



AIA Trust ESOPs Webinar

Employee Stock Ownership Plans (ESOPs) and Architecture Firms

Thank you for viewing the AIA Trust webinar on Employee Stock Ownership Plans (ESOPs) and Architecture Firms presented by Steven B. Greenapple, Esq., of Stevens & Lee, and former AIA Trust Chair Glenn Birx, FAIA, who recently retired from Ayers Saint Gross. We hope that you now have a better grasp on what an ESOP is and What an ESOP is not; how a leveraged ESOP transaction works and the retirement plan attributes of ESOPs; along with considerations that relate specifically to adopting an ESOP as an architectural firm owner. Please test your knowledge by answering the following 10 questions. After completion, write your name and member number on the test, scan, and email it to AIATrust@aia.org. Once we receive your questionnaire, you will be emailed an answer sheet with the correct responses and the learning credit will be added to your online transcript.

- 1) What does the acronym ESOP stand for in this webinar?
 - a. Employee Stock Ownership Plan
 - b. Employee Stock Option Plan
 - c. Both definitions are applicable

- 2) Congress structured the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code specifically to encourage ESOPs.
 - a. True
 - b. False

- 3) ESOPs have been around since ERISA was created back in...
 - a. 1970
 - b. 1974
 - c. 1978

- 4) Does an ESOP mean that the company has effectively been given away by the owner?
 - a. True
 - b. False

- 5) Can an ESOP serve as a tax-qualified retirement plan for employees?
- a. True
 - b. False
- 6) An ESOP automatically allows all employees to examine the Company's books.
- a. True
 - b. False
- 7) Adopting an ESOP means significant transaction costs and higher taxes than selling to an outside party.
- a. True
 - b. False
- 8) Is it required that recordkeeping be done by a third-party administrator (TPA)?
- a. Yes
 - b. No
- 9) An ESOP allows employees complete control of the Company
- a. True
 - b. False
- 10) The value of the stock owned by the ESOP is determined, at the time of the ESOP transaction and annually thereafter, by the Trustee with the assistance of a qualified independent financial advisor.
- a. True
 - b. False