# Agenda

**MONDAY, NOVEMBER 26: LAYING THE GROUNDWORK**

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<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker</th>
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<td>7:45</td>
<td>Shuttle pick-up at Sheraton Hotel for transport to Rady School</td>
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| 8:00-9:00 | Breakfast and Networking  
*Location: UCSD Rady School of Management, Otterson Hall, 4th Floor* |             |
| 9:00-9:45 | **Part 1. Welcome and Introductions**  
- The fiduciary roundtable  
- Collecting the grails (What did you come for?) | Staubus     |
| 9:45-10:45 | **Part 2. Standards of Fiduciary Responsibility**  
- Defining “fiduciary”  
- Who may be an ESOP fiduciary  
- Settlor vs. fiduciary functions  
- General standards of fiduciary responsibility  
- The nature of fiduciary liability | Staubus     |
| 10:45-11:00 | Break |             |
| 11:00-12:00 | **Part 3. Relevant Legal Cases and Findings**  
- Study of cases that define fiduciary responsibilities  
- Recent cases of note | Pelphrey    |
| 12:00-1:00 | Lunch and Networking |             |
| 1:00-2:45 | **Part 4. Who Runs an ESOP Company? Trustee’s Role**  
- Classic corporate Governance and role of the ESOP trustee  
- ESOP company corporate governance  
- Corporate governance in action  
  - Executive compensation fiduciary concerns  
  - Dealing with offers to buy the company  
  - Acquisitions of other companies | Staubus/Brozen/Pelphrey |
| 2:45-3:00 | Break |             |
3:00-3:45  **Part 5. Protecting Fiduciaries against Personal Liability**  
Pelphrey/Rains

Measures that are available to limit the liability exposure of those serving as fiduciaries:
- Indemnification by the sponsor
- Fiduciary liability insurance coverage

3:45-4:15  **Part 6. Common Employee Ownership Governance Practices**  
Staubus

A review of the results of the National Center for Employee Ownership governance survey of employee ownership companies:
- Who serves as fiduciary?
- Who selects the fiduciaries?
- Make-up of the board of directors
- Employees’ role in corporate governance
- Fiduciary as individual shareholder
- Executive compensation survey review

4:15-5:00  **Gathering Issues: Questions for Future Exploration**  
All Faculty

5:00-6:00  **Reception hosted by Modern Times Beer**

6:00  **Shuttle pick-up for transport to Sheraton La Jolla Hotel**

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**TUESDAY, NOVEMBER 27: SKILLS TRAINING**

7:15  **Shuttle pick-up at Sheraton Hotel for transport to Rady School**

7:30-8:00  **Breakfast and Networking**  
*Location: UCSD Rady School of Management*

8:00-8:30  **Review of Day 1 – Reset the Sails**  
Staubus

8:30-10:30  **Part 7. The ESOP as the “Shareholder of Record”**  
Kramer/Brozen/Staubus

- **ESOP as shareholder of record** (5 minutes)
  - Intro - concept and issues
  - IRC section 401(a)(28)

- **Annual Valuation** (60 min)
  - Selection of the appraiser
  - The appraisal process
  - Review of the appraisal; setting the value

- **ESOP Purchases of Stock** (20 min)
  - Difference in Valuation Process
  - Evaluating the ESOP’s decision to purchase stock
  - Fairness issues
  - Negotiating the terms of the sale
  - Responsibilities for approving transaction

- **ESOP Sale of Stock** (10 minutes)
  - Fairness issues
  - Responsibility for approving transaction

- **Voting the shares owned by the ESOP** (25 min)
  - Actions requiring shareholder votes
  - The nature of “pass-through” voting
  - Voting unallocated and undirected shares
Overriding duty to vote consistently with ERISA fiduciary standards

10:30-10:45  Break

10:45-11:45 Part 8. Managing the Trust and Reporting to Participants  Brozen

- Reconciliation of the trust
- Record-keeping and administration
- Investment decisions
- Distribution calculations and implementation
- Operational issues (voting, responding to offers, collaborating with the board, etc.)
- Communicating with participants

11:45-1:30 Lunch  Possible speaker from U.S. Department of Labor?

1:30-2:30 Part 9. Practical Matters: Meetings, Recordkeeping  Staubus

- Scheduling and conducting meetings
- Creating appropriate records
- Annual obligations of the fiduciary – creating a fiduciary action calendar
- Developing operational procedures
- Collaborating with the board of directors and management
- Proper use of advisors
- Resolving conflicts

2:30-4:00 Part 10. Group Practice Resolutions  All Faculty

Specific recurring operational matters:
- Selection/election of directors
- Participant pass-through
- Voting ESOP shares on other matters
- Board of directors oversight
- Responding to offers
- Interacting with participants, management, board, auditors, regulators, others

4:00-5:00 Part 11. Preparation for Mastery Exam/Review of Study Guides  Staubus

5:15 Shuttle pick-up for transport to Sheraton La Jolla Hotel

WEDNESDAY, NOVEMBER 28: CERTIFICATION OF MASTERY

7:45 Shuttle pick-up at Sheraton La Jolla Hotel

8:00-8:30 Breakfast and networking

8:30-10:00 Part 12. Review, Discussion  All

10:00-11:15 Mastery Exam

11:15 - 12:00 Break and documentary film: We the Owners

12:00-1:15 Lunch and Award of Certificates of Mastery

1:15 Adjourn