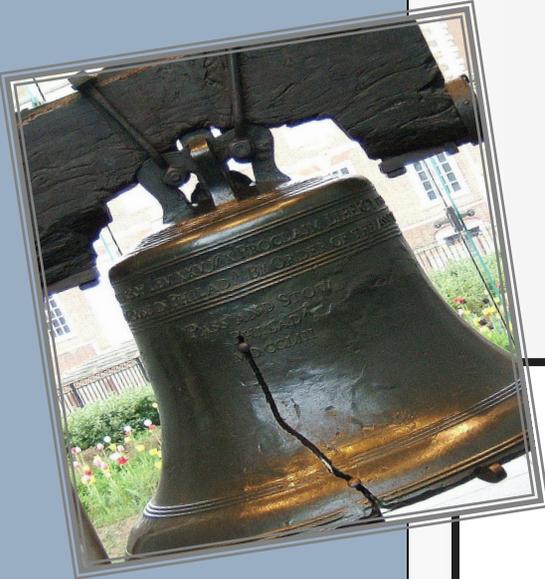


*as the BELL Tolls*



Welcome to “as the BELL Tolls”

Although the original “For Whom the Bell Tolls” By John Donne, refers to our ultimate fate and has been made into a Novel by Ernest Hemingway, we have chosen to honor the spirit of the thought by recognizing the importance of each individual making up the whole of BELL. In this and coming issues we hope to highlight the talents and achievements of the talented individuals whom keep our machine rolling. Please enjoy the rest of this publication and by all means comment and submit your thoughts for future ones.

So for now I leave you with the thoughts of John Donne’s Poem.

No man is an island,  
Entire of itself.  
Each is a piece of the continent,  
A part of the main.  
If a clod be washed away by the sea,  
Europe is the less.  
As well as if a manor of thine own  
Or of thine friend’s were.  
Each man’s death diminishes me,  
For I am involved in mankind.  
Therefore, send not to know  
For whom the bell toll’s,  
It toll for thee.

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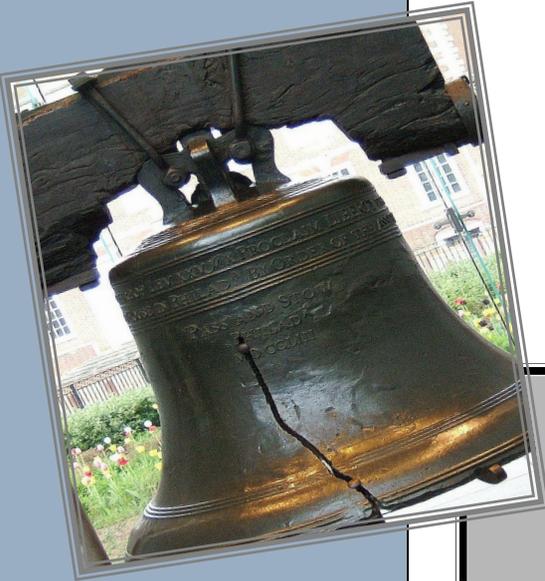
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**ESOP General Information**

An ESOP is a kind of employee benefit plan, similar in some ways to a profit-sharing plan. In an ESOP, a company sets up a trust fund, into which it contributes new shares of its own stock or cash to buy existing shares. Alternatively, the ESOP can borrow money to buy new or existing shares, with the company making cash contributions to the plan to enable it to repay the loan. Regardless of how the plan acquires stock, company contributions to the trust are tax-deductible, within certain limits.

Shares in the trust are allocated to individual employee accounts. Although there are some exceptions, generally all full-time employees over 21 participate in the plan. Allocations are made either on the basis of relative pay or some more equal formula. As employees accumulate seniority with the company, they acquire an increasing right to the shares in their account, a process known as vesting. Employees must be 100% vested within three to six years, depending on whether vesting is all at once (cliff vesting) or gradual.

When employees leave the company, they receive their stock, which the company must buy back from them at its fair market value (unless there is a public market for the shares). Private companies must have an annual outside valuation to determine the price of their shares. In private companies, employees must be able to vote their allocated shares on major issues, such as closing or relocating, but the company can choose whether to pass through voting rights (such as for the board of directors) on other issues. In public companies, employees must be able to vote all issues.

