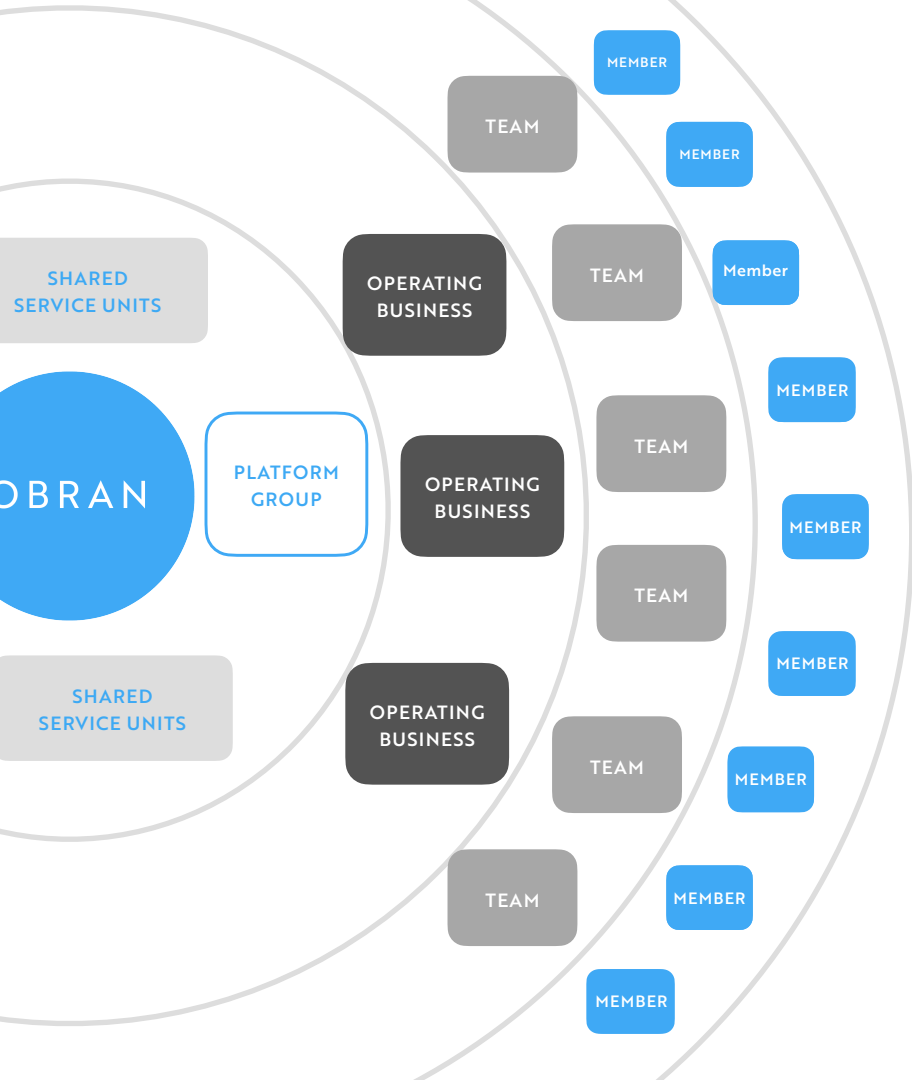


# Obran Cooperative

OUR WORK IS EVERYWHERE



OBRAN



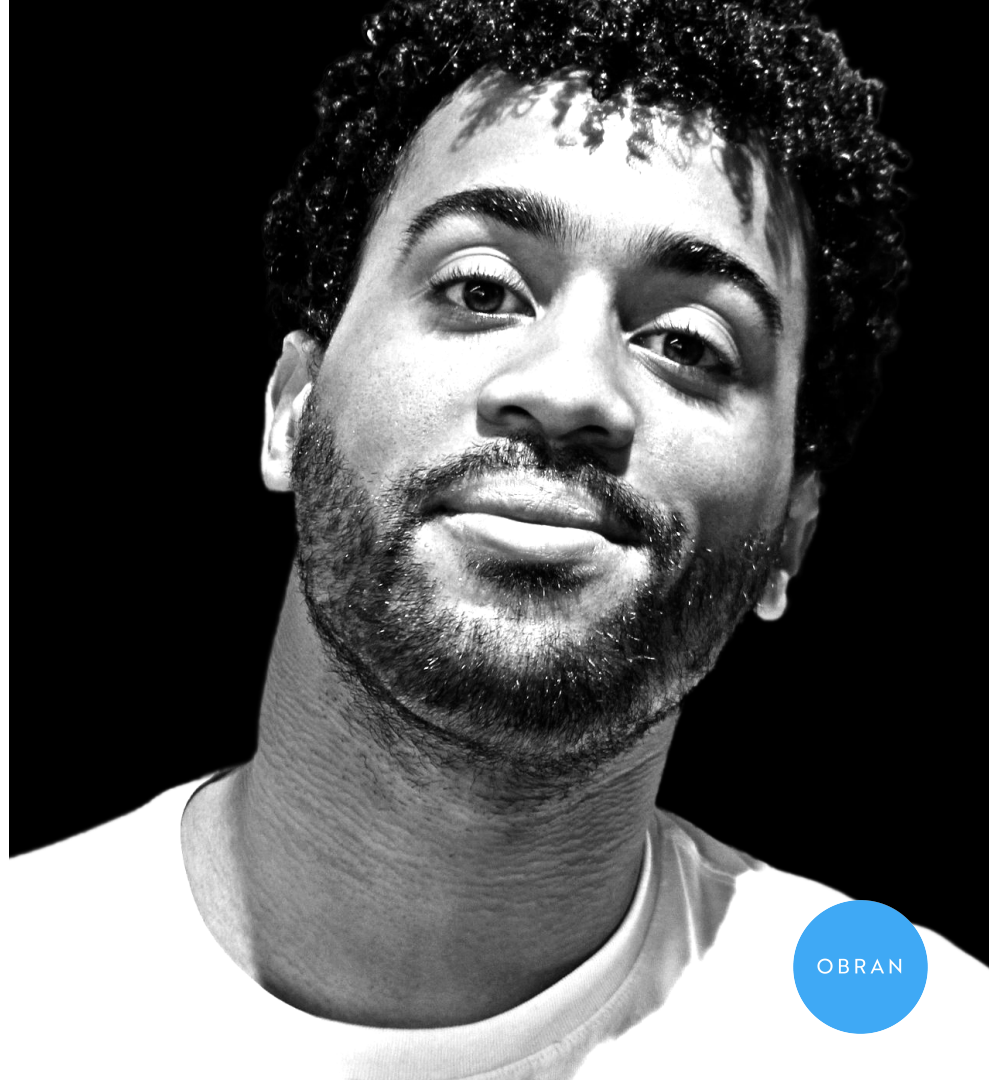
# Coop or Co-Opted?

**GOAL: MAKE THE CASE FOR BALANCED INNOVATION IN COOPERATIVE FINANCE.**

- ABOUT OBRAN (4 MIN)
- CURIOUS CASE OF CO-OP CAPITAL (WHY KKR IS BAD FOR BUSINESS) (3 MIN)
- FOCUS ON THE MEMBERS (HOW WE THINKING ABOUT "VALUE") (3 MIN)
- QUESTION

# Joseph Cureton

CHIEF COORDINATING OFFICER



OBRAN

# Our Mission

TO PUT THE ENGINES OF BUSINESS TO  
WORK FOR HUMANITY

**Obran will be the world's largest worker-cooperative conglomerate.** We exist to grow profitable, useful, and impactful businesses that serve our members, customers, and communities. We acknowledge structures of inequity and embrace the struggles to overcome them, one workplace at a time.

OBRAN

# The Problem

WORKER COOPERATIVES ARE HARD TO SCALE

## ***Access to Capital***

- Founder's dilemma
- Lack of collateral

## ***Growth Mindset***

- Vision for scale
- Risk profile

## ***Management Expertise***

- Professional networks
- Capital to attract talent

# Our Solution

ACQUIRE + OPTIMIZE SMB'S  
THROUGH WORKER OWNERSHIP

## **Cooperative Holding Company**

Obran is a cooperative conglomerate that **acquires, holds, and optimizes profitable small to medium size businesses and real estate assets** in target industries on behalf of our member-owners.

We **unify and streamline strategic management** and back-of-the-office services needed to scale revenue, achieve top margins, and support our members.

The logo for OBRAN is centered within a large blue circle. The word "OBRAN" is written in a white, uppercase, sans-serif font. The letter "O" is a simple white outline, while the letters "B", "R", "A", and "N" are solid white. The blue circle has a slight gradient, being darker at the top and lighter at the bottom.

