

Employee Stock Ownership Plans:

ESOP Planning, Financing, Implementation, Law and Taxation

**Robert W. Smiley, Jr., Ronald J. Gilbert, David M. Binns, Ronald L. Ludwig and
Corey M. Rosen, Editors**

*Published by the Beyster Institute at the Rady School of Management
University of California, San Diego*

(The original book was sold out and has been completely revised and updated.)

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Two Volumes—Comprehensive Coverage of the Business, Legal, Tax and Practical Ramifications of Employee Ownership—over 1,700 pages.

Research has shown that companies with employee stock ownership plans (ESOPs) have more highly motivated employees, greater profits, sales and employment growth, and greater ability to weather recessions than otherwise comparable companies. *Employee Stock Ownership Plans* provides A-to-Z coverage of ESOPs. It starts with what an ESOP is, how it works, and how to decide whether or not an ESOP makes sense for a particular company, its officers and directors, employees and shareholders. It then continues through how to implement your ESOP, how to maintain it, and beyond.

Whether you are part of a management team wrestling with the many complex issues that impact the feasibility of an ESOP for your company, a business owner considering your exit options, or legal, accounting, investment, insurance or tax counsel looking to open new client relationships or preserve and enhance existing relationships, you can answer any question with assurance and accuracy when you have this book on hand. Consultants and advisers will also find this book invaluable.

This is a highly readable book. Providing the right answer at the right time could mean the difference between success or failure in an ESOP transaction involving millions of dollars of tax savings.

Guidance from Planning through Implementation to Administration: *Employee Stock Ownership Plans* spells out everything for you in detail, taking you from a clear explanation of how ESOPs work and their many financing advantages and built-in tax benefits . . . through accounting requirements, involvement of management and employees, designing an appropriate ESOP, ESOP financing and working with lenders . . . to operating and administering an ESOP. The ESOP is a technique of corporate finance in addition to its being an employee benefit plan. As such, it has unparalleled tax and financial benefits for all parties concerned that are unequalled anywhere else in the law.

Continuing Coverage: Periodic updates, available to buyers of this book, bring *Employee Stock Ownership Plans* up to date on recent judicial and regulatory decisions as well as other developments in the field, including:

- Practical guidelines for S corporations.
- Recent legal initiatives affecting ESOPs.
- Legislative and regulatory changes.
- The latest research on employee ownership.
- International developments such as privatizations and multinational employee ownership plans.

The Editors and Authors are among the world's leading ESOP experts.

About the Editors:

Robert W. Smiley, Jr., Managing Editor, is the founder and chairman of The Benefit Capital Companies Inc., headquartered in Logandale in Southeastern Nevada. He is the managing general partner of Benefit Capital Partners. Mr. Smiley is a founder and past president of The ESOP Association, and a lifetime member of its Board of Governors. He is an immediate past director of The National Center for Employee Ownership, and a former trustee of The Employee Ownership Foundation. He serves on several boards of directors.

Ronald J. Gilbert is the co-founder and president of ESOP Services, Inc., headquartered in Scottsville, Virginia. Previously, he was a vice president with Kelso & Company in San Francisco. Mr. Gilbert serves on The ESOP Association's Board of Governors, its Legislative & Regulatory Committee, as well as the boards of directors of several ESOP companies. He has extensive international privatization experience and is a frequent ESOP lecturer.

- A detailed update of ESOP valuation controversies and court cases discussing significant court decisions, in which important valuation and fiduciary issues of interest to ESOP appraisers and trustees are analyzed.
- Detailed coverage of ESOP-benefit distribution rules.
- Examples of the interaction of IRC Sections 409(o), 409(p), 401(a)(9), and 401(a)(14).
- Coverage of the taxation of distributions.
- Updated Case Studies.
- Updates and Errata published on the website to reflect current changes.

An Unprecedented Endorsement for this ESOP Book

Smiley, Gilbert, Binns, Ludwig and Rosen's book is more complete than anything published before on the subject of ESOPs. It combines the best of both general and technical information. I urge members of the business community and Members of Congress to study the ESOP alternative. Employee Stock Ownership Plans offers businesspeople and Members of Congress a great place to start studying. - Congressman Dana Rohrabacher

David M. Binns is the associate director in the Washington, D.C. office of the Beyster Institute at the Rady School of Management, University of California, San Diego. He is also the past executive director of The ESOP Association. A frequent author and speaker on ESOPs, he has lectured extensively around the world. He is a former public relations account executive as well as a former congressional aide.

Ronald L. Ludwig is a retired lawyer who specialized in ESOP law for almost 30 years. He has lectured and written extensively on ESOPs and has been actively involved in the development of the federal laws and regulations which govern ESOPs. He was a founding member of The ESOP Association, the founding chair of its Legislative and Regulatory Advisory Committee, and a recipient of the Association's Life Service Award. He currently serves on the boards of directors of a number of ESOP companies.

Corey M. Rosen is executive director of The National Center for Employee Ownership, which he co-founded in 1981. The NCEO is a nonprofit membership, information, and research organization based in Oakland, California. He served five years as a professional staff member in the U.S. Senate, where he helped draft legislation on employee stock ownership plans. He is the author or co-author of several books and over 100 articles on employee ownership. He has a Ph.D. in Political Science from Cornell University.

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