CHAPTER 1. STATE CORPORATE LAW ISSUES

	—·-
§ 1:1	Introduction
§ 1:2	—Adequate consideration
§ 1:3	—Actions by directors
§ 1:4	—Stockholder approval
§ 1:5	—Repurchase of stock
§ 1:6	Delaware—Adequate consideration—Newly issued
	stock
§ 1:7	——Treasury stock
§ 1:8	——Stock options—New grants
§ 1:9	———Repricing
§ 1:10	— — Exercise price
§ 1:11	—Action by directors
§ 1:12	——Delegation to committees of the board
§ 1:13	——Delegation to subcommittees
§ 1:14	——Delegation to others
§ 1:15	——Action by written consent
§ 1:16	—Stockholder approval
§ 1:17	—Repurchase of stock
§ 1:18	—Director actions—General
§ 1:19	California—Adequate consideration—Newly issued
	stock
§ 1:20	——Stock options—New grants
§ 1:21	— — Exercise price
§ 1:22	—Action by directors
§ 1:23	——Delegation to committees of the board
§ 1:24	——Action by written consent
§ 1:25	—Shareholder approval
§ 1:26	—Repurchase of stock
§ 1:27	——Balance sheet test
§ 1:28	— —General solvency test

CHAPTER 2. FEDERAL INCOME TAX LAW ISSUES

$\S~2:1$	Introduction
§ 2:2	Direct issuance of vested stock (§ 83)
§ 2:3	—Meaning of "substantial risk of forfeiture"
$\S~2:4$	—Tax consequences
§ 2:5	—Valuation of stock
$\S 2:6$	Direct issuance of non-vested stock (§ 83)
§ 2:7	—Tax consequences without § 83(b) election

800	m '41 (00/1) 1 /*
§ 2:8	—Tax consequences with § 83(b) election
§ 2:9	—Mechanics of § 83(b) election
§ 2:10	—Transactions that cause holders of previously vested stock to hold nonvested stock
S 0.11	
§ 2:11	Nonstatutory stock options (§ 83)
§ 2:12	—Reverse vesting and installment vesting
§ 2:13	—Tax consequences on grant of nonstatutory option
§ 2:14	—Tax consequences upon exercise of a nonstatutory option for vested stock
§ 2:15	Tax consequences upon exercise of a nonstatutory
8 2.10	option for non-vested stock
§ 2:16	—Tax consequences upon exercise of nonstatutory
§ 2.10	option for non-vested stock—Tax consequences
	without § 83(b) election
§ 2:17	— —Tax consequences with 83(b) election
§ 2:18	Incentive stock options (§§ 421, 422, and 424)
§ 2:19	—Qualification of incentive stock options (§ 422)
§ 2:20	— — Employment status—General rule
§ 2:21	——Date of grant
§ 2:22	———Related corporation
§ 2:23	— — Leaves of absence
§ 2:24	———Consequences of failure to satisfy continuous
3 2.21	employment requirement
§ 2:25	——Plan approved by stockholders; written option
3	plan
§ 2:26	— — Stockholder approval
§ 2:27	— — Maximum aggregate number of shares
§ 2:28	— — Designation of employees
§ 2:29	— — Maximum life of plan
§ 2:30	——Maximum option term
§ 2:31	— — Minimum exercise price
§ 2:32	— — Nontransferability
§ 2:33	— \$100,000 limit—General rule
§ 2:34	———Effect of acceleration of exercisability
§ 2:35	— — — Application to options with reverse vesting
§ 2:36	—Grant of incentive stock option
§ 2:37	—Exercise of incentive stock option
§ 2:38	— —Regular income tax
§ 2:39	——Alternative minimum tax
§ 2:40	—Disposition of ISO shares
§ 2:41	——Definition of "disposition"
§ 2:42	— —Holding periods satisfied
§ 2:42	
-	——Holding periods not satisfied
§ 2:44	—Modification or extension of incentive stock options
§ 2:45	—Repricing of incentive stock options
§ 2:46	—Assumption or substitution of incentive stock
\$ 0.47	options Description of exercise price with steels
§ 2:47	Payment of exercise price with stock
§ 2:48	—Exercise of nonstatutory stock options

§ 2:49	—Exercise of incentive stock options with ISO or ESPP shares before holding periods are met for old
8 9.50	shares
§ 2:50	 Exercise of incentive stock options without disqualifying disposition of old shares
§ 2:51	—Subsequent disqualifying disposition of new ISO
3 2.01	shares
§ 2:52	—Exercise by attestation
§ 2:53	Payment of purchase or exercise price with
	promissory note
$\S~2:54$	—Non-recourse vs. full-recourse notes
$\S~2:55$	—Minimum interest rate and recharacterization of
	principal as interest
$\S 2:56$	—Reduction or other modification of note
$\S 2:57$	—Other issues with promissory notes
§ 2:58	Employee stock purchase plans (§§ 421, 423, and 424)
§ 2:59	—Plan design
§ 2:60	—Qualification of employee stock purchase plans (§ 423)
§ 2:61	——Employment status
§ 2:62	— —Written plan and stockholder approval
§ 2:63	——Five percent stockholders
§ 2:64	\$25,000 limit
§ 2:65	— —Other eligibility standards
§ 2:66	——Equal rights and privileges
§ 2:67	——Minimum purchase price
§ 2:68	——Maximum offering period
$\S 2:69$	— —Nontransferability
§ 2:70	—Tax consequences of participation in an ESPP (§§ 421 and 423)
$\S 2:71$	— —The taxable event
$\S 2:72$	— —The holding periods
§ 2:73	— —Qualifying dispositions
§ 2:74	— —Disqualifying dispositions
§ 2:75	——Definition of "disposition"
§ 2:76	——Death of participant
§ 2:77	Reporting requirements for ISOs and ESPPs (§ 6039)—Incentive stock options
§ 2:78	—Employee stock purchase plans
§ 2:79	Qualified equity grants (§ 83)—Introduction
§ 2:80	—Potential tax benefits
§ 2:81	—Statutory requirements
§ 2:82	—Definition of eligible employer
§ 2:83	Qualified equity grant (§ 83)—Definition of qualified
	employee
§ 2:84	—Definition of qualified stock
§ 2:85	—How to make an 83(i) election
§ 2:86	—Effect of making an 83(i) election
§ 2:87	—Deferral of income recognition