OBRAN

***So.... Like Mondragon?***



# Like Mondragon Right?

A MEMBERSHIP ORGANIZATION

## ***Federalist Model (Serves Business Members)***

- Marketing Cooperative
- Producers Cooperative



# Like Mondragon Right?

A MEMBERSHIP ORGANIZATION

## ***Federalist Model (Serves Business Members)***

- Marketing Cooperative
- Producers Cooperative



## ***Individualist Model (Serves Individual Members)***

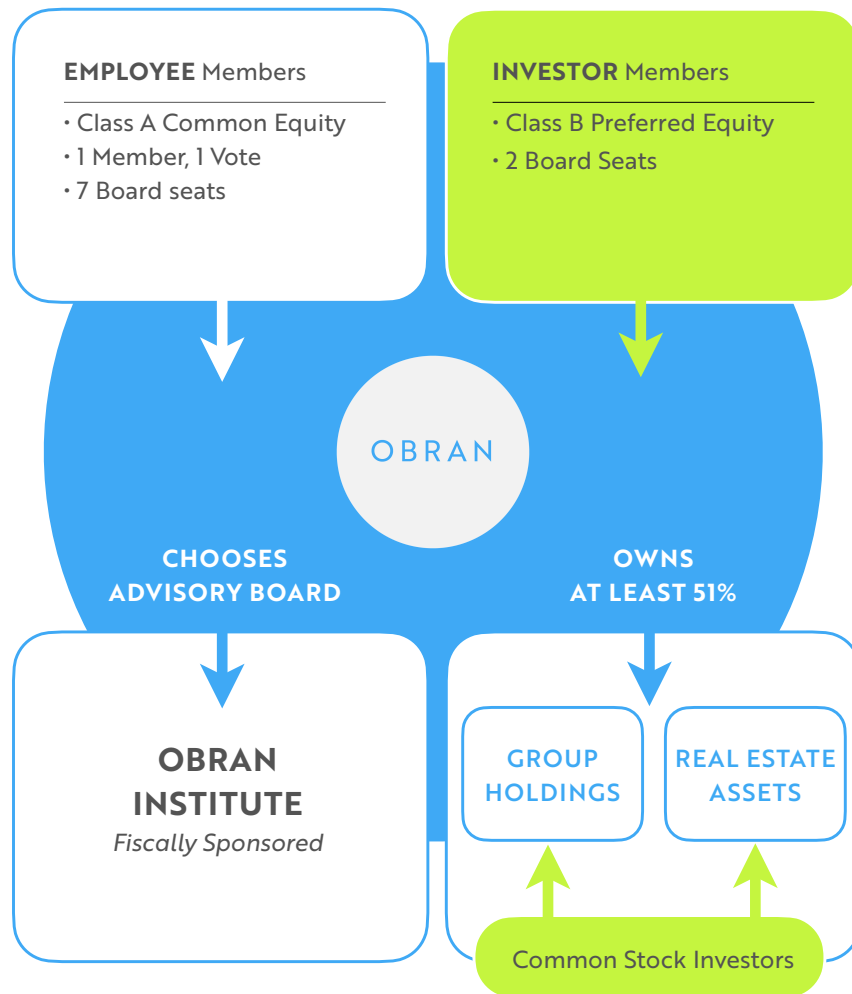
- Workers Cooperative
- Credit Union



# Our Solution

## HOLDING COOPERATIVE STRUCTURE

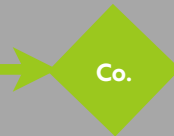
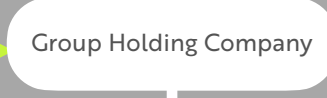
- **Investors are able to participate** through preferred Equity or invest in any individual subsidiary entity.
- Our subsidiary firms **employ our workers and compete** for business in the market.
- **All employees are eligible for membership** and annual member dividends.
- We partner with strategically aligned non-profit for **R&D, debt capital, and cooperative management training.**



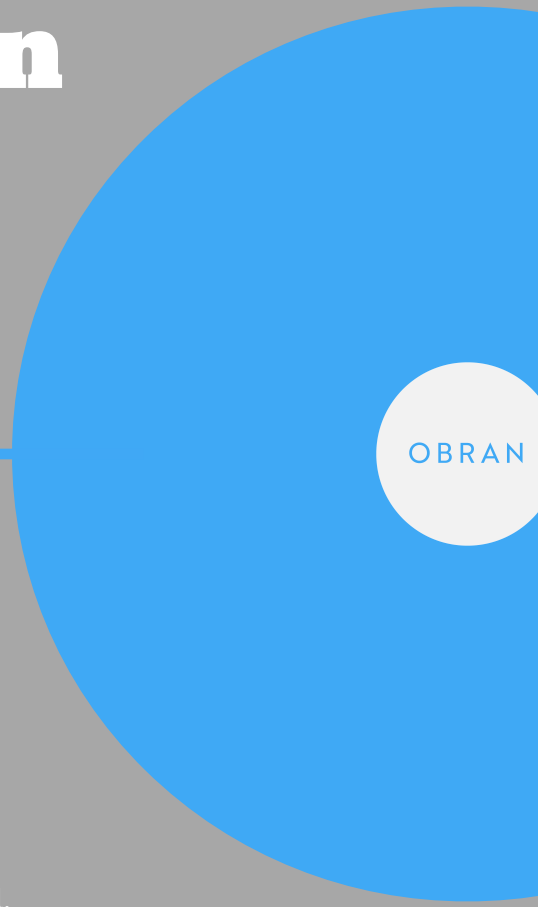
# Programmatic Acquisition

## SECTOR STRATEGY

- 1** We partner with cooperative entrepreneurs & provide a 12 month stipend to target a sector and align capital.



