

AT RISK SHARE ANALYSIS
FOR
COMPANY XYZ INC



Overview of Findings

At Risk Shares Calculation	
Total Shares	152,962
At Risk Shares	145,556
Percentage At Risk	95%

Concentration Risk	
Shares owned by Actives under 45	7,406
Shares owned by Actives Over 45	127,121
Total Active Ownership	134,527
Concentration Risk	94%

Medium Size company with approximately 30 employees and 46 participants in the ESOP.

27 employees are over 45 years of age. There is a very high concentration of shares within this group and the inactive group, which indicates a high likelihood of share turnover in the next 10 years.

The percentage at-risk is high, which means the organization should plan ahead for its repurchase liabilities and overall long term sustainability .

At-Risk Shares means shares owned by individuals who are over 45 years of age and may diversify within the next 10 years (or retire) as well as inactive participants.

Total Shares means total number of shares in the ESOP.

Percentage at Risk equals At-Risk Shares divided by Total Shares.

Concentration Risk means percentage of shares owned by actives over 45 compared to actives under 45. This provides an additional metric for overall likelihood of share turnover and repurchase obligation in the near term.

Optimizing Foundations and Menke do not provide legal advice, and nothing in this report or in any of our other written or verbal communications should be construed as such. Actual results will differ from projections.

Age / Service Chart and At Risk Analysis

Company XYZ INC Age Service Chart of Actives

Age		Service						Total
		0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 +	
< 20	Number							
	Average Stock Ownership							
20 - 24	Number							
	Average Stock Ownership							
25 - 29	Number							
	Average Stock Ownership							
30 - 34	Number							
	Average Stock Ownership							
35 - 39	Number							
	Average Stock Ownership							
40 - 44	Number			2	1			3
	Average Stock Ownership			1,846	3,713			2,469
45 - 49	Number	2	1	1	1		1	6
	Average Stock Ownership	188	341	3,664	4,186		4,538	2,184
50 - 54	Number	2		1	2	1	1	7
	Average Stock Ownership	157		2,543	4,587	3,761	5,230	3,003
55 - 59	Number	2		2		1	1	6
	Average Stock Ownership	129		1,717		8,392	11,683	3,961
60 - 64	Number					1		1
	Average Stock Ownership					3,267		3,267
65 +	Number			2	1	1	3	7
	Average Stock Ownership			3,109	3,300	6,153	16,763	9,423
Total	Number	6	1	8	5	4	6	30
	Average Stock Ownership	158	341	2,444	4,075	5,393	11,957	4,484

Average Age = 56.7

Average Service = 15.4

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