Source: INSIDE Public Accounting

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Select Valuation Clients

**BIG
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**DIAMOND
CELLAR**

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Data
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viggle

**MILLS
JAMES**
PRODUCTIONS



Ray's
TRASH SERVICE

4DS

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University**

Select ESOP Advisory Experience

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Select ESOP Advisory Experience

 <p>ESOP Valuation ESOP Transaction Advisory</p> 	 <p>ESOP Valuation ESOP Transaction Advisory</p> 	 <p>ESOP Valuation</p> 	 <p>ESOP Valuation ESOP Transaction Advisory</p> 	 <p>ESOP Valuation</p> 	 <p>ESOP Valuation ESOP Transaction Advisory</p> 
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GBQ's Leadership in the ESOP Community



The ESOP Association

- Long-time active members
 - Chairman of ESOP Awareness Committee, Ohio Chapter
 - Frequent speakers at local, regional, and national ESOP conferences
-



- Long-time active members
 - Frequent speakers at national ESOP conference
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- Long-time active members
- Frequent speakers at annual ESOP conference

Thought Leadership in ESOP Community

Select ESOP-Related Speaking Engagements

10/17/2019	"Internal Trustee Checklist for ESOP Valuations"; <i>5th Annual Great Lakes Regional ESOP Conference</i>	Sandusky, OH
10/17/2019	"How to Prepare Better Projections"; <i>5th Annual Great Lakes Regional ESOP Conference</i>	Sandusky, OH
10/17/2019	"ESOP Valuation Issues Q&A"; <i>5th Annual Great Lakes Regional ESOP Conference</i>	Sandusky, OH
4/25/2019	"Assessing the Feasibility of an ESOP"; <i>33rd Annual Ohio Employee Ownership Center Conference</i>	Akron, OH
4/17/2019	"Analyzing the Valuation Issues in Recent ESOP Lawsuits"; <i>Michigan Chapter of the ESOP Association Annual Spring Conference</i>	Lansing, MI
4/17/2019	"Parenting an ESOP Company through its Stages of Life"; <i>Michigan Chapter of the ESOP Association Annual Spring Conference</i>	Lansing, MI
4/17/2019	"Ask the Experts Panel"; <i>Michigan Chapter of the ESOP Association Annual Spring Conference</i>	Lansing, MI
4/10/2019	"Analyzing the Valuation Issues in Recent ESOP Lawsuits"; <i>National Center for Employee Ownership Annual Employee Ownership Conference</i>	Pittsburgh, PA
3/21/2019	"How Do Successful ESOP Companies Build Financial Projections?"; <i>OH/KY Chapter of the ESOP Association Annual Spring Conference</i>	Columbus, OH
3/6/2019	"ESOP Companies Making Acquisitions: A Panel Discussion"; <i>Indiana Chapter of the ESOP Association Annual Spring Conference</i>	Indianapolis, IN

Thought Leadership in ESOP Community

Select ESOP-Related Speaking Engagements

10/18/2018	"Assessing the Feasibility of an ESOP"; <i>4th Annual Great Lakes Regional ESOP Conference</i>	Sandusky, OH
10/18/2018	"Demystifying the Valuator/Trustee Review Call"; <i>4th Annual Great Lakes Regional ESOP Conference</i>	Sandusky, OH
10/18/2018	"How Tax Reform Impacts ESOPs"; <i>4th Annual Great Lakes Regional ESOP Conference</i>	Sandusky, OH
8/9/2018	"Potential Impacts of Tax Reform on ESOP Companies"; OH/KY Chapter of the ESOP Association Annual Summer Conference	Lexington, KY
4/27/2018	"Walking a Tightrope: Serving as an ESOP Internal Trustee in 2018"; <i>32nd Annual Ohio Employee Ownership Center Conference</i>	Akron, OH
4/19/2018	"Analyzing the Valuation Issues in Recent ESOP Lawsuits"; <i>National Center for Employee Ownership Annual Employee Ownership Conference</i>	Atlanta, GA
4/11/2018	"Ask the Experts"; <i>Michigan Chapter of the ESOP Association Annual Spring Conference</i>	Lansing, MI
4/11/2018	"ESOPs and Tax Reform: The Valuation Impact for ESOP Companies"; <i>Michigan Chapter of the ESOP Association Annual Spring Conference</i>	Lansing, MI
3/21/2018	"Analyzing the New DOL Process Agreements for ESOP Transactions"; <i>OH/KY Chapter of the ESOP Association Annual Spring Conference</i>	Columbus, OH

Thought Leadership in ESOP Community

Select ESOP-Related Speaking Engagements

10/20/2017	"Fundamentals of the ESOP Repurchase Obligation"; <i>3rd Annual Great Lakes Regional ESOP Conference</i>	Sandusky, OH
10/19/2017	"Analyzing the Valuation Issues in Recent ESOP Lawsuits"; <i>3rd Annual Great Lakes Regional ESOP Conference</i>	Sandusky, OH
9/27/2017	"ESOPs: A Tax-Advantaged Business Succession Planning Vehicle"; <i>Co-presented with Porter Wright</i>	Columbus, OH
8/25/2017	"Helping Your Clients Evaluate and Establish an ESOP"; <i>Johnson Investment Counsel</i>	Cincinnati, OH
8/16/2017	"ESOPs: The Basics and Recent Developments"; <i>Worthington Estate Planning Council</i>	Columbus, OH
4/28/2017	"Repurchase Obligation and ESOP Valuations"; <i>31st Annual Ohio Employee Ownership Center Conference</i>	Akron, OH
4/13/2017	"Sharing Business Information in ESOPs"; <i>Michigan Chapter of the ESOP Association Annual Spring Conference</i>	Lansing, MI
4/5/2017	"How to Use Portfolio Risk Management to Help Protect ESOP Retirement Savings"; <i>National Center for Employee Ownership Annual Employee Ownership Conference</i>	Denver, CO
3/23/2017	"Advanced Topics in ESOP Valuations"; <i>OH/KY Chapter of the ESOP Association Annual Spring Conference</i>	Columbus, OH
3/7/2017	"Projections: Why They Are Critical in ESOP Valuations"; <i>Indiana Chapter of the ESOP Association Annual Spring Conference</i>	Indianapolis, IN
2/22/2017	"How to Effectively Communicate ESOP Valuations to Employees"; <i>Ohio Employee Ownership Webinar</i>	Webinar

GBQ's Valuation & ESOP Advisory Services

Transaction Support & Opinions:

- Fairness & Solvency Opinions
- Shareholder Transactions
- Mergers & Acquisitions
- Divestitures & Spinoffs
- Going-Private Transactions
- Evaluating Targets or Offers

ESOP Advisory & Valuation:

- Pre-ESOP Consulting & Illustrations
- ESOP Feasibility Studies
- Company-Side Advisory
- Trustee-Side Advisory
- Implementation Consulting
- ESOP Valuations
- ESOP Transactions
- ESOP Valuation Reviews

Succession & Wealth Planning:

- Gifting Valuations
- Date-of-Death Estate Valuations
- FLP & LLC Discount Studies
- Charitable Donations of Company Stock

Financial Reporting:

- Purchase Price Allocations
- Impairment Testing
- Stock-Based Compensation Valuations
- Fair Value Measurements

Corporate Planning & Assistance:

- Buy-Sell Agreements
- Stock Options & Compensation Expense
- Corporate Redemptions
- C-to-S Conversions

Questions?

