

ESOP Candidate Checklist

1. Does your company have at least 20 employees?
2. Does your company have a capacity for more debt?
3. Does your company have strong earnings and/or cash flow over the previous five years?
4. Is your company experiencing steady, controlled growth?
5. Are there some stockholders who might be interested in selling some stock?
6. Is there strong management in place if the principal executive departs in connections with the sale?
7. Do you expect your company to pay federal income tax over the next several years?
8. Does your company customarily make payments to a profit sharing or other employee benefit plan that could in the future be diverted to an ESOP?
9. Are the owners psychologically willing to share ownership with their employees, assuming an attractive offer can be arranged?