

Established in 1991 as a sole proprietorship, the business has developed over the past 20 + years to the point where evaluation of longer term operations was in order. We also wanted to provide additional structure and formality to the business so that long term operational and financial stability would be enhanced. We view this as a benefit to our employees, associates, and our clients. We evaluated options that included a structured partnership, a limited liability company (LLC), and a corporation. We determined an LLC, although attractive because of ease of management and favorable tax treatment, was not legal for licensed professionals (i.e. Geologists or Engineers) to conduct business in California (California Corporations Code § 1737, 13401(a) and 13401). We therefore selected to restructure as a California S-Corporation.

Organizing as a corporation will allow EGS to function independently from the owners in the future, which will enhance long term stability and continuity of operations. From a financial perspective operating as a corporation will allow EGS better access to lenders and investors which will provide greater opportunity for growth. After making this transition at the beginning of 2012 we are finding that the additional requirements for documentation and formalizing of actions is resulting in better planning and organizing, which, in turn is resulting in smoother, more effective operations. We trust this change to a corporate structure will serve our clients' interests as well as those of our corporation.