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## **ESOP Book—Updates & Website Tools—Book Owner Website Privileges**

### **2009 ESOP Book Updates Now on the Website**

This is an important announcement about the leading reference work on ESOPs: *Employee Stock Ownership Plans: ESOP Planning, Financing, Implementation, Law, and Taxation*.

The editors and authors work diligently to keep the book current and post timely updates on the website. The 2009 updates to several chapters and appendices are now available. The Members Area at the ESOP Book's website is where we keep the updates. If you are a book owner, you may access them easily. Go to the book's website: [www.esopbook.org](http://www.esopbook.org), click on the tab "Members Area & Updates" and log in. The authors (and editors) have put a great deal of effort into bringing you these important current 2009 updates and revisions during 2009, as they have each year since the printed book was first published.

This announcement summarizes the updates posted to the book's website during 2009. It also summarizes the updates posted since the original publication of the two bound volumes in 2007, and at the end includes information about efficiently using the book's website. The 2009 updates are listed in the "2009 Updates" section. The second section, "2008 & 2007 Updates" summarizes the updates that were made since the original publication of the printed book. The third section, "Information on Using the Members Area," provides useful information about using the Members Area.

Our book has extensive website tools and accurate updates available to you as a book owner. This announcement gives you important information about these valuable website tools and privileges, as well as information about the prior updates to chapters and appendices added to the website since the book's publication.

The Members Area at the ESOP Book's website is where we keep information regarding updates and other items of interest that are available exclusively to book owners. These state-of-the-art chapters, appendices, and critical announcements have been added to the website periodically since the book was first published at the beginning of 2007. We plan to do this until the next edition or the next supplement is published. Our announcements (such as this one) can come out later than the actual posting of the material on the website, so to be ahead of the game keep checking in periodically on your own.

### **2009 Updates**

This section summarizes the new items added during 2009 (to date) that are currently available to book owners on the website (after logging in). The year preceding the word "Update" in the title is the year the update covers [e.g., 2008 Update]. The date at the end of the title indicates the date it appeared on the website.

Please note that the updates added during 2008 and 2007 immediately follow in the section "2008 & 2007 Updates." On a general note, we have the update titles "coded" as follows: 1. The chapter title includes an "RY." This is a full replacement update, meaning it replaces the original printed chapter or appendix; 2. The chapter title includes just a "Y." This is a page-by-page update for various pages in the original printed

version, meaning it has to be read in conjunction with the original chapter; or, 3. The chapter title includes an “A”, “B” or “C.” This is a new chapter or appendix that is not in the original printed book.

**“Errata ESOP Book Cumulative to July 1, 2009.”** These corrections are up to date to July 1, 2009. Having only twelve corrections for a book of over 1,700 pages is something we are proud of achieving. If you see something that you believe is not right, please contact us.

**“Chapter 12Y ESOP Accounting 2008 Update 6-20-09.”** This update, added 6/20/09, summarizes the significant changes to the accounting aspects of ESOPs.

**“Chapter 13Y Legal Tax ERISA and Securities Issues 2008 Update 6-5-09.”** This update was added 6/5/09 and chronicles and comments on the latest annual legislative and regulatory areas of change since the last major published edition. Catch up on what’s new in these critical areas. A new section has been added to the end of Chapter Section 13Y.8 “Case Law & Regulatory Citations” right after the listing of the 28 new cases discussed at length in the update. This new section allows you to find not only the cases, but also the regulatory items of interest, easily and quickly within the chapter update.

**“Chapter 16Y ESOP Administration 2008 Update 7-11-09.”** This update was added 7/11/09 and briefly updates the original printed Chapter 16. The update contains all the new material and relevant changes to Chapter 16 in the original book.

**“Chapter 20Y ESOPs for S Corporations 2008 Update 2-14-09.”** This update, added 2/14/09, follows the changes to S corporation ESOPs, essential information for any S corporation ESOP. Covered are updates regarding the planning opportunities with ESOPs, the anti-abuse rules, and the S election rules.

**“Chapter 29C Legislative & Regulatory 2008 Update 9-22-09.”** [See also “Chapter 29A Legislative & Regulatory 2006 Update 8-31-07” and “Chapter 29B Legislative & Regulatory 2007 Update 8-1-08.”] This new Chapter 29C is designed to provide information in tandem with Chapters 29, 29A and 29B. These are all “year-specific” completely new and separate chapters (posted to the website in 2007, 2008 and now 2009) that are supplemental and updating chapters to the original Chapter 29 in the bound book. In all their update-specific few hundred-page clarity, they chronicle and comment on the latest annual legislative and regulatory developments and areas of change since the last major published edition. These three website chapters outline and discuss the relevant court cases and decisions during each of the last three years and are to be read in conjunction with Chapter 29, “Legislative, Regulatory and Case Law Developments: Eight Very Interesting Years In Review–1998-2005.” Altogether, the three chapters provide many pages of detailed, important information, and the four chapters [29, 29A, 29B and 29C] will be helpful in the use of Chapter 13, “Legal, Tax, ERISA and Securities Issues,” just updated by Chapter 13Y. A very useful table of cases for each year is at the back of Chapters 29, 29A, 29B, and 29C. A new section, 29C-5 “Case Law & Regulatory Citations,” has been added to provide quick references to where the information may be found in the text and its proper citation.

