

→ Executive Compensation

Sheppard Mullin Tax attorneys help our clients attract and retain executives and employees. We have expertise drafting all types of executive employment and consulting agreements, equity plans and agreements, tailored bonus and commission plans, and employment-related agreements and policies concerning confidentiality and non-solicitation, employee privacy, mandatory arbitration, and numerous other types of employment-related documents.

Our approach to employment and executive contracts takes into consideration current market standards of different industries, as well as the relevant and often highly technical tax, securities and intellectual property issues prevalent in today's work environment. We participate in both the design and negotiation of such arrangements, the preparation of user-friendly documentation and support their implementation and on-going compliance/administration issues. In this regard, as needed, we will work closely with compensation consultants and accounting experts and also interface with regulatory agencies including the SEC, IRS and DOL.

Executive compensation arrangements are a corporate governance flashpoint that is heavily scrutinized by investors and subject to an increasingly complex body of regulations with exacting and highly technical requirements. Executive compensation is a frequent source of shareholder activism and coverage in the press.

Sheppard Mullin's executive compensation practice focuses on these issues and provides innovative, turn-key solutions. Our interdisciplinary practice takes into account prevailing custom and comprises federal/state laws, tax, labor, corporate and securities laws as well as financial accounting issues. We provide services to clients both small and large, from startup emerging growth companies, to family-owned businesses, to publicly traded corporations and also to the boards and committees of such entities. We have the expertise and experience to efficiently advise individual clients as well as corporations, LLCs and partnerships who participate in industries as diverse as sports, biotechnology, telecommunications, energy, construction, media, entertainment, and financial and investment services.

Our practice covers the panoply of compensation arrangements:

- Executive employment and separation agreements
- Current and deferred bonus and commission compensation plans
- Change of control and severance plans and merger and acquisition advice
- Equity compensation and incentive plans, including stock option plans, stock incentive plans, and employee stock purchase plans (ESPPs)
- Stock appreciation rights (SARs), nonqualified deferred compensation, and IRC §409A compliance
- 1933 and 1934 Act compliance (Form S-8, Section 16, Rule 701, Regulation D and annual/periodic reports)
- Securities law registration and IRC §162(m) compliance, shareholder approval process and FAS ASC 718 issues

- Turn-key executive compensation disclosures under new expanded SEC Reg. S-K 402 rules, including all tabular display computations and post-termination numerical analyses
- Corporate governance compliance with Dodd-Frank, Sarbanes-Oxley (SOX), JOBS Act, NYSE, Nasdaq and Institutional Shareholder Services Inc. (ISS) guidelines
- Competitive compensation benchmarking and working to determine reasonable and competitive compensation
- Quantitative analysis addressing Rule 701 compliance, golden parachute (IRC §280G) taxes, perquisites, change of control or post-termination costs
- Stock ownership and insider trading policies including Rule 10b5-1 trading plans