ESOP Report

Volume 41, Issue 7 | The Voice of The ESOP Association | ***Serving the Entire ESOP Community***

THE ESOP ASSOCIATION
EMPLOYEE OWNERSHIP
UNIVERSITY

Building Employee Ownership Expertise for the Long Term

ESOP Report

The Voice of The ESOP Association

The *ESOP Report* is published on a monthly basis by The ESOP Association, the national nonprofit association of employee-owned companies and ESOP practitioners, located at:

The International Employee Ownership Center
200 Massachusetts Avenue NW, Suite 410
Washington, DC 20001

Phone: (202) 293-2971 • Toll Free: (866) 366-3832 • **Fax:** (202) 293-7568

E-mail: esop@esopassociation.org

Website: https://www.esopassociation.org

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Publisher: James J. Bonham, President and CEO

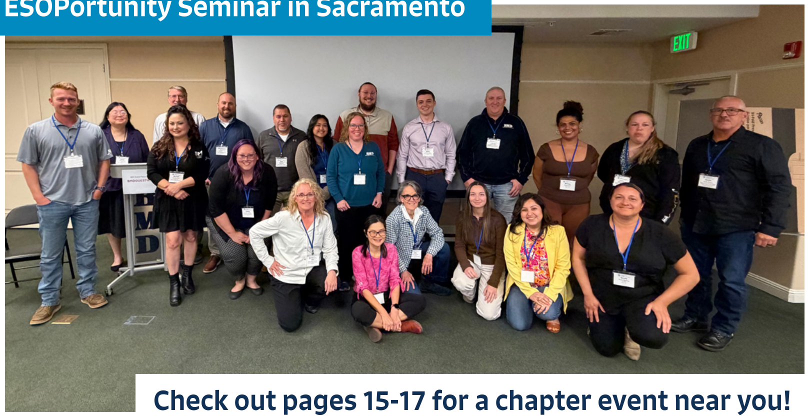
Editor: EB Nesbitt, Managing Senior Director, Content Operations and Technical Writing

Inside this issue:

Senate HELP Committee Advances Bill With $78 Million for Employee Ownership Initiative	3
President's Column: The Marathon Is Becoming a Sprint	4
Professionals' Marketplace Coming Soon	6
Building Employee Ownership Expertise for the Long Term	7
TEA Supports Keith Sonderling for U.S. Secretary of Labor, Senate Committee Advances His Nomination	9
Congressional Hearing Reviews Use of Common Interest Agreements at DOL	10
Employee Ownership Month Webinar Series Returns this August	12
Where Senior ESOP Leaders Go for Direct, Candid Conversations	14
TEA Chapter & Regional Events	16
Helping TEA Members Make Their Travel Dollars Go Further	19
Is Your ESOP Association Membership Information Up to Date?	20
ESOP Employee Accelerator Spotlight: VGM Group	21
Professional Development: Recent EBSA Guidance Signals Welcome Enforcement Shift for ESOPs	23

Looking to connect with fellow members this summer? Our chapters have a variety of events planned to help you exchange ideas, share experiences, and stay informed. Be sure to register early for the fall, when all 19 chapters will gather across the country. We hope you'll join us.

California / Nevada Chapter ESOPortunity Seminar in Sacramento



Check out pages 15-17 for a chapter event near you!

Senate HELP Committee Advances Bill With $78 Million for Employee Ownership Initiative

The Senate Health, Education, Labor and Pensions (HELP) Committee voted July 30 to approve $78 million in mandatory funding for the Department of Labor's Employee Ownership Initiative (EOI). This dramatic expansion of the EOI would be a monumental leap forward in the program's reach and ability to protect American jobs as the country faces the Silver Tsunami business succession crisis. The bill now moves to the full Senate for consideration.

The funding, included in an amendment to S. 3333 offered by HELP Committee Chairman Bill Cassidy and supported by Ranking Member Bernie Sanders, would be provided from fiscal years 2027 through 2032. The bipartisan agreement would also extend the initiative through fiscal year 2035 and authorize an additional $63 million in discretionary funding, bringing potential total funding to $180 million over the next 10 years.

For employee owners, the vote represents an important step toward helping more workers benefit from ownership at a crucial moment for American businesses.
An estimated 2.5 million baby boomer business owners are expected to retire during the next decade. Without a clear succession plan, many otherwise successful companies could be sold, relocated, broken apart or closed. At the same time, American workers face significant challenges building enough savings for retirement.

ESOPs can help address both problems. By selling a business to its employees, an owner can preserve the company's legacy while keeping jobs and economic activity in the local community. Employees gain a meaningful ownership stake and an additional source of retirement security, while businesses often benefit from a more engaged and productive workforce.

Congress created the Employee Ownership Initiative through the bipartisan WORK Act, sponsored by Sens. Bernie Sanders and Jerry Moran and enacted as part of SECURE 2.0 in 2022. The program supports state and local education, outreach and feasibility studies designed to introduce more business owners and workers to employee ownership.

With sufficient time and resources, the initiative can maximize Congress' bipartisan intent to strengthen workers' retirement security, keep jobs rooted in their communities, and preserve American businesses by promoting ESOPs.

"We are deeply grateful to Chairman Cassidy and Ranking Member Sanders for working with The ESOP Association to expand the reach of the Employee Ownership Initiative at DOL," **said James Bonham, President and CEO of The ESOP Association.** ***"Addressing the wave of retiring baby boomers who must transition their businesses to new owners in the next ten years is reaching a crisis level. Nearly 1 out of every 6 American jobs is at risk in this transition. By dramatically raising awareness of ESOPs, Congress is recognizing that the best way to keep these jobs in our local economies is to encourage business owners to sell to their employees through an Employee Stock Ownership Plan rather than selling out to a foreign investor or private equity."***

PRESIDENT'S COLUMN

The Marathon Is Becoming a Sprint

By James Bonham, *President & CEO, The ESOP Association*

When it comes to Congress, the old saying is true: It's a marathon, not a sprint.

But as we enter the final five months of the 119th Congress, the marathon is quickly becoming a sprint.

There is a lot at stake for ESOPs between now and the end of the year. Congress is entering the final stretch of its legislative calendar, with the midterm elections looming and the possibility of changes in party control, the leadership on our committees of jurisdiction, oversight priorities, and legislative agendas.

In other words, there are many things outside of our control. That is why ESOP advocacy requires both persistence and preparation. It requires putting in the time and effort to build strong relationships across the political spectrum. And it requires being ready to pursue every possible legislative avenue when an opportunity arises.

Between now and the end of the year, our top legislative priority is the Retire Through Ownership Act, which would codify the appropriate measures an ESOP Trustee can follow to establish fair market value for ESOP shares. This essential guidance has been sought for over 50 years and would make it easier for business owners to form new ESOPs and existing ESOPs to rely on the professional valuations of appraisal firms. The Retire Through Ownership Act passed the Senate unanimously last October, and was also voted unanimously out of the House Education & Workforce Committee. We have been working with House leadership on strategies to bring the bill for a vote in the full House, and we remain hopeful the bill can be passed this year.

