

RHODE ISLAND WOMEN'S BAR ASSOCIATION **MONTHLY NEWSLETTER**

UPCOMING EVENTS:

In light of recent efforts to contain the spread of COVID-19, upcoming events have been largely cancelled or postponed, including RIWBA's next CLE in its annual CLE series, "Run Like a Womxn: Election Law and Campaigning in Rhode Island." Watch this space for details and a new date!

MEMBERSHIP HIGHLIGHTS:

Congratulations to RIWBA members **Lynette Labinger**, **Shelagh R. McCahey**, and **Nicole M. Verdi** on their nominations as [Honorees](#) for the Rhode Island Lawyers Weekly Excellence in Law!



Check out **Jenna Giguere's** book review of "Sober Curious" by Ruby Warrington in the most recent edition of the [Rhode Island Bar Journal](#). This article dives into key takeaways from the book about the "sober curious" movement and the benefits of a healthier relationship with alcohol.

Another great feature in the [Rhode Island Bar Journal](#) is RIWBA Board Members **Cassandra Feeney** and **Etie-Lee Schaub's** interview with **The Honorable Mary M. Lisi**, the first woman to become a federal judge in Rhode Island. This is a fascinating conversation on Judge Lisi's legal career and navigating the legal profession as a woman.

Want to brag on one of your fellow members? Including yourself? Email Jessica Rider at jrider@riag.ri.gov so that we can include those accomplishments in a future edition!

ARTICLES AND RESOURCES OF INTEREST:

Who's Afraid of Ambitious Women? While women in the U.S. have caught up to men in college degrees and payroll jobs over the last century, inequalities in media, the corporate world and political leadership remain. [Several new studies suggest that teenagers and young couples](#) still cling to traditional roles for men and women. (*The Atlantic*).

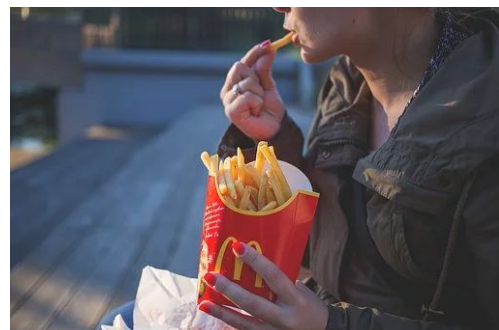
Finland's Women-Led Government Has Equalized Family Leave. [Read about Finland's new gender-neutral family leave policy](#) which allows seven months of leave for each parent in a family, and additional leave for single parents. Could this be model for the United States? (*NPR*)

Member-Recommended Reading! How can you change your habits to become more efficient? As a follow up to our member discussion during our most recent Coffee and Conversation, check out a member recommendation on habits called "[Atomic Habits: An Easy & Proven Way to Build Good Habits & Break Bad Ones.](#)" [Available in print and audiobook.](#)

Women Editors-in-Chief for the Win! For the first time in history, the top 16 U.S. law schools all have female editors in chief of their respective [law journals](#). They celebrated their historical accomplishment by putting together a [Women & Law Journal!](#) (*Washington Post*)

Morning Larks vs. Night Owls. Are you a natural morning person who greets cranky night owls at the beginning of each workday? Or perhaps you are the night owl who is greeted each morning by a perky morning person working in the office next door. Check out [this article](#) for dealing with coworkers who are at their best at a different time of day from you. (*New York Times*)

HBO's "McMillion\$" Reviews. Using archival footage and recreations, this docuseries explores how the McDonald's Monopoly promotion was defrauded out of \$24 million in the 1990s. Check out a few of the many reviews [here](#) and [here](#). It's a pretty compelling watch, whether you enjoy a Big Mac or not...(*Wall Street Journal and NPR*)



Small Business Affected by COVID-19? The U.S. Small Business Administration provides resources for SBA Disaster Loans. Check out these attached documents: (1) SBA Press Release (with link to the on-line application process); (2) flyer on the Three Step Process for Disaster Loans; (3) SBA Disaster Resources flyer; and (4) an article about tax strategies when selling a business.

