

Certificate Program for Non-Professional ESOP Fiduciaries
September 10 - 12, 2017, Beyster Institute at UC San Diego / OEOC at Kent State
Kent State University Hotel and Conference Center - Kent OH

Agenda

SUNDAY, September 10

- 5:30-7:30 **Opening Dinner Reception - Networking**
Location: Kent State University Hotel and Conference Center
- Welcome**
Martin Staubus
Beyster Institute at the Rady School of Management
Chris Cooper
Ohio Employee Ownership Center

MONDAY, September 11: LAYING THE GROUNDWORK

- 8:00-9:00 **Breakfast and Networking**
Location: Kent State University Hotel and Conference Center, PARTA meeting rooms
- 9:00-9:45 **Part 1. Welcome and Introductions**
 - The fiduciary roundtable
 - Collecting the grails (What did you come for?)
- 9:45-10:45 **Part 2. Standards of Fiduciary Responsibility**
 - Defining "fiduciary"
 - Who may be an ESOP fiduciary
 - Settlor vs. fiduciary functions
 - General standards of fiduciary responsibility
 - The nature of fiduciary liability
- 10:45-11:00 **Break**
- 11:00-12:00 **Part 3. Relevant Legal Cases and Findings**
 - Study of cases that define fiduciary responsibilities
 - Recent Cases of Note
- 12:00-1:00 **Lunch and Networking**
- 1:00-2:45 **Part 4. Who Runs an ESOP Company? Trustee's Role**
 - Classic corporate Governance and role of the ESOP trustee
 - ESOP company corporate governance
 - Corporate governance in action
 - Executive compensation fiduciary concerns
 - Dealing with offers to buy the company
 - Acquisitions of other companies

- 2:45-3:00 **Break**

3:00-3:45 **Part 5. Protecting Fiduciaries against Personal Liability**

Measures that are available to limit the liability exposure of those servings as fiduciaries

- Indemnification by the Sponsor
- Fiduciary liability insurance coverage

3:45-4:15 **Part 6. Common Employee Ownership Governance Practices**

A review of the results of the National Center for Employee Ownership governance survey of employee ownership companies:

- Who serves as fiduciary?
- Who selects the fiduciaries?
- Make-up of the Board of Directors
- Employees' role in corporate governance
- Fiduciary as individual shareholder
- Executive compensation survey review

4:15-5:00 **Gathering Issues: Questions for Future Exploration**

TUESDAY, September 12: SKILLS TRAINING

7:30-8:00 **Breakfast and Networking**

Location: Kent State University Hotel and Conference Center, PARTA meeting rooms

8:00-8:30 **Review of Day 1 – Reset the Sails**

8:30-10:00 **Part 7. The ESOP as the “Shareholder of Record”**

- **ESOP as shareholder of record** (5 minutes)
 - Intro - concept and issues
 - IRC section 401(a)(28)
- **Annual Valuation** (60 min)
 - Selection of the appraiser
 - The appraisal process
 - Review of the appraisal; setting the value
- **ESOP Purchases of Stock** (20 min)
 - Difference in Valuation Process
 - Evaluating the ESOP's decision to purchase stock
 - Fairness issues
 - Negotiating the terms of the sale
 - Responsibilities for approving transaction
- **ESOP Sale of Stock** (10 minutes)
 - Fairness issues
 - Responsibility for approving transaction
- **Voting the shares owned by the ESOP** (25 min)
 - Actions requiring shareholder votes
 - The nature of “pass-through” voting
 - Voting unallocated and undirected shares
 - Overriding duty to vote consistently with ERISA fiduciary standards

- 10:00-10:30 **Break and Networking**
- 10:30-11:30 **Part 8. Managing the Trust and Reporting to Participants**
- Reconciliation of the Trust
 - Record-keeping and administration
 - Investment decisions
 - Distribution calculations and implementation
 - Operational issues (voting, responding to offers, collaborating with the board, etc.)
 - Communicating with participants
- 11:30-1:30 **Lunch - Guest speaker, US Department of Labor**
- 1:30-2:30 **Part 9. Practical Matters: Meetings, Recordkeeping**
- Scheduling and conducting meetings
 - Creating appropriate records
 - Annual obligations of the fiduciary – creating a fiduciary action calendar
 - Developing operational procedures
 - Collaborating with the board of directors and management
 - Proper use of advisors
 - Resolving conflicts
- 2:30-4:00 **Part 10. Group Practice Resolutions**
- Specific Recurring Operational Matters:
- Selection/Election of Directors
 - Voting ESOP shares on other matters
 - Participant pass-through
 - Board of Directors Oversight
 - Responding to Offers
 - Interacting with participants, management, board, auditors, regulators, others
- 4:00-5:00 **Part 11. Preparation for Mastery Exam/Review of Study Guides**

CERTIFICATION OF MASTERY

Exam Made Available On-Line starting 6:00 PM September 12, 2017 and open to enrolled students until September 30, 2017. Certificates of Mastery will be mailed to successful fiduciaries upon completion of evaluation.