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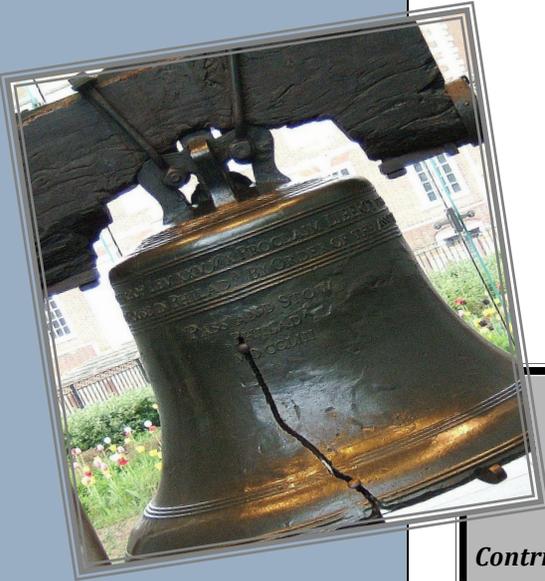
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**ESOPs have a number of significant tax benefits, the most important of which are:**

***Contributions of stock are tax-deductible:*** That means companies can get a current cash flow advantage by issuing new shares or treasury shares to the ESOP, albeit this means existing owners will be diluted.

***Cash contributions are deductible:*** A company can contribute cash on a discretionary basis year-to-year and take a tax deduction for it, whether the contribution is used to buy shares from current owners or to build up a cash reserve in the ESOP for future use.

***Contributions used to repay a loan the ESOP takes out to buy company shares are tax-deductible:*** The ESOP can borrow money to buy existing shares, new shares, or treasury shares. Regardless of the use, the contributions are deductible, meaning ESOP financing is done in pretax dollars.

***Sellers in a C corporation can get a tax deferral:*** In C corporations, once the ESOP owns 30% of all the shares in the company, the seller can reinvest the proceeds of the sale in other securities and defer any tax on the gain.

***In S corporations, the percentage of ownership held by the ESOP is not subject to income tax at the federal level (and usually the state level as well):*** That means, for instance, that there is no income tax on 30% of the profits of an S corporation with an ESOP holding 30% of the stock, and no income tax at all on the profits of an S corporation wholly owned by its ESOP. Note, however, that the ESOP still must get a pro-rata share of any distributions the company makes to owners.

***Dividends are tax-deductible:*** Reasonable dividends used to repay an ESOP loan, passed through to employees, or reinvested by employees in company stock are tax-deductible.

***Employees pay no tax on the contributions to the ESOP, only the distribution of their accounts, and then at potentially favorable rates:*** The employees can roll over their distributions in an IRA or other retirement plan or pay current tax on the distribution, with any gains accumulated over time taxed as capital gains. The income tax portion of the distributions, however, is subject to a 10% penalty if made before normal retirement age.

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## ESOP Information Requirements

### Summary Plan Description (SPD)

All ESOP sponsors must provide a document to all employees explaining the rules of the ESOP, including how and when they become participants, how and when they get their ESOP benefits distributed to them, how they can take actions to question or complain about ESOP operations, and names and addresses of the sponsor and fiduciaries. All ESOP participants must receive the document within 90 days of becoming a participant, and the SPDs must be updated when material amendments are made, or, if there are none, every five years. The document is supposed to be written so that employees can understand it, but, at the same time, must be comprehensive. In practice, few employees ever read the SPDs and fewer still understand them. Companies should also provide an ESOP handbook that is more basic and that refers to the SPD as the governing source of information.

### Summary Annual Report

Within seven months after the close of each fiscal year of the plan, the sponsor must issue a summary annual report on one of the Department of Labor 5500 forms. These forms provide information about plan activity and assets. ESOP participants must be able to inspect and copy the report. ESOP participants also receive a shorter version of the form.

### Individual Benefit Statements

Each year, or upon termination, request, or a one-year break-in-service, employees must receive an annual statement indicating the fair market value of their shares and any other assets in their ESOP. Participant vesting should be noted. ESOP participants have a right to challenge the accuracy of the information. When participants have the right to receive benefits, they must receive information about how they can receive them and the tax consequences of each option.