We cannot predict exactly what Washington will look like in January. But we can make sure that the cause of ESOPs and employee ownership will be part of the conversation, regardless of who is in charge.

We are also working to advance other important legislation, including the bipartisan American Ownership and Resilience Act, which would unlock new access to capital for ESOPs, and the Balance the Scales Act, which would curtail the practice of common interest agreements at the Department of Labor. Each of these efforts represents an opportunity to strengthen the ESOP model and make employee ownership more accessible and sustainable.

But the clock is ticking.

The House is already adjourned until the end of August, and the Senate is scheduled to recess on August 7 and return

in mid-September. When Congress returns, lawmakers will tackle the urgent business of reaching an agreement to fund the federal government beyond September 30, when the current fiscal year ends, or risk a government shutdown just weeks before the midterm elections.

Then Congress will recess again as members return to their districts to campaign. After the November elections, lawmakers will return to Washington for what could be a very short and unpredictable post-election session.

That is the reality of legislating in an election year. The calendar compresses. Priorities shift. And legislation that appears stalled can move quickly. That is why we have worked so hard to build relationships with Congressional leaders, so we are ready when the opportunity arises.

This fall, we will be looking at every legislative avenue available to advance our agenda, including opportunities to move our priorities through larger pieces of legislation that Congress must pass before the end of the year.

It's something we've done before, with great success.

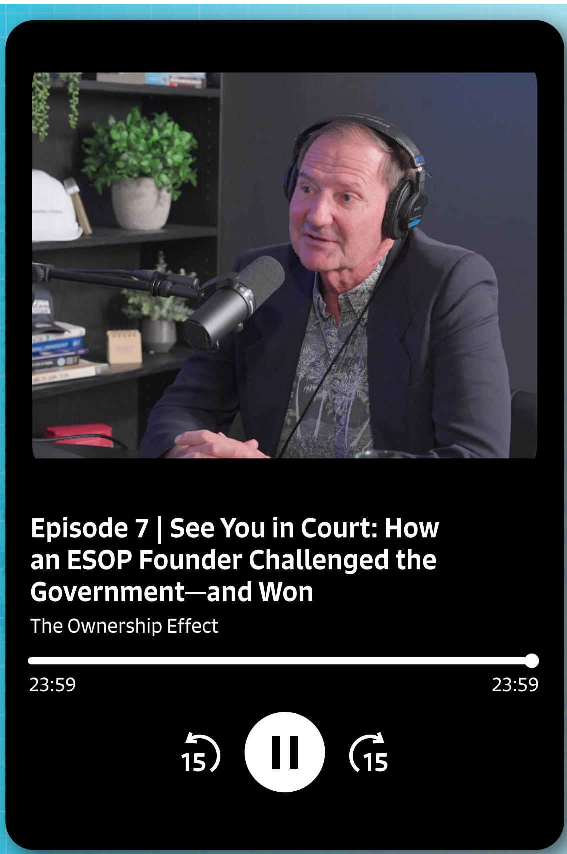
At the end of 2022, TEA worked with lawmakers in both the House and Senate to help ensure important employee ownership provisions were part of the year-end omnibus legislation that included the SECURE 2.0 Act. That effort included the WORK Act, which created the Employee Ownership Initiative at the U.S. Department of Labor, as well as a mandate for the Department of Labor to produce a regulation addressing adequate consideration in ESOP transactions.

We also have to recognize that if our legislation does not cross the finish line by the end of this year, we will have to start again when the 120th Congress convenes in January. That possibility makes the work we are doing right now even more important. Between now and December, we will undoubtedly call upon our Public Policy Council, Employee Ownership Action Network (EOAN) and our ESOP Ambassadors to help in these efforts.

The midterm elections could bring new party leadership, new committee chairs, and new priorities in both the House and Senate. We cannot predict exactly what Washington will look like in January. But we can make sure that the cause of ESOPs and employee ownership will be part of the conversation, regardless of who is in charge.

That is why The ESOP Association's bipartisan advocacy is so important, and why our members' voices matter. The strength of the ESOP community in Washington is directly connected to our willingness to speak up, build relationships, and make the case for employee ownership. Every conversation with a lawmaker, every Hill visit, every letter and email from an ESOP company, and every member who engages in advocacy helps demonstrate that employee ownership is not a niche issue. It is a powerful model for strengthening businesses, building wealth, and creating more resilient communities.

The next five months will be busy, unpredictable, and critically important. We will continue working with policymakers on both sides of the aisle, pursuing every opportunity to advance our legislative priorities and doing everything we can to make sure the voice of America's ESOP companies and employee owners is heard.



THE OWNERSHIP EFFECT WITH JIM BONHAM

Check out what's playing on *The Ownership Effect*:

Season 1 of The Ownership Effect delivered powerful stories from across the employee ownership community.

One unforgettable episode featured Brian Bowers sharing his company's experience prevailing against the Department of Labor and the legislative and regulatory changes that his case prompted.

And Season 2 is just around the corner. Exciting guests. Bigger conversations. Fresh perspectives on all things employee ownership. Stay tuned for more!

TheOwnershipEffect.podbean.com

Professionals' Marketplace Coming Soon

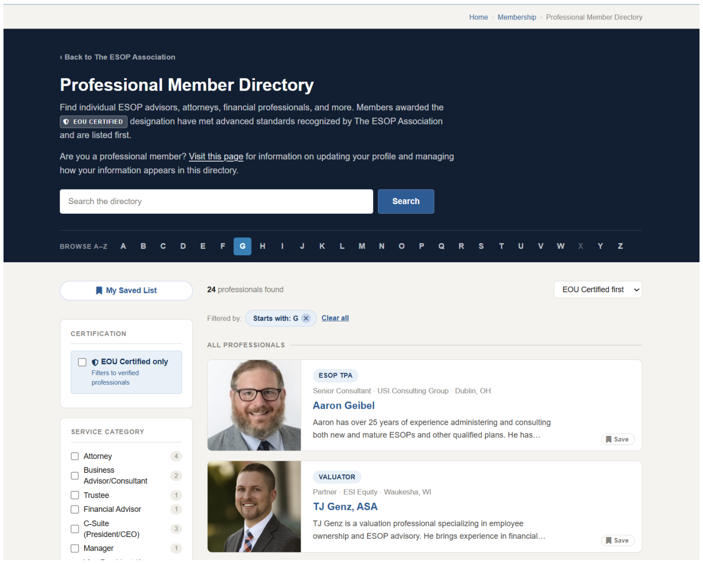
The ESOP Association will soon be publishing the new Professionals' Marketplace. This member-focused directory will help ESOP companies find experienced advisors and give professional members a stronger way to showcase their expertise across the employee ownership community.

To make participation simple, The ESOP Association has already added professional members to the Marketplace and created initial profiles for them to review and update before the directory opens to the public. Professional members will receive an email with instructions in advance.

