

**Atlanta's
Technology Executives Roundtable
April 2020**

**Top 10 Most Important COVID-19
Legal & Regulatory Issues for
Tech Companies & Investors**

*Please hold until
the session begins*

Technology
Executives
Roundtable

TEER



Rob Pinataro
President, Technology
Executives Roundtable

CEO, Payspan, Inc.

Your Forum

Candid discussion

CEOs, CFOs & Investors

Subject Matter Experts

Complex leadership issues

Share, challenge & test ideas

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Morris, Manning & Martin: Full-service law firm

Pritchard & Jerden: Insurance and risk mgmt services

Truist Bank: Full service corporate/ investment banking

Wm Leonard & Company: Real estate specialists for high growth companies

Zoom Etiquette

--Please mute during presentations.

--Chat if you want to ask a question.

--We are recording for educational purposes; this is not specific legal, accounting or tax advice; consult your advisor



MODERATOR:

**John Yates
Morris, Manning &
Martin**

**Mike Whitacre
Frazier & Deeter**

**Abigail Larimer
Morris, Manning
& Martin**

**Allen Lumpkin
Pritchard & Jerden**



**Joel Stern
Pritchard & Jerden**



**Nicholas C. Rueter
Morris, Manning &
Martin**



**Ronnie Cannon
Wm. Leonard & Co.**

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Top 10 Most Important COVID-19 Legal & Regulatory Issues for Tech Companies & Investors – *Nick Rueter*

NEW LOAN PROGRAMS AVAILABLE FOR TECH COMPANIES

Paycheck Protection Program (PPP)

- Nominal interest, forgivable loans for businesses with under 500 employees

Economic Injury Disaster Loans (EIDL)

- Long-term, low-interest loans with \$10k “advances” available upon application

Mid-Size Business Assistance Program

- Loan program for businesses with between 500 and 10,000 employees

Loan forgiveness for existing Section 7(a) loans

- 6-month principal, interest, and loan fee forgiveness for existing SBA small business loans

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NEW LOAN PROGRAMS AVAILABLE FOR TECH COMPANIES

Paycheck Protection Program (PPP)

Eligibility

- Size standards
- Affiliation rules
- Other certifications

Loan amount and terms

- “Payroll costs”
- Use of proceeds
- Interest and maturity

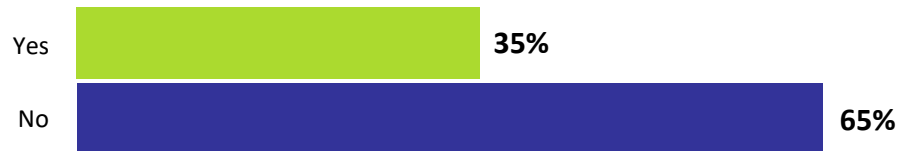
Principal forgiveness

Polls 1-3

1. Have you received any funds under the Payroll Protection Plan (PPP)?



2. When the PPP is opened up again, will you apply (again?)



3. Is your company planning to apply for either of the Main Street Lending programs?



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FAMILIES FIRST CORONOVIRUS ACT

- Emergency Family and Medical Leave Expansion Act
- Emergency Paid Sick Leave Act
- Application to small employers & who pays
- Notice Requirements – Department of Labor Postings
- Employer restrictions (including anti-retaliation provision)

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FURLOUGHS / REDUCTIONS IN FORCE

- Furlough vs. Layoff – What’s the difference?
- CARES Act Paycheck Protection Program Loan – can you continue to pay employees instead of laying them off?
- Salary Reductions & Hours Reductions
- WARN Act Considerations
- CARES Act & Unemployment

Top 10 Most Important COVID-19 Legal & Regulatory Issues for Tech Companies & Investors - *Abby Larimer*

REMOTE WORKFORCE

- Work From Home policy
- Equipment – who pays?
- Shelter-in-place & Essential Business
- Wage & Hour Concerns
- Cybersecurity & Data Privacy

