WELLS FARGO Advisors

Michael G. McCarthy, CFP®
Managing Director — Investments
425 N. Martingale Rd., Ste. 200 | Schaumburg, IL 60173
Direct: 847-944-7920
michael.mccarthy1@wellsfargoadvisors.com

Meredith Fiocchi
Associate Vice President — Investments
425 N. Martingale Rd., Ste. 200 | Schaumburg, IL 60173
Direct: 847-944-7921
meredith.fiocchi@wellsfargoadvisors.com

The ESOP Opportunity

Employee Stock Ownership Plans

Helping business owners, employee owners, and ESOPs plan for a healthy future

Michael McCarthy, CFP® and Meredith Fiocchi have combined experience of over 30 years working with individuals and organizations seeking advice regarding Employee Stock Ownership Plan (ESOP) transactions. From ESOP 101 presentations to high level centers of influence (COI) education, they provide support and help bring clarity and objectivity to the conversation. It is important to begin by helping an individual understand the mechanics of a transaction and appreciate why one would or would not choose to use an ESOP for a partial or complete sale of their business. This conversation should include an analysis of whether or not they should consider a capital gains tax deferral as a part of that transaction. Mike and Meredith help the business owner make an informed decision about this alternative within the scope of their business transition strategy, succession planning, and estate planning needs.

Additional educational support provided by Mike and Meredith includes employee education. Financial education for ESOP participants is a critically important and sometimes overlooked responsibility. Employees may build exponentially more wealth as an employee owner than they would have with just a 401(k).

Mike and Meredith believe ongoing education is important to help employees optimize their wealth. This team can review balances with employees, and can help them understand important financial concepts so they can manage their goals and expectations for retirement, while keeping their objectives and risk tolerances in mind as they manage their wealth. Mike and Meredith collaborate with other lines of business within Wells Fargo & Company, including Wells Fargo Commercial Bank and Wells Fargo Private Bank*, to provide comprehensive support throughout the transaction as much as possible. It is their goal to help simplify the process and provide guidance and resources whenever they can.

*Wells Fargo Private Bank offers products and services through Wells Fargo Bank, N.A., Member FDIC, and its various affiliates and subsidiaries. Wells Fargo Bank, N.A. is a bank affiliate of Wells Fargo & Company.

Beyond education, Mike and Meredith have built a practice that specializes in:

- **1042 TAX DEFERRAL** Educating a selling shareholder about the advantages and disadvantages of deferring their capital gains from a stock sale is the first step in assisting them to make this important decision. Because of their experience in this area, Mike and Meredith are able to source highly specialized investments and timely information regarding what qualifies under this statute. They can partner with a client's existing wealth relationship or can provide extensive wealth support. Structuring a portfolio that will properly defer gains and also support the shareholder on an ongoing basis is a balance that requires a deep understanding of Section 1042 and the needs of the individual client. A custom solution is created on an individualized basis to help meet those needs, including active participation in initial offerings of securities designed specifically for these purposes.
- **WEALTH MANAGEMENT** In addition to Section 1042 tax deferral, they specialize in creating custom investment solutions for the selling shareholder including all aspects of investment planning, access to highly specialized trust services, banking support, as well as insurance and legacy planning through affiliates. As a CERTIFIED FINANCIAL PLANNER™ professional, Mike helps to create customized, holistic solutions to meet the needs of business owner clients. They have the added advantage of being able to collaborate with other affiliates of Wells Fargo Advisors, such as Wells Fargo Private Bank, to deepen their offerings to ultra-high-net-worth clients.*
- **ESOP CASH MANAGEMENT** It is important to wisely and actively invest the cash balance within an ESOP trust while maintaining awareness of the repurchase obligation and liquidity needs during the short and medium term. Mike and Meredith are experienced in reviewing an individual plan and designing a conservative strategy that can be customized for short and long term repurchase obligation needs.

Michael McCarthy, CFP®

Managing Director — Investments

Since 1983, Mike McCarthy has achieved a rewarding career in financial services by putting his clients' interests first and providing exceptional personal service. He has the experience to provide appropriate and customized investment strategies. In addition to serving his clients, Mike was a Branch Manager for Wells Fargo Advisors from 1996 to 2013, when he stepped down from his management position, and is now able to focus more time and energy on the ESOP practice.

Mike earned his bachelor's degree in finance from Loyola University of Chicago in 1982 and received his CERTIFIED FINANCIAL PLANNER™ professional certification in 1990. His teaching experience includes serving as an instructor for the investments section of DePaul University's CFP® courses since 2000. He currently serves as the Director of the Financial Planning Education Center for the university. Mike has served in various capacities over the years for the Financial Planning Association. He is a member of the National Center for Employee Ownership (NCEO) and the ESOP Association.

In addition to his corporate and executive service capabilities, Mike specializes in thorough retirement and investment planning and believes a good investment program enhances personal wealth by helping to increase income consistent with each client's risk tolerance.

Meredith Fiocchi

Associate Vice President — Investments

Meredith Fiocchi began in the brokerage industry in 1990 as a Financial Advisor. She worked for several years in both retail brokerage and subsequently in futures and options trading for a proprietary firm at the Chicago Board of Trade. After staying home to start her family, Meredith re-entered the workforce and in 2009 joined Michael McCarthy at Wells Fargo Advisors. Meredith and Michael began their working relationship during the 1990s and she was excited to join his new team.

Meredith is an educational resource for leveraged ESOP transactions, working with both internal and external partners to help clients and prospects understand the ESOP opportunity. She presents on a variety of ESOP topics at conferences and seminars across the country, in addition to the work she does with individual clients. She remains supportive to clients and their representatives throughout an ESOP transaction and helps clients with structuring 1042 portfolios and securing qualified replacement properties.

She is a member of both the National Center for Employee Ownership (NCEO) and the ESOP Association. Meredith is currently serving on the executive board of the Illinois chapter of the ESOP Association as Vice President of Programs. She holds both Series 7 and 66 registrations, in addition to Life and Health insurance licenses. She attended the University of California, Santa Barbara, and lives in suburban Chicago.