

Heartland Brewery Introduces a New Brew for Its Employees: Part-Ownership of the Restaurant

New York City's Microbrew Pioneer Implements an Employee Stock Ownership Plan

NEW YORK, Jan. 9 /PRNewswire-FirstCall/ -- Heartland Brewery, Inc. ("Heartland"), the original and largest urban group of microbrew pubs in the world, has announced a partial transfer of the restaurants' ownership to its employees through an Employee Stock Ownership Plan ("ESOP").



Under this ESOP transaction, Jon Bloostein, Heartland Founder & CEO, and his partners, transfer 49 percent of the company ownership to their 380 employees -- thus making them co-owners of the chain. Bloostein will continue to manage the company.

Corporate Solutions Group, LLC ("CSG"), a leading New York investment banking boutique, designed and implemented the transaction.

Bloostein commented on the transaction, "After considering a wide range of alternatives, including a sale to a strategic buyer and IPO, I have come to the conclusion that ESOP is a perfect way to contribute to Heartland's

development without limiting its future capitalization opportunities. Thanks to CSG, we managed to design and successfully implement the plan within three months"

"Heartland Brewery is a leading casual dining restaurant that differentiates itself through product innovation and concept development. We are proud to join forces with such an industry innovator," noted Larry Kaplan, CSG Managing Director and the architect of the transaction. "The established ESOP will help Heartland fulfill its growth plans, while continuing to benefit the owners and employees."

Employee Benefits

The ESOP plan enables every Heartland employee to move from simply collecting a paycheck to having an actual stake in the company's long-term success.

"Our employees are a tremendous part of Heartland's achievements," said Bloostein. "Sharing ownership with them will not only reward their contribution, but also provide incentives for their continued dedication."

ESOP Trend in the Restaurant Industry:

Introduced by Congress in 1972 and covered by ERISA, leveraged ESOPs -- which transfer ownership interest in a company to employees -- offer companies a unique tool to create alternative liquidity and access to associated tax benefits, while aligning employer and employee interests and creating valuable incentives for employees. CSG has pioneered structuring ESOPs for the restaurant industry.

"There is an increasing interest among restaurant owners in seeking liquidity using more efficient and creative strategies, such as ESOP. New York restaurants live and die by their continued innovation and by the level of their customer service. ESOPs allow them to invest into both," said Kaplan. "We expect this trend to continue, allowing CSG to capitalize on its restaurant industry expertise, while structuring additional ESOP transactions in the industry."

About Heartland Brewery, Inc.

Heartland Brewery is the original and the largest urban group of brewpubs with five locations around Manhattan. Since the opening of its first restaurant in 1995, Heartland has been consistently distinguished for its award-winning craft microbrews and tasty American cuisine. In 2006 Heartland added Spanky's BBQ to its restaurant roster.

About Corporate Solutions Group, LLC

Corporate Solutions Group, LLC is a leading New York-based investment banking boutique, specializing in ESOPs and other liquidity alternatives for middle market business owners.

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