



ESOP Feasibility Questionnaire

Please complete this survey in as much detail as possible. All information is **Strictly Confidential**. If convenient, it is also helpful for us to also review the most recent financial statement and federal tax return for the company.

Contact Information

Company Name: _____

Mailing Address: _____

City: _____

State/Zip: _____

Street Address (for overnight delivery purposes):

City: _____

State/Zip: _____

Primary Contact

Name: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

Other Contact:

Name: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

Business Information

1. Type of Entity:

- C Corporation
- S Corporation
- Limited Liability Company, LLC
- General Partnership
- Limited Partnership
- Sole Proprietorship
- Other

a. If you are an S Corporation, were you ever a C Corporation? Yes; No

b. If yes, when was the election made? _____

2. Principle Business Activity:

- Service Related Business
- Manufacturing Related Business
- Other _____

3. Is the company privately held? Yes; No

4. State of Incorporation: _____

5. Fiscal Year End: _____

6. Entity's EIN: _____

7. Are there any partially or wholly-owned subsidiaries? Yes; No

8. Do any brother/sister entities exist? Yes; No

9. Estimated Value of the Business (most recent valuation or best estimate): _____

10. What kind of retirement plan(s) does the company have in place? *(Mark all that apply):*

- 401 (k)
- Defined Benefit Plan
- Simple IRA
- Cafeteria Plan (125 plan)
- Profit Sharing Plan
- Money Purchase Plan
- SEP

Total Average Annual Employer Contributions: \$_____

11. Pre-tax Earnings:

Last Year: _____

Current Year's Projected: _____

Next Year's Projected: _____

12. Financial Projections

	Last Year (Hist.)	Current Year (Proj.)	Next (+1) Year (Proj.)	+2 Year (Proj.)	+3 Year (Proj.)
Revenue					
-Cost of Goods Sold					
Gross Profit					
-Depreciation					
-Interest Expense					
-SG&A Expense					
Pre-tax Income					
-Taxes					
Net Income					

13. Balance Sheet Information (most recent available)

Total Assets: _____

Total Long Term Debt: _____

Total Retained Earnings: _____

Accumulated Adjustment Account (AAA) Balance: _____ (If S corporation)

14. Four digit SIC Code (as many as apply): _____

To search SIC codes, visit [OSHA](#)

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15. Please describe the nature of your principal business: _____

16. Disposition of Business Interest Upon Death or Disability:

a. Does a business continuation plan exist? Yes; No

b. If Yes, how is it funded? If No, is family retention of the business interest desired? _____

17. How many people would be considered "Key People"? _____

18. Complete the Following Information for each "Key Person"

Name	Age	Position	Insured	Amount (if insured)	Salary

19. Identification of non-operating assets (assets not used to generate revenue or that would likely not be included in a sale of the business). Examples include personal vehicles and residences, marketable securities not needed for working capital, vacant land held for investments, etc.

#	Asset Description	Gross Book Value	Accumulated Depreciation	Estimated Market Value
1				
2				
3				
4				
5				
6				
7				
8				

20. Expenses related to non-operating assets and discretionary expenses. Examples include club dues, charitable contributions, expenses related to perks for officers, etc.

#	Expense Description	Associated Asset Description (if applicable)	Past Year's Expense	Current Year's Expense
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

21. Expenses with related parties that are not at market value. Examples include leases at more or less than market rates.

#	Expense Description	Past Year's Expense	Current Year's Expense	Estimated Market Expense
1				
2				
3				
4				
5				
6				
7				
8				

* Estimated market expense is amount that would have to be paid to paid if expense were at arms length with independent party.

Shareholder Information

1. Number of Shareholders (Estimate if Public): _____
2. Number of >5% Shareholders: _____
3. Number of Classes of Stock: _____

4. For each major shareholder (5% or more), list the following:

Name	# Shares Owned	% Owned	Relationship to Other Owners	Length of Time Shares Have Been Held

5. Owner's Salary

#	Owner's Name	Past Year's Salary	Current Year's Salary	Estimated Market Salary
1				
2				
3				
4				
5				
6				
7				
8				

* Estimated market salary is amount that would have to be paid to replace owner with a manager competent to perform same duties hired in the open market.

6. Are there any stock sales pending? Yes; No

7. Disposition of Business Upon Retirement of Shareholders

a. Does an exit strategy exist? Yes; No

b. If Yes, how is it funded?

Insurance

Corporate Sinking Fund

Other: _____

Employee Information

1.

	Number of Employees	Annual W-2 Wages
Total		
Salaried		
Hourly Non-Union		
Hourly Union		
Shareholders		
Family Members of Shareholder		

2. Estimate the Percentage of Your Employee Group Having Employment Service With the Company of:

- % 0-6 months
 % 6 months to 1 year
 % 1 – 3 years
 % 3 years or more

Goals

1. **Primary goal of the owners in implementing an ESOP:***(Please rank in order of importance)*

- Diversifying shareholder wealth
 Selling part or all of my stock tax-free
 Increasing employee incentive and productivity
 Transferring business to family members
 Estate Planning
 Charitable Giving
 Reducing corporate income taxes and increasing cash flow
 Creating a market for shares of stock held by current shareholders
 Transferring business to key employees on a tax-favored basis
 Buy out of minority shareholders with pre-tax dollars
 Refinancing existing debt at more favorable rates with pre-tax dollars
 Financing the acquisition of a company or business with pre-tax dollars
 Converting existing pension/profit plan from pure expense items to tax savings or corporate finance vehicles

2. Approximately what percentage of your corporation do you anticipate selling to the ESOP? _____%

Please return the completed questionnaire and financial information to:

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