**“ESOP Bibliography Cumulative to 7/1/09.”** This update lists and summarizes new material for every person seriously interested in ESOPs and is for study, reference and enjoyment. This cumulative website bibliography updates the bibliography in the original printed book to the date of the published update on the website. Summaries have been prepared for each new item. New material has been added to many areas of the ESOP disciplines. The current update now contains a number of usable and useful links to other sources of valuable and current ESOP information.

**“Appendix 16RY Sample Administrative Material 2008 Update 7-11-09.”** This electronic appendix replaces completely the previous Appendix 16, published in the original bound book and the 2007 update that was on the website until 7/11/2009. The editors have made the update available electronically on the book’s website, since it is very useful as an electronically accessible Adobe pdf file. The update provides

virtually all the forms and reports necessary for the proper administration of an ESOP. Relevant dates and date spans are included, as well as changes to all the applicable dollar limits used for the preparation of the reporting materials. The former 2007 Appendix 16 is available in the “Historical Section” of the Members Areas since the 2007 update has been replaced by the 2008 update.

### **General Note Regarding Updates:**

Certain chapters and appendices purposely were not updated during 2007 and 2008. The editors and authors felt that these chapters did not warrant updating since they did not have significant content to update. So, if the chapters or appendices are not included in this announcement, they were not updated. Notably, many chapters and appendices with COLA references would have had to be rewritten and updated each year to incorporate the annual yearly changes in the cost-of-living adjustments. When the book was designed, all these chapters and appendices were written and edited to clearly reference the COLA table(s) on the book website; as a result, they do not have to be rewritten each year. Utilizing the COLA table on the website, those required COLA changes can be readily referenced for the relevant year—2005 through 2009 and thereafter. We know this saves a lot of paper and effort for the authors as well as the readers! So, whenever a reference is made in any chapter or appendix to the cost-of-living figure(s), please consult the website link, “IRS Pension Plan Limitations 2005-2009 (COLA Updates) 11-1-08.” This link is updated as soon as the new limitations are announced.

## **2008 & 2007 Updates**

This section summarizes the items added during 2008 and 2007 that are currently available to book owners on the website (after logging in). The Members Area at the ESOP Book’s website is where we keep information regarding updates. If you are a book owner, you may access them by going to the book’s website: [www.esopbook.org](http://www.esopbook.org), click on the tab “Members Area & Updates” and log in. The authors (and editors) have put a great deal of effort into bringing you these important current updates and revisions during 2008.

**“Chapter 9Y Valuation Controversies 2007 Update 3-1-08.”** This chapter update summarizes the significant cases and controversies during 2007 that affect ESOPs and provides a look at important regulatory guidance. The chapter updates the solid foundation laid out in Chapter 9 in the original book. Important concepts and trends are covered, and both the original chapter and the update are very helpful in determining appropriate valuation standards, practices, and methodologies. All the material in Chapter 9Y is new, and there is a very useful table of cases addendum at the end of the chapter. Chapters 10RY, 13Y, and 29C also have useful material regarding valuation controversies.

**“Chapter 10RY ESOP Trustee & Fiduciary 2008 Update 9-9-08.”** This fully revised chapter, which replaces the original Chapter 10, incorporates the material covered in the special update and supplement “Chapter 10A Eslava v. Gulf Telephone, Inc. Update 10-28-07” previously posted to the website (now relocated to the Historical Section), which covered one of the more important cases affecting trustee and fiduciary liability. This chapter is a critical one for companies and professionals alike. Given the recent changes in this particular subject area, the time spent studying this chapter will be more than worthwhile.

**“Chapter 29A Legislative & Regulatory 2006 Update 8-31-07”** and

**“Chapter 29B Legislative & Regulatory 2007 Update 8-1-08.”** These two completely new and separate chapters (which cover 2006 and 2007) are supplemental in that both are necessary to update the original Chapter 29 in the bound book. In all their update-specific, 100-plus-page clarity, they chronicle and comment on the latest annual legislative and regulatory areas of change since the last major published edition. These two chapters outline and discuss the relevant court cases and decisions during each of the last two years and

are to be utilized in conjunction with the original Chapter 29, “Legislative, Regulatory and Case Law Developments: Eight Very Interesting Years in Review–1998-2005.” Altogether, the three chapters have over 300 pages of detailed, important information, and the two new chapter additions will also be helpful in the use of Chapter 13, “Legal, Tax, ERISA and Securities Issues,” which was updated with Chapter 13Y. A very useful table of cases for each year is at the back of both 29A and 29B.