§	2:88	—Commencement of long-term capital gain holding period
§	2:89	Required escrow agreement
§	2:90	Taxation of qualified equity grants
	2:91	Qualified equity grant (§ 83)—Employer 83(i) notice
	2:92	—No shareholder approval requirement
	2:93	The million-dollar limitation on deductions
-		(§ 162(m))—Background—Introduction
	2:94	Definition of publicly held corporation
_	2:95	Definition of affiliated groups
§	2:96	Definition of covered employee
§	2:97	Grandfather agreements (§ 162(m))
§	2:98	The million-dollar limitation on deductions
		(§ 162(m))—Transition from privately held
		corporation to publicly held corporation
§	2:99	Section 162(m)(5) limits applicable to financial
		institutions selling troubled assets
Ş	2:100	Deduction limitations for covered health insurance
		providers
Ş	2:101	Overview of § 409A—Background
	2:102	Overview § 409A—Penalties
	2:103	—Basic rules
	2:104	—Regulations and Guidance
	2:105	—Funding/Offshore Transactions/Tax-exempt Entities
-	2:106	Plans subject to section 409A—Application to non-
8	2.100	qualified deferred compensation plans
8	2:107	Plans subject to § 409A—"Service providers" and
8	2.107	"service recipients" to whom § 409A applies
8	2:108	——Service provider
-	2:109	——Service provider ——Service recipient
-		_
-	2:110	—Definition of plan/aggregation of plans
	2:111	Exceptions to § 409A—In general
8	2:112	—Exclusion for certain tax-favored plans; welfare
o	0.110	plans; certain foreign plans; and other arrangements
	2:113	—Short-term deferral exception—General rule
Ş	2:114	Exceptions to § 409—Short-term deferral exception—
		Exception for certain payments after applicable
		2-1/2 month period
8	2:115	Exceptions to § 409A—Short-term deferral
		exception—Apply exception to each separate
_		payment
-	2:116	——Substantial risk of forfeiture (vesting)
-	2:117	—Stock rights and other equity awards
-	2:118	——Service recipient stock
§	2:119	— —Fair value options—Exercise price
§	2:120	———Date of grant
§	2:121	— — Fair market value of underlying stock—
		Readily tradable
§	2:122	—Stock rights and other equity—Fair value options—
_		Not readily tradeable

§ 2:123	—Stock rights and other equity awards—Fair value options—No readily tradeable—Independent
\$ 0.104	appraisal
§ 2:124	— — —Not readily tradeable—Illiquid start-up valuation
§ 2:125	— — — Formula valuation
§ 2.125 § 2:126	— — Modification or extension of an option or an SAR
§ 2.120 § 2:127	——Modification ——Modification
§ 2:127 § 2:128	— — — Extension
§ 2:129	— — —Rules applicable to both a modification and extension
§ 2:130	—Partners, partnerships, and non-corporate entities
§ 2:130	—No general exception for taxable reimbursement
8 2.101	and in-kind benefit plans
§ 2:132	—Separation pay plan exceptions—General
§ 2:133	——Involuntary terminations and window
5 2.100	programs—General rule
§ 2:134	——Involuntary separations from service and
5	window programs—Involuntary separation from
	service
§ 2:135	 — Involuntary terminations and window
	programs—Good reason
§ 2:136	 Foreign plans; collectively bargained plans
§ 2:137	— —Other separation pay exceptions
§ 2:138	———Reimbursement of business, out-placement,
	and moving expenses
§ 2:139	———Reimbursements of medical expenses
§ 2:140	———In-kind benefits
$\S 2:141$	———Small payment exemption
$\S 2:142$	Election and change rules—In general
§ 2:143	—Initial elections as to time or form—General rule
§ 2:144	— —Initial year of participation
§ 2:145	— —Performance-based compensation
§ 2:146	——Deferrals of non-vested amounts
§ 2:147	——Separation pay
§ 2:148	——Commissions
§ 2:149	——Partial year compensation
§ 2:150	— —Fiscal year compensation
§ 2:151	— Other special rules
§ 2:152	——Short-term deferrals
§ 2:153	—Changes in time and form
§ 2:154	— —Anti-acceleration
§ 2:155	——Subsequent changes in time and form of benefit
3 2.1200	payment—In general
§ 2:156	———Definition of payment
§ 2:157	—Coordination of the anti-acceleration rules with the
, . .	subsequent change rules
§ 2:158	Payment timing rules—In general
§ 2:159	—When payment is or can be made

