

Commonwealth Fire Protection Company: Maintaining company culture and fulfilling the legacy of prior owners

Company Overview

Located in Leola, PA, Commonwealth Fire Protection Company (CFPC) has provided fire protection services to commercial, industrial, institutional and residential customers for more than four decades. CFPC holds licenses in four states and more than 50 jurisdictions, and the Company has a wide customer base locally and regionally. President Daniel Laird credits the Company's 93 employees, many who have been with the CFPC for many years, for the Company's success, particularly when it comes to developing long-term customer relationships.



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Situation

Laird's situation was unique as he was previously one of three owners of CFPC. The two other owners passed away unexpectedly, leaving him the sole owner. He sought a way to transition ownership while fulfilling the legacy of his former partners, and an ESOP allowed him to do that as well as rewarding the employees and preserving the company's culture.

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Solution

SES ESOP Strategies' completed a feasibility study and assisted CFPC, an S Corporation, in negotiating an ESOP transaction with the ESOP Trustee. As part of this process, SES helped structure the transaction and gather and organize financial due diligence information. Attorneys from SES ESOP Strategies' affiliated law firm, Stevens & Lee, negotiated the transaction and financing documents. At the close of the transaction on Dec. 31, 2019, CFPC became 100 percent ESOP-owned and retained its status as an S Corporation, enjoying the benefits of operating as a tax-exempt business enterprise due to the tax-exempt status of the ESOP as the sole shareholder of the company.



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“Our employees are the backbone of our success and we are so happy to be able to give them ownership in what they’ve helped build,” said Daniel Laird, President of CFPC. “This solution aligns well with our values as a company and we’re pleased with the work SES ESOP Strategies did to assist us in this transition.”