Professional members can use this directory to develop business relationships by highlighting their areas of expertise, credentials, and ESOP experience while building relationships with more than 3,200 companies in The ESOP Association network and the entire ESOP community. Members who complete the [Facilitator Certification Program] will receive a special badge on their profile, as well as optimal placement, making it easier for companies to recognize demonstrated ESOP expertise.

Professional Members: Watch for Profile Update Instructions

1. Look for an upcoming email from The ESOP Association with instructions for accessing your Marketplace profile.
2. When the Association opens profile updates, review your area of expertise, credentials, firm information, location, and contact details for accuracy.
3. Add or update your professional photo and bio to help your profile stand out and make it easier for members to recognize and connect with you.



The Marketplace brings specialized ESOP professionals together in one searchable resource, giving members a faster, more focused way to find advisors who actively serve TEA's network.

How ESOP Companies and Members Can Find the Right Expertise

Companies at every stage of the ESOP journey can rely on the Marketplace to identify professional support that fits their needs. Whether a company explores employee ownership, implements a new ESOP, or manages a mature plan, users can search the directory by area of expertise, location, and other profile information.

The Marketplace brings specialized ESOP professionals together in one searchable resource, giving members a faster, more focused way to find advisors who actively serve TEA's network. Members can save time, compare relevant expertise, and start more informed conversations with potential partners.

Professional members should look for an email from TEA with next steps for reviewing and updating their Marketplace profiles. Completing these updates will help ESOP companies find knowledgeable support, build new relationships, and strengthen TEA's community. More information about the Professionals' Marketplace will follow shortly.

Building Employee Ownership Expertise for the Long Term

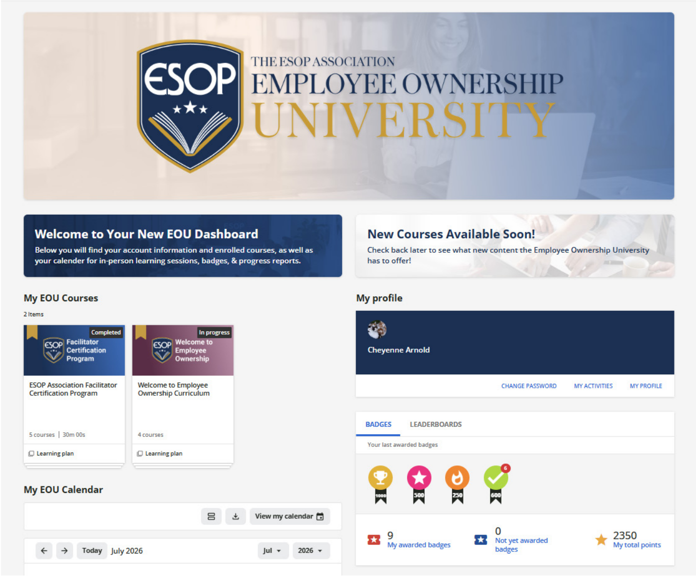
For ESOP companies, employee ownership is more than a benefit. It is a business advantage that grows stronger when employees understand how ownership works, why it matters, and how they can contribute to the company's success.

The ESOP Association created the Employee Ownership University (EOU) to help member companies build that understanding at scale. EOU transforms ESOP education from a series of isolated learning experiences into a structured, year-round professional development platform that supports stronger ownership culture, deeper engagement, and future leadership development.

Many organizations deliver ownership education through one-time events such as conference sessions, webinars, or committee training workshops. While valuable, these experiences alone are not enough to help employee-owners build knowledge, confidence, and expertise over time.

> *These offerings create clear learning pathways for participants at every stage of their employee ownership journey.*

EOU addresses that challenge by combining on-demand learning, live online instruction, and in-person educational experiences into intentional learning roadmaps. The goal is simple: make high-quality employee ownership education more accessible, practical, and impactful for everyone in an employee-owned company.



New employee owners need to understand what ownership means. Committee members need tools to engage their peers. Leaders need strategies to strengthen ownership culture. Conference facilitators need the skills to communicate ownership concepts effectively. EOU provides structured learning experiences, recognized credentials, and practical tools participants can apply immediately within their organizations.

As EOU continues to expand, three new certificate programs will give employee owners, committee members, facilitators, and emerging leaders the tools they need to make a greater impact. Built around member feedback and the most common needs of ESOP companies, these offerings create a clear curriculum for participants at every stage of their employee ownership journey.

The Welcome to Employee Ownership Pathway

EOU's Welcome to Employee Ownership is a new onboarding solution created specifically for HR teams and organizations seeking a more consistent approach to helping new employee owners understand the fundamentals of ownership. The program provides a structured first-year learning pathway, at a value-oriented price, that companies can implement over time, reinforcing ownership culture from day one while helping employees build a deeper understanding of what it means to be an owner. **Learn More Here**.

Certificates

Facilitator Certification Program (FCP)

A professional credential bridges the gap between technical expertise and effective facilitation. Participants learn how to deliver compelling educational content, engage audiences, and drive meaningful action, whether at conferences or within their own organizations. The program builds credibility, prepares facilitators to offer EOU certified content, and consistent ESOP learning experiences. Upon certification, graduates may use the FCP Certified designation to demonstrate their achievement. **Learn more and enroll here**.

Ownership Culture Committee Member Certificate (OCM)

A practical learning track prepares participants to contribute effectively as members of ESOP communications and culture committees. The program develops real-world communication skills that participants can apply immediately, strengthens their voice and engagement, and equips them to actively support and shape a strong ownership culture. It also creates a clear pathway to meaningful contribution and future leadership opportunities. **Now accepting registrations! Course begins September 1.**

Ownership Culture Committee Leader Certificate (OCL)

This leadership-focused course of study prepares participants to lead ESOP communications and culture committees effectively. They learn how to design and sustain meaningful ownership and engagement initiatives, strengthen organizational engagement, and promote a consistent understanding of employee ownership throughout their organizations. The program also helps them transition from committee members to strategic leaders. **Now accepting registrations! Course begins September 1.**

Together, these programs reflect EOU's commitment to delivering high-quality professional development tailored specifically to the needs of ESOP companies. By combining foundational education, leadership development, and practical skill-building, EOU helps organizations cultivate informed employee owners who are prepared to contribute to ownership culture today and lead it tomorrow.

ADVOCACY

TEA Supports Keith Sonderling for U.S. Secretary of Labor, Senate Committee Advances His Nomination

Keith Sonderling, nominee for U.S. Secretary of Labor

The ESOP Association (TEA) announced its strong support for Keith Sonderling's nomination to serve as U.S. Secretary of Labor, and the Senate HELP Committee advanced his nomination on July 30 following his confirmation hearing on July 16. TEA is now urging Senators on both sides of the aisle to quickly confirm Sonderling so he can continue his important work at the Department of Labor (DOL).

During his service as Deputy Secretary and Acting Secretary of Labor, Sonderling has demonstrated an understanding of the challenges facing ESOP companies, plan fiduciaries, and employee owners.

