



40 MILLION OWNERS

Growing Employee-Owned Companies Through Strategic Acquisitions

The only acquisition advisory firm dedicated exclusively to ESOPs

Growing ESOPs is all we do.

40 Million Owners is an employee-owned firm focused exclusively on helping other ESOPs grow through strategic acquisitions. We equip ESOP leaders with strategy, resources and support to pursue growth while still operating their core business.

As part of an ESOP ourselves, we understand the unique needs and challenges you face as you pursue growth. We work exclusively with ESOPs, providing expert guidance on navigating acquisitions.



Building Value Through Acquisition

For decades, ESOPs have been framed primarily as a succession solution, a thoughtful and values-aligned exit for retiring founders. That narrative is no longer complete. Employee-owned companies are increasingly being recognized not merely as responsible stewards of a business, but as proven platforms for growth and credible, competitive acquirers in the M&A marketplace.

The Acquisition Imperative

ESOP leaders navigate a demanding dual mandate of operating their business while serving as fiduciaries responsible for maximizing share value for employee-owners. Many now recognize that M&A must be considered in any long-term plan for optimizing ESOP performance. Acquisitions create powerful opportunities to strengthen their businesses and drive long-term value in ways organic growth alone cannot match.

Strategic Benefits

- Share price appreciation – Access to new markets, capabilities, and revenue streams drives sustained growth beyond what organic expansion alone can achieve.
- Risk diversification – Strategic acquisitions reduce enterprise risk and create more stable cash flows for employee-owners.
- Leadership development – New management talent strengthens organizational capabilities and extends the company's competitive lifecycle.
- Repurchase obligation management – Expanding the participant base distributes obligations over a larger pool of employee-owners.
- Competitive positioning – Immediate access to critical mass, geographic reach, technology, or market share that would take years to build organically.

The Result

ESOPs that pursue disciplined acquisition strategies don't just survive—they thrive, creating compounding value for employee-owners while strengthening their competitive position.

The ESOP Advantage

In a crowded market for acquisitions, ESOPs stand apart. Few market participants can match an ESOP's attractiveness as a well-capitalized buyer that preserves the sellers' legacy, provides their employees future wealth-building opportunities, and potentially allows the sellers to defer a portion or all capital gains tax liability from the sale.

Winning in the M&A Marketplace

- Financial alignment – Well-capitalized ESOPs with strong governance compete head-to-head for quality acquisition targets.
- Permanent capital – ESOPs don't operate on 3- to 5-year fund cycles. No pressure to flip. No disruption to culture or team.
- Legacy preservation – Sellers reward the employees who built the business while maintaining its mission and values.
- Tax advantages – In certain circumstances, sellers may defer or eliminate capital gains tax on part or all of their proceeds—a benefit no other buyer can match.

Patient capital, long-term decision-making, and aligned stakeholders aren't soft values—they're hard advantages:

The Bottom Line

ESOPs align seamlessly with seller goals, delivering competitive economics while preserving what matters most.

How We Help

40 Million Owners provides the strategic roadmap and hands-on execution support to pursue acquisition-led growth with confidence, allowing ESOP leaders to maintain focus on their core business.

Framework Design

We design an acquisition framework to ensure leadership alignment, which includes target sector analysis, organizational readiness assessment, acquisition deal team structure, baseline financial models, scenario analyses, and high-level integration planning.

Execution

We manage all aspects of the acquisition execution, working with your team to source opportunities and leading evaluation, negotiating terms, overseeing due diligence with an emphasis on ESOP implications, and finalizing transaction structures and legal documentation.

