



Unequalled Creativity, Absolute Partnership:
Game-Changing Advantages.



COMING U-TURNS IN TAX, LABOR (UNIONS) & SECURITIES (M&A)

A Panel Discussion By:

Attorney Benjamin LaFrombois

Attorney Jon Eiden

Attorney John Sikora



Governance, Securities and M&A

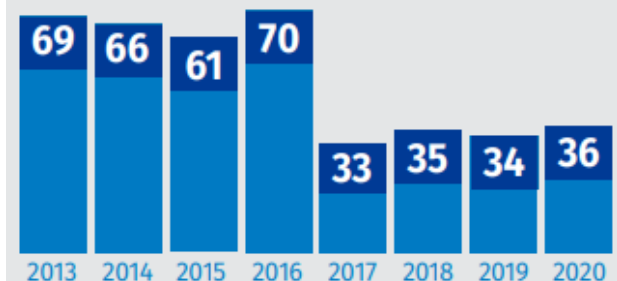
- Democratic control of commission (SEC). Gensler and Dodd-Frank
- Enforcement: more aggressive and larger targets
- Closer look as SPAC and “digital securities”
- New guidance on virtual currencies
- Focus on environmental, social and governance disclosures
- Public company political donation disclosure



Governance, Securities and M&A

- Anti-Trust
 - Priorities on tech company anti-trust continue
 - FTC continue to oppose health care mergers
 - Criminal focus on “wage fixing” cases - charges for agreeing to not solicit other’s employees
 - More scrutiny of mergers
 - Uptick in enforcement

New Antitrust Division Cases Filed 2013-2020



Governance, Securities and M&A

- Commodities Futures Trading Commission:
- Digital Commodity Exchange Act - virtual current trading platforms to register with CFTC
- Insider Trading focus
- Whistleblower support
- Higher monetary penalties with “piling on” by multiple agencies
- More white collar crime enforcement



Governance, Securities and M&A

- IPO - 2021 was BIG year:
- 464 new issues, most since 1999
- \$152.6B in proceeds - highest total in 50 years. (the only year since 1970 to exceed \$100B was 200 with \$105.7B)
- SPAC - specified purpose acquisition companies



Governance, Securities and M&A

- Local M&A
- “K” recovery - depends on industry
- Workouts coming? Act fast with so much liquidity
- PPP funds have supported M&A
- Ample liquidity
- Inflation
- Rising Rates - but not too far
- Trend acceleration - the trends in place were accelerated by Covid and new administration.



Protecting the Right to Organize (PRO) Act

- Introduced by House and Senate Democrats on February 4, 2021, including Senator Tammy Baldwin (D-Wis). The Bill was passed by the House on March 9, 2021 and is moving to the Senate for consideration.
- Supported by President Joe Biden and key Democratic Congressional Leadership, such as Senate Majority Leader Schumer and Speaker Pelosi.
- Most significant labor law reform since 1947 Taft-Hartley Act.
- February 4, 2021, President Biden tweeted, “The policy of our government is to encourage union organizing.”
- Also pledged to be “most pro-union president” in history.



Agenda

- State Right-to-Work Laws
- Permanent Replacement Rights
- Secondary Strikes and Boycotts
- Independent Contractors
- Front Line Supervisors
- Joint Employers
- First Contract Arbitration
- New Organizing and Election Rules
- Mandatory Arbitration Agreements
- Email
- Damages and Penalties

Eliminate State Right-to-Work Laws

- Section 14(b) of the NLRA permits “right-to-work” laws:
 - Employees cannot be compelled to join or pay union dues as a condition of employment.
- Twenty-seven states, including Wisconsin (Sec. 111.04, Wis. Stats.), have “right-to-work” laws.
- PRO Act amends Section 14(b) of the NLRA to make “valid and enforceable” collective bargaining agreements that require so-called “fair share agreements,” which require “all employees in a bargaining unit to contribute fees to a labor organization” for “collective bargaining, contract enforcement, and related expenditures as a condition of employment.”

Independent Contractors

- NLRA Section 2(3) gives employees, not independent contractors, Section 7 rights to join, form, assist labor organization, or to engage in other protected concerted activities.
- PRO Act would incorporate restrictive California “ABC” test.
- NLRA applies union or non-union - wide-ranging implications.
- Most independent contractors would have Section 7 rights.

New Organizing Campaign and Election Rules

- Prohibit Employers from communicating position on union organizing during mandatory meetings.
- “Persuader Rule” - Restrict right of Employer to obtain legal counsel during organizing.
- Mandate employer turn over employee personal information (home address, home phone, cell phone, personal email) to union organizers in advance of election.
- Card check for situations where unions lose election.
- “Blocking charge” policy for decertification elections.
- No “standing” for employers during union elections.
- Micro-units/overwhelming community of interest standard restored.

FEDERAL INCOME TAX CHANGES - BUSINESS/OWNERS

- American Rescue Plan Act of 2021
- Limit on deduction for compensation exceeding \$1 million - publicly held corporations
- Business loss limitation
- Employee retention credit
- COBRA premium subsidy
- Restaurant revitalization grants

POTENTIAL FEDERAL INCOME TAX CHANGES - BUSINESS/OWNERS

- Increase to corporate income tax rate
- Minimum tax on large corporations
- Limit QBI deduction
- Increase to income tax rate - “high income” individuals
- Increase to capital gains tax rate - “high income” individuals
- More limits on like-kind exchanges
- Tax of “unrealized” gains

POTENTIAL FEDERAL TAX CHANGES - BUSINESS/OWNERS

- Elimination of basis step up at death
- Tax gains at death
- Change to estate tax exemption amount
- Increase to wage amount subject to payroll taxes

POTENTIAL FEDERAL INCOME TAX CHANGES - BUSINESS/OWNERS

- Credits
 - Hiring disabled
 - Energy efficiency
 - Manufacturing communities
 - Made in America
- Opportunity zone changes

OTHER/SPECULATION

- Effective date
- Increased examination activity
- SALT deduction
- State tax nexus
- TIGTA report - QBI
- 199 (repealed)