

ISSUE HIGHLIGHTS

- Control in an ESOP doesn't just mean owning over 50% of the stock. This article on [page 3](#) looks at the nuances of when an ESOP can pay a control price.
- Cargas Systems and Oliver Winery were this year's Innovation Award winners. We look at some of the practices that got them that honor. See [pages 4–5](#).
- The Main Street Employee Ownership Act was passed by Congress as an amendment to the National Defense Authorization Act. As we go to press, that bill is on the President's desk to sign. See [page 6](#).
- In our continuing series on what the DOL looks at in ESOP investigations, on [page 7](#) we report differences in the number of cases and value of recoveries between S and C corporations, leveraged and non-leveraged ESOPs, ESOPs and KSOPs, and newer and older plans.
- Publix Supermarkets again tops the Employee Ownership 100, the NCEO's annual listing of the largest majority employee-owned companies. See the list on [pages 8–9](#).
- The returns on the NCEO index of employee ownership index was 30% in its first year, almost double the returns to the S&P 500 during the same period. The index consists of companies with broad-based ownership and high involvement cultures. See [page 10](#).
- ESOPs are often about the desire to preserve company legacy. Joe Motz of The Motz Group writes eloquently about how he made the ESOP decision for that reason. See [page 11](#).

The 2018 Employee Ownership 100 List

The NCEO's 2018 Employee Ownership 100 list includes the nation's largest companies that are at least 50% owned by an employee stock ownership plan (ESOP) or other broad-based employee ownership plan. Many are 100% employee-owned.

The great majority (95%) of the companies on this list have ESOPs, and several of them have more than one plan. Other vehicles for employee ownership on this list include profit sharing plans invested in company stock, stock purchase plans, 401(k) plans, and a worker cooperative.

Four companies have been added to this year's list, and the companies featured collectively employ more than 606,000 people worldwide. This year the smallest companies on the list have 1,250 employees. Several companies from last year's list have been removed as a result of smaller employee counts or changing ownership structure, and three employee-owned companies from the 2017 list were sold over the past year.

Among ESOP companies on the list, an average of approximately two-thirds of employees participated in the plans. At approximately 70% of ESOP companies on the list, at least 50% of employees were participants. Certain categories of employees may be excluded from ESOP participation, so these low participation rates most likely reflect companies with (1) a large percentage of international employees, (2) employees covered by a collective bargaining unit in which they negotiated for benefits other than ESOP participation, (3) employees in separate lines of business, or (4) comparable non-ESOP retirement plans that they offer to other employee groups. We include ESOP companies on the list regardless of the percentage of employees participating in the plan because ESOPs are legally required to be broad-based and nondiscriminatory.

If your company should be on the list, please let us know. There are no readily available data sources for such figures, so we compile information from the companies themselves, news stories, company websites, and if none of these are available, online data resources. We encourage companies on the list to contact their local and trade media to tell their stories. We have sample press material available (please contact Dallan Guzinski at DGuzinski@nceo.org).



—See the list on [pages 8–9](#)



The 2018 Fall ESOP Forum will be held at Hotel Albuquerque Old Town. Early registration and sleeping room rates expire on September 4th, so register and make your reservations now!
nceo.org/esop-forum

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