

## Philip J. Carstens

Principal

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Philip has more than 40 years of experience advising clients on a wide array of complex business matters including mergers, reorganizations, acquisitions and other financial transactions.

Philip is recognized as one of the nation's most experienced attorneys in the design and implementation of employee stock ownership plans ("ESOPs") and other plans governed by ERISA. Philip was selected as a "Best Lawyer" in the Tax category in the 2010 *U.S. News & World Report* and has been listed in *The Best Lawyers in America* for Tax Law since 1997.

### Education

LL.M., Taxation, New York University School of Law, 1974

J.D., University of San Francisco School of Law, 1973

B.A., Seattle University, 1970

### Honors & Recognition

*The Best Lawyers in America*® Tax Law, 1997-present

Best Lawyer – Tax, *U.S. News and World Reports*, 2010

Martindale-Hubbell AV Preeminent Rating

Appointed to the Washington Employee Ownership Commission, 2024

### Services

Tax

Business & Corporate  
Finance

Employee Benefits &  
Executive Compensation

Employee Stock Ownership  
Plans

Federal Tax

Mergers & Acquisitions

### Admissions

Washington, 1973

Idaho, 2003

Oregon, 2003

## Professional Activities

American Bar Association, Member

Spokane County Bar Association, Member

The ESOP Association

- NW Chapter, Former Officer/Director
- Legislative and Regulatory Committee, Member

## News

Philip J. Carstens Appointed to the Washington Employee Ownership Commission  
3.28.24

57 Foster Garvey Attorneys Recognized Among the 2024 Best Lawyers in America; Two  
Portland Attorneys Named 'Lawyer of the Year'  
*Foster Garvey Newsroom*, 8.17.23

45 Foster Garvey Attorneys Recognized Among *The Best Lawyers In America*®  
*Foster Garvey Newsroom*, 8.18.22

38 Attorneys Named 2022 Best Lawyers in America; 11 Named Best Lawyers: Ones to Watch  
*Foster Garvey Newsroom*, 8.19.21

43 Attorneys Named 2021 *Best Lawyers in America*; 10 Named Best Lawyers: Ones to Watch  
*Foster Garvey Newsroom*, 8.20.20

50 Foster Garvey Attorneys Named 2020 *Best Lawyers in America*  
*Foster Garvey Newsroom*, 8.15.19

## Speaking Engagements

"Structuring Warrants in ESOP Transactions: Avoiding Unintended Consequences," NCEO 2020  
Employee Ownership Conference  
Speaking Engagement  
Virtual Event, 4.21.20

"Fiduciary Liability Insurance," Employee Owned Conference  
Speaking Engagement  
Las Vegas, NV, November 2019

"The Art of the ESOP Deal: Negotiating Purchase Price Adjustments, Representations, Warranties, and Indemnification," Employee Ownership Conference  
Speaking Engagement  
Pittsburg, PA, April 2019

"Refinancing ESOP Loans as Last Resort to Manage Targeted Benefit Levels," ESOP Professionals' Forum  
Speaking Engagement  
New Orleans, LA, February 2019

"409(p) – What the Company Needs to Know," The ESOP Association, Las Vegas Conference & Trade Show  
Speaking Engagement  
Las Vegas, NV, November 2018

"409(p) – What the Company Needs to Know," The ESOP Association – Northwest Chapter Conference  
Speaking Engagement  
Portland, OR, September 2018

"409(p) – What the Company Needs to Know," The ESOP Association  
Speaking Engagement  
Atlanta, GA, April 2018

"409(p) – What the Company Needs to Know," The ESOP Association  
Speaking Engagement  
Las Vegas, NV, November 2017

"The ESOP Trustee's Team in the Current Era of DOL Scrutiny," Western ESOP Summit  
Speaking Engagement  
San Diego, CA, September 2017

"Legislative, Regulatory and Judicial Update," The ESOP Association  
Speaking Engagement  
Washington, D.C., May 2017

"409(p) – What the Company Needs to Know," Employee Ownership Conference  
Speaking Engagement  
Denver, CO, April 2017

"Seller Financing Warrants: When, Why, and How Much is Appropriate?" ESOP Professional's Forum  
Speaking Engagement  
New Orleans, LA, March 2017

"409(p) – What the Company Needs to Know," The ESOP Association, 2016 Las Vegas  
Conference & Trade Show  
Speaking Engagement  
Las Vegas, NV, November 2016

