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**Torch Technologies Achieves 100% Employee Ownership -
Employees Donate to Charity**

A recent change in the ownership structure of Torch Technologies has triggered charitable contributions from employees and shareholders. The Company converted to a 100% ESOP (employee stock ownership plan) Trust. Shares of company stock held by employees were sold back to the Trust. As a result, a number of shareholders of Torch Technologies have collectively committed to over \$1 million dollars in charitable giving. About three-quarters of that total is being contributed through The Community Foundation of Huntsville/Madison County. By partnering with The Community Foundation, employees were able to use a portion of their stock to fund individual charitable accounts called Donor Advised Funds, a process that provides tax benefits.

Torch Technologies CEO Bill Roark commented, "Although this transaction created a unique opportunity for some employee shareholders, our employees have always been generous with their time and money. It's been great to see the growth in support that our employees have provided to the community over the years through Torch Helps" (*Torch Helps is a 501(c)(3) organization established and run by employee volunteers for the purpose of supporting local charities who serve those in need in local communities.*), When the ESOP transaction came about, we wanted shareholders to be aware of the opportunity to set aside a portion of their good fortune for charitable giving. Enabling shareholders to partner with The Community Foundation to donate stock seemed like the perfect opportunity. It was very exciting to see our employees and investors make use of this option. All of this money will eventually be given to charities, whether to Torch Helps or other charitable organizations, chosen by the individual employees."

Roark commented further, "We're very excited to achieve a long time goal of 100% employee ownership and as we accomplish this transaction, it has been heartwarming to see members of the Torch family (*Employees, Directors and Investors*) set aside over \$1,000,000 that will benefit charities now and in the future."

Community Foundation Board Chairman Dr. James Gilbert stated, "This event underscores the primary goal of the Community Foundation - to increase the overall level of giving in the Huntsville and Madison County area. We do this primarily by educating donors about the tax benefits of giving and by providing tax-advantageous avenues for giving. Contributions to donor advised funds come with many advantages for the donor. In this case in particular, closely held stock can be used to set up a donor advised fund with the donor realizing a tax deduction for the fair market value of the stock. The donation helps to offset 2011 tax consequences resulting from the sale of other shares of stock. Donor advised funds are then invested by the Community Foundation, enabling them to grow over time until they are distributed. Donors may make gifts at any time to any 501(c)3, church, or government entity in the nation."

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