Under Sonderling's leadership, the Department of Labor has begun moving toward a more balanced and predictable approach to ESOP oversight. In January, the Employee Benefits Security Administration (EBSA) removed ESOPs as a stand-alone national enforcement priority and refocused its efforts on serious misconduct instead of minor procedural violations. This change was an important step toward protecting employee owners without discouraging responsible companies from establishing or maintaining ESOPs.

Sonderling has also emphasized the need for clear federal regulation, which would include clarity on the guidance governing ESOP transactions. For decades, ESOP fiduciaries have been forced to operate without a workable regulation defining "adequate consideration," relying instead on court decisions, settlement agreements and shifting agency interpretations. That uncertainty has increased costs, fueled litigation and created an unnecessary obstacle to expanding employee ownership.

His commitment to ending regulation through litigation and addressing meritless ERISA lawsuits is similarly important. Employers should be able to offer valuable retirement benefits without facing excessive litigation simply because federal rules remain unclear.

The HELP Committee voted on his confirmation on July 30, which advanced his nomination by a vote of 12-11, and is followed by the full Senate's final confirmation vote. The ESOP Association is urging the full Senate to confirm him without delay.

With clear regulations, appropriately focused enforcement, and strong protections for plan participants, the Department can safeguard existing employee owners while helping millions more Americans gain an ownership stake in the companies where they work.

"EBSA's enforcement powers are broad and impact American workers, retirees, and their families through many stages of life. Because of that, it's vitally important that our investigators focus on areas that we feel will produce the best results," said Deputy Secretary of Labor Keith Sonderling. *"By recalibrating the areas our investigators focus on, EBSA investigations will be more efficient, responsive, and prioritize serious misconduct rather than minor foot faults."*

https://www.dol.gov/newsroom/releases/ebsa/ebsa20260115

"Through his leadership and his actions, Acting Secretary Keith Sonderling has earned the trust of ESOP companies, plan fiduciaries, and the millions of employee owners whose retirement security depends on a fair and effective Department of Labor," said James Bonham, President and CEO of The ESOP Association. *"He has demonstrated a commitment to balanced enforcement, regulatory clarity, and policies that will strengthen retirement security and grow broad-based employee ownership in America. Keith Sonderling is exceptionally qualified to serve as Secretary of Labor, and we urge the Senate to confirm him without delay."*

The ESOP Association's press release in support of Keith Sonderling ESOP Companies, Professional Service Providers Strongly Support Keith Sonderling for U.S. Secretary of Labor | The ESOP Association

The ESOP Association's statement to the Senate HELP Committee in support of Keith Sonderling to be Secretary of Labor Sonderling statement HELP confirmation 7-26.pdf

To see Keith Sonderling's confirmation hearing, click here Nomination of Keith Sonderling to be Sec... | Senate Committee on Health, Education, Labor and Pensions

Congressional Hearing Reviews Use of Common Interest Agreements at DOL

ESOPs were targeted, and TEA pushed reform

On July 22, the House Education and Workforce Subcommittee on Workforce Protections held a hearing where Department of Labor Inspector General Anthony P. D'Esposito testified about his office's recent report on DOL's use of common interest agreements. The ESOP Association (TEA) worked with former Committee Chair Virginia Foxx, current Chair Tim Walberg, and Subcommittee Chair Ryan Mackenzie in support of investigating this concerning practice. TEA explained its concerns in a statement submitted for the hearing record.

Common interest agreements are written or oral arrangements that allow parties claiming a shared legal interest to exchange information. At DOL, these agreements have enabled agency investigators to share potentially confidential information with private plaintiffs' attorneys. Because the Employee Benefits Security Administration (EBSA) can compel sensitive information from plan fiduciaries, this coordination can give private law firms access to evidence and government assistance they could not obtain through ordinary discovery. Worst of all, this information sharing could happen in secret without the affected company or fiduciary knowing it occurred. However, following the OIG report, the DOL is moving to make important changes.

The danger of these agreements became clear in *Harrison v. Envision Management Holding*, an ESOP class-action lawsuit. After learning of the extensive cooperation between DOL and a private plaintiffs' law firm, Magistrate Judge Maritza Dominguez Braswell of the U.S. District Court for the District of Colorado warned that the arrangement "*could set a dangerous precedent*." Judge Braswell further stated:

"It would allow a government agency to weaponize private litigation against some target before confirming the target should be a target. Moreover, the government could litigate in the shadows, without giving the opposing party an opportunity to adequately probe and defend itself."

That warning captures the central problem. Government investigative power should not be used as a back channel through which private attorneys obtain information, assistance, or strategic advantages that would not otherwise be available under ordinary discovery rules. TEA took steps to support the congressional oversight measures needed to gain reforms at the DOL.

Anthony D'Esposito, Inspector General, DOL

In its report, the OIG found that DOL lacked adequate controls over these agreements. DOL initially identified 45 agreements from January 2023 through June 2025, later found three more, and still could not ensure that its count was complete. Some agreements were oral; enforcement agencies were not always aware that DOL's Office of the Solicitor had entered agreements on their behalf; and witness statements unavailable under normal discovery rules were shared with outside private firms. The OIG issued eight recommendations covering standardized written procedures, signatory authority and bias safeguards, agency coordination, centralized tracking of agreements and the information shared, and staff training. DOL leadership has agreed to those recommendations and is working to reform its internal processes related to common interest agreements.

TEA would prefer that DOL end this practice altogether. As long as it continues, however, TEA supports all eight OIG recommendations. We also believe Congress can go even further to ensure sustained transparency over common interest agreements by passing the Balance the Scales Act, H.R. 2958. This bill would require the DOL to report to Congress on its use of common interest agreements and notify employers, plan sponsors, and fiduciaries directly and adversely affected by these arrangements.

TEA will continue to urge Congress to pass H.R. 2958. Employee owners, ESOP companies, plan fiduciaries, and the American taxpayers deserve confidence that DOL's enforcement powers are exercised fairly, impartially, and transparently.

Additional Information

TEA calls for action on common interest agreements in November 2024 The ESOP Association Applauds Chairwoman Virginia Foxx Calling for Investigation Into U.S. Department of Labor's Potential Abuse of Authority With Common Interest Agreements | The ESOP Association

Review the testimony of Jim Bonham, President and CEO of The ESOP Association, made in July 2025 about the reforms needed at the DOL, including common interest agreements https://youtu.be/V_Z_QzG3PrY

Read the DOL OIG report here US DOL - Office of Inspector General Report - DOL Needs Stronger Oversight and Controls for Sharing Confidential Information

View the hearing here Broken Trust: How the Biden-Harris DOL Leaked Confidential Information

TEA's full statement to the House Education and Workforce Committee https://assets-tea.s3.us-east-2.amazonaws.com/assets/public/2026-07/Common%20Interest%20Agreement%20Hearing%20Statement%20final%207.20.26.pdf

Employee Ownership Month Webinar Series Returns This August

Every Tuesday at 2:00 PM ET in August and October

Get ready for Employee Ownership Month (EOM) with The ESOP Association's annual August webinar series. Designed to help members strengthen their Employee Ownership Month celebrations, this four-part virtual series will provide practical ideas, proven strategies, and real-world examples to help companies engage employee owners, advocate for employee ownership, and share their ESOP stories.