EMPLOYMENT OPPORTUNITIES:

Real Estate Attorney. Robinson+Cole, an Am Law 200 Firm, seeks an Attorney with at least eight years experience to join its Real Estate and Development practice group in its Boston office. Qualified candidates will have significant experience representing clients in real estate and finance transactional matters including commercial real estate lending, construction lending, loan participation, loan work outs, foreclosures, reviewing title and survey, condominium, commercial leasing, real estate acquisitions and dispositions. The candidate must have substantial experience reviewing due diligence work related to zoning, survey and title issues with a special emphasis on title insurance and endorsements. In addition to the ability to review and analyze complex real estate agreements, candidates should work well as part of a team and enjoy a fast paced work environment. Admission to the Massachusetts bar is required. Top academic and transactional credentials, excellent writing, research, negotiation and communication skills also required. [Click here to apply](#), and please include a cover letter, resume and transcript.

Are you hiring? Know someone looking for a top-notch applicant for an open position? Email Chantal Bromage at cgbromage@gmail.com to add an opportunity to our employment section!

MONTHLY MEMBER SPOTLIGHT:

The Monthly Member Spotlight is your cheat sheet to the incredible women who are your fellow RIWBA members. Keep an eye on your inbox, because you might be next!

This month, we are delighted to spotlight **Jenna Giguere**, Deputy Chief of Legal Services at R.I.Department of Business Regulation. Read on to learn more about Jenna!

What was your first paying job?

I was a sales specialist at Victoria's Secret during college. It was actually quite challenging. The store manager was a National Guard drill sergeant and ran a really tight ship with competitions to reach sales goals. And, Oprah said: "Change your bra, change your life."



MONTHLY MEMBER SPOTLIGHT, CONTINUED:

If we peeked into your fridge, what would we see?

I often have small amounts of odd ingredients in my fridge. I hate wasting food when there are people who go hungry. So, I pretend that I am in a Chopped challenge and I create recipes that use up unique combinations of different leftover ingredients. It has become an interesting cycle because I buy new ingredients to whip up something with the old ingredients and then have new small amounts of odd ingredients to work with for my next self-imposed Chopped challenge.

Can you share something about yourself that others would be surprised to learn?

I am a “Beauty School Dropout.” Right after high school, I was feeling burned out. I had a short-lived attempt to get a nail technician license, but I hated it! I turned course, and went on to major in Marine Biology at Maine Maritime Academy. I love musicals and cling to the satisfying irony that the song “Beauty School Dropout” has remained my all time favorite musical number before and after my own fitting personal scenario transpired.

In fifty words or fewer, describe what you want other RIWBA members to know about your practice.

I act as “in house” counsel at the Department of Business Regulation and represent the agency in administrative hearings and court appeals. I work collaboratively with businesses on complex licensing and regulatory compliance issues and always strive to improve government processes. Current Focus Areas: Liquor, Banking, Cannabis, Board of Accountancy.

NEXT MONTH'S ISSUE:

Have something you would like to see in the next newsletter? Let us know by **Friday, April 10th** to include it in the latest edition. And as always, thanks for reading!

Kelly Kincaid, Chantal Bromage, Jessica Rider, Stephanie Simon & Sam Vasques

RIWBA Newsletter Committee



U.S. Small Business
Administration

SBA Disaster Assistance in Response to the Coronavirus

- The U.S. Small Business Administration is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). Upon a request received from a state's or territory's Governor, SBA will issue under its own authority, as provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act that was recently signed by the President, an Economic Injury Disaster Loan declaration.
- Any such Economic Injury Disaster Loan assistance declaration issued by the SBA makes loans available to small businesses and private, non-profit organizations in designated areas of a state or territory to help alleviate economic injury caused by the Coronavirus (COVID-19).
- SBA's Office of Disaster Assistance will coordinate with the state's or territory's Governor to submit the request for Economic Injury Disaster Loan assistance.
- Once a declaration is made for designated areas within a state, the information on the application process for Economic Injury Disaster Loan assistance will be made available to all affected communities as well as updated on our website: [SBA.gov/disaster](https://www.sba.gov/disaster).
- SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance per small business and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.
- These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.
- SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.
- SBA's Economic Injury Disaster Loans are just one piece of the expanded focus of the federal government's coordinated response, and the SBA is strongly committed to providing the most effective and customer-focused response possible.
- For additional information, please contact the SBA disaster assistance customer service center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail disastercustomerservice@sba.gov.
- Visit [SBA.gov/disaster](https://www.sba.gov/disaster) for more information.

7 TAX STRATEGIES TO CONSIDER WHEN SELLING A BUSINESS

Contributed by Lana M. Glovach, U.S. Small Business Administration ([SBA](#))
Authored by Barbara Weltman, February 21, 2020 on www.sba.gov at <http://ow.ly/Zjun50yuzVP>

If you're thinking of selling a business, keep these seven tax considerations in mind.

