

VEOC Board of Directors

(as of April 2018)

Deanna Carroll, VSECU

Tabatha Croscut, Devine Millimet

Jon Crystal, VEOC (retired)

John Durgin, King Arthur Flour Co.*

Elias Gardner, The New School of Montpelier*

Michael Gurdon, University of Vermont

Chris Moran, PC Construction*

Mary Steiger, PT360*

Cindy Turcot, Gardener's Supply Co.*

Heather Wright, Wright Jones PLC

* an employee-owned company

VEOC Staff

Don Jamison, Executive Director

Matt Cropp, Associate Director



Employee owners at PC Construction Co.

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About the VEOC

The Vermont Employee Ownership Center (VEOC) is a statewide, non-profit organization founded in 2001 to promote and foster employee ownership. We assist owners interested in selling their business to their employees, employee groups interested in purchasing a business, and entrepreneurs who wish to start up a company with broadly shared ownership. We also work with established companies to help address unique employee-ownership issues that may arise.

Education & Outreach

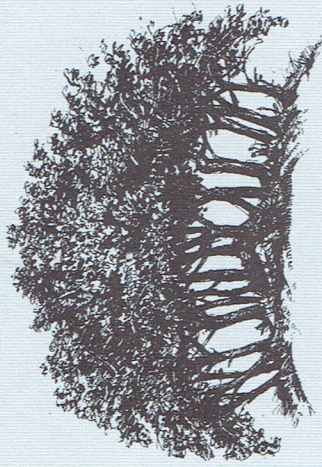
- We conduct **introductory and intermediate-level workshops** around the state.
- We hold an **annual conference** that brings together experienced employee owners with those considering employee ownership for their companies.

Technical Assistance

- We provide **information on all aspects of employee ownership** including financial and tax implications, possible legal and organizational structures, and sources of financing.
- We offer **free initial interviews** with owners and employees to assess prospects for employee ownership in specific companies.
- We provide **referrals** to technical, legal and financial resources.
- We **facilitate transactions**, particularly in cases where groups of employees make an offer for a business.
- We **help companies establish** ownership education programs.

Financing

- We **provide financing** to employee-owned businesses, or to those becoming employee-owned through our dedicated loan fund.



VERMONT
EMPLOYEE
OWNERSHIP
CENTER

*Growing employee
ownership in Vermont*

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A Sampling of Vermont's Employee-Owned Companies

- Bazin Brothers Trucking, Westminster
- Birdseye Building Company, Richmond
- Carris Reels Inc.*, Rutland
- Catamount Solar*, Montpelier
- CCS Constructors, Morrisville
- Chelsea Green Publishing, White River Junction
- Chroma Technology*, Rockingham
- Concepts NREC, White River Junction
- Data Systems*, Burlington
- Deconstruction Works*, Dummerston
- Diggers Mirth Collective Farm*, Burlington
- DuBois & King, Randolph
- Gardener's Supply Company*, Burlington
- Green Mountain Spinnery*, Putney (pictured above)



- Hallam-ICS*, South Burlington
- Heartworks and Renaissance Schools, Shelburne
- Heritage Aviation*, South Burlington
- King Arthur Flour Company*, Norwich
- Neil H. Daniels Inc., Ascutney
- New Frameworks Natural Building, Burlington
- Pension Works, Colchester
- PC Construction Company*, South Burlington
- Phoenix Feeds, New Haven
- PT360*, Williston
- Red House Building*, Burlington
- Resource Systems Group*, White River Junction
- Stone Environmental*, Montpelier
- Switchback Brewing Company*, Burlington
- Tamarack Media*, Burlington
- TimberHomes*, Vershire
- Trust Company of Vermont, Brattleboro
- Tuttle Law Print, Rutland
- Vermont Computing Cooperative*, Randolph
- VHV Company*, Winooski
- Vermont Information Processing, Colchester
- Vermont Systems*, Essex Junction
- Walker Construction, Stowe
- Woodbelly Pizza*, Cabot

*100% employee-owned

What is Employee Ownership?

A company is considered "employee-owned" when a broad cross-section of employees have an significant ownership stake in the business, either directly or indirectly. Employee ownership provides many benefits. It can:

- **Preserve jobs and local ownership.** Rather than closing up shop or selling to an outsider who may relocate, business owners can sell to their employees. This keeps businesses and jobs in Vermont.
- **Provide an exit strategy for owners** who are preparing to retire or sell the business.
- **Provide continuity and preserve the culture** of the business after the owners leave.
- **Improve business performance.** Studies indicate that employee-owned firms perform better, especially when combined with employee participation in decisions affecting their work.
- **Provide tax benefits to the business and exiting owner.** Certain structures qualify for tax benefits, which can be substantial.
- **Attract and retain good employees** by using employee ownership as a benefit.
- **Provide models** for those interested in starting up a business with shared ownership.

The two most common forms of employee ownership are Employee Stock Ownership Plans (ESOPs) and worker cooperatives. Each has its unique benefits.

Employee Stock Ownership Plans

- **An ESOP is an ERISA-qualified employee benefit plan** that invests in stock of the sponsoring company.
- **Employees have indirect ownership** of company stock through a trust.
- **The company contributes to the plan** — not the employees. Contributions are tax deductible.
- **ESOPs can provide significant tax advantages** for selling shareholders, employees, and the company.
- **Employee voting rights can be limited** to major company decisions, though they don't have to be.
- **When employees leave**, they are paid out their account balances, based on the value of the company stock, which is determined annually.

Worker Cooperatives

- **Workers are eligible to become "members"** after being employed for a period of time set in the bylaws.
- **Co-op members are equal owners**, elect the board and vote on major company decisions on a one-person/one-vote basis.
- **Operational decision-making** can be highly participatory or more conventionally hierarchical.
- **Members typically receive a share** of any annual net income, usually distributed on the basis of hours worked.
- **When employees leave**, the co-op buys back their membership share and pays out their account balances.

What Vermont's United States Senators are saying:

"The Vermont Employee Ownership Center has expanded the opportunities for hard-working Vermonters who are looking for good, high-paying employment and the incentives and benefits of a piece of ownership." — U.S. Senator Patrick Leahy

"At a time when...workers are experiencing increased anxiety about whether their jobs and benefits are going to be there tomorrow, it is important that we continue moving forward to expand the concept of worker-owned businesses. And that's what the VEOC is all about."

— U.S. Senator Bernie Sanders

What Leaders of Vermont Employee-Owned Companies are saying:

"Employee ownership is an incredibly powerful tool to engage employees in the future of a company, to help drive company success." — Jim Feinson, CEO, Gardener's Supply Company

"I believe our worker cooperative structure allows us greater commitment to our patients, our community and one another. It allows us to set our standards high and transform the way physical therapy is delivered." — Mary Steiger, President, PT360

"Being an employee-owned company has been an integral part of how we do business — driving engagement, pride, passion and dedication to our culture and business. Every day, employee owners are working better together!"

— Suzanne McDowell, Co-CEO, King Arthur Flour Company