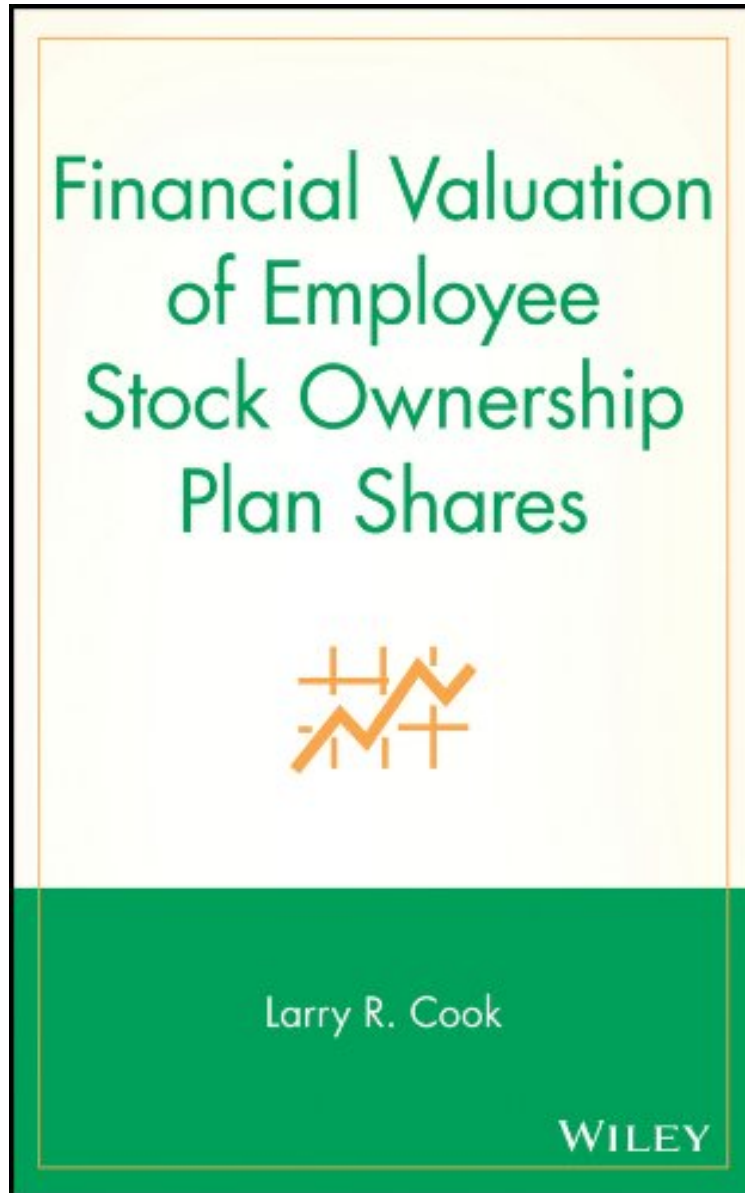


Financial Valuation of Employee Stock Ownership Plan Shares

Larry R. Cook

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Larry R. Cook : Financial Valuation of Employee Stock Ownership Plan Shares before purchasing it in order to gauge whether or not it would be worth my time, and all praised Financial Valuation of Employee Stock Ownership Plan Shares:

0 of 0 people found the following review helpful. Invaluable Desk Reference and Learning Tool for ESOP Stakeholders and Professionals Who Service Them By Old Bull Mr. Cook goes through about every major issue you will likely encounter in a business valuation engagement for an ESOP. What's more important is the pending

legislation sought by the DOL to make valuers responsible for their valuation reports as if they are trustees. At this writing, the legislation is pending, but if passed, the outlook for ESOP valuations will become much harsher on valuers who submit substandard reports to their trustee-clients. More troubling is that some trustees or valuers may not realize the specialized requirements of ESOP valuations, so may skip this resource under the assumption they know all about it. Truth is, most people don't know what they don't know, at least, not for sure. Whether you're a trustee, valuer, ESOP advisor, executive in the sponsoring company, attorney, ESOP lender, plan participant or other stakeholder, you'll find good value in Mr. Cook's work. Yes, it's a bit expensive, but the advice and insight is invaluable.

0 of 0 people found the following review helpful. Well written and informative
By John P Talbot I have to regularly review ESOPs as part of my job. I will be using this book frequently as a guide. The book contains good references of current IRS and DOL regulations. It also does a fairly thorough job of laying out examination techniques.

