VILICUS
FEDERATED

Vilicus Federated — Overview

1) What we are building

Vilicus Federated is a coordinated, long-term effort to rebuild **regional food economies** by aligning ownership, operations, and land stewardship. We acquire essential logistics/processing/distribution businesses, **convert them to employee ownership**, and connect them with regenerative farmland so supply, quality, and value circulate locally rather than being extracted.

Strategy :
Our strategy is to develop regional, employee-owned food systems by linking our farmland assets with food supply chain businesses we acquire and convert to worker ownership.

This is not a single company, but a **federated system** with shared governance and services: a way to keep decision-making close to the ground while compounding benefits across regions.

2) How the federation is organized

We operate through three mutually reinforcing components that let us finance, build, and coordinate at once:

A) Vilicus Capital (financial engine)

- **What it does:** Provides patient, values-aligned capital to secure and steward farmland and to finance acquisitions of critical supply chain nodes (cold storage, processing, logistics).
- **Why it matters:** Capital is structured to favor **soil health, durable cash flow, and community wealth**, not quick flips—so improvements in operations and stewardship have time to compound.

- **Effect:** As farms and businesses stabilize and margins improve, returns are **reinvested** into new acquisitions and shared infrastructure (“flywheel” growth).

B) Vilicus Ops (people, skills, and systems)

- **Training farms & apprenticeships:** Build the talent pipeline for regenerative production and employee-owned operations.
- **Technical assistance:** Soil-health planning, conversion support, market access, governance training, and financial literacy.
- **Innovation hubs:** Pilot CSA/direct models, institutional distribution, and data that ties yields, quality, and profitability to regenerative practice.

C) The Federated Trust (governance layer)

- **Purpose Trust:** Holds a **51% stewardship share** in each operating company (via EOT), safeguarding mission and broad employee voice.
- **HoldCo (49%):** Retains non-controlling economics used to **reinvest** in more acquisitions and shared services; cannot push mission-drift exits.
- **Why “federated” works:** Each regional HoldCo has autonomy to adapt locally while aligning to common standards and guardrails set by the Trust—**local responsiveness + networked scale**.

3) How an acquisition works (simple flow)

1. **Identify** backbone businesses that anchor regional supply (aggregation, processing, cold chain, distribution).
2. **Acquire** and transition to employee ownership: **51%** stewarded by the Employee Ownership Trust, **49%** held by the regional HoldCo.
3. **Integrate** shared services (HR, finance, compliance, quality) via Vilicus Ops to raise standards and reduce cost.
4. **Link** the business to **regenerative farmland** in our network for stable, transparent sourcing.
5. **Reinvest** HoldCo cash flow into the next set of acquisitions and training—**scaling the region** without diluting worker control.

4) The Nashville employee-owned supply chain (first regional node)

Why Nashville: It sits between agricultural abundance and strong urban demand, with existing but under-utilized infrastructure. That makes it an ideal **demonstration market** for a federated, employee-owned supply chain.
Playbook:

- **Anchor nodes:** Acquire key logistics, cold storage, and processing assets.
- **Ownership transition:** 51% employee stewardship / 49% HoldCo reinvests.
- **Demand development:** CSA programs and **institutional buyers** (schools, hospitals, foodservice) to stabilize throughput.
- **Learning culture:** Each node functions as a training site for workers and operators (governance, stewardship, operations).
  Goal: A working, public example of a regionally integrated, employee-owned supply chain that's financially disciplined and socially durable.

5) Why this works (economics + stewardship)

- **Cash-flow discipline:** We underwrite for resilient unit economics and DSCR gates; leverage is sized so IO → amortization is practical under conservative scenarios.
- **Shared services = margin lift:** Centralizing QA, finance, IT, compliance, and procurement lowers overhead and raises quality at each OpCo.
- **Owner-operators:** Employee ownership expands participation and improves retention, safety, and operational intelligence—**the people who run the system share in the upside**.
- **Linked land:** Tying regenerative acreage to regional processing/logistics reduces volatility and improves traceability, making contracts stickier and planning easier.

6) Governance essentials (how we avoid mission drift)

- **Master Purpose Trust:** Protects the mission across time; sets standards, runs audits, and manages **steward governance** across regions.
- **Regional autonomy:** HoldCos adapt to local crops, buyers, labor markets, and culture while meeting federation benchmarks.
- **Board composition:** Employee-owner representatives, community voices, and independent experts to balance practical know-how with accountability.
- **Decisions that matter:** Capital allocation, new-region expansion, and any change to guardrails require elevated thresholds to keep the system mission-aligned.

7) 2025–2040: System-level targets

- **20+ regional nodes** built on the Nashville playbook (anchor nodes, employee ownership, shared services).
- **Millions of acres** of regenerative farmland connected to regional markets through our supply chain assets.
- **500+ employee-owned businesses** (processing, logistics, distribution, retail) inside a common governance framework.

- **Community investment:** Evergreen Civic Shares to invite local, non-extractive capital with capped returns and **no voting control**—wealth circulates without compromising worker governance.

8) What we'll measure (and report)

- **People:** Participation in ownership plans; wage ladders; safety; retention; training throughput.
- **Land:** Soil health, water retention, biodiversity indicators; waste reduction; scope-relevant emissions.
- **Financial:** Coverage and leverage discipline; cash conversion; network procurement savings; quality KPIs.
- **Community:** Local spend recirculation, supplier stability, institutional access (schools/hospitals), and affordability metrics.

9) How partners can plug in

- **Operators:** Lead a node (or three) inside a regional HoldCo; we bring the shared services and governance scaffolding.
- **Sellers/Founders:** Succession via **employee ownership** with mission lock and fair economics.
- **Investors:** Back farmland, OpCo acquisitions, and shared services; or allocate via **Evergreen Civic Shares** for modest, non-extractive, non-voting returns.
- **Institutions:** Buy consistent, high-quality product through a **transparent regional chain** that you can help shape.