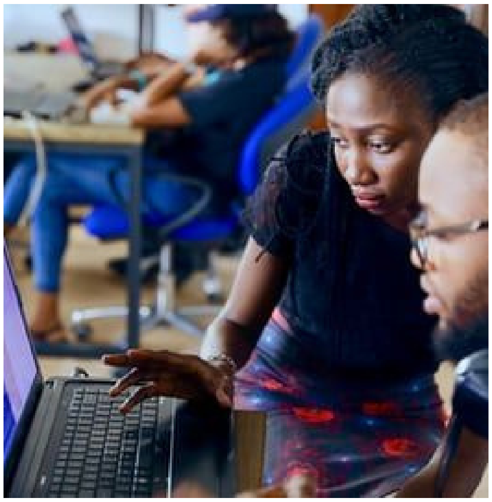
ILCEO
ILLINOIS CENTER FOR EMPLOYEE OWNERSHIP



Employee Stock Ownership Plan (ESOP)

- Using a combination of financial institution and seller financing, all or a portion of a business is sold to the ESOP, which is a retirement plan.
- Each year, shares of company stock are given to the employees via a deposit into their retirement account.
- The value of stock in an employee's account is determined by a valuation of the business which establishes a new stock price each year.
- When an employee leaves the company they can receive a payout of their ESOP account balance.
- Businesses with more than 30 employees and net profits of $1.5 million are the best candidates for implementing an ESOP as a buyout strategy.

Worker Cooperative

- Using a combination of financial institution and seller financing, as well as a small buy in by the employees, normally 100% of a business is sold to the cooperative.
- A "one share/one vote" system allows employees to elect the board of directors and make other corporate decisions allowing for a more democratic/collective governance than ESOPs or EOTs.
- Wealth is created for worker owners by the sharing of profits which is determined by the board and sometimes by the worker owners.
- Profitable businesses with more than 5 employees are good candidates for implementing a worker cooperative as buyout strategy.

Employee Ownership Trust (EOT)

- Using a combination of financial institution and seller financing, all or a portion of a business is sold to an Employee Ownership Trust (EOT) which is a type of perpetual trust.
- The employees are the intended beneficiaries of the trust and in addition to the corporate mission, the company is run with their well being in mind.
- Wealth is created for employees through the sharing of profits each year.
- Profitable businesses with more than 5 employees are good candidates for implementing an EOT as a buyout strategy.

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