



News from the Minnesota/Dakotas Chapter of the **ESOP** Association

## Employee Ownership Moves America

### Visits to The Hill!

The Minnesota/Dakotas Chapter of the ESOP Association made congressional visits during our conference and met with **15** representatives. This is by far the most visits held by an ESOP Chapter and was an increase from our visits last year. Thanks for taking the time to see us!

### Support HR 1244

Join Rep. Eric Paulsen and support The ESOP Promotion and Expansion of Private Employee Ownership Act of 2011 to help continue the ongoing success of ESOP companies and their employees.

### Contact Us

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### Chapter Legislative Recap from the 34th Annual ESOP Conference

Company and professional members of the Minnesota / Dakotas Chapter attended a record number of legislative meetings at the 34th Annual ESOP Conference in Washington, D.C., May 12 and 13. Visits were arranged at 15 of the 16 congressional offices where employee owners met with legislators or their respective aides to gain additional support for ESOPs. The key topics discussed at the meetings included:

- Overall benefits of employee ownership through an ESOP
- Preservation of the S-corp tax benefit
- Support for H.R. 1244 and S. 101
- Negative impact of the Department of Labor proposed regulation to ESOPs
- Requesting on-site company visits

Chapter members received an overwhelmingly positive response from the various congressional offices, as well as commitments to review and consider support for pending legislation, and to examine the Department of Labor issue.

A special thank you to the legislative staff and aides at the various congressional offices for coordinating and participating in the meetings. We appreciate your continued support.



**Senator Al Franken**



**Congresswoman Kristi Noem**

*The following Chapter company members visited their representatives on Capitol Hill during the conference. AGVISE Laboratories, Border States Electric, Dakota Supply Group, Douglas Machine, Inc., HLB Tautges Redpath Ltd., Oxygen Service Company, Padilla Spear Beardsley Inc., Toll Company and Walman Optical Company. ESOP companies believe in Employee Ownership!*

### Legislation You Should Know

#### S 1232: A Preemptive Strike Against DOL Fiduciary Rule

The ESOP community has been working for the past year to persuade the DOL of the harm to ESOPs that would result if "fiduciary" is redefined to include ESOP appraisers. Now Senator Kelly Ayotte (R-NH) has taken the battle straight to the floor of Congress with Senate Bill 1232.

The DOL believes that ERISA is unclear about whether appraisers are fiduciaries. The DOL claims this gives it the authority to issue regulations defining "fiduciary" to include appraisers who determine the value of closely held ESOP stock. Senator Ayotte's bill would amend ERISA to clarify once and for all that a person is not acting as a fiduciary when providing an appraisal or fairness opinion with respect to securities included in an ESOP.

S. 1232 currently has five co-sponsors, including Senate Minority Leader Mitch McConnell (R-KY) and Senators Scott Brown (R-MA), Susan Collins (R-ME), Mary Landrieu (D-LA), and Olympia Snowe (R-ME). ESOP Association members are asked to contact their Senators and urge them to join the six sponsors in supporting S. 1232.

The Government Relations Committee helps chapter members coordinate and facilitate efforts to educate and promote the benefits of employee ownership through ESOPs. If you would like to get involved, please contact Richard Joseph at [rjoseph@alerusmail.com](mailto:rjoseph@alerusmail.com), or Sue Crockett at [scrockett@mndak-esop.org](mailto:scrockett@mndak-esop.org). The Chapter website ([www.mndak-esop.org](http://www.mndak-esop.org)) includes more government relations information including tools and links.