0 of 0 people found the following review helpful. For advisors, business owners and valuation specialists
By M. Crain This text is a good overview of ESOPs, when one makes sense for a business owner, how an ESOP can help motivate a company's employees, legal issues, and share valuation (required by law). It is a readable and practical text that should be of value to business advisors, business owners, and valuation specialists. ESOPs are highly regulated by the government and must follow the requirements both at formation and on a continuing basis. There is a cost to setting up and maintaining an ESOP but there can be significant benefits for the business owner. Some are financial and other benefits are non-financial such as business succession. Even though the book's title suggests it is primarily about valuation, it has a lot of coverage on practical aspects of whether it makes sense for a business to establish an ESOP and the regulatory environment. This should be of interest to business advisors and business owners. For the valuation specialist, the book covers factors in valuing the company's shares that are unique to ESOPs - primarily due to government regulation. Those factors include: the impact of ESOP leverage, minority/control attributes of the shares, repurchase obligations, adequate consideration, and tax issues.

A must-read for accountants and professionals with a business valuation accreditation or certification, pension actuaries, ERISA lawyers, *Financial Valuation of Employee Stock Ownership Plan Shares* identifies, explains, and explores the ins and outs of ESOPs, with a focus on what benefits a company/shareholder/plan participant would receive by transacting shares of stock with an ESOP, the formula for an Employee Stock Ownership Plan, stock incentives and their attractiveness to employees, the nature and function of ERISA, Department of Labor, and IRS. It includes training material, the full text of Department of Labor-proposed regulations, details of important court cases, various examples and illustrations to be used as reference and research tools for the experienced and trained valuation professional, and more.

From the Inside Flap It is estimated that more than 20 million employees currently hold stock in their companies through a variety of benefit options, including employee stock ownership plans (ESOPs), broadly granted stock options, or 401(k) plans with heavy concentrations of employer stock. As more companies offer these valuable opportunities to employees, it is important for business appraisers, accountants, pension actuaries, Employee Retirement Income Security Act (ERISA) lawyers, and business leaders to understand both the implications of such processes and the valuation of companies with employee stock ownership plans. *Financial Valuation of Employee Stock Ownership Plan Shares* explains the unique considerations specific to the valuation of equity interests for ESOPs of private companies, including: Entity structure Tax incentives Put rights Repurchase obligations ESOPs with debt Adjustments for voting power and market liquidity for shares *Financial Valuation of Employee Stock Ownership Plan Shares* is a complete reference and research guide to valuation of transactions with stock incentives and ESOPs. It's packed with useful and practical coverage of: The ins and outs of ESOPs, including company and shareholder benefits of selling to an ESOP Thorough descriptions of stock incentives and their attractiveness to employees The nature and function of ERISA, Department of Labor, and IRS, including training material and Department of Labor-proposed regulations The pros and cons of different methodologies and interpretations used in important court cases Useful, complete, and thoroughly practical, *Financial Valuation of Employee Stock Ownership Plan Shares* provides business appraisers with the underlying logic, theory, laws, and principles for the financial valuation of private businesses.

From the Back Cover An indispensable road map to the financial valuation of ESOPs A must-read for accountants and professionals with a business valuation accreditation or certification, pension actuaries, ERISA lawyers, *Financial Valuation of Employee Stock Ownership Plan Shares* identifies, explains, and explores: The ins and outs of ESOPs, with a focus on what benefits a company/shareholder/plan participant would receive by transacting shares of stock with an ESOP The formula for an Employee Stock Ownership Plan Stock incentives and their attractiveness to employees The nature and function of ERISA, Department of Labor, and IRS, including training material and the full text of Department of Labor-proposed regulations Details of important court cases, with differences in methodologies and interpretations evaluated by their respective pros and cons Various examples and illustrations to be used as reference and research tools for the experienced and trained valuation professional

About the Author LARRY R. COOK, CPA, ABV, CBA, is a financial advisor actively engaged in providing business valuation and succession

planning, including wealth management, asset protection, and related services, to the private business owner. He has participated as a course instructor on a wide range of subjects in the valuations area and has participated as a speaker at national conferences on programs specific to business valuation. He currently serves as a committee member on the AICPA Business Valuation/Forensic Litigation Services Executive Committee, and on the North Harris-Montgomery County Community College advisory board. He is former president of the Financial Consulting Group and former chair of the Accredited in Business Valuation (ABV) Credential Committee for AICPA, as well as a member of the Board of Directors of the Texas Society of CPAs. He has provided expert testimony in a variety of areas and has engaged clients in the sale, merger, and acquisition of business and business interests. He is the author of the "ESOP Valuation" chapter in *Financial Valuation: Applications and Models* (Wiley).