Polls 4-5

4. Have you had to layoff or furlough any employees in the last month?



5. Do you expect to make layoffs or furlough employees in May and/or June?



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HEALTHCARE & TELEMEDICINE

Coverage for COVID testing and treatment

- Testing, preventive, and immunizations – 100% covered by the plan
- Treatment – it depends

Benefits for employees with reduced hours

- Leave of absence/furlough vs. termination
- Uniform and non-discriminatory internal policies

Other help from insurance companies:

- Special enrollment periods
- Rate / renewal relief
- Web-based COVID testing tools
- Waived shipping costs for mail order Rx

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HEALTHCARE & TELEMEDICINE

Telemedicine

- Carriers waiving or reducing fees for all visits, not just COVID-related
- Break for HDHPs
- First line of defense

HSA/FSA/HRA changes

- OTC + menstrual products retro to 12/31/19
- Protection for first dollar coverage on COVID testing and telemedicine

EAPs and Mental Health

Considerations for self-insured plan sponsors

Polls 6-7

6. If you have laid off or furloughed employees, have you made arrangements for them to keep their health insurance?



7. Have you distributed information to your employees about telemedicine and/or your EAP program?



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CONTRACT BREACHES & FORCE MAJEURE

Force majeure

- Pandemic vs. epidemic vs. outbreak vs. Act of God
- Impossible vs. inconvenient vs. unprofitable
- Enforcement

Termination rights

Notice provisions

- Automatic or notice default
- Electronic vs. mail

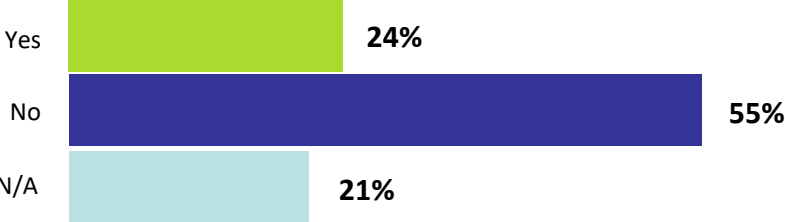
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IMPLICATIONS ON LEASING AND COMMERCIAL REAL ESTATE

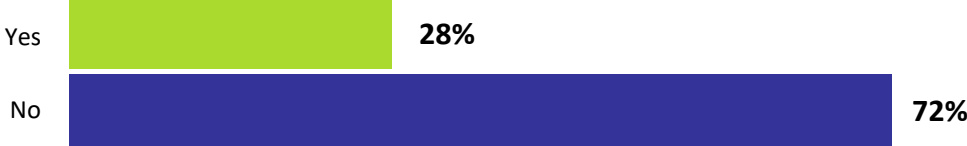
- **Force Majeure and Interruption of Services Clauses**
 - Review clauses in Lease
 - Moving Forward – two ways to mitigate future events
- **Rent Concessions / Rent Deferrals**
 - Know your Landlord (REITs, Institutional, Regional, Local)
 - Be prepared to show Financials and Projections
 - Make your ask clearly
- **“Reopening the Office”**
 - Have a Plan (CDC, OSHA, Legal considerations)
 - Phasing in Employees, Social Distancing, Managing Common Areas
 - Use available technology to be more effective and efficient
- **Leveraging the Market to Downsize or Expand**

Polls 8-9

8. Have you asked your landlord for rent concessions or rent deferment?



9. Have you developed a "plan" to reopen the office?



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TAX & ACCOUNTING IMPLICATIONS

Key tax items

- April 1 – July 14 due dates moved to July 15
 - 2019 TRs, 2020 estimated tax payments, etc.
- Payroll tax deferral / employee retention credit
- Net operating loss carryback expanded
- Interest expense limitation rolled back

PPP loan forgiveness

- Planning for and tracking use of funds

Financial reporting

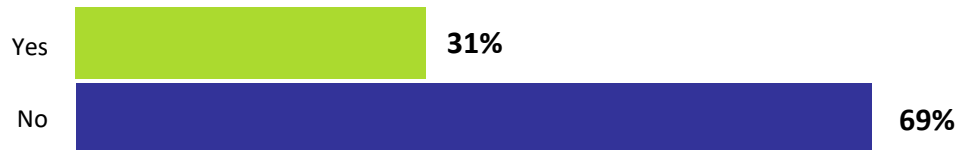
- Subsequent events/impairment/going concern

