EMPLOYEE-OWNED S CORPORATIONS OF AMERICA

Dear Friend,

We appreciate your consideration of membership in ESCA.

For ESCA members, being an S corporation ESOP is central to their ownership and operating structure. Our members know that if their company doesn't take an active role in preserving the Sub S ESOP, others likely will not. ESCA is the one organization that focuses exclusively on protecting ***and promoting*** S ESOPs in Washington, DC. As an organization that is both company-sponsored and company-directed, ESCA is a reflection of the companies it represents. ESCA is a strong, necessary voice in Washington, DC, protecting the dream of private employee ownership. We encourage you to join with us to protect this critical benefit. Your participation is crucial to our long-term success.

Since 1998, ESCA's membership has grown to more than 175 companies and 220,000 employee-owners in virtually every state in the nation. Our S ESOP companies engage in a broad spectrum of business activities and come in all sizes – from 25-person businesses to 20,000+ employee-owners – but all have one thing in common: our commitment to ensuring that no harm comes to S ESOPs as a result of intentional or unintended federal policy actions and supporting legislative initiatives to spur the creation of more employee-owned companies.

The threat to this structure continues to be acute in a political and policy environment marked by political change, high budget deficits and growing federal debt, ambitious spending programs and the never-ending search for ways to raise new tax revenue by changing existing tax laws. To help ensure that the retirement benefits from the S ESOP structure are preserved, ESCA's singular purpose is to make sure that those who make political and policy decisions that could affect us know about S ESOPs and are committed to their future. It is a substantial task, but ESCA has achieved remarkable results in both preventing harm and building allies who support ***bipartisan legislation to encourage the creation of more S ESOPs, the Promotion and Expansion of Private Employee Ownership Act (S. 1300/H.R. 4141).***

We also realize that employee-owned S corporations are not immune from tough economic times and today's challenges and those that lie ahead may be the greatest ever faced. We have been privileged to see how ESCA companies and their employee-owners have faced these times with courage and camaraderie. Both anecdotally and through survey data, we found that businesses with an ESOP in place provided greater financial security for employees heading into and during the pandemic, and job retention at the firm level compared to comparable conventional firms. That is what makes ESCA work so hard to ensure the S ESOP structure stays in place and provides S ESOP companies and employee-owners with the support and tools that they need to succeed.

ESCA's annual Federal Policy Conference and Lobby Day will be held in Washington, DC from September 14-16, 2022. Registration will be available on our website, www.esca.us, this spring. The annual conference draws over 150 senior executives of S corporation ESOPs and leading practitioners from around the country, in addition to employee-owners attending to participate in the lobby day. This unique event gives company executives and employee-owners the opportunity to educate their members of Congress about the importance of employee ownership. Other events include hearing from members of the House and Senate who play key roles in the

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federal tax policymaking process, an ESCA-focused political update, and networking with other top S ESOP executives.

Please call Diandra at (202) 629-5821 or Bob at (585) 295-2466 if we can answer any questions you have, or if you would like to speak to another ESCA company member for their perspective on the benefits of being part of this important group. We look forward to working with you.

Best Regards,

Bob Petrone
Chairman, ESCA Membership Committee
Chief Financial Officer, Lewis Tree Service
West Henrietta, NY

Diandra Brennan
Director of Membership
ESCA

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MEMBERSHIP REQUEST FORM		
Company Name:		Date:
Website address:		
PRIMARY CONTACT		
Name:		
Title:		
Address:		
City:	State:	ZIP Code:
Phone:	Fax:	
Mobile:	E-mail:	
SECONDARY CONTACT		
Name:		
Title:		
Address:		
City:	State:	ZIP Code:
Phone:	Fax:	
Mobile:	E-mail:	
COMPANY DESCRIPTION (what the company does, company history, business type, etc.)		
Year Company Established:	Year ESOP Established:	My company is:
		An S Corporation ☐ A Service Provider ☐
Total Employees:	Total Participants:	Total Active Participants:

ESTIMATED NUMBER OF PARTICIPANTS BY STATE							
AK	DC	IL	ME	ND	OH	TN	WV
AL	DE	IN	MI	NE	OK	TX	WY
AR	FL	KS	MN	NH	OR	UT	
AZ	GA	KY	MO	NJ	PA	VA	
CA	HI	LA	MS	NM	RI	VT	
CO	IA	MA	MT	NV	SC	WA	
CT	ID	MD	NC	NY	SD	WI	

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IF YOU ARE AN S CORP ESOP	
What percentages of shares are owned by the ESOP? _____	Number of employee-owners owning 10% interest in the ESOP either directly or indirectly through deferred compensation amounts, options or other forms of synthetic equity: _____ Please explain the type or types of synthetic equity owned by such 10% shareholders.

LEVEL OF MEMBERSHIP REQUESTED

_____ Board of Directors
_____ Leadership and Development Council
_____ General

HOW DID YOU LEARN ABOUT ESCA?

Please e-mail completed form to Diandra Brennan at diandra@esca.us

Employee-owned S Corporations of America
1341 G Street NW, 6th Floor
Washington, DC 20005
Phone: 202-629-5821
www.esca.us

Once your membership form is received and it is determined you meet the membership criteria, you will be invoiced for your membership according to the current dues structure.

2022 ESCA Membership Rates

2022 General Membership

Member companies receive regular updates on key Washington developments affecting Sub S ESOPs; invitations to private briefings, lobbying events, annual meetings, regional conferences and other activities; and access to ESCA's legislative and public relations resources.

Eligible companies approved by the ESCA Board of Directors Membership Committee pay dues which reflect the number of employee-owners. For 2022, membership dues are based on number of eligible participants for all categories listed below:

Under 250 employee-owners: $3,000
Between 250-1,000 employee-owners: $5,000
More than 1,000 employee-owners: $10,000

2022 Leadership Council

The Leadership Council is designed for companies who want to make a greater investment in ESCA's agenda and future. Leadership Council members may participate in select Board of Directors discussions and may serve on committees established by the Board. The Council meets semi-annually at the Leadership Summit and the Federal Policy Conference and Lobby Day. Companies pay the following dues for Leadership Council membership for 2022:

Under 250 employee-owners: $7,000
Between 250-1,000 employee-owners: $15,500
More than 1,000 employee-owners: $21,000

2022 Board Membership

The Board of Directors is the central governing body of ESCA. It is comprised of an executive committee and general members, and meets quarterly. The Board of Directors has oversight for strategic, financial, priority-related, membership and other key areas for ESCA. There are five committees within the Board of Directors: Policy, Governance, Programs, Membership, and Political.

Eligible companies approved by ESCA's Board of Directors pay the following dues for 2022:

Under 250 employee-owners: $33,500
Between 250-1,000 employee-owners: $46,500
More than 1,000 employee-owners: $62,000