Integration

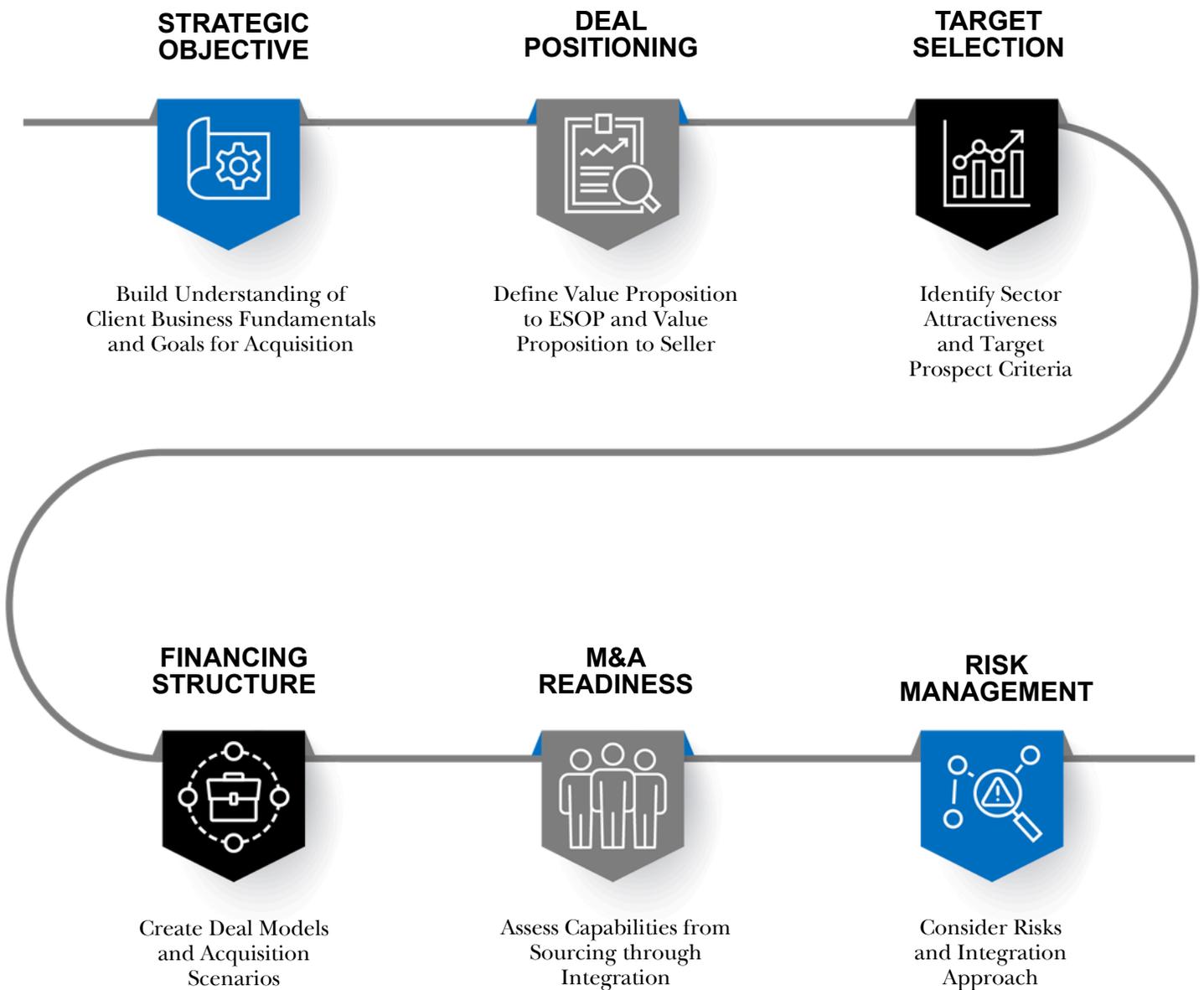
We deliver post-closing integration services that align people, processes, and culture to maximize value creation and accelerate sustainable growth, including leading transition team management, systems integration, and coordinating communications.



Framework Design

An Acquisition Framework creates a decision-making foundation that aligns the management, board, and trustee around clear strategic intent, disciplined criteria, and defined roles, helping the organization pursue acquisitions with confidence or respond thoughtfully rather than reactively when opportunities arise.

PREPARING FOR AQUISITIONS



Execution

Disciplined acquisitions are not just about getting deals done, but about getting the right deals done, guided by processes that protect value and preserve trust.

PIPELINE DEVELOPMENT

Leverage Client's sector attractiveness analysis and acquisition framework to support creation of a pipeline of qualified targets

TRANSACTION ANALYSIS

Evaluate priority targets through prospect scorecards, early assessments, and management meetings to determine fit and feasibility.