§ 2:160	—Permissible delays in payment—Administrative delays; payments that jeopardize employer as going concern
§ 2:161	——Payment disputes
§ 2:162	— — Payments to certain resident aliens
§ 2:163	—Payments on earlier or later of designated dates
§ 2:164	—Different times or forms on separation from service
§ 2:165	—Payment of earnings
§ 2:166	—Permissible payment events—Specified time or
	fixed schedule—In general
$\S 2:167$	——Payments by reference to payments received
	by employer
§ 2:168	———Reimbursements and in-kind benefits
§ 2:169	———Tax reimbursements and gross-up
$\S 2:170$	——Separation from service—General rules
$\S 2:171$	— — Employees
$\S 2:172$	— — —Independent contractors
§ 2:173	———Six month deferral rule for specified
	employees
$\S 2:174$	——Death or disability
$\S 2:175$	——Change in control event
§ 2:176	———Change in ownership
§ 2:177	———Change in effective control
§ 2:178	———Change in the ownership of a substantial
	portion of the entity's assets
§ 2:179	— — — Delayed payments pursuant to change in control event
§ 2:180	— — Entities taxable as partnerships
§ 2:180	— — Unforeseeable emergency
§ 2:181	Income inclusion, reporting, and withholding—In
	general
§ 2:183	Income inclusion, reporting and withholding under § 409A—Calculation of income inclusion, reporting and withholding—Guidance from Notices, including Notice 2008-115
§ 2:184	Income inclusion, reporting and withholding—Section 409A calculation of income inclusion only—Guidance
	from Proposed Income Inclusion Regulations
$\S 2:185$	Effective date/transition relief—In general
§ 2:186	—Transition guidance
§ 2:187	— —Applicable guidance
§ 2:188	— —Good faith, reasonable interpretation
§ 2:189	——Changes in payment elections on or before
	December 31, 2008
§ 2:190	-Effective date/transition relief-Transition
	guidance—Deferrals of short-term deferrals
§ 2:191	———Amendment of stock rights to comply
§ 2:192	———Cancellation and replacement of stock rights
§ 2:193	———Amendment to comply with good reason safe
	harbor

§ 2:194	Correction relief for operational and plan document failures—In general
§ 2:195	Correction of operational failures—In general
§ 2:196	—Eligibility
§ 2:197	—Types of failures that may be corrected
§ 2:198	—Correction procedures in general under notice
§ 2:199	—Corrections of operational failures in same taxable
	year in which failure occurs
§ 2:200	—Corrections of failures involving non-insiders in the taxable year immediately following the taxable year in which the failure occurs
§ 2:201	—Corrections of failures involving limited amounts
§ 2:202	—Made by the end of second taxable year following
	year in which the failure occurs
§ 2:203	—Sanction chart
§ 2:204	Correction of document failures—In general
§ 2:205	—Eligibility requirements
§ 2:206	—Application of § 409 to certain ambiguous plan
0	terms
§ 2:207	—Correction of impermissible definitions of otherwise
	permissible payment events
§ 2:208	—Correction of impermissible payment periods
	following a permissible payment event
§ 2:209	—Correction of certain impermissible payment events
0.010	and payment schedules
§ 2:210	—Correction of failure to includes six-month delay of payment for specified employees
§ 2:211	—Correction of provisions providing for impermissible
	initial deferral elections
$\S~2:212$	—Amendment following a service recipient's initial
	adoption of a plan
$\S~2:213$	—Reporting requirements
$\S~2:214$	—Transition relief
$\S~2:215$	Relief provided in proposed income inclusion
	regulation
$\S~2:216$	Section 409A rules relating to funding
$\S~2:217$	Section 457A rules relating to offshore transactions
	and tax-exempt entities
$\S~2:218$	Section 280G excess parachute payments
§ 2:219	—Definitions and general rules—Excess parachute
	payment
§ 2:220	——Parachute payment
$\S~2:221$	——Base amount
§ 2:222	—Payment in the nature of compensation
§ 2:223	—Disqualified individuals
§ 2:224	— —Shareholder
§ 2:225	— —Officer
§ 2:226	— —Highly compensated individual
§ 2:227	——Compensation
§ 2:228	— —Affiliated groups
	U 1

§ 2:229	— —Disqualified individual determination period
§ 2:230	— — Outside directors
§ 2:231	—Change in control
§ 2:232	——Change in ownership of stock
§ 2:233	— — Change in effective control
§ 2:234	——Change in ownership of assets
§ 2:235	—Payment contingent on change in control—
	Contingent on change in control
§ 2:236	——Amounts of payment treated as contingent on
	change in control—General rules
$\S 2:237$	———Exception for vested payments
§ 2:238	———Exception for certain non-vested payments
§ 2:239	— — Determination of present values
§ 2:240	——Presumption that payment is contingent on
	change in control
$\S~2:241$	—Exempt payments
§ 2:242	——"Small business corporations"
§ 2:243	——Certain payments by corporation whose stock is
	not readily tradeable
$\S 2:244$	——Reasonable compensation
$\S 2:245$	——Application of golden parachute rules to stock—
	Stock options
§ 2:246	——Restricted stock or restricted stock units
§ 2:247	—Reporting and withholding requirements
§ 2:248	-Minimizing exposure to § 280G
§ 2:249	—Strategies for dealing with excess parachute
0.00	payments
§ 2:250	—Privately held companies
§ 2:251	—Other strategies
§ 2:252	Excess parachute payments by TARP recipients
§ 2:253	Selected questions and answers regarding § 409A

CHAPTER 3. FEDERAL SECURITIES LAW ISSUES § 3:1 Pre-IPO registration issues—General

