

Partner Gregory Brown Quoted in Financier Worldwide on ESOPs in Private Equity Deals

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Gregory Brown, a partner in the firm's Employee Benefits and Executive Compensation Practice, was quoted in an article in *Financier Worldwide* on the basics of Employee Stock Ownership Plans (ESOPs) and how to incorporate them into the structure of private equity deals. In the article, Mr. Brown explains that the trustee of an ESOP company must ensure the fairness of the transaction in the short term and maximize shareholder value in the long term. He adds that in a buyout, an independent trustee is advisable to reduce regulatory scrutiny.

"Incorporating an ESOP into a private equity deal requires careful understanding of cash flow needs of all parties, corporate governance and the ultimate exit strategy," Mr. Brown explains. "This will involve delicate balancing of PE investor expectations and ESOP participant retirement needs and meeting regulatory scrutiny. While this can all be quite challenging, it has been done and will continue to be done." ("Understanding ESOPs," March 2011)

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