Each session features experienced presenters and ESOP leaders who will share actionable insights that participants can immediately apply within their organizations. Whether you're planning your first Employee Ownership Month celebration or looking to build on past success, this series offers valuable resources to help make October more impactful.

These FREE webinars for TEA members will take place every Tuesday at 2:00 p.m. Eastern throughout August with more to come in October.

> *Whether you're planning your first Employee Ownership Month celebration or looking to build on past success, this series offers valuable resources to help make October more impactful.*

August 4

Advocacy in Action: Championing ESOPs with elected officials to strengthen our employee ownership voice

Effective advocacy starts with real relationships. In this session, you'll learn how to engage elected officials in meaningful ways—whether through site visits, direct outreach, or ongoing communication. We'll walk through practical strategies to help you tell your company's story, demonstrate the real-world impact of employee ownership, and strengthen support for pro-ESOP policies.

You'll leave with tools, talking points, and a clearer understanding of how your voice—and your company's experience—can help shape the future of employee ownership.

August 11

ESOPATHON: Fundraising strategies and inspiring stories from across TEA

ESOPATHON is more than a campaign; it's a chance to bring your community together around a shared purpose. It is the single largest fundraising effort to support the Employee Ownership Foundation, which supports scholarships, educational programs, employee training, and executive learning. Join us to explore proven fundraising strategies, creative engagement ideas, and real examples of what has worked across The ESOP Association chapter network.

Hear directly from participants who have successfully mobilized their teams, built momentum, and made an impact. Whether you're new to ESOPATHON or looking to elevate your efforts, this session will provide both inspiration and practical next steps.

August 18

Getting Ready to Celebrate EOM: Games, activities, and creative ideas to engage employee owners

EOM is your opportunity to bring ownership culture to life. This session is packed with creative, easy-to-implement ideas to help you celebrate in ways that are meaningful, engaging, and fun.

From games and events to recognition programs and storytelling, you'll discover approaches that strengthen understanding of the ESOP while building pride and participation across your organization. Walk away with ideas you can tailor to your company—whether you're planning your first celebration or looking to take it to the next level.

August 25

Amplify Your Ownership Story: Practical resources, communications, and outreach strategies to promote employee ownership

Your story is one of your greatest assets. Bring it forward so others can see and hear it.
In this session, we'll focus on how to effectively communicate the value of employee ownership to key audiences, including employees, communities, and policymakers.

Learn how to use messaging, content, and outreach strategies to elevate your company's voice and reinforce the ESOP advantage. From internal communications to external storytelling, you'll gain practical ideas to help you confidently share your story and expand the reach of employee ownership.

And the learning doesn't stop in August, be on the lookout for our second series of EOM webinars taking place throughout October, to help you keep the momentum going all month long.

Don't miss this opportunity to gain fresh ideas and inspiration as you prepare for EOM. Click here and register for the webinars that fit your needs or join us for all four sessions to make this October your strongest EOM yet.

Where Senior ESOP Leaders Go for Direct, Candid Conversation

TEA's executive education agenda rests on a simple idea: the best decisions come from candid conversation among peers who understand the pressures of the seat. June's CFO Summit and this August's CEO Summit both put that idea to work, each for the leaders who benefit from it.

Inside the June CFO Summit

ESOP CFOs and senior financial leaders came together for insightful roundtable discussions centered on the challenges only their peers truly understand: the pressures, tradeoffs, and unique circumstances that shape financial leadership at ESOP companies. Attendance was strong, and participants consistently reported gaining valuable insights from both the educational sessions and the featured speakers.

Kyla Scanlon speaks about The Vibecession: Redefining the 2026 Economic Outlook

The **AI Executive Lab** stood out as a highlight, an interactive session that gave attendees a hands-on look at tools like ChatGPT, Copilot, and Gemini and how to put them to work on real business decisions. **Roundtables** gave CFOs a room to work through the financial mechanics behind the toughest calls at their companies: how to fund long-term obligations, structure a deal, manage risk, and report performance in a way employee owners can actually use.

National energy policy leader Dan Utech spoke on how energy abundance, AI-driven demand, and geopolitical risk are reshaping markets and capital decisions. **Economist Kyla Scanlon** also joined the Summit, offering a perspective on the economy that resonated with attendees.


Brian Bowers, Chair of the TEA SRCC, facilitates a roundtable on ESOP Sustainability

From Financial Insight to Executive Action

The CFO Summit brought together financial leaders to examine the numbers behind the business, with discussions focused on capital strategy, repurchase obligations, risk, reporting, and the financial decisions that support long-term ESOP sustainability. August's CEO Summit takes that conversation to the chief executive level, giving presidents and CEOs a forum of their own to compare perspectives, test assumptions, and talk candidly with peers who carry the same ultimate responsibility.

That is the value of the CEO Summit: a setting built not for broad conference traffic, but for senior leaders to step out of the day-to-day, hear from experts, and exchange candidly with peers about governance, growth, succession, culture, AI, and the future of their ESOP.

CEO Summit Runs August 23–25 at Terranea Resort in Rancho Palos Verdes, California

Kyla Scanlon opens the CEO Summit with a keynote that brings her economic outlook to ESOP presidents and CEOs. She will offer leaders a clearer way to read the economy beneath the headlines, connecting sentiment, markets, capital decisions, and public perception to the strategic choices facing ESOP companies now. Scanlon coined the term "vibecession" to describe the growing disconnect between economic data and public sentiment, and her work has made her one of the most influential voices explaining how perception shapes behavior in markets, businesses, and boardrooms. She has been featured on *The Daily Show*, contributes to *The New York Times Opinion*, *The Wall Street Journal*, and *Foreign Policy*, and is a regular commentator on CNN and MS NOW. She will also join an upcoming episode of *The Ownership Effect* podcast.

TEA President and CEO Jim Bonham closes it with a midterm election briefing on what the political landscape means for ESOP policy. The days in between belong to roundtables built strictly for CEOs and presidents, covering executive compensation, board and trustee alignment, ESOP sustainability, mergers and acquisitions, litigation risk, valuation in the age of AI, and employee engagement and ownership culture.

The AI Executive Lab workshop walks CEOs through applying leading tools to real business decisions, and an open-microphone session hands the floor to ESOP presidents to raise whatever's on their mind.

Spouses and guests have their own programming running in parallel throughout. **Registration is open now.**

Register today to join fellow ESOP presidents and CEOs for three days centered on the decisions that matter most.