§ 3:1	Pre-IPO registration issues—General
§ 3:2	—Becoming a public reporting company by virtue of
	having a class of securities held of record by 2,000
	shareholders or 500 non-accredited investors
§ 3:3	Available exemptions—Private Placement Exemption
	under Section $4(a)(2)$
§ 3:4	—Section 4(a)(2)—&SEC and court opinions
§ 3:5	——Safe harbor for § 4(a)(2)
§ 3:6	—Rule 701
§ 3:7	Federal requirements for public companies
§ 3:8	—Registration on Form S-8—Securities that may be
	registered
§ 3:9	——Content of a Form S-8
§ 3:10	— —Form S-8 and ESPP enrollment
§ 3:11	——Section 10(a) prospectus
5 0.11	beentoff to(a) prospection

§ 3:12	— Electronic delivery of § 10(a) prospectus
§ 3:13	——Reoffer prospectuses
§ 3:14	— —Increase in number of shares under employee benefit plan
§ 3:15	—Compliance with SEC Rule 16b-3
§ 3:16	——Grant of option or Stock Appreciation Right ("SAR")
§ 3:17	— — Option exercise by paying cash or through sameday sale
§ 3:18	——Option exercise by delivery of shares
§ 3:19	— — Option exercise by stock withholding
§ 3:20	——Award of securities
§ 3:21	— —SAR exercise
§ 3:22	——Award or settlement of stock units
§ 3:23	— —Forfeiture of unvested shares
§ 3:24	——Sale of shares
§ 3:25	——Participation in ESPP
§ 3:26	——Compliance in merger context
§ 3:27	Post-IPO sales by employees, consultants, etc.
§ 3:28	—Rule 144
§ 3:29	——Sales by non-affiliates
§ 3:30	——Sales by affiliates
§ 3:31	— — Public information
§ 3:32	— — Volume limitations
§ 3:33	— — Manner of sale requirements
§ 3:34	— —Form 144 filing
§ 3:35	— — Holding periods
§ 3:36	—Rule 701(g)(3)
§ 3:37	—10b5-1 trading plans
§ 3:38	The executive compensation disclosure regime
§ 3:39	—Proxy—Item 402—Introduction
§ 3:40	——————————————————————————————————————
8 9.40	Companies other than smaller reporting companies ("SRC") or emerging growth companies ("EGC")
§ 3:41	————Companies classified as SRCs or EGCs
§ 3:42	— — — Compensation subject to disclosure
§ 3:43	— — —CD&A—General
§ 3:44	— — — Compensation Committee Report
§ 3:45	— — —Summary Compensation Table
§ 3:46	— — Grants of plan-based awards table
§ 3:47	— — Narrative disclosure to summary
3 3.2.	compensation table and grants of plan-based awards table
§ 3:48	———Outstanding equity awards at fiscal year-end
	table
§ 3:49	———Option exercises and stock vested table
§ 3:50	———Pension benefits table
§ 3:51	———Nonqualified deferred compensation table

