

WHITE PAPERS

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## Anatomy of an ESOP

### Service

Employee Stock  
Ownership Plans

### Professional

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ESOPs can pay fair market value for the stock: Stock purchased by an ESOP must be appraised by an independent third party expert working with a trustee for the ESOP who must also be independent from the seller. The ESOP is permitted to pay a negotiated price that is up to full fair market value. If 100% were sold to the ESOP, the seller would typically not bear the Company's expenses related to the ESOP transaction. Also, no business brokerage or similar fees are typically paid.

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