Baby boomers own 2.3 million businesses, according to Project Equity. This nonprofit organization predicts that 6 out of 10 owners plan to sell their businesses within the next decade. If you're among this number or a younger-generation owner thinking of selling a business, keep these seven tax considerations in mind.

1. Negotiate everything for the sale of a sole proprietorship

If your business is a sole proprietorship, a sale is treated as if you sold each asset separately. Most of the assets trigger capital gains, which are taxed at favorable tax rates. But the sale of some assets, such as inventory, produce ordinary income. It's up to the parties to negotiate the terms of the sale, which includes allocating the purchase price to the assets of the business.

IRS [Form 8594, Asset Acquisition Statement](#), shows seven classes of assets to which you must allocate the purchase price. The first class includes cash and checking accounts, to which you allocate the purchase price dollar-for-dollar. The final class (class VII) is for goodwill and going-concern value. This is the intangible asset that commands part of the purchase price. The more goodwill the business had, the greater the allocation to this class.

Keep in mind that allocation is a negotiation. The reason: while the seller wants to allocate as much as possible to capital gain assets such as goodwill, the buyer wants a good allocation for assets, such as equipment and realty, that can be depreciated going forward.

2. Sell a partnership interest

The sale of an interest in a partnership is treated as a capital asset transaction; it results in capital gain or loss. But the part of any gain or loss from unrealized receivables or inventory items will be treated as ordinary gain or loss. Capital gain deferral is possible through an Opportunity Zone investment (explained in #7 below).

3. Decide on a corporate sale of stock or assets

If you own a corporation, there's a choice in how to structure the sale: sell stock or characterize the transaction as a sale of assets. Generally, sellers like to simply sell the stock to limit tax reporting to capital gain on the transaction. But buyers prefer an asset sale because this creates higher basis for the depreciable assets they're acquiring. Again, negotiations between the parties can resolve the structure of the sale. For example, a seller may be willing to take a little less to complete a stock sale, reflecting the higher tax bill that would have resulting from an asset sale.

4. Make an S election

The characterization of the sale as a stock or asset sale applies equally to C and S corporations. But there's tax savings to be reaped by being an S corporation. Gain on the sale of a C corporation requires the owner to report an additional 3.8% Medicare tax on this net investment income. In contrast, if the business is an S corporation and the owner is actively involved in the business and not merely a silent investor, then the gain is not subject to this tax. A C corporation planning on a sale can make an [S election](#) where advisable, assuming the corporation meets the requirements for being an S corporation.

5. Use an installment sale

One of the ways to minimize the tax bite on profits from the sale of a business is to structure the deal as an installment sale. If at least one payment is received after the year of the sale, you automatically have an installment sale. But there are some points to keep in mind. You can't apply installment sale reporting for the sale of inventory or receivables. And there's always a risk in an installment sale arrangement that the buyer will default. Details on installment sales in the [instructions to Form 6252](#).

6. Sell to employees

If your business is a C corporation and you plan ahead, you can sell your business to your staff through an employee stock ownership plans (ESOP). The ESOP is owned by employees (find more information about ESOPs from the [IRS](#)). From an owner's perspective you have captive buyers and don't have to search around. You set a reasonable price for the sale and receive cash from the ESOP. You can then roll over the proceeds into a diversified portfolio to defer tax on the gain.

You can also use ESOPs for S corporations, but the deferral option for an owner doesn't apply. Revoking an S election in anticipation of a sale is something to consider.

7. Reinvest gain in an Opportunity Zone

Owners who realize capital gains on the sale of their business have a way in which to defer tax on that gain if they act within 180 days of the sale. They can reinvest their proceeds in an Opportunity Zone (you go into a Qualified Opportunity Zone (QOZ) Fund for this purpose). Deferral is limited because gain must be recognized on December 31, 2026, or earlier if the interest in the fund is disposed before this date. Holding onto the investment beyond this date can result in tax-free gains on future appreciation. An owner who sells his or her business doesn't have to put all the proceeds into a QOZ, but tax deferral is limited accordingly. Find details about Opportunity Zones from the [IRS](#).