**“Chapter 31RY ESOP Anti-Abuse Testing for S Corporations 2008 Update 9-9-08.”** This fully rewritten Chapter 31RY incorporates all the final IRS Regulations for § 409(p) of the IRC. It has over 160 detailed footnotes. Areas of rule change include plan disqualification and loss of S corporation status as a result of violation of the § 409(p) rules; treatment of deemed distributions; definitions of employer and disqualified persons; transfer of shares to a non-ESOP account to avoid a § 409(p) violation; and modifications to the triennial determination date. Assistance in the final editing of the chapter was provided by the primary draftsman of the Regulations. It is accurate, timely, and state-of-the art in terms of information and is important in order to avoid a violation that would result in plan disqualification, including loss of S corporation status. This chapter will also be helpful in the use of Chapter 20, “ESOPS for S Corporations,” which was updated with Chapter 20Y.

**“Appendix 24RY ESOP S Corporation IRC § 409(p) Testing 2008 Update 9-9-08.”** This completely revised appendix replaces the original Appendix 24 in the bound book. It is current and most helpful in providing examples and critical observations about the whole area of “testing for abuse.” Avoiding the “nuclear excise tax” is a necessary step for all S corporation ESOPs. It is in PowerPoint format, and succinct. It also incorporates the updates contained in Chapter 31RY.

**“IRS Pension Plan Limitations 2005-2009 (COLA updates) 11-1-08.”** This has replaced the COLA table previously on the website. While this important tool is mentioned last in this announcement, the current table, now updated though 2009, is placed at the very top of the Members Area and does not require a user name or password—simply double-click and use. This table affects references in the following Chapters and Appendices—Chapters 7, 9, 9Y, 10, 10RY, 13, 16, 16Y, 17, 18, 19, 23, 26, 29, 29A, 29B, and 33; and Appendices A8, A11, A16, and A16RY.

## Information on Using the Members Area

We have also placed electronic copies of the detailed Table of Contents, General Index, and Statutory and Regulatory Reference Index in the Members Area of the ESOP Book's website. These three Adobe files are useful **Research Tools**. You can download them to use as often as you desire and search through them to find in the book the specific information you want. Virtually everything you would want to find out about ESOPs is there; finding it in the 1,700-plus pages in the two volumes goes so much faster with these flexible, useful tools. Please note that the editors have generally arranged to have the updated chapters and appendices searchable electronically.

Also in the Members Area are Memorandums and periodic legislative flashes and updates of importance, as well as important articles and announcements that you might not otherwise see. There are several on the website now that should be of interest, including the announcement of some important studies and research.

We know you will find these website updates useful. These excellent tools are part of your reward for owning the best and are included under the “Members Area & Updates” section of the website. By taking advantage of our timely information, you can stay ahead. If you are not a book owner, we would welcome you. When you order, you will be sent your user name and password right away.

The editors want you, as a book owner, to know about the Members Area and information updates and how to access them—for maximum utility. Want to find something? We make it easy and accurate. Want to know

where all the references to IRC § 409(p) are in the original book, and the context in which they are used? Three keystrokes and you are there. With the published edition in hand, you can find what you are looking for in the two volumes of the published book—easily and quickly. Each electronic update is also searchable.

The Members Area at the ESOP Book’s website is where we keep information regarding updates. We plan to do this until the next edition and/or the next supplement is published – so keep checking in periodically. These state-of-the-art chapters and appendices, and critical announcements have been added to the website since the book was first published at the beginning of 2007.

We are also planning to email you update announcements. To ensure that you receive our email updates, please be sure to allow messages from [esopbook@esopbook.org](mailto:esopbook@esopbook.org) through your spam filters, and from the domain name “esopbook.org”. Adding our email address and domain name to your address book and/or approved recipient list should ensure that you receive our useful updates and announcements.

### **GENERAL BOOK REFERENCE TOOLS**

The ESOP Book provides unparalleled Research Tools that are simple and easy to use. What once took hours to find by hand is yours in seconds. To access these and other highly useful tools:

Go to [www.esopbook.org](http://www.esopbook.org)

Click on the “Members Area & Updates” tab.

Scroll down to the bottom of this screen, and under "Book Owners Please Login," type your "user name" and “password” (in lower case), which you were previously provided by email shortly after you ordered the book. [If you have forgotten your User Name and Password, or need it updated, [Click Here.](#)]

Then search for your terms using the accurate Adobe search function. The help file in the Adobe window will guide you through this fun experience. If you don't have Adobe, and would like to have an Adobe Reader on your own computer, we have provided you with the ability to download the Adobe Reader from our website.

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