"Roth Design Features and Other Advanced Design Strategies in ESOP Transactions," 2016  
NCEO Employee Ownership Conference  
Speaking engagement  
Minneapolis, MN, 4.12.16

Debate: Alternative Views on Dudenhoeffer and the GreatBanc Settlement," NCEO Annual  
Meeting  
Panel discussion  
2015

"IRS and DOL Correction Programs," ESOP Association Annual Meeting  
Speaking engagement  
2014

"Use of Warrants in ESOP Transactions," NCEO Annual Meeting  
Speaking engagement  
2013 and 2014

"How is a Valuation Different than a Fairness Opinion?," ESOP Association Annual Meeting  
Speaking engagement  
2013

"ESOP Policy Decisions – Effect on Benefits Valuation," NCEO Annual Meeting  
Speaking engagement  
2012

"Corporate Finance 100% S. Corporation," ESOP Association Annual Meeting  
Speaking engagement  
2012

"Corporate Governance," Northwest Chapter of ESOP Association  
Speaking engagement  
2012

"You've Received an Unsolicited Offer to Sell, Now What?" NCEO Annual Meeting  
Speaking engagement  
2011

“Organizing and Structuring Sale of Stock to an ESOP,” ESOP Association Annual Meeting  
Speaking engagement  
2011

“The Responsibility of the Board of Directors in Addressing ESOP Repurchase Obligation,”  
NCEO Annual Meeting  
Speaking engagement  
2010

“Strategies for Liquidity and Legacy,” ESOP Association Meeting, 2009  
Speaking engagement  
2009

## **Publications**

"Warrants in ESOP Transaction", Chapter 6  
*7th Edition, Leveraged ESOPs and Employee Buyouts, NCEO, November 2020*

Employee Stock Ownership Plans – an Overview  
*K&L Gates Publication, 2008 Edition*

## **Experience**

2023 Bremerton, Washington – Designed and implemented a leveraged ESOP sponsored by Safe Boats International.

2022 Seattle, Washington – Represented Point B, Inc. in connection with a transfer of control to a private equity sponsor.

2022 Encinitas, California – Represented Miguel Paredes in his capacity as Trustee of the Baker Electric, Inc. ESOP in connection with the implementation of that ESOP.

2021 Minneapolis, Minnesota – Represented Alerus Financial N.A. in its capacity as Trustee of the S.J. Electro ESOP in connection with the transfer of S.J. Electro to a private equity sponsor.

2020 Boise, Idaho – Represented Ameriben, Inc. in connections with the sale of 100 percent of the company’s issued and outstanding stock to Anthem, Inc.

2020 Buhl, Idaho – Represented GreatBanc Trust Company in its capacity as Trustee of the Clear Springs Foods, Inc. ESOP with a transaction that involved the sale of 100 percent of the stock.

2020 Phoenix, Arizona – Represented Alerus Financial, NA in its capacity as Trustee of the Laron, Inc. ESOP. The transaction involved the stock sale of Laron, Inc. to a third party buyer.

2020 Portland, Oregon – Represented Bob’s Red Mill Natural Foods, Inc. in connection with a redemption of Bob’s Red Mill Natural Foods, Inc. Stock. The transaction resulted in the Bob’s Red Mill Natural Foods, Inc. ESOP owning 100 percent of the stock of the company.

2019 Olympia, Washington – Represented Shea, Carr, & Jewell, Inc. in connection with the design and implementation of a leveraged ESOP strategy.

2018 Boise, Idaho – Represented Ameriben, Inc. in connection with the design and implementation of a leveraged ESOP strategy.

2018 Cottonwood, California – Represented GreatBanc Trust Company in its capacity as Trustee of the North State Grocery, Inc. ESOP in connection with a redemption transaction whereby the ESOP became the 100 percent owner of North State Grocery, Inc.

2018 Orem, Utah – Represented Mountainland Supply Company, Inc. in connection with the design and implementation of a leveraged ESOP strategy.

2017 Los Angeles, California – Represented Alerus Financial, NA in its capacity as Trustee of the Keenan & Associates, Inc. ESOP. The representation involved a sale of 100 percent of the stock of Keenan by the ESOP and other shareholders.