STRUCTURE & NEGOTIATE

Develop and communicate the client's ESOP value proposition, coordinating structure and process with the sell-side advisor

DUE DILIGENCE

Implement a diligence workflow managing all parties and complete financial, operational, and cultural due diligence checklist with ESOP lens. Execute RFPs to secure any needed advisors.

FINAL NEGOTIATIONS & CLOSING

Complete transaction through a structured approval process coordinating all ESOP dynamics, ensuring all financial, legal and trustee conditions are met to transition the business to Client.

Preparing for integration during the final stages of the deal process ensures a Day 1 plan that aligns employee-owners and accelerates value creation.

Integration

Successful acquisition value creation happens during integration. Research consistently shows that integration execution—not deal structure or price—determines acquisition outcomes.

Integration is uniquely important for employee-owned companies. Unlike traditional acquisitions, integration in an ESOP environment is not only operational, it is cultural and fiduciary. Decisions made after close shape employee trust, governance outcomes, and long-term value for the people who now own the business. 40 Million Owners serves as the integration lead, guiding organizations through a model that prioritizes transparent communication while aligning operations, culture, and fiduciary responsibility.

Execute Structured Integration Planning

- Implement a clear, time-bound integration roadmap covering leadership alignment, systems, processes, financial reporting, and governance, with named accountability to prevent drift and value leakage.

Cultural Integration and Employee Ownership Engagement

- Introduce employee ownership deliberately, explaining how the ESOP works, how decisions are made, and how individual contributions connect to long-term share value, reinforcing ownership as a lived experience rather than a benefit statement.

Communication Strategy Throughout Integration

- Maintain consistent, transparent communication with employees, boards, trustees, and lenders to reduce uncertainty, reinforce trust, and demonstrate stewardship.

Retention of Key Talent

- Identify and retain critical leaders and contributors through clarity of role, development pathways, and ownership alignment, recognizing that people continuity is central to integration success.

Learning and Continuous Improvement

- Conduct structured post-close reviews to capture lessons learned, refine acquisition criteria, and strengthen internal capabilities, treating each transaction as an investment in long-term acquisition competence.

During the integration phase, our team walks alongside yours to help with leadership transitions and bring in support from partners in our family of organizations, like:



5by5 is a full-service marketing agency skilled in employee ownership communications for internal and external stakeholders as well as maximizing the ownership advantages in the market.



3LS Solutions provides companies with expertise in finance, accounting, HR services, and ESOP reporting so they have the freedom to focus on their business.



Intrust is an IT service provider with expertise in managed services, cyber security, and AI business system development with a deep understanding of employee ownership.

Are you ready to make an acquisition?

Executing an acquisition requires developing internal M&A capabilities while ensuring key team members remain focused on core business operations.

1

DEAL TEAM

- Executive Sponsor
- Finance Lead
- Legal Counsel
- Governance Lead

ADVISORS:
Acquisition
Lead/Corporate
Development

2

DILIGENCE TEAM

Deal Team Participants plus:

- Accounting Lead
- Ops./Integration Lead
- Risk/Compliance Lead
- IT/Systems Lead
- Human Resources Lead
- Comms/PR Lead

ADVISORS
Trustee | Trustee Counsel
Valuation | Transaction
Counsel | Insurance | Tax

3

INTEGRATION TEAM

Subset of Deal and Diligence Team depending on acquired company needs:

