

ESOP OBJECTIVES AND BENEFITS

Primary Objectives

The following illustrate the most common potential uses of employee stock ownership plans. Please rank in order of priority those applications which interest you.

Rank Objective

- Increase cash flow by creating tax deductions with stock and/or cash contributions.
- Transfer business to family members and/or key employees on a tax-favored basis.
- Create a tax favored market for shares of stock held by current shareholders.
- Estate planning liquidity for one or more shareholders.
- Increase employee motivation and productivity.
- Create an alternative to the sale of the company to outsiders or through a public offering.
- Divest or acquire a subsidiary or division and/or finance the acquisition of a company.
- Convert existing pension/profit sharing plan(s) from pure expense items to tax-saving or corporate finance vehicles.
- Charitable giving.
- Become an S corporation and pay no federal income taxes.
- Convert illiquid wealth in your business to a diversified portfolio of stocks, bonds and cash.
- Monetize your wealth without having to go public and without having to deal with the costs and restrictions of the Sarbanes-Oxley Act.

This Transaction

Please describe the potential transaction in which you feel an ESOP may be useful (e.g., "Majority shareholder is in his late 60s and we need to prepare for succession" or "Use ESOP to refinance \$5 million of existing debt," or "Buy out uncooperative minority shareholder," or "Increase company cash flow by reducing taxes and/or cash-based retirement plan costs," etc.). Please be as specific as possible.

ESOP OBJECTIVES AND BENEFITS

Please carefully review the following potential objectives and benefits available from the adoption of an ESOP by your company. Check those items which you find of special interest. We have also provided a space for you to rank those items of special interest to you in order of their relative importance (10 = highest; 1 = lowest). When you are finished, you may fax or mail this to the Benefit Capital Companies, Attention: Robert W. Smiley, Jr. Our contact information is available at www.BenefitCapital.com.

Item of Interest¹	Order of Importance
_____ 1. Finance future growth with pretax dollars.	_____
_____ 2. Generate corporate income tax free.	_____
_____ 3. Finance debt, repaying both principal and interest with pretax dollars.	_____
_____ 4. Increase cash flow without increasing sales or revenue.	_____
_____ 5. Motivate employees to see the company through the eyes of an owner by letting them share in a "piece of the action" and possibly receive tax-deductible dividends.	_____
_____ 6. Create a friendly base of stockholders (employees) as opposed to disinterested speculators in the public marketplace.	_____
_____ 7. Create a tool to help attract and retain high-quality management and supervisory personnel while cutting down on employee turnover.	_____
_____ 8. Encourage employee ownership of closely held company stock without relinquishing voting control.	_____
_____ 9. Improve employee relations.	_____
_____ 10. Ensure the future growth of the company through increased employee productivity and increased company profitability.	_____
_____ 11. Convert present employee benefit plans from pure expense items to vehicles that increase working capital and net worth.	_____
_____ 12. Remain private, while providing an in-house, liquid market for stock.	_____
_____ 13. Enable private shareholder(s) to sell all or part of their holdings at fair market value without the expense and uncertainty of a public securities offering, and defer paying federal capital gains taxes, perhaps indefinitely.	_____
_____ 14. Create a financial tool for estate planning.	_____
_____ 15. Divest a subsidiary without the publicity, expense and uncertainty of finding an outside buyer.	_____
_____ 16. Acquire a company with pretax dollars, and amortize acquisition financing with pretax dollars.	_____
_____ 17. Provide for the potential recapture of the prior two years' federal income taxes.	_____
_____ 18. Use in conjunction with retiring stock, or "going private."	_____

¹ H = High, M = Medium, L = Low N/A = Not Applicable