CFO Summit attendees and guests enjoy a networking dinner

TEA Chapter & Regional Events

Looking to connect with fellow members this summer? Our chapters have a variety of events planned to help you exchange ideas, share experiences, and stay informed. Be sure to register early for the fall, when all 19 chapters will gather across the country. We hope you'll join us.

CALIFORNIA/ NEVADA
California & Nevada

Annual Conference
September 16-18
Atlantis Resort & Casino
Reno, NV

FLORIDA
Florida

ESOPortunity
August 13
FORVIS MAZARS
Jacksonville, FL

ESOP Employee Accelerator
December 1
Vermeer Southeast
Orlando, FL

HAWAII
Hawaii

Annual Conference
October 6
Japanese Cultural Center of Hawaii
Honolulu, HI

HEART OF AMERICA
Kansas & Missouri

ESOP Case Studies
August 17
Husch Blackwell
Kansas City, MO

Roundtables
November 17
Husch Blackwell
St. Louis, MO

ILLINOIS
Illinois

Events Coming Soon!

IOWA/NEBRASKA
Iowa & Nebraska

Golf Outing & Roundtables
July 27
Elmcrest Country Club
Cedar Rapids, IA

ESOP Answers: Valuation
August 11
SGH Concepts
Omaha, NE

ESOP Employee Accelerator
August 25
Farmers National Company
Omaha, NE

INDIANA
Indiana

Events Coming Soon!

MICHIGAN
Michigan

ESOP Employee Accelerator
August 18
Hydro-Chem Systems
Caledonia, MI

MINNESOTA/ DAKOTAS
Minnesota, North Dakota, & South Dakota

ESOP Employee Accelerator
August 27
Cherapa Interconnect
Sioux Falls, SD

ESOP Exchange & On-Site
October 7
Midwestern Mechanical
Sioux Falls, SD

MID-ATLANTIC & CAROLINAS

Maryland, North Carolina, South Carolina, Virginia, Washington, DC & West Virginia

HR Roundtable
August 4
Mid South Building Supply
Springfield, VA

HR Roundtable
August 20
Salem Fabrication Technologies Group
Winston-Salem, NC

Fall Conference
September 15-16
Hilton Raleigh North Hills
Raleigh, NC

Let's Talk ESOPs
December 2
Duke Mansion
Charlotte, NC

NEW ENGLAND

Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, & Vermont

HR Conference
August 20-21
BL Companies, Inc.
Meriden, CT

NEW YORK/ NEW JERSEY

New York & New Jersey

Events Coming Soon!

NORTHWEST

Alaska, Idaho, Montana, Oregon, & Washington

Let's Talk ESOPs - Boise
July 29
The River Club
Boise, ID

Let's Talk ESOPs - Spokane
August 13
Mode Campus
Liberty Lake, WA

Let's Talk ESOPs - Montana
August 27
Henry's Garage
Billings, MT

Fall Conference
October 7-8
Embassy Suites Portland Downtown
Portland, OR

OHIO/KENTUCKY

Ohio & Kentucky

Thoroughbred Conference
August 3-4
The Galt House
Louisville, KY

PENNSYLVANIA/ DELAWARE

Pennsylvania & Delaware

ESOP Employee Accelerator
August 11
Kreischer Miller
Horsham, PA

ROCKY MOUNTAIN

Arizona, Colorado, New Mexico, Utah, & Wyoming

Let's Talk ESOPs - Phoenix
July 28
The Mahoney Group
Chandler, AZ

Let's Talk ESOPs - Salt Lake City
July 31
Arch Nexus
Salt Lake City, UT

Fall Conference
September 10-11
Embassy Suites Denver Downtown Convention Center
Denver, CO

Let's Talk ESOPs - Denver
October 21
Lerch Bates
Highlands Ranch, CO

SOUTHEAST

Alabama, Arkansas, Georgia, Louisiana, Mississippi, & Tennessee

Board of Directors Conference
September 30
The Chattanoogan Hotel
Chattanooga, TN

Fall Conference
September 30 - October 1
The Chattanoogan Hotel
Chattanooga, TN

TEXAS/ OKLAHOMA
Texas & Oklahoma

Let's Talk ESOPs - Dallas
August 4
Cisco-Eagle
Coppell, TX

Let's Talk ESOPs - Oklahoma City
August 5
OKC Hall of Fame
Oklahoma City, OK

Let's Talk ESOPs - Central Texas
August 12
Alterman
Live Oak, TX

Let's Talk ESOPs - Houston
August 20
Cornerstone Government Affairs
Houston, TX

Fall Conference
September 30-October 1
Renaissance Dallas North Hotel
Dallas, TX

WISCONSIN
Wisconsin

Golf Outing
August 10
Paganica Golf Course
Oconomowoc, WI

Member Showcase
August 21
Weinbrenner Shoe Company
Merrill, WI

GREAT LAKES Regional Conference
Indiana | Michigan | Ohio & Kentucky

GREAT LAKES REGIONAL CONFERENCE
Indiana, Kentucky, Michigan, & Ohio

September 29-October 1
Sheraton Indianapolis Hotel At Keystone Crossing
Indianapolis, IN

MIDWEST Regional Conference
Heart of America | Illinois | Iowa & Nebraska | Minnesota & Dakotas | Wisconsin

MIDWEST REGIONAL CONFERENCE
Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, & Wisconsin

September 22-24
Iowa Events Center
Des Moines, IA

NORTHEAST Regional Conference
New England | New York & New Jersey | Pennsylvania & Delaware

NORTHEAST REGIONAL CONFERENCE
Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, & Vermont

October 7-9
Mystic Marriott Hotel & Spa
Groton, CT

Show Your Support, Sponsor an ESOP Chapter

This unique opportunity will get your brand in front of local ESOPs and allows you to reach businesses that need your services.

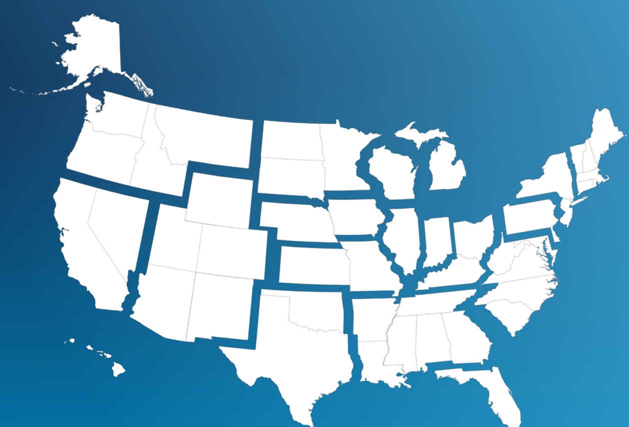
To learn more, please contact one of TEA's Chapter Directors and get connected.

Kelly Forester: kforester@esopassociation.org

Kale Tissue: ktissue@esopassociation.org

Darby Winger: dwinger@esopassociation.org

Jen Wood: jwood@esopassociation.org



View all Chapter Event Sponsorship opportunities on the ESOP website at:
esopassociation.org/chapters/sponsorship

ESOP | The ESOP Association

Helping TEA Members Make Their Travel Dollars Go Further

Most members of The ESOP Association know the organization for its advocacy, education, conferences, and networking opportunities. Another membership benefit worth exploring is Engine, a travel platform that can help members save on both business and personal travel.