change in control § 3:53 ——Director compensation table § 3:54 ——Narrative disclosure of the company's compensation policies and practices as they relate the company's risk management § 3:55 ——Golden parachute compensation § 3:56 —Transactions—Compensation risk disclosure § 3:57 ——Pay Ratio Disclosure § 3:58 —Transactions with related persons	
§ 3:54 — — Narrative disclosure of the company's compensation policies and practices as they related the company's risk management § 3:55 — — Golden parachute compensation § 3:56 — Transactions—Compensation risk disclosure § 3:57 — — Pay Ratio Disclosure	
compensation policies and practices as they related the company's risk management § 3:55 ——Golden parachute compensation § 3:56 ——Transactions—Compensation risk disclosure § 3:57 ——Pay Ratio Disclosure	
the company's risk management § 3:55 ——Golden parachute compensation § 3:56 ——Transactions—Compensation risk disclosure § 3:57 ——Pay Ratio Disclosure	
 § 3:55 — — Golden parachute compensation § 3:56 — Transactions—Compensation risk disclosure § 3:57 — — Pay Ratio Disclosure 	e to
§ 3:56 ——Transactions—Compensation risk disclosure § 3:57 ——Pay Ratio Disclosure	
§ 3:57 ——Pay Ratio Disclosure	
· ·	
8 3.58Transactions with related paragrams	
3 0.00 — Transactions with related persons	
§ 3:59 ———Changes in Item 404(a)	
§ 3:60 ———General disclosure requirements	
§ 3:61 ———Definitions	
§ 3:62 ———Exceptions for disclosure	
§ 3:63 ———Procedures for approval of related person	
transactions	
§ 3:64 ———Promoters	
§ 3:65 ——Corporate governance disclosure—Overview	
§ 3:66 ———Operation of Item 407	
§ 3:67 ——Beneficial ownership disclosure	
· · · · · · · · · · · · · · · · · · ·	J
§ 3:68 —Shareholder approved/non-shareholder approved table	J
§ 3:69 —Nonbinding shareholder vote on executive	
compensation	
§ 3:70 — Effect of Say-on-Pay	
§ 3:71 —Section 16(a) of the Securities Exchange Act of 1934	
§ 3:72 ——Form 3 (Initial Statement of Beneficial	
Ownership of Securities)	
§ 3:73 — Form 4 (Statement of Changes of Beneficial	
Ownership)	
§ 3:74 ——Form 5 (Annual Statement of Changes in	
Reneticial (Iwnership of Securities)	
Beneficial Ownership of Securities)	
§ 3:75 ——Exempt transactions	
§ 3:75 ——Exempt transactions § 3:76 —Form 8-K—General	
 § 3:75 — Exempt transactions § 3:76 —Form 8-K—General § 3:77 —Director resignation of refusal to stand for 	
 § 3:75 — Exempt transactions § 3:76 —Form 8-K—General § 3:77 — Director resignation of refusal to stand for election due to disagreement 	
 \$ 3:75 — Exempt transactions \$ 3:76 — Form 8-K—General \$ 3:77 — Director resignation of refusal to stand for election due to disagreement \$ 3:78 — Resignation or termination of certain officers 	
 § 3:75 — Exempt transactions § 3:76 — Form 8-K—General § 3:77 — Director resignation of refusal to stand for election due to disagreement § 3:78 — Resignation or termination of certain officers and directors 	
 § 3:75 — Exempt transactions § 3:76 — Form 8-K—General § 3:77 — Director resignation of refusal to stand for election due to disagreement § 3:78 — Resignation or termination of certain officers and directors § 3:79 — Appointment of certain officers 	
 § 3:75 — Exempt transactions § 3:76 —Form 8-K—General § 3:77 — Director resignation of refusal to stand for election due to disagreement § 3:78 — Resignation or termination of certain officers and directors § 3:79 — Appointment of certain officers § 3:80 — Election of director other than by shareholded 	
 § 3:75 — Exempt transactions § 3:76 — Form 8-K—General § 3:77 — Director resignation of refusal to stand for election due to disagreement § 3:78 — Resignation or termination of certain officers and directors § 3:79 — Appointment of certain officers § 3:80 — Election of director other than by shareholde vote 	
 § 3:75 — Exempt transactions § 3:76 — Form 8-K—General § 3:77 — Director resignation of refusal to stand for election due to disagreement § 3:78 — Resignation or termination of certain officers and directors § 3:79 — Appointment of certain officers § 3:80 — Election of director other than by shareholde vote § 3:81 — Adoption or amendment or material awards 	
 § 3:75 — Exempt transactions § 3:76 — Form 8-K—General § 3:77 — Director resignation of refusal to stand for election due to disagreement § 3:78 — Resignation or termination of certain officers and directors § 3:79 — Appointment of certain officers § 3:80 — Election of director other than by shareholde vote § 3:81 — Adoption or amendment or material awards under compensation of certain officers 	
 § 3:75 — Exempt transactions § 3:76 — Form 8-K—General § 3:77 — Director resignation of refusal to stand for election due to disagreement § 3:78 — Resignation or termination of certain officers and directors § 3:79 — Appointment of certain officers § 3:80 — Election of director other than by shareholde vote § 3:81 — Adoption or amendment or material awards under compensation of certain officers § 3:82 — Update of item salary and bonus 	
 § 3:75 — Exempt transactions § 3:76 — Form 8-K—General § 3:77 — Director resignation of refusal to stand for election due to disagreement § 3:78 — Resignation or termination of certain officers and directors § 3:79 — Appointment of certain officers § 3:80 — Election of director other than by shareholde vote § 3:81 — Adoption or amendment or material awards under compensation of certain officers § 3:82 — Update of item salary and bonus § 3:83 — Other matters—Plain English disclosure 	
 § 3:75 — Exempt transactions § 3:76 — Form 8-K—General § 3:77 — Director resignation of refusal to stand for election due to disagreement § 3:78 — Resignation or termination of certain officers and directors § 3:79 — Appointment of certain officers § 3:80 — Election of director other than by shareholde vote § 3:81 — Adoption or amendment or material awards under compensation of certain officers § 3:82 — Update of item salary and bonus § 3:83 — Other matters—Plain English disclosure § 3:84 — Small business issuers 	
 § 3:75 — Exempt transactions § 3:76 —Form 8-K—General § 3:77 — Director resignation of refusal to stand for election due to disagreement § 3:78 — Resignation or termination of certain officers and directors § 3:79 — Appointment of certain officers § 3:80 — Election of director other than by shareholde vote § 3:81 — Adoption or amendment or material awards under compensation of certain officers § 3:82 — Update of item salary and bonus § 3:83 — Other matters—Plain English disclosure § 3:84 — Small business issuers § 3:85 — Foreign private issuers 	
 § 3:75 — Exempt transactions § 3:76 — Form 8-K—General § 3:77 — Director resignation of refusal to stand for election due to disagreement § 3:78 — Resignation or termination of certain officers and directors § 3:79 — Appointment of certain officers § 3:80 — Election of director other than by shareholde vote § 3:81 — Adoption or amendment or material awards under compensation of certain officers § 3:82 — Update of item salary and bonus § 3:83 — Other matters—Plain English disclosure § 3:84 — Small business issuers 	

