

# The Paley Rothman Blog

Paley Rothman shares this library of resources with clients and friends of the firm to help them stay ahead of legal and business developments and trends. Here, you will find helpful tips and tools written by our attorneys. The information in the blogs and articles is not a substitute for legal advice and should not be relied on as such. Should you have any questions or want legal advice, please contact the attorney who wrote the blog or article.

## **JUSTICE KENNEDY SAYS TIME TO RE-EXAMINE SALES TAX COLLECTION REQUIREMENT**

The U.S. Supreme Court in *Direct Marketing Association v. Brohl* reached a unanimous decision Tuesday (March 3, 2015), overturning a Court of Appeals ruling in connection with a Colorado law aimed at trying to collect use taxes resulting from sales by out-of-state retailers.

## **STOCK OPTIONS – MAKE SURE THE EXERCISE PRICE IS RIGHT**

Companies, particularly start ups, often issue stock options to incentivize and reward select employees. Properly structured stock options can be a great recruiting tool but a poorly structured stock option can have a nasty tax surprise for the employee.

## **LIMITING INDEMNIFICATION IN ACQUISITION AGREEMENTS**

Among the essential elements in an agreement to purchase a company or its assets are the "indemnification" provisions. The selling company or its owners are generally required to indemnify the buyer against damages that the buyer may sustain because of breaches of the representations, warranties and covenants contained in the acquisition agreement. It is important for the sellers to negotiate meaningful limitations to the indemnification obligations. Those limitations take various forms, and often are the subject of intense negotiations.

## **MEETING NONPROFIT GOVERNANCE STANDARDS**

Nonprofit organizations are under more scrutiny than ever these days from the government, contributors and other constituents. In addition to always making sure there is no private inurement or other activity jeopardizing a nonprofit's tax-exempt status, there are a host of corporate governance practices that should be examined and need to be put in place.