- 2** We create a subsidiary to acquire and integrate targeted companies.



- 3** We co-create an investment thesis to identify and acquire prospective companies.

- 4**

- We support acquired companies with access to shared services, member services and growth capital.

# Our Solution

## A REPEATABLE DEAL PROCESS

### Top of the Funnel

Target existing businesses with strong financial performance

### Advisory Support

SEED COMMONS project (EQUITY)

### Acquisition Financing

Lenders and equity partners provide 3rd party financing for owner's exit. We also negotiate to incentivize seller financing.

### Purchase

Obran Co-op purchases firm through a group holding company

### Leadership Transition

Exiting Founder stays on for 2-3 years to help with transition. Obran shared services and leadership team expand business operations.

### Worker Ownership

The workers of the acquired firm become members

Obran Capital   
Equity | Debt

OBRAN

Co.

Co.

Co.

TRIBE

co:re staffing  
OWNERS WORK

AFS

# Our Solution

## OUR UNIFYING GROWTH SERVICES

### ***Support Services***

- HR
- R&D
- Legal
- Accounting
- Insurance
- Marketing

### ***Business Services***

- Business Development
- Integration Support
- Leadership Development
- Strategic Consulting

### ***Credit Services***

- Business Acquisitions
- Real Estate Acquisitions
- Member Payday Lending

### ***Member Services***

- Member Development
- Leadership Development
- Case Management
- Governance Training

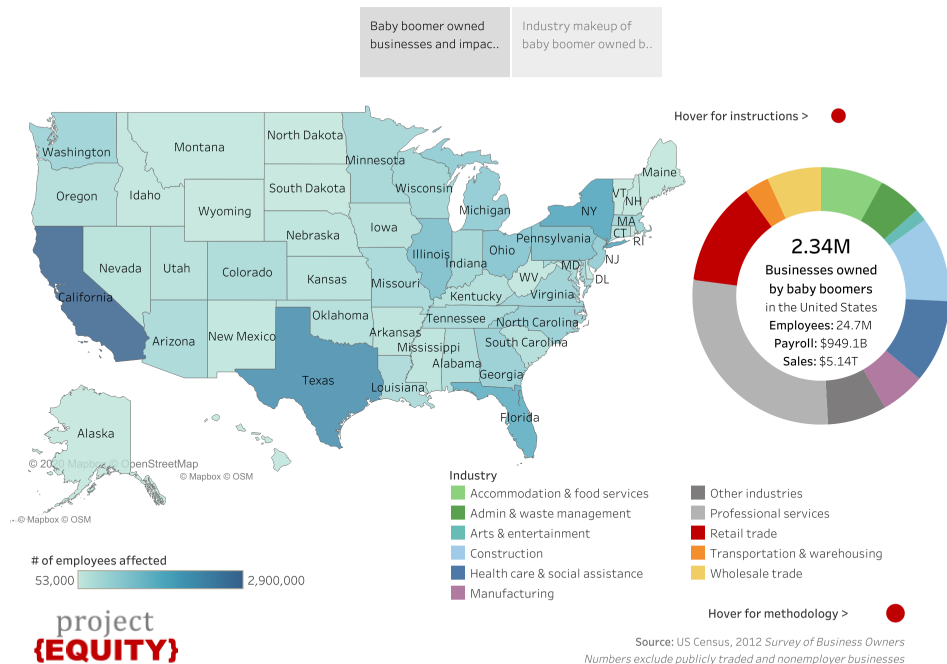
# Why Now?