§ 3:88	—General
§ 3:89	—Independence
§ 3:90	—Authority to retain compensation consultants,
	independent legal counsel and other compensation
	advisers at company expense
§ 3:91	—Consideration of independence of compensation
0.000	consultants and other advisers
§ 3:92	—Opportunity to cure a failure to satisfy the listing
e a.oa	standards required by SEC Rule § 10C-1
§ 3:93	SEC revision to proxy disclosure rules
§ 3:94	Governance and other rules for compensation committees—Nasdaq—General
§ 3:95	— —Charter requirement
§ 3.95 § 3:96	— —Charter requirement — —Compensation committee requirement
§ 3.90 § 3:97	— —Compensation committee requirement — —Definition of independence
§ 3.97 § 3:98	—SEC Rules Applicable to Nasdaq and NYSE—
8 0.00	Compensation consultants, independent legal
	counsel and other advisers
§ 3:99	-Nasdaq-Effective dates
§ 3:100	-NYSE
§ 3:101	Other Dodd-Frank compensation rules—Board
3	leadership structure and risk oversight role
§ 3:102	—Pay versus performance
§ 3:103	—Clawbacks
§ 3:104	—Hedging transactions
§ 3:105	—Proxy access
§ 3:106	—Broker non-vote
§ 3:107	—Environmental, Social and Governance ("ESG"),
	including climate risk disclosure and
0.0100	implementation of human capital metrics
§ 3:108	—Disclosures relates to grants of stock options and stock appreciation rights ("SAR")
§ 3:109	Proxy advisory firm guidance under Dodd-Frank
§ 3:110	Proxy advisory firm guidance
§ 3:111	Some thoughts on recent shareholder engagement
-	issues
§ 3:112	—Who owns the ranch?
§ 3:113	—Convincing the herd
§ 3:114	—Harvest failures and procedural matters
§ 3:115	SEC guidance on cybersecurity

CHAPTER 4. STATE BLUE SKY LAW ISSUES

$\S 4:1$	Introduction
§ 4:2	California
§ 4:3	—Section 25102(f)
§ 4:4	—Section 25102(o)
§ 4:5	—Qualification by permit
§ 4:6	-Exemption for exchange-listed company

§ 4:7 —Qualification by coordination § 4:8 Colorado § 4:9 Connecticut § 4:10 Florida § 4:11 Illinois Maryland § 4:12 § 4:13 Massachusetts § 4:14 New Jersey New York § 4:15 § 4:16 North Carolina Oregon § 4:17§ 4:18 Texas § 4:19 Virginia

Washington

§ 4:20

CHAPTER 5. NEW YORK STOCK EXCHANGE AND NASDAQ RULES

§ 5:1	Introduction
§ 5:2	New York Stock Exchange Rules—Coverage of
	Exchange Rules
§ 5:3	—Requirements for issuers maintaining employee
	stock plans
$\S 5:4$	—Material revisions
§ 5:5	—Exemptions
§ 5:6	— —Tax qualified and parallel plans
§ 5:7	— —Employee-inducement grants
§ 5:8	——Mergers & Acquisitions
§ 5:9	Nasdaq rules
§ 5:10	—Coverage of NASD rules
§ 5:11	—Corporate governance
§ 5:12	—Requirements for issuers maintaining employee
	stock plans
§ 5:13	—Material amendments
§ 5:14	—Case study—Amendments to nonqualified § 423 plan
§ 5:15	—Exemptions
§ 5:16	— —Tax qualified and parallel plans
$\S 5:17$	— —Employee-inducement grants
§ 5:18	— —Case study—Inducement grants
§ 5:19	——Mergers & acquisitions
§ 5:20	New approaches to board diversity
§ 5:21	NYSE's Board Diversity Initiative
§ 5:22	Other Pertinent Nasdaq rules—Governance—Board
	Diversity

CHAPTER 6. ACCOUNTING FOR EQUITY AWARDS—A NON-TECHNICAL OVERVIEW OF SELECTED KEY ISSUES

§ 6:1 Introduction

§ 6:2	ASC 718 measurement objective—General
§ 6:3	—Applicability to employees/non-employees
§ 6:4	——Leased employees
§ 6:5	— —Non-employee directors
§ 6:6	——Grants by related parties
§ 6:7	——Grants to employees of related parties
§ 6:8	Fair value method—General
§ 6:9	—Equity or liability classification
§ 6:10	—Measurement date
§ 6:11	——Date of grant
§ 6:12	——Effect of vesting requirements
§ 6:12	—Measurement
§ 6:14	Fair value method measurement—Exclusions from
8 0.14	value
§ 6:15	Fair value method exceptions
§ 6:16	Fair value method—Exceptions—Fair valuation not
	possible
§ 6:17	——Private company volatility
§ 6:18	— —Liability awards of private companies
§ 6:19	—ESPPs
§ 6:20	Mechanics of fair valuation measurement
§ 6:21	—Option valuation
§ 6:22	—Option valuation models
§ 6:23	— —Black-Scholes
§ 6:24	——Black Scholes—Expected term
§ 6:25	———Stock volatility
§ 6:26	— —Black-Scholes—Risk-free interest rate
§ 6:27	— — Dividend yield
§ 6:28	— —Lattice models
§ 6:29	—Other factors
§ 6:30	Fair value recognition—General
§ 6:31	—Requisite service period
§ 6:32	Fair valuation recognition—Vesting must be probable
§ 6:33	Fair value recognition—Time based vesting
§ 6:34	—Performance vesting
§ 6:35	—Market-based vesting
§ 6:36	Liability awards
§ 6:37	—General
§ 6:38	—Repurchase rights
§ 6:39	—External measures
§ 6:40	—Mandatorily redeemable shares
§ 6:41	—Freestanding puts and calls
§ 6:42	—Book value redemption
§ 6:43	—Cashless exercise prior to ASU 2016-09
§ 6:44	—Cashless exercise after ASU 2016-09
§ 6:45	—Rewards of LLC, subsidiary-based interests, etc.
§ 6:46	Accounting for liability awards
§ 6:47	Modifications
§ 6:48	Change in employment status
-	

- § 6:49 Business combinations
 § 6:50 Other topics
 § 6:51 —Tax effects
 § 6:52 —Disclosure
- § 6:53 —Earnings per share