Whether you're attending a TEA conference, participating in a chapter event, meeting with clients, or planning a vacation, Engine provides discounted access to hotels, flights, and rental cars through a single booking platform. Members can take advantage of exclusive travel savings while simplifying the booking process.

What sets Engine apart is its flexibility. While many travel programs are designed solely for business use, Engine can also be used for personal travel, allowing members to benefit from the platform both on and off the job.

The platform also includes Engine Rewards, giving travelers an opportunity to earn additional value from eligible bookings. For companies that manage employee travel, Engine offers tools to centralize reservations, monitor travel spending, establish approval workflows, and access reporting across departments.

Like many of The ESOP Association's member benefits, Engine is designed to provide practical value that members can use in their everyday lives and businesses. Whether you're booking travel for work or planning your next getaway, it's another way to make the most of your TEA membership.

Go to https://www.esopassociation.org/membership/esop-rewards then click on to start exploring deep member discounts today.

WORLDWIDE TRAVEL BY Engine

With summer travel, ESOP Rewards helps TEA members save up to 26% on hotels, flights, and car rentals worldwide through Engine—making it easier to plan and manage every trip in one place.

To sign up for ESOP Rewards, scan the QR code or visit **esopassociation.org/esop-rewards**, click "Unwrap your Rewards" and register!

Is Your ESOP Association Membership Information Up to Date?

The ESOP Association's membership team kindly reminds our valued members to please take a moment to review your ESOP's information on file with us and ensure it is up to date. Keeping your information current ensures you and your employee owners receive timely communications, personalized updates, and full access to The ESOP Association's comprehensive membership benefits.

To review your information, please log in to your membership portal and verify:

- **Company details**
- **Who** should receive your membership renewal
- **Membership roster:** Please be sure you have your C-Suite employee owners, your ESOP Committee members, and anyone else you would like to receive membership benefits including discounted meetings, access to chapter notifications, and access to the Hub, etc. To add individuals, click "Add". If you need to remove any individuals, send a list of names to membership@esopassociation.org

Thank you for your help. If you have any questions, please email membership@esopassociation.org or call 202-293-2971.

ESOP Employee Accelerator Spotlight: VGM Group

The Accelerator is a one-day course designed for new and non-managerial employee-owners, focused on how daily actions drive company performance and long-term value.

This installment of the ESOP Employee Accelerator Spotlight series features VGM Group, where employee ownership shapes everything from recruitment through retirement. We're pleased to share their story through the interview below, offering a closer look at how VGM's eight *Power Of One Principles* anchor its ownership culture, how leadership communication and education build understanding across the company, and how hosting Accelerator sessions reflects VGM's belief that a strong ESOP community benefits everyone.

How would you describe the ownership culture at VGM Group?

The concept of employee ownership is ingrained in everything we do at VGM Group. From recruitment efforts to the first day of onboarding and to the last day before retirement, employee ownership is central to our everyday business operations. No matter the role, the position, or the task, everyone makes an impact. We all may have different job titles, but at the end of the day, the most important title is the one we all share: employee owner. Additionally, all of us at VGM are driven by our eight *Power Of One Principles*: a collection of values that are at the core of VGM's employee ownership culture (more on this later). VGM has incredible pride in our employee-owned status, and we take strides to make it known. "Employee-Owned" can be found on all of our internal and external marketing materials. In 2023, we unveiled our 100% Employee Owned flag to mark the 15th anniversary of our employee ownership status.

We all may have different job titles, but at the end of the day, the most important title is the one we all share: employee owner.

What advantages does this culture create for employee owners and for the business?

When you own something, you want to take care of it to the best of your ability. That's something we see every day at VGM, employee owners continually owning their ownership to strive for success for themselves and the company. When we have our annual share price reveal each year and employee owners see that number, there's a large sense of pride that comes with that. "I had a part in this." You see this pride across all business units—teams coming together, whether it's a singular business unit or something that spans multiple teams, we all strive for the same goal of making VGM the most successful it can be. That only works when everyone understands that they can make a difference.

Who or what reinforces ownership thinking on a day-to-day basis?

At VGM, all of our work is driven by our eight *Power Of One Principles: Make A Difference; Welcome Change; Provide Meaningful, Memorable Service; Find The Fun In Your Day; Cheer Each Other On; Protect Our Company; Create Your Future; and Own Your Ownership*. They establish the employee owner mindset and are the fundamentals of our interactions with our customers, our communities, and each other. Graphics of all eight principles are found on the walls at all VGM locations as a constant reminder of what we strive for and aspire to embody. But reinforcing an ownership mindset is much more than graphics on a wall.

2025 Heartland Party On The Plaza: VGM's employee owners provide meaningful, memorable service to customers. That includes dishing up food for more than 1,000 customers during VGM's annual Heartland Conference.

2025 Heartland Journey Tours: The VGM Journey is an impactful, guided experience at VGM's headquarters that shares the company's story and highlights how employee owners make a difference.

2025 VGM EOM Cabin Finals: ESOP Month's "Camp Ownership" theme reimagined ESOP education as an interactive, team-based experience that drove engagement, learning, and collaboration across the company. Pictured here is the winning "cabin".

VGM's senior leadership does an incredible job of communicating to employee owners. CEO Jeremy Stolz sends out video updates, our CFO Barb Anderson has quarterly financial updates, and nearly every senior leader will send out emails regarding VGM's achievements. The one concept that is consistent in all communications is that they make it clear that VGM is where it is today because of the employee owners. Having that type of communication from senior leaders makes employee owners feel seen and fosters a sense of inclusivity—it's something you don't really see elsewhere. Our Employee Ownership Ambassadors, a committee of around 20 employee owners across multiple VGM business units and locations, are the go-tos for all things employee ownership. They are central to promoting our ownership status throughout the company.

How does education—formal or informal—connect to ownership at your company?

There is always something to learn about employee ownership, no matter how long you've been an employee-owned company. And this couldn't be truer for new hires. It can take time (months!) to really grasp the idea of employee ownership—even before someone applies to VGM, our recruitment posts talk about the wonderful benefit of employee ownership.

After our share price reveal event, we hold Understanding Your ESOP Statement webinars—these are mainly targeted toward employee owners receiving their first statement to develop an understanding of the life-changing wealth employee ownership brings. The webinar is open to everyone at VGM, even for those who may need a refresher on how to read their statements or new employee owners anticipating their first statements within the next year. Other tools utilized include the Wealth Calculator, a predictive tool allowing employee owners to visualize their future wealth, and the Total Rewards Statement which enables employee owners to see their current total wealth that combines their compensation, ESOP, 401(k) and other benefits.