2017 Spokane, Washington – Represented Inland Water Proofing, Inc. in connection with the design and implementation of a leveraged ESOP transaction.

2016 Boise, Idaho – Represented Alerus Financial, N.A. in its capacity as Trustee of the Diamond Line Delivery Systems, Inc. ESOP.

2015 Boise, Idaho – Represented Bankers Trust Company of South Dakota in its capacity as Trustee of the KNG, Inc. Employee Stock Ownership Trust. The representation involved the design and implementation of a leveraged ESOP and redemption strategy.

2015 Los Angeles, California – Represented Alerus Financial, N.A. in its capacity as Trustee of the Hollywood Ribbon Industries, Inc. Employee Stock Ownership Trust in an asset sale involving a pass through vote by Plan participants.

2014 Sandpoint, Idaho – Represented Alerus Financial, N.A. in its capacity as Trustee of the Litehouse Employee Stock Ownership Trust in a transaction resulting in the ESOT owning 100% of the Company.

2014 Midwest – Represented Bankers Trust Company of South Dakota in its capacity as Trustee of the Mead-Newkirk and Affiliates Employee Stock Ownership Plan and Trust in a second stage ESOP transaction.

2014 Boise, Idaho – Represented Bankers Trust Company of South Dakota in its capacity as Trustee of the Home Federal Bancorp, Inc. Employee Stock Ownership Trust in connection with a merger into Cascade Bancorp.

2014 Columbus, Nebraska – Represented Bankers Trust Company of South Dakota in its capacity as Trustee of the Mead-Newkirk & Affiliates Employee Stock Ownership Trust in a transaction resulting in the ESOT acquiring 100% ownership of the Company.

2014 Seattle, Washington – Represented Point B, Inc. in connection with a redemption/warrant transaction resulting in the Company's Employee Stock Ownership Trust owning 100 percent of the Company.

2014 Seattle, Washington – Represented the principal shareholders of a large Seattle based marine construction company in connection with a redemption/warrant/ESOP transaction resulting in the Company's Employee Stock Ownership Trust owning 100 percent of the Company.

2014 Spokane, Washington – Represented Stoneway Electric Supply, Inc. and Bankers Trust Company of South Dakota in connection with the sale of Stoneway to Crescent Electric Supply Company.

2012 Renton, Washington – Represented American Fast Freight, Inc. regarding ESOP issues in connection with the sale of the Company to Jordan, Inc. Previously in 2007 – I represented American Fast Freight, Inc. in the design and implementation of a leveraged ESOP transaction resulting in the Company's ESOT owning 90+ percent of the Company.

2012 Spokane, Washington – Represented ET Research, Inc. in connection with the design and implementation of a leveraged ESOP transaction resulting in the ESOT owning 100 percent of the Company.

2012 Los Angeles, California – Represented San Pasqual Fiduciary Trust Company, as Trustee of the Murray Plumbing and Heating Corporation Employee Stock Ownership Trust in connection with the modification of the Murray corporate structure.

2011 Longview, Washington – Represented Reliance Trust Company in its capacity as Trustee of the CAS Holdings, Inc. Employee Stock Ownership Trust in connection with the sale of the Company to CBL Campbell Brothers USA, Inc.

2011 Anchorage, Alaska – Represented Sagaya Corporation, Inc. in connection with the design and implementation of a leveraged ESOP transaction resulting in the ESOT owning 100 percent of the Company.

2010 Los Angeles, California – Represented Alerus Financial, N.A. in its capacity as Special Trustee of the ACCO Engineered Systems, Inc. Employee Stock Ownership Trust in a combined ESOP purchase and redemption/warrant transaction whereby the Company became 100 percent ESOP owned.

2010 Anchorage, Alaska – Represented Cornerstone Holdings, Inc. in the design and implementation of a leveraged ESOP transaction resulting in the ESOT owning 100 percent of the Company.

2010 Eugene, Oregon – Represented an Oregon hardware and building supply company in connection with the design and implementation of a leveraged ESOP/redemption transaction resulting in the ESOT owning 100 percent of the Company.

2010 Boise, Idaho – Represented Biomark, Inc., an ESOP owned Company in connection with the sale of the Company to Allflex Holdings III, Inc.

2008 Seattle, Washington – Represented W. Lease Lewis Company in connection with the design and implementation of a leveraged ESOP transaction resulting in the ESOT owning 53.5 percent of the Company.