## A BOOMER TSUNAMI

- Nearly half of all privately held businesses to be sold in next 20 years
- Retiring baby boomers will cause more than **\$10 trillion in business assets\*** to change hands.
- Worker-cooperatives are designed to **equitably distribute wealth.**
- **We aim to build market share by consolidating these firms to reduce OpEx & better align incentives for workers.**

\*[www.project-equity.org/about-us/publications/the-lending-opportunity-of-a-generation/](http://www.project-equity.org/about-us/publications/the-lending-opportunity-of-a-generation/)

Baby boomers own nearly half of privately-held businesses with employees in the United States



# Our Solution

## A READymADE COOPERATIVE STRUCTURE

LIMITED COOPERATIVE ASSOCIATION

**Obran Cooperative**

GROUP HOLDING COMPANIES

**Staffing**

**Health**

**Construction**

**Technology**

**Real Estate**

**Capital**

OUR CURRENT OPERATING COMPANIES



**OBRAN  
RISING**



***Like a worker-owned***

**BERKSHIRE HATHAWAY INC.**

***But without this guy***



# ***The Curious Case of Cooperative Capital***

A white circle containing the text "OBRAN" in blue, uppercase letters.

OBRAN

## **Corporate Equity**

FLOATING PRICE +  
MATURATION

---

SALABLE

---

MAXIMIZES FINANCIAL VALUE  
FOR SHAREHOLDER

MANY SECONDARY MARKETS

