



# EMPLOYEE STOCK OWNERSHIP PLANS (ESOPs)

McDermott lawyers have represented many of the leading lending institutions in the United States in both large and small ESOP loans. We have assisted these institutions with the development of innovative techniques for utilizing ESOP benefits more fully, and our Firm serves as regular counsel on a continuing basis to most of the leading independent fiduciaries for ESOPs.

## MCDERMOTT'S ESOP GROUP

Founded in 1934 by tax lawyer E.H. McDermott, our Firm originally focused on federal taxation matters. Today, we have over 1,100 lawyers in 20 offices worldwide who provide clients with comprehensive legal services in the areas of transactions, litigation and tax. McDermott Will & Emery's tax practice is among the largest of any law firm in the United States, and our Employee Benefits practice group is among the oldest and largest, dedicated entirely to this area of law.

ESOPs can be complicated, especially when used in financial transactions. But McDermott's team includes lawyers with the experience — developed through work on hundreds of ESOP transactions — and ability to deal with complexities and to utilize the intricate ESOP rules for our clients' benefit. Our ESOP lawyers are part of a broader practice group with diversified experience in corporate finance, securities regulation, lending, litigation, labor law, estate planning and related areas. We draw on these capabilities to address all aspects of ESOP transactions.

Our experience with ESOPs is not limited to a particular niche or aspect "related to" the subject. ESOPs are an immensely versatile technique and our lawyers have played important roles in the development of ESOP law for a wide variety of clients in a full range of situations.

## COMMITMENT TO OUR CLIENTS

Our expectation is that exceptional service, when combined with our industry knowledge, will serve as a basis of a successful and mutually beneficial long-term relationship.

**McDermott  
Will & Emery**

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## RECOGNIZED ESOP AUTHORITIES

- Drafted most of the ESOP provisions in the original ERISA legislation
- Lobbied for far reaching changes in the Tax Reform Act of 1984
- Obtained precedent setting IRS and DOL rulings and exemptions
- Involved in landmark litigation matters
- Authored and edited leading books, articles and practitioners' guides on ESOPs

**"...not only did they understand the ERISA issues, they were able to handle the nuances of how they interacted with the overall transaction."**

**- Chambers USA, 2019**



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## REPRESENTATIVE EXPERIENCE

- Represented company as outside ERISA counsel in a \$225 million leveraged ESOP
- Represented company as outside ERISA counsel in a \$1 billion leveraged ESOP
- Represented company in establishment of ESOP and implementation of related \$730 million tender offer
- Represented company as outside ERISA counsel in separate ESOP transactions of \$50 million and \$25 million
- Represented bank holding company in restructuring \$64 million ESOP financing
- Represented company in \$300 million convertible preferred stock transaction
- Represented company as outside ERISA counsel in a \$500 million ESOP transaction
- Represented company in \$150 million rights offering
- Represented company in \$300 million purchase of convertible preferred stock
- Represented company in establishment of ESOP and implementation of related \$180 million tender offer, consolidating ownership that was previously held by 35 family members
- Represented 100% ESOP owned \$1 billion company in auction process resulting in sale to strategic buyer
- Represented privately held company valued at \$200 million and owned by thirty separate shareholders in tender offer leveraged sale to ESOP

## HOW WE CAN HELP

At the core of McDermott Will & Emery's ESOP Group is a team of lawyers who decided early in their careers to dedicate themselves to ESOP law. These practitioners are joined by experienced cross-functional attorneys in McDermott offices across the country.

The breadth and depth of McDermott Will & Emery's ESOP practice allows us to deliver comprehensive legal services in a cost effective manner. Through our work on hundreds of ESOPs, we have developed the necessary document forms and a wealth of research on the more esoteric issues affecting ESOPs. By drawing on these resources, we are able to complete a transaction, or achieve the appropriate outcome, with a minimum of newly created documentation or basic research. This helps keep costs to a minimum.

In addition to lending institutions, McDermott has represented many other institutional and individual trustees in ESOP transactions, and our lawyers have been engaged by several union and employee groups in transactions initiated by those groups. We have a great deal of experience in employee and management buyouts from large public corporations, and have additionally served as counsel for many private companies and business owners in establishing a wide range of ESOPs for a variety of purposes.

## KEY CONTACTS



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