CHAPTER 7. FOUNDER'S STOCK PURCHASE AGREEMENT FOR PRIVATE DELAWARE CORPORATION

- § 7:1 Introduction
- § 7:2 Stock purchase agreement

CHAPTER 8. FOUNDER'S STOCK RESTRICTION AGREEMENT FOR PRIVATE DELAWARE CORPORATION (WITH OR WITHOUT ACCELERATION)

- § 8:1 Introduction
- § 8:2 Stock restriction agreement

CHAPTER 9. FOUNDER'S SALARY DEFERRAL AGREEMENT

- § 9:1 Introduction
- § 9:2 Salary deferral agreement

CHAPTER 10. EMPLOYEE OFFER LETTER

- § 10:1 Introduction
- § 10:2 Employee offer letter

CHAPTER 11. EMPLOYMENT AGREEMENT

- § 11:1 Introduction
- § 11:2 Employment agreement

CHAPTER 12. CONSULTING AGREEMENT

- § 12:1 Introduction
- § 12:2 Consulting agreement

CHAPTER 13. CASH BONUS PLAN

- § 13:1 Introduction
- § 13:2 Bonus plan

CHAPTER 14. STOCK PLAN FOR PRIVATE DELAWARE CORPORATION

- § 14:1 Introduction
- § 14:2 Stock plan for private Delaware corporation

xxxii

CHAPTER 15. STOCK OPTION AGREEMENT FOR PRIVATE DELAWARE CORPORATION

- § 15:1 Introduction
- § 15:2 Stock option agreement

CHAPTER 16. STOCK PURCHASE AGREEMENT FOR PRIVATE DELAWARE CORPORATION

- § 16:1 Introduction
- § 16:2 Stock purchase agreement

CHAPTER 17. OPTION PLAN FOR DELAWARE LLC WITH CALIFORNIA EMPLOYEES

- § 17:1 Introduction
- § 17:2 Option plan

CHAPTER 18. OPTION AGREEMENT FOR DELAWARE LLC WITH CALIFORNIA EMPLOYEES

- § 18:1 Introduction
- § 18:2 Option agreement

CHAPTER 19. STOCK TRANSFER AGREEMENT (TRANSFEREE REPRESENTATIONS) FOR PRIVATE CORPORATION

- § 19:1 Introduction
- § 19:2 Stock transfer agreement

CHAPTER 20. NOTICE OF STOCK OPTION EXERCISE FOR PRIVATE CORPORATION

- § 20:1 Introduction
- § 20:2 Notice of stock option exercise for private corporation

CHAPTER 21. STOCK PLAN SUMMARY FOR EMPLOYEES OF PRIVATE DELAWARE CORPORATION

- § 21:1 Introduction
- § 21:2 Stock plan summary

CHAPTER 22. NOTICE OF REPURCHASE OF UNVESTED SHARES FOR PRIVATE DELAWARE CORPORATION (NO PROMISSORY NOTE)

- § 22:1 Introduction
- § 22:2 Notice of repurchase of unvested shares (no promissory note)

CHAPTER 23. NOTICE OF REPURCHASE OF UNVESTED SHARES FOR PRIVATE DELAWARE CORPORATION (WITH PROMISSORY NOTE)

- § 23:1 Introduction
- § 23:2 Notice of repurchase of unvested shares (with promissory note)

CHAPTER 24. BOARD RESOLUTIONS FOR PRIVATE DELAWARE CORPORATION TO ADOPT STOCK PLAN AND MAKE INITIAL GRANTS (INSTALLMENT VESTING)

- § 24:1 Introduction
- § 24:2 Board resolutions to adopt stock plan and make initial grants (installment vesting)

CHAPTER 25. ILLIQUID VALUATION MEMO

- § 25:1 Introduction
- § 25:2 Analysis of company valuation

CHAPTER 26. BOARD RESOLUTIONS FOR PRIVATE DELAWARE CORPORATION TO ADOPT STOCK PLAN AND MAKE INITIAL GRANTS (REVERSE VESTING)

- § 26:1 Introduction
- § 26:2 Board resolutions to adopt stock plan and make initial grants (reverse vesting)

CHAPTER 27. STOCK OPTION AND RESTRICTED STOCK PLAN FOR PUBLIC DELAWARE CORPORATION

- § 27:1 Introduction
- § 27:2 Stock option and restricted stock plan

CHAPTER 28. PROSPECTUS FOR STOCK OPTION AND RESTRICTED STOCK PLAN FOR PUBLIC DELAWARE CORPORATION

- § 28:1 Introduction
- § 28:2 Prospectus for stock option and restricted stock plan

CHAPTER 29. OMNIBUS EQUITY INCENTIVE PLAN FOR PUBLIC DELAWARE CORPORATION

- § 29:1 Introduction
- § 29:2 Omnibus equity incentive plan

CHAPTER 30. PROSPECTUS FOR OMNIBUS EQUITY INCENTIVE PLAN FOR PUBLIC DELAWARE CORPORATION

- § 30:1 Introduction
- § 30:2 Prospectus for omnibus equity incentive plan

CHAPTER 31. OUTSIDE DIRECTORS' STOCK OPTION PLAN FOR PUBLIC DELAWARE CORPORATION

- § 31:1 Introduction
- § 31:2 Outside directors' stock option plan

CHAPTER 32. PROSPECTUS FOR OUTSIDE DIRECTORS' STOCK OPTION PLAN FOR PUBLIC DELAWARE CORPORATION

- § 32:1 Introduction
- § 32:2 Prospectus for outside directors' stock option plan