## **Co-Op Member Shares**

FIXED PRICE + PAID-IN  
SURPLUS

---

RESTRICTED/NON-  
TRANSFERRABLE

---

MAXIMIZES USE VALUE FOR  
SHAREHOLDER

NO SECONDARY MARKET

***FOR FINANCIAL INVESTORS EQUITY IS  
GENERALLY SOLD TO REALIZE VALUE.***

***COOPS ARE TOO HARD...***  
***BUT THAT EMPLOYEE ENGAGEMENT***  
***THING IS PRETTY NEAT!***

OBRAN

***ENTER KKR***

## **ESOP Shares**

FLOATING PRICE +  
MATURATION

---

SALABLE

---

MAXIMIZES FINANCIAL VALUE  
FOR SHAREHOLDER

MANY SECONDARY MARKETS

## **Employee Owned Trust Shares**

FLOATING PRICE +  
MATURATION

---

SALABLE

---

MAXIMIZES FINANCIAL VALUE  
FOR SHAREHOLDER

MANY SECONDARY MARKETS

OBRAN

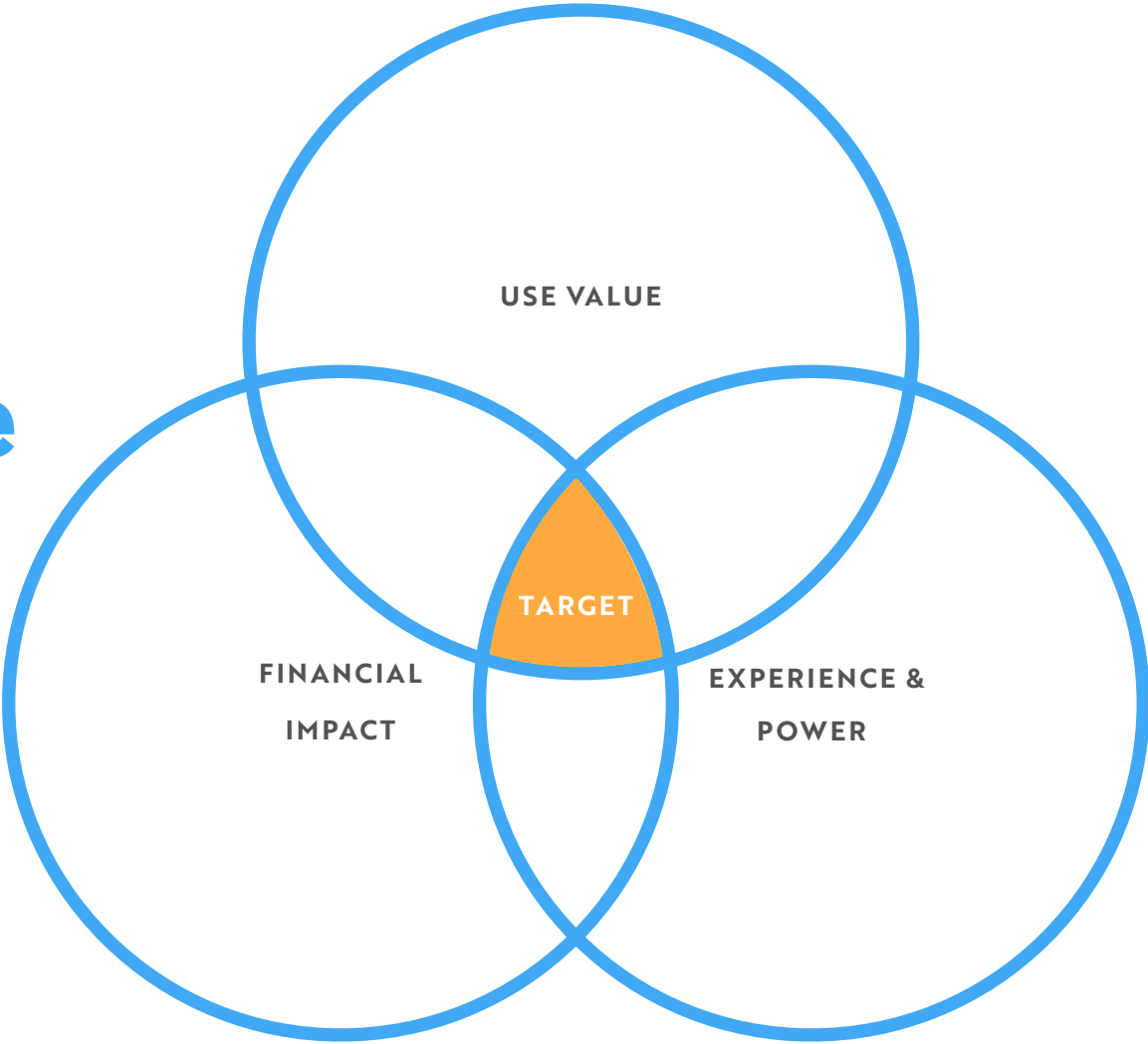
***FINANCIAL VALUE ≠ USE VALUE***



OBRAN

***HOW DO YOU VALUE A CO-OP?***

# Obran Member Experience



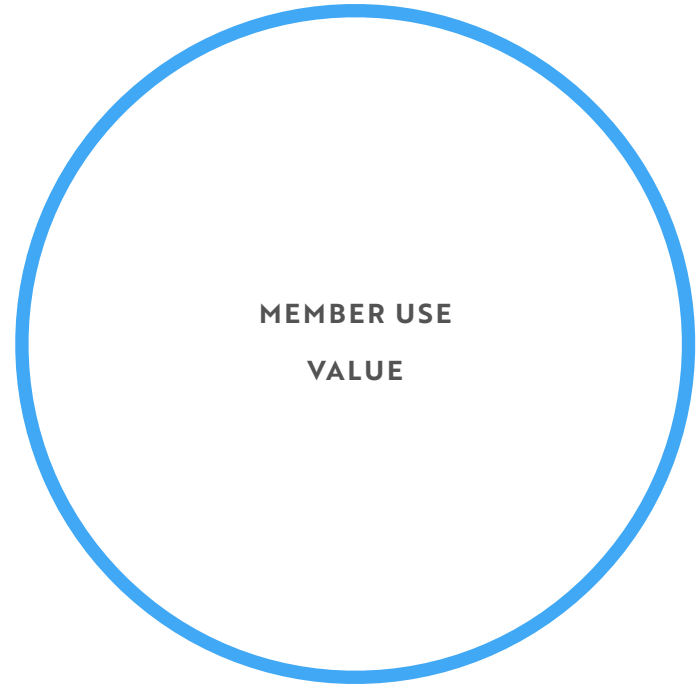
**DAYS OF PTO PER EMPLOYEE**

**DAYS OF PAID AND UNPAID PARENTAL  
LEAVE PER EMPLOYEE**

**DOLLARS SPENT ON PROFESSIONAL  
EDUCATION & DEVELOPMENT PER  
EMPLOYEE**

**PERCENT OF MEMBERS UTILIZING  
OBRAN-OWNED HOUSING**

**PERCENT OF EMPLOYEES LEVERAGING  
OTHER COMPANY BENEFITS (E.G.,  
CONCIERGE SERVICES, TAX  
PREPARATION SERVICES)**



**AVERAGE WAGE**

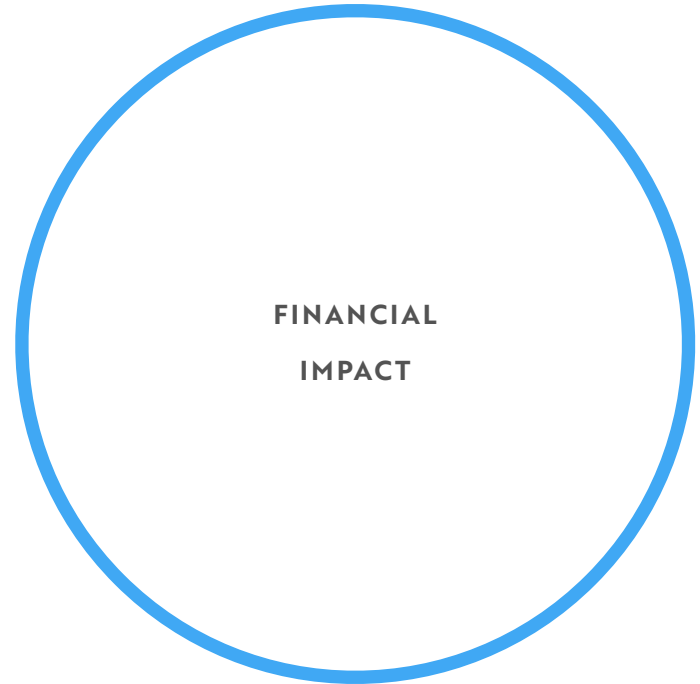
**NET DISCRETIONARY INCOME PER  
EMPLOYEE.\***

