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From: Tom Finn <tfinn@avidproducts.com>
Sent: Thursday, May 7, 2026 11:44 AM
To: House Small Business Committee
Cc: DeBlecourt, Jacob (LTGOV); Sabina (LTGOV) Matos
Subject: Testimony in Support of House Bill HB 7570 - Employee Ownership Center

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The Honorable Mary Ann Shallcross Smith
Chair, House Committee on Small Business
82 Smith Street
Providence, RI 02903

Madame Chair and Committee Members,

Thank you for the opportunity to provide this written testimony in support of HB 7570 - Employee Ownership Center.

I am the CEO and an employee-owner of AVID Products, a Rhode Island-based provider of audio devices for Education, Healthcare, Travel, and Hospitality.

AVID was founded in 1953 in East Providence by an engineer named Albert Allen and remained a family-owned business for sixty years. In 2013, the Allen family made the thoughtful decision to sell the company to its employees through an employee-owned structure. To the credit of the Brothers Allen, their goal was not a quick exit, rather the long-term stewardship of the family business, continuity for customers, and wealth creation for AVID's employees, many of whom had dedicated decades to building the company.

Since becoming an ESOP, more than twenty current and former employees' ownership accounts have exceeded \$100,000, with several greater than \$500,000—personal wealth that would not have existed without employee ownership. More than a decade after transition to employee-ownership, AVID Products remains headquartered in Rhode Island and continues to compete successfully in global markets.

Like all states, Rhode Island is approaching a significant business transition point. Thousands of locally owned companies, the backbone of our state's economy, are owned by founders nearing retirement. Yet the reality is that many of these owners have not engaged in or even considered succession planning. For small and mid-sized business owners, succession planning often feels complex, expensive, or overwhelming, especially while they are focused on running the business day to day.

As a result, owners often default to selling to a competitor, selling to private equity, or closing the business entirely. Very few are aware that employee ownership is a viable succession option, and even fewer understand how it works or where to find trusted, objective guidance.

That gap in awareness is exactly establishing the Rhode Island Center of Employee Ownership is so important. Employee ownership—through ESOPs, cooperatives, or employee ownership trusts—can preserve local businesses, keep jobs in Rhode Island, and reward the people who helped build those companies.

But these transitions require education, early planning, and specialized expertise that most owners do not have access to on their own. As a reference model, The Employee Ownership Expansion Network (EOX) now consists of centers in 25 other states, which collectively last year conducted 325 educational/outreach events with 10,000 attendees.

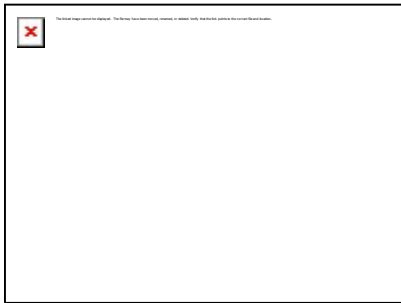
I sincerely appreciate and strongly support the Lt Governor, the Senate and House sponsors and all who are advocating for Rhode Island to do establish our own State center. HB7570 does not mandate employee ownership. Rather it creates a front door—a place where business owners can begin thinking about and be supported in succession planning, learn about employee ownership as one option among many, and connect with credible technical assistance.

Employee-owned companies consistently demonstrate lower turnover, higher engagement, and greater resilience during economic downturns. Workers gain a stake in the business and a path to long-term wealth building, while communities retain stable employers and a strong tax base. In short, HB 7570 helps ensure that healthy Rhode Island businesses are not lost simply because owners lacked information or a clear path forward. It is a practical, bipartisan approach to economic development that aligns the interests of owners, employees, and the state, as 25 other states have done, and more are in the process of doing.

I respectfully urge that you support HB 7570 favorably out of committee. Thank you for your time and consideration

With respect and gratitude,

Tom Flinn



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