Employee owners are also frequently asked to apply to present at ESOP conferences, where we're able to share our expertise on employee ownership and learn from other employee-owned companies. VGM's Compensation & Retirement Director travels to the other VGM locations across the U.S. with a Spanish interpreter to discuss employee ownership and the benefit of the ESOP to our warehouse workers, many of whom are Spanish-first speakers.

How does hosting ESOP Employee Accelerator sessions reflect your values as an employee-owned company?

Collaboration and education are two of the largest factors contributing to VGM's success. That success wasn't achieved by one person. These Accelerator sessions are a perfect combination of both collaboration and education—whether your company has been employee-owned for 15 years or you're brand new, there's something we can all learn from each other. Internally, we work together to see our company succeed. Externally, we want to help you so your company can succeed: because a strong community of ESOPs benefits us all.

For consideration in future Spotlight stories or to learn more about Accelerator classes, please contact Aaron Moberger at amoberger@esopassociation.org.

2025 VGM ESOP Summer Grill Out: Each quarter, VGM's Employee Ownership Ambassadors host a company-wide event for employees to learn more about the unique benefit of the ESOP. This includes a summer grill out where employees answer trivia questions to earn eCash and win prizes.

Recent EBSA Guidance Signals Welcome Enforcement Shift for ESOPs

By: Andrew Salek-Raham, *Principal, Groom Law Group, Chtd.* and Larry Brett, *Associate, Groom Law Group, Chtd.*

The Department of Labor's Employee Benefits Security Administration ("EBSA") recently issued Field Assistance Bulletin ("FAB") 2026-01, a guidance document signaling a fundamental shift in how the agency approaches ESOP investigations and enforcement actions, among other things.

FABs are directives from EBSA leadership to EBSA employees designed to provide official policy clarification and direction on conducting investigations and enforcement actions. While these directives impact all plans under EBSA's enforcement authority, the policy changes announced in FAB 2026-01 are particularly noteworthy for the ESOP community.

At a high level, the FAB announces policies that will restore fairness to EBSA investigations, focus regulatory and enforcement actions on curtailing disloyal conduct rather than second-guessing reasonable fiduciary decisions, and eliminate the "regulation by litigation" approach to which the ESOP community has grown accustomed. Among other things, the FAB requires EBSA to:

- focus enforcement resources on cases involving substantial participant harm, fraud, self-dealing, or other serious fiduciary misconduct tied to disloyal conduct;
- conduct investigations more efficiently;
- exercise enforcement discretion fairly and transparently, and promote consistency across regional offices;
- end "regulation by litigation"—i.e., the pursuit of novel legal theories not grounded in ERISA's text, published guidance, or clearly established case law; and
- avoid conduct that could create the appearance of improper coordination with private plaintiffs' counsel.

While the FAB does not alter underlying fiduciary standards, the guidance explains that the agency will distinguish more carefully between intentional misconduct and good-faith fiduciary decision-making, prioritizing the former and deemphasizing the latter. As ESOP practitioners are well aware, ESOP investigations over the past two decades have frequently centered on disputes regarding valuation methodology, financial projections, transaction structure, and fiduciary process. In many cases, industry participants viewed the governing legal standards as uncertain or evolving. The FAB's emphasis on established legal authority and fair notice should reduce the likelihood that EBSA will pursue aggressive valuation theories lacking clear legal and industry support.

The FAB's emphasis on established legal authority and fair notice should reduce the likelihood that EBSA will pursue aggressive valuation theories lacking clear legal and industry support.

The FAB dovetails with a broader policy shift across both Congress and the U.S. Department of Labor ("DOL") to curtail the litigation risks and eliminate the regulatory burdens that have made it challenging for plan sponsors and fiduciaries to operate retirement plans, including ESOPs. Members of Congress, for example, have introduced legislation that would essentially end EBSA's past practice of entering into common interest agreements with plaintiffs' law firms, require EBSA investigators to conduct investigations on a reasonable (not indefinite) timeframe, and reverse the *Supreme Court's Cunningham v. Cornell* University decision, which announced a plaintiff-friendly pleading standard for ERISA prohibited transaction claims, including claims that an ESOP overpaid for employer stock. For its part, DOL has removed ESOPs from the national enforcement project list, proposed a process-centric safe harbor for alternative investment options in retirement plans, and intends to issue a proposed regulation interpreting "adequate consideration" (the exemption governing ESOP stock purchase transactions).

What is ESOP PAC?

ESOP PAC is the voluntary, non-partisan Political Action Committee (PAC) of the ESOP Association. ESOP PAC is the oldest political entity specifically charged with supporting pro-employee ownership elected officials.

Formed in 1988, ESOP PAC allows our members and the larger employee ownership community to pool small personal contributions from thousands of donors into larger donations. These donations help elect and re-elect federal candidates to Congress who promote the employee ownership agenda.

For more information, please contact:

Patrick Russo, Director of Public Policy
prusso@esopassociation.org

ESOP PAC

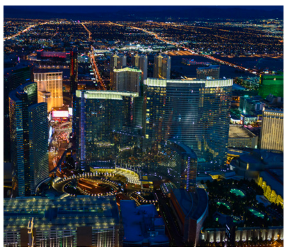
The ESOP Association National Events

To learn more and register for The ESOP Association's events, visit esopassociation.org/events.

CEO SUMMIT 2026

August 23-25, 2026 | Rancho Palos Verdes, CA

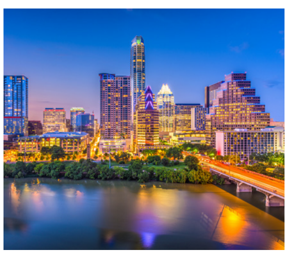
Join us at the Terranea Resort for what has become a must-attend event for ESOP CEOs and presidents. We designed the Summit with the needs of today's ESOP CEO/president in mind to strengthen your leadership toolkit.



EMPLOYEE OWNED 2026

November 1-4, 2026 | Las Vegas, NV

The largest gathering of employee owners returns to the ARIA Las Vegas with expanded education, distinguished speakers, and unparalleled networking opportunities.



THE PROFESSIONALS' FORUM 2027

February 3-5, 2027 | Austin, TX

Join others who provide professional services to ESOP companies—including valuation, legal, and tax advice—at this special, interactive event. Compare notes on best practices and the latest legal and regulatory happenings.

NATIONAL CONFERENCE 2027

May 12-14, 2027 | Washington, DC

The leading event for ESOP culture, communications and advocacy! Learn from award-winning keynote speakers and the best communicators in the ESOP community, network with your peers and meet your elected officials.

CFO SUMMIT 2027

June 2027

The ESOP Association is proudly convening the annual CFO Summit, bringing together ESOP finance leaders to explore the latest trends and tackle the biggest challenges that are shaping the current business landscape.

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network.esopassociation.org

Have conversations and share resources with TEA members on the HUB

ESOP™

ESOP Report

Volume 41, Issue 7 | The Voice of The ESOP Association | ***Serving the Entire ESOP Community***