**TOTAL HEALTHCARE AND WELLNESS  
SPEND PER EMPLOYEE**

**TOTAL ALL IN CHILDCARE COST**

**TOTAL ALL IN HOUSING COSTS**

**PATRONAGE REBATE CHECK SIZE**



\*(THE AMOUNT OF MONEY THAT A PERSON HAS LEFT OVER  
AFTER PAYING TAXES AND NECESSARY LIVING EXPENSES, SUCH  
AS FOOD, HOUSING AND TRANSPORTATION)

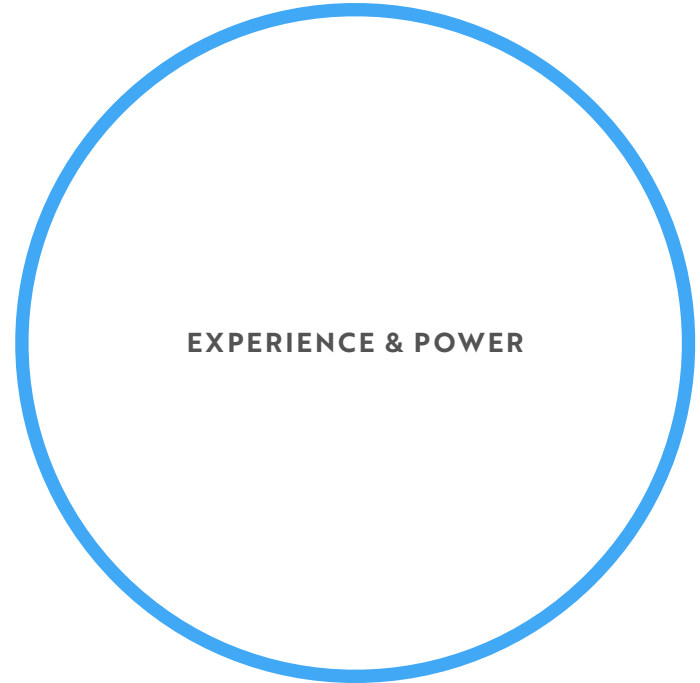
**WAGE RATIO**

**DIVERSITY, EQUITY AND INCLUSION  
METRICS OF OBRAN EMPLOYEE BASE  
AND LEADERSHIP.**

**SAFETY AND HARASSMENT INCIDENTS  
PER EMPLOYEE**

**AVERAGE EMPLOYEE + MEMBER  
TURNOVER**

**PARTICIPATION IN WORKPLACE  
GOVERNANCE**

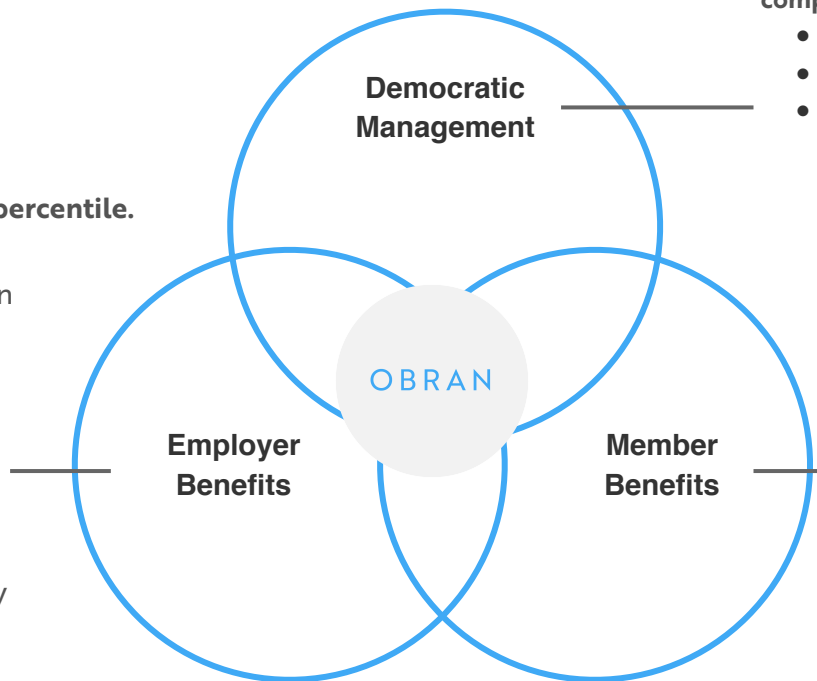


# Membership Model

BEST OF BOTH WORLDS

**Benchmark to industry 90<sup>th</sup> percentile.**

- Wages
- Medical, Dental & Vision
- PTO
- Disability
- Travel Reimbursement
- Training
- Non-traditional
  - Child care
  - Grocery delivery
  - Real-time pay