CHAPTER 33. STOCK OPTION AGREEMENT WITH INSTALLMENT VESTING FOR PUBLIC DELAWARE CORPORATION

- § 33:1 Introduction
- § 33:2 Stock option agreement with installment vesting

CHAPTER 34. RESTRICTED STOCK AGREEMENT FOR PUBLIC DELAWARE CORPORATION

- § 34:1 Introduction
- § 34:2 Restricted stock agreement

CHAPTER 35. STOCK UNIT (PHANTOM STOCK) AGREEMENT FOR PUBLIC DELAWARE CORPORATION

- § 35:1 Introduction
- § 35:2 Stock unit (phantom stock) agreement

CHAPTER 36. NOTICE OF STOCK OPTION EXERCISE FOR PUBLIC CORPORATION

- § 36:1 Introduction
- § 36:2 Notice of stock option exercise

CHAPTER 37. EXERCISE OF STOCK OPTION—ATTESTATION TO STOCK OWNERSHIP

- § 37:1 Introduction
- § 37:2 Exercise of stock option

CHAPTER 38. BENEFICIARY DESIGNATION FOR STOCK OPTIONS

- § 38:1 Introduction
- § 38:2 Beneficiary designation

CHAPTER 39. BOARD RESOLUTIONS FOR PUBLIC DELAWARE CORPORATION TO ADOPT STOCK PLAN AND ESPP

- § 39:1 Introduction
- § 39:2 Resolutions of the board of directors to adopt stock plan and ESPP

CHAPTER 40. QUALIFIED EMPLOYEE STOCK PURCHASE PLAN WITH SIX-MONTH OFFERING PERIODS

- § 40:1 Introduction
- § 40:2 Qualified employee stock purchase plan (six-month offering periods)

CHAPTER 41. PROSPECTUS FOR EMPLOYEE STOCK PURCHASE PLAN WITH SIX-MONTH OFFERING PERIODS

- § 41:1 Introduction
- § 41:2 Prospectus for employee stock purchase plan (sixmonth offering periods)

CHAPTER 42. QUALIFIED EMPLOYEE STOCK PURCHASE PLAN WITH 24-MONTH OFFERING PERIODS

- § 42:1 Introduction
- § 42:2 Qualified employee stock purchase plan (24-month offering periods)

CHAPTER 43. PROSPECTUS FOR EMPLOYEE STOCK PURCHASE PLAN WITH 24-MONTH OFFERING PERIODS

- § 43:1 Introduction
- § 43:2 Prospectus for employee stock purchase plan (24-month offering periods)

CHAPTER 44. EMPLOYEE STOCK PURCHASE PLAN ENROLLMENT FORM FOR PUBLIC DELAWARE CORPORATION

- § 44:1 Introduction
- § 44:2 Employee stock purchase plan enrollment form

CHAPTER 45. BENEFICIARY DESIGNATION FORM FOR EMPLOYEE STOCK PURCHASE PLAN

- § 45:1 Introduction
- § 45:2 Beneficiary designation form

CHAPTER 46. PROFITS INTEREST PLAN DELAWARE LLC

- § 46:1 Introduction
- § 46:2 Restricted Class C unit plan

CHAPTER 47. PHANTOM UNIT PLAN FOR DELAWARE LLC

- § 47:1 Introduction
- § 47:2 Phantom unit plan

CHAPTER 48. 409A CASH DEFERRAL AND SAVINGS PLAN

- § 48:1 Introduction
- § 48:2 Savings plan document

CHAPTER 49. PHANTOM UNIT AWARD AGREEMENT

§ 49:1 Introduction

§ 49:2 Phantom unit award agreement

CHAPTER 50. AWARD AGREEMENT

- § 50:1 Introduction
- § 50:2 Restricted Class C Unit award agreement

CHAPTER 51. RULE 701 COMPLIANCE

- § 51:1 Introduction
- § 51:2 Rule 701 compliance worksheet

CHAPTER 52. COMPARATIVE TERMS AND CONSIDERATIONS FOR STOCK OPTIONS, RESTRICTED STOCK, ETC.

- § 52:1 Introduction
- § 52:2 Comparative terms and considerations for stock options, restricted stock, restricted stock units and stock appreciation rights

CHAPTER 53. INSTITUTIONAL SHAREHOLDER SERVICES, US PROXY VOTING GUIDELINES

- § 53:1 Introduction
- § 53:2 United States Concise Proxy Voting Guidelines

CHAPTER 54. INSTITUTIONAL SHAREHOLDER SERVICES, COMPENSATION POLICIES, FREQUENTLY ASKED QUESTIONS (FAQS)

- § 54:1 Introduction
- § 54:2 2024 U.S. Compensation Policies FAQs

CHAPTER 55. INSTITUTIONAL SHAREHOLDER SERVICES, EQUITY COMPENSATION PLANS, FREQUENTLY ASKED QUESTIONS (FAQS)

- § 55:1 Introduction
- § 55:2 2014 Equity Compensation Plans FAQ

CHAPTER 56. 2016 PROPOSED SECTION 409A REGULATIONS

§ 56:1 Proposed Section 409A Regulations

CHAPTER 57. VORYS 2016 409A PROP REGULATION CHART

§ 57:1 Vorys 2016 409A Prop Regulation Chart

xxxviii

CHAPTER 58. GOLDEN PARACHUTE PAYMENTS GUIDE

§ 58:1 I.R.S.: Golden Parachute Payments Guide

Table of Laws and Rules

Table of Cases

Index