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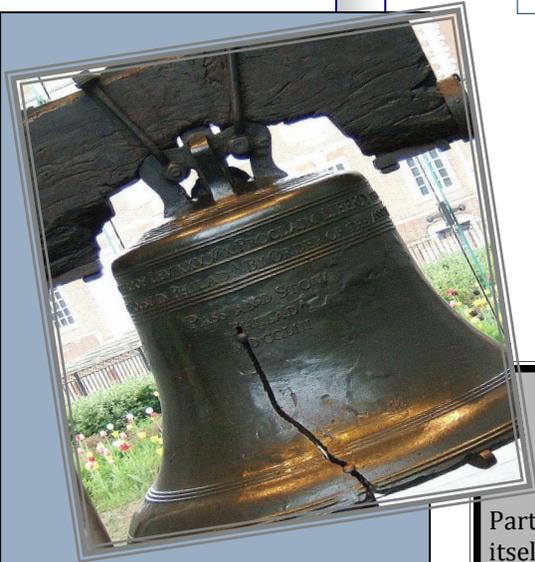
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**Access to Plan Documents**

Participants must be able to view the ESOP summary plan description, the plan itself, trust documents, and the latest annual plan report. If participants are unable to get the summary plan description, the summary annual report or the annual report from the plan administrator, they may be able to obtain a copy by writing to the U.S. Department of Labor, EBSA, Public Disclosure Room, Room N-1513, 200 Constitution Avenue, N.W., Washington, D.C. 20210, for a nominal copying charge. Participants should provide their name, address and phone number to enable EBSA to contact them to follow up on the request.

**Shareholder Voting, Proxies and Other Voting Disclosure Material**

All ESOP participants have at least some voting rights. In private companies, ESOP participants must be able to direct the trustee on the voting of allocated shares for sale of all or substantially all of the company's assets, merger, liquidation, recapitalization, reclassification, dissolution, or consolidation. Note that ESOP participants do not necessarily have the right to direct the trustee on votes regarding the sale of the company's stock. In public companies, ESOP participants must receive the same rights as other shareholders. When vote pass-through is required, appropriate information on the issues must be provided, just as it would to other shareholders.

**Information Companies Don't Have to Provide**

It is common to read articles that say ESOP companies must disclose their financial statements, officer salaries, share ownership structure, and other information to ESOP participants. There are no requirements to do any of these things. Most ESOP companies do, however, provide some form of financial disclosure. Most also let ESOP participants know who else owns how many shares, but few provide information on salaries.

<https://www.nceo.org/articles/esop-employee-stock-ownership-plan>

<https://www.nceo.org/articles/rights-esop-participants>

**Update on 401K**

We have moved our 401K to NWPS and the new website portal is live! We are very excited to start this new relationship with them as we will not only be saving everyone money the addition of the ESOP accounts being added to the web portal will give everyone a clear view of all their retirement plans. More information will come once the ESOP portion goes live.

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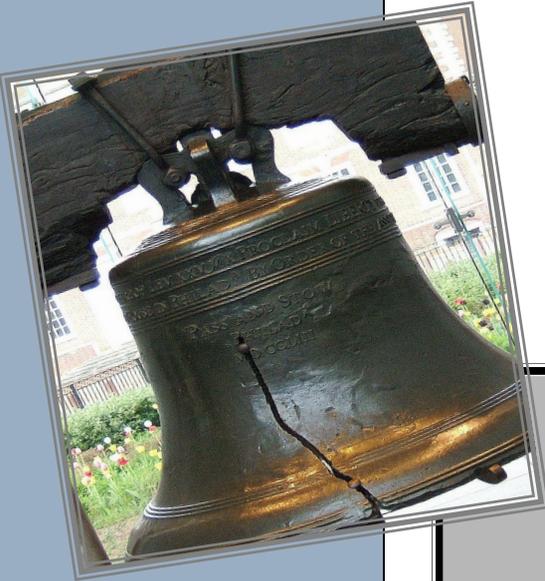
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## THE DRONE

Bell introduces a new tool to our fleet of equipment with the new UAV, DJI Matrice 210. As you may know, we're emerging into a new market that is supported by drone technology. Our targets currently consist of topographic surveys, volume calculations, creation of orthomosaics and visual inspections. With this new addition and upgrade from our DJI Phantom 4 Pro, we will be able to create more accurate models with its 20MP camera and introduce Infrared inspections using the Zenmuse XT Flir camera. We will also be capable of performing bottom up inspections as the Matrice 210 is equipped with an attachable top gimbal support. Armed with intelligent batteries, the Matrice will be capable of longer flight times as well as flights in subzero temperatures.



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