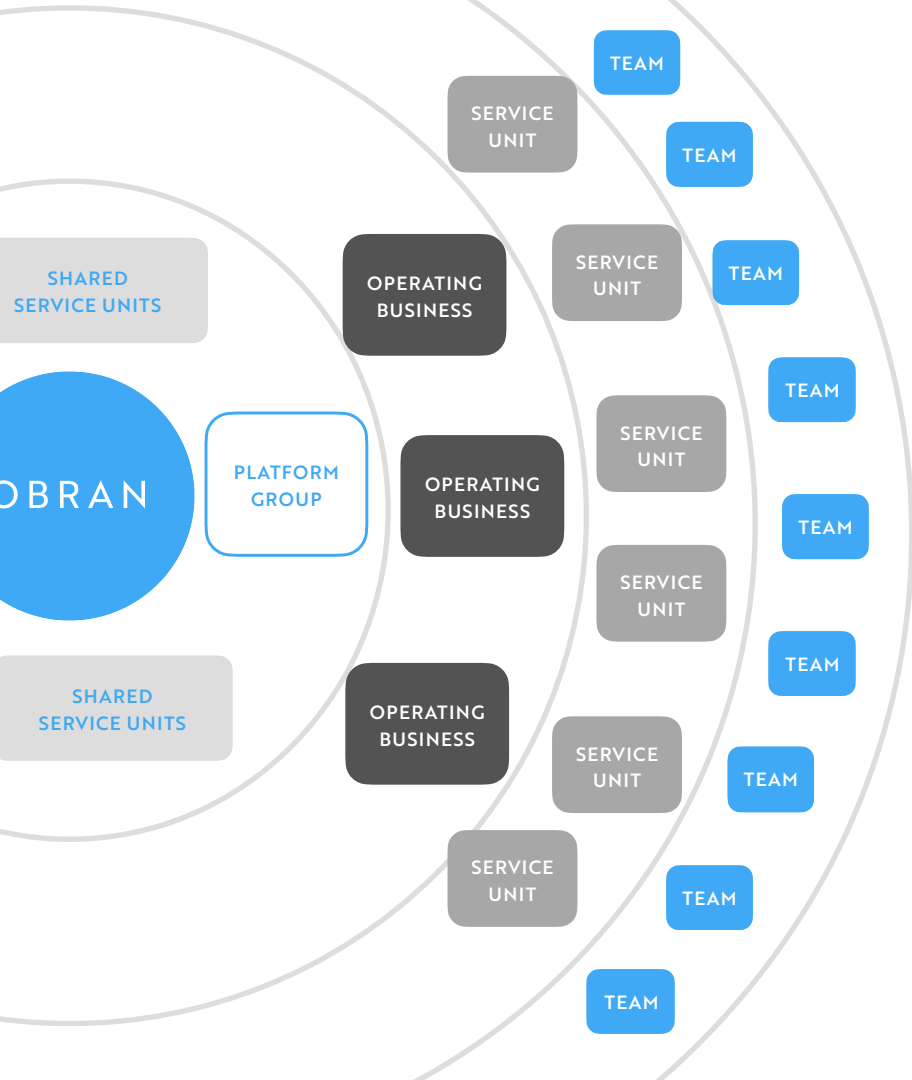


**Worker-majority board oversees strategy & compensation decisions.**

- Executive pay
- Worker benefits vs. Profits
- Greater engagement, empowerment & self-direction

**Members' buy-in is \$250 + 1% of salary. This goes into a redeemable & accruing capital account.**

- Coop-wide profit share
- Debit card
- Tailored affordable housing program
- Career ladders within cooperative



**How Might We Stop  
the *(Capital)* Tail  
From Wagging the  
(Co-Op) Dog?**

# Obran Cooperative



[WWW.OBRAN.ORG](http://WWW.OBRAN.ORG)

## INVESTMENTS INQUIRES:

Joseph Cureton  
(443) 704-4635 · [joseph@obran.org](mailto:joseph@obran.org)