Final thoughts

Many business owners find it difficult to walk away from their businesses. They love the action and don't have personal plans for their time in retirement. They can consider negotiating a consulting agreement with the buyer. This gives the departing owner ongoing income and continuing tax breaks (such as claiming the [qualified business income deduction](#) if eligible).

A sale of a business is a highly complex matter from a legal and tax perspective. Don't proceed without expert advice.

As Benjamin Franklin observed, "if you fail to plan, you are planning to fail." Let the SBA help your small business plan for success! Assistance is available in languages other than English, including Spanish, and all SBA programs and services are extended to the public on a non-discriminatory basis. To learn more about the SBA's programs and services, please contact Lana M. Glovach, SBA Economic Development Specialist, at lane.glovach@sba.gov or 401-528-4575, or visit www.sba.gov/ri.



U.S. Small Business
Administration



The Three Step Process: Disaster Loans

About Disaster Loans

The U. S. Small Business Administration (SBA) provides low-interest, long-term disaster loans to businesses of all sizes, private non-profit organizations, homeowners, and renters to repair or replace uninsured/underinsured disaster damaged property. SBA disaster loans offer an affordable way for individuals and businesses to recover from declared disasters.

STEP 1: Apply for Loan

- Apply: 1) online; 2) in-person at a disaster center; or 3) by mail.
- Apply online at the SBA's secure website disasterloan.sba.gov/ela.
- As a business of any size, you may borrow up to \$2 million for physical damage.
- As a small business, small agricultural cooperative, small business engaged in aquaculture, or private non-profit organization you may borrow up to \$2 million for Economic Injury.
- As a small business, you may apply for a maximum business loan (physical and EIDL) of \$2 million.
- As a homeowner you may borrow up to \$200,000 to repair/replace your disaster damaged primary residence.
- As a homeowner or renter, you may borrow up to \$40,000 to repair/replace damaged personal property.

STEP 2: Property Verified and Loan Processing Decision Made

- SBA **reviews your credit** before conducting an inspection to verify your losses.
- An SBA verifier will **estimate** the total physical loss to your disaster damaged property.
- A loan officer will determine your **eligibility** during processing, after reviewing any insurance or other recoveries. SBA can make a loan while your insurance recovery is pending.
- A loan officer works with you to provide all the necessary information needed to reach a loan determination. Our goal is to arrive at a decision on your application within 2 - 3 weeks.
- A loan officer will contact you to discuss the loan recommendation and your next steps. You will also be advised in writing of all loan decisions.

STEP 3: Loan Closed and Funds Disbursed

- SBA will prepare and send your Loan Closing Documents to you for your signature.
- Once we receive your signed Loan Closing Documents, an initial disbursement will be made to you within 5 days:
 - Physical damage:
 - \$25,000
 - Economic injury (working capital):
 - \$25,000 (In addition to the Physical damage disbursement)
- A case manager will be assigned to work with you to help you meet all loan conditions. They will also schedule subsequent disbursements until you receive the full loan amount.
- Your loan may be adjusted after closing due to your changing circumstances, such as increasing the loan for unexpected repair costs or reducing the loan due to additional insurance proceeds.

For more information or to find a local disaster center, contact SBA's Customer Service Center at 1-800-659-2955 (TTY: 1-800-877-8339).

Required Documentation

The following documents are required to process your application and reach a loan decision. Your Loan Officer and Case Manager will assist you to ensure that you submit the proper documentation. Approval decision and disbursement of loan funds is dependent on receipt of your documentation.

BUSINESSES	HOMEOWNERS AND RENTERS
<ul style="list-style-type: none"> • Business Loan Application (SBA Form 5) completed and signed by business applicant. • IRS Form 4506-T completed and signed by Applicant business, each principal owning 20% or more of the applicant business, each general partner or managing member and, for any owner who has more than a 50% ownership in an affiliate business. (Affiliates include business parent, subsidiaries, and/or businesses with common ownership or management). • Complete copies, including all schedules, of the most recent Federal income tax returns for the applicant business; an explanation if not available. • Personal Financial Statement (SBA Form 413) completed, signed and dated by the applicant (if a sole proprietorship), each principal owning 20% or more of the applicant business, each general partner or managing member. • Schedule of Liabilities listing all fixed debts (SBA Form 2202 may be used). <p>ADDITIONAL INFORMATION THAT MAY BE NECESSARY TO PROCESS YOUR APPLICATION:</p> <ul style="list-style-type: none"> • Complete copies, including all schedules, of the most recent Federal income tax returns for each principal owning 20% or more of the applicant business, each general partner or managing member, and each affiliate when any owner has more than a 50% ownership in the affiliate business. Affiliates include, but are not limited to, business parents, subsidiaries, and/or other businesses with common ownership or management. • If the most recent Federal income tax return has not been filed, a year-end profit and loss statement and balance sheet for that tax year is acceptable. • A current year-to-date profit and loss statement. • Additional Filing Requirements (SBA Form 1368) providing monthly sales figures. 	<ul style="list-style-type: none"> • Home Loan Application (SBA Form 5c) completed and signed by Applicant and Co-Applicant. • IRS Form 4506-T completed and signed by Applicant and Co-Applicant. <p style="text-align: center;">APPLY FOR ASSISTANCE AT disasterloan.sba.gov/ela</p> <p style="text-align: center;"></p> <p style="text-align: center;">Or Call 1-800-659-2955 (SBA Customer Service Center) 1-800-877-8339 (TTY: Deaf and Hard-of-Hearing)</p>