Polls 10-11

10. Do you view the ability to defer payroll taxes until December 2021 and 2022 as a valuable option?



11. Do you plan to take advantage of the Employee Retention Credit option?



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CYBERSECURITY DURING COVID-19

Remote Working Increases Exposures

- Personal Vs. Company issued devices
- Multifactor Authentication
- Access controls important - Avoid RDP - Remote Desktop Protocol
- Incident Response Plan
- Confirm Data Backup is working
- DLP – Data Loss Prevention Tools
- Social Engineering
- Insider Threats

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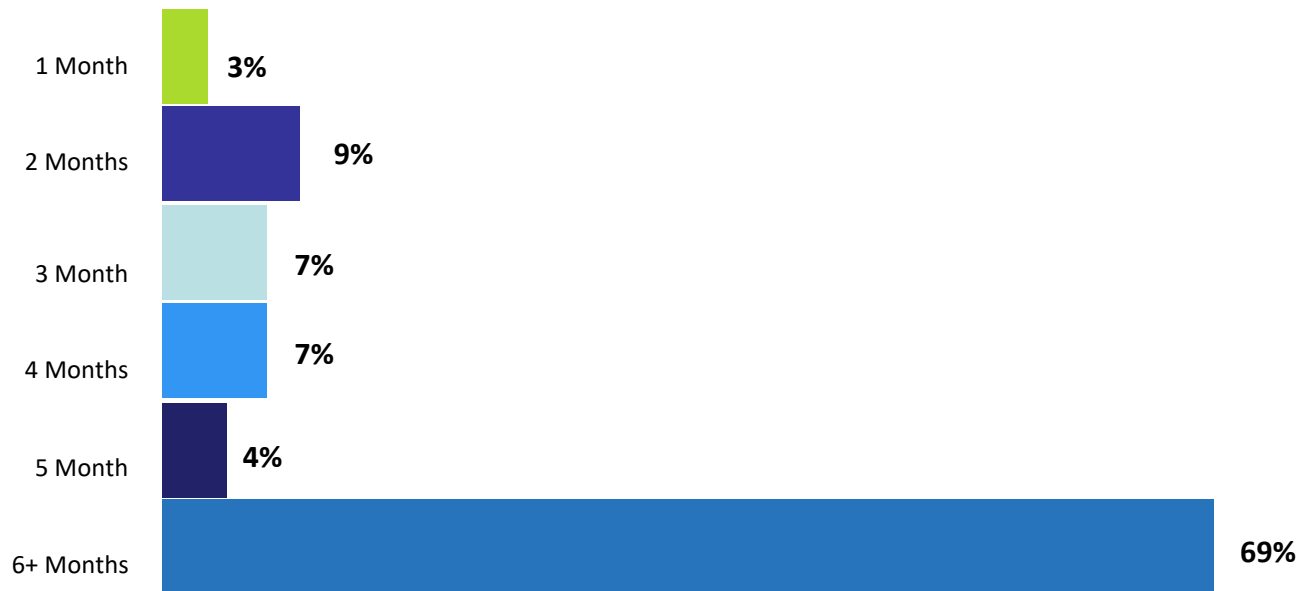
CYBERSECURITY DURING COVID-19

Cyber Liability

- Does your cyber policy cover remote workers – “Insureds network/infrastructure means any network of computers owned, or leased by an insured. “
- Business Interruption under Property Form - Most tech companies' revenue is derived offsite which does not fit the coverage trigger of a physical loss to an insured premises caused by a covered loss.
- Business Interruption/Contingent business interruption – “Network Systems Failure” - protects insureds from their own network and/or third-party networks shutting down and doesn't have to be the result of a cyber attack

Poll 12

How many months can your company survive with the current “new normal” restrictions in place without any of the government assistance programs?



Panelists Contact Information

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**Please join our May 2020 Meeting
Live or Virtual**

**“Tech: How to Survive & Thrive
Through COVID-19”**

May 19, 2020