- Ops./Integration Lead
- IT/Systems Lead
- Human Resources Lead
- Comms/PR Lead

ADVISORS:
Project Management,
Subject Matter Experts

Put Your Ownership Advantage to Work

1. Give us a Call

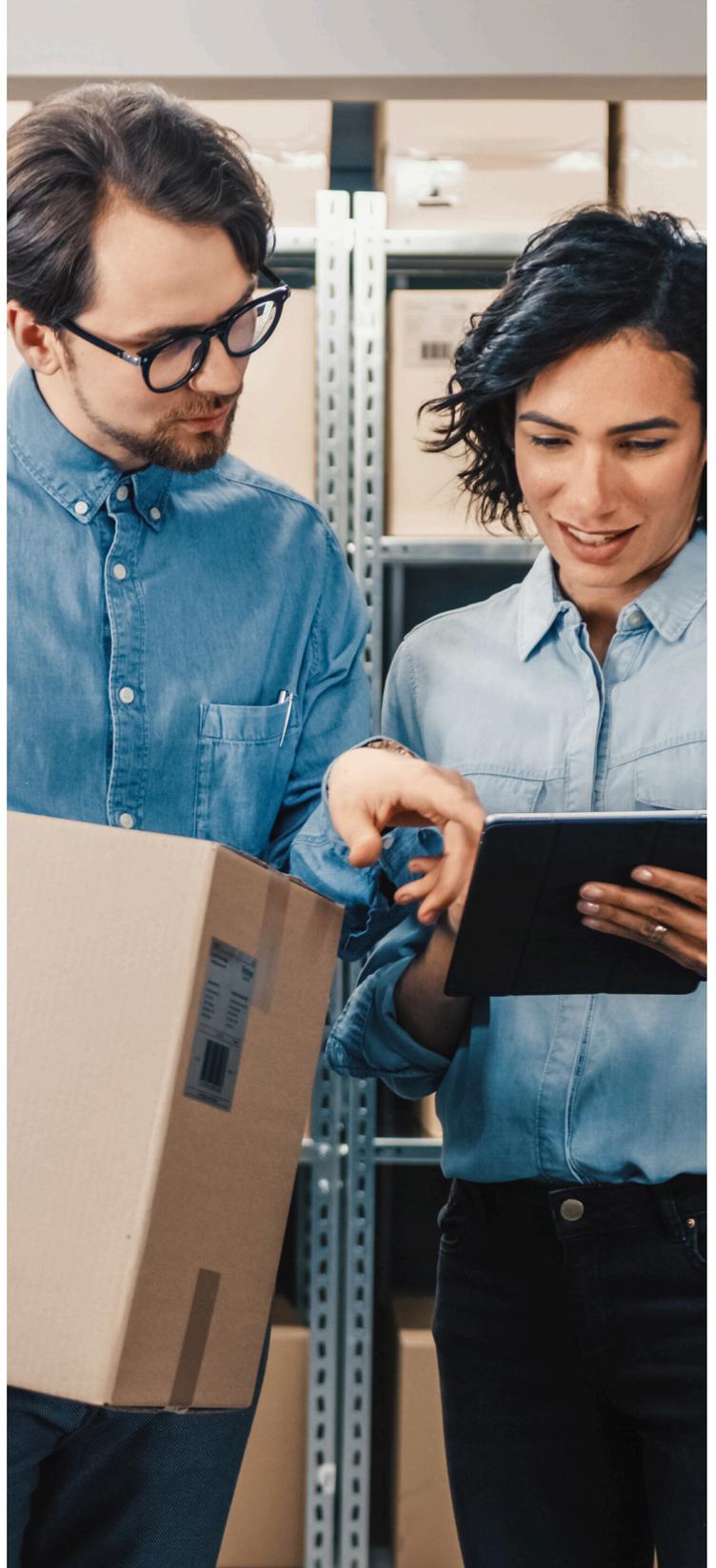
Let's talk about your company and how we can increase values for your employee owners.

2. Partner with Us

We'll help you navigate the entire process of acquisition from creating a framework to implementation.

3. Grow Your ESOP

Acquire a company that aligns with your mission, increases value and spurs growth.



OWNERS
40 MILLION

P: 646.470.9146

E: info@40millionowners.com

40millionowners.com

About 40 Million Owners

At 40 Million Owners, our goal is to empower 40 million Americans to become business owners by building and growing sustainable employee-owned enterprises. We specialize in advising established ESOPs on growth through acquisitions. Through thoughtful collaboration and proven frameworks, we help create thriving, employee-driven organizations that align incentives, drive innovation, and generate lasting prosperity for employees, communities, and stakeholders.



Mike Brady

Chief Executive Officer

P: (917) 679-6054

E: mbrady@40millionowners.com



Michael Morosi

Managing Director

P: (615) 852-1353

E: mmorosi@40millionowners.com

change maker™



40 Million Owners is a part of 3LS Professional Services, a family of purpose-driven firms committed to empowering good in the world. With these companies, we participate in the Changemaker Plan, an ESOP framework. Working alongside one another in pursuit of our shared mission – serving changemakers – allows us to do our work more effectively and make an even greater impact.