For more information or to find a local disaster center, contact SBA's Customer Service Center at 1-800-659-2955 (TTY: 1-800-877-8339).

sba.gov/disaster

August 2018 v1



Disaster Field Operations Center East

Release Date: March 17, 2020

Contact: Michael Lampton (404) 331-0333

Michael.Lampton@sba.gov

Release Number: 20-270, RI 16337

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SBA Offers Disaster Assistance to Rhode Island Small Businesses Economically Impacted by the Coronavirus (COVID-19)

ATLANTA – The U.S. Small Business Administration is offering low-interest federal disaster loans for working capital to **Rhode Island** small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19), SBA Administrator Jovita Carranza announced today. SBA acted under its own authority, as provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act that was recently signed by the President, to declare a disaster following a request received from Gov. Gina M. Raimondo on March 16, 2020.

The disaster declaration makes SBA assistance available in the entire state of **Rhode Island**; and the contiguous counties of New London and Windham in **Connecticut**; and Bristol, Norfolk and Worcester in **Massachusetts**.

“SBA is strongly committed to providing the most effective and customer-focused response possible to assist **Rhode Island** small businesses with federal disaster loans. We will be swift in our efforts to help these small businesses recover from the financial impacts of the Coronavirus (COVID-19),” said Administrator Carranza.

SBA Customer Service Representatives will be available to answer questions about SBA’s Economic Injury Disaster Loan program and explain the application process.

“Small businesses, private non-profit organizations of any size, small agricultural cooperatives and small aquaculture enterprises that have been financially impacted as a direct result of the Coronavirus (COVID-19) since Jan. 31, 2020, may qualify for Economic Injury Disaster Loans of up to \$2 million to help meet financial obligations and operating expenses which could have been met had the disaster not occurred,” said Carranza.

“These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can’t be paid because of the disaster’s impact. Disaster loans can provide vital economic assistance to small businesses to help overcome the temporary loss of revenue they are experiencing,” Carranza added.

Eligibility for Economic Injury Disaster Loans is based on the financial impact of the Coronavirus (COVID-19). The interest rate is 3.75 percent for small businesses. The interest rate for private non-profit organizations is 2.75 percent. SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years and are available to entities without the financial ability to offset the adverse impact without hardship.

“The SBA district office here in Rhode Island will do everything in its power to ensure those small businesses affected by the Coronavirus have access to Economic Injury Disaster loans,” said Mark S. Hayward, SBA District Director. “I encourage every business or nonprofit affected to visit www.SBA.gov/disaster to confirm eligibility and start the loan process. You risk nothing by applying and are not obligated to take the loan if approved, but in the instance that you do need these funds applying could be the difference between keeping your small business afloat or closing the doors.”

Applicants may apply online, receive additional disaster assistance information and download applications at <https://disasterloan.sba.gov/ela>. Applicants may also call SBA’s Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov for more information on SBA disaster assistance. Individuals who are deaf or hard-of-hearing may call (800) 877-8339. Completed applications should be mailed to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

The deadline to apply for an Economic Injury Disaster Loan is **Dec. 17, 2020**.

For more information about Coronavirus, please visit: Coronavirus.gov.

For more information about available SBA resources and services, please visit: SBA.gov/coronavirus.

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About the U.S. Small Business Administration

The U.S. Small Business Administration makes the American dream of business ownership a reality. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start, grow or expand their businesses, or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit www.sba.gov.