



FOS NEWS - Our clients come first

Editor: Diane Slomowitz

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WHAT A YEAR IT HAS BEEN AND WHAT A YEAR IT WILL BE



By Fran Hughes, Managing Shareholder

December is always a busy month.

Shoveling. Preparing for the arrival of loved ones. Booking that plane ticket "home." Hosting or attending holiday parties. Buying too many holiday presents. More shoveling.

And at FOS, facilitating the 2019 closing of commercial transactions, finalizing our pre-2020 tax strategies, and drafting of new and/or revised estate plans.

Even in this whirlwind of activity, December is the perfect month to look back over the past 11 months

and look ahead to the new year.

Because of you, our clients, FOS had a very active 2019.

Our attorneys helped clients buy and sell businesses, transfer real estate of all sizes, prevent and/or resolve corporate and employment issues, navigate the minefields of divorce and custody issues, protect their intellectual property, and preserve their assets.

Multiple attorneys brought their different specialties to the table, working together on three related multi-million-dollar commercial transactions, which required months of due diligence, and which all closed almost simultaneously.

Our litigators successfully asserted and/or defended their clients' rights in civil and criminal state and federal court cases and before local and county boards.

To protect our clients, FOS targeted the dangerous threat of phishing, issuing a Client Alert mailing and devoting an entire newsletter issue to electronic data theft.

We worked hard and produced results. Our attorneys were recognized during the year for their knowledge and expertise.

Shareholder Laurna Kinnel received the Wisconsin State Bar Young Lawyer's Division's 2019 "Outstanding Young Lawyer" award.

Shareholder Matt O'Neill and of-counsel Ken Barczak

were named to the list of 2019 Super Lawyers (Matt to the Wisconsin Top 50 and Milwaukee Top 25), and shareholders Mike Koutnik and Laurna Kinnel were named to the list of 2019 Super Lawyers Rising Stars. O'Neill and shareholder Jake Manian presented at the State Bar Annual Convention.

Perhaps most exciting of all, FOS was honored as a "Best Place to Work" by the Milwaukee Business Journal.

We are grateful to our clients for enabling all of us at FOS to spend 2019 providing the high quality legal services upon which you rely.

And 2020? FOS will

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FOS NAMED A "BEST PLACE TO WORK"

FOS is honored to be named one of 2019's "Best Places to Work" by the Milwaukee Business Journal.

FOS accepted the award on behalf of its true honorees, our employees, at an October 30, 2019 event at the Pfister Hotel.

A detailed account of the event and awards ceremony can be accessed at: http://foslaw.com/news-views/fo

-earns-best-place-to-work-honor/.

FOS could not provide its high-quality legal services without the participation of our employees.

From legal assistant to attorney, every employee acts to serve FOS's motto: "Our clients come first."



Enjoying the revelry at the Pfister awards ceremony are (L to R): Managing Shareholder Fran Hughes, Office Manager Judy Janetski, and Shareholder Matt O'Neill.

## DEPARTMENT OF LABOR RELEASES FINAL OVERTIME RULE



By Lauren Maddente

Most employers are familiar with the Department of Labor's overtime pay requirements.

Non-exempt employees covered by the Fair Labor Standards Act (FLSA) are afforded special protections, including the payment of one and one-half times the employee's normal pay rate for the hours worked over 40 hours per week.

Under a new rule issued by the Department, more employees may be entitled to overtime pay.

Determining whether an employee qualifies for overtime pay depends on an employee's duties and the employee's rate of pay.

For example, FLSA overtime pay coverage does not extend to certain salaried employees.

Specifically, it does not extend to salaried employees classified as executives, administrators or professionals that satisfy the standard salary threshold.

If paid more than this threshold, these employees are considered "exempt" from overtime pay.

On September 24, 2019, the Department issued a rule raising the standard salary threshold necessary to exempt executives, administrators, or professionals.

The threshold is \$35,308 annually (\$679/week), from \$23,660 per year (\$455/week).

The rule, which was proposed in March, 2019, is effective January 1, 2020.

The rule also allows employers to use certain non-discretionary bonuses and incentive payments, paid at least annually, to satisfy up to 10% of the maximum rate.

For several years, pressure had been mounting on the Department of Labor to increase the maximum compensation amount.

Those involved in proposing and adopting the rule, as well as the public, did not always agree on how high the increase should be.

The new rule, for example, represents less than the \$915 per week increased maximum which was unsuccessfully proposed during the Obama administration.

Even so, it is not an insignificant increase, to employers or employees.

What does this mean for employers?

Employers should expect that more employees may be entitled to overtime pay under the new rule.

Employers should use this last month of 2019 to prepare for the potential increase in overtime pay for 2020.

In addition to other year-end tasks, employers should set aside time to identify employees who, based on compensation, were previously exempt from overtime pay but who, as of January 1, 2020, will now qualify under the new rule.

This includes employees who will qualify for overtime pay as a result of regular pay increases.

Contact your FOS attorney with questions about the new rule and its impact on your company.

## 2020 DEMOCRATIC CONVENTION SET TO BOMBARD MILWAUKEE



By Matt O'Neill

All eyes will be on Milwaukee next summer, as the Democratic Nominating Convention descends on our fair city July 13-16, 2020.

The city kindly agreed to slide the Convention in between Summerfest and Festa Italiana, so we Milwaukeeans do not get bored or lonely in the middle of the summer.

The Convention is expected to draw more than 50,000 guests to the city.

Early forecasts call for sunshine the entire week with temperatures in the mid-70's.

The Convention's primary function is to formally select the Democratic candidate for the November 2020 election.

That process is controlled, under the Democratic party's rules, by up to 3,769 "pledged" delegates and

765 "super delegates."

The pledged delegates are based on primary voting among the 50 states; super delegates are chosen by the party but expected to conform to the aggregate primary winner.

The Convention's secondary function is to allow a political party to advertise its candidates and issues, and begin the presidential campaign in earnest.

There will be lots of speeches, sign waving,

chanting and messaging.

The Convention's third function is for the party to shine a light on a region perceived to be critical to the Presidential election.

This is why Milwaukee was chosen as the host city over Miami, Houston and Denver.

Wisconsin is a true battleground for state and presidential elections,

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## NEW LAW AIDS BUYERS' SALES TAX INQUIRIES



By Robert  
Ollman

Purchasing a business involves multiple steps and a tremendous amount of due diligence.

One important aspect of due diligence is determining the purchaser's successor liability for the seller's unpaid sales and use taxes.

The purchaser and seller cannot contract away successor liability.

Therefore, it is important that the buyer obtain full disclosure of any outstanding sales/use tax liability.

The buyer can then withhold from the purchase price the amount necessary to cover any delinquent taxes.

A new statute, Wisconsin Act 15 (the "Act"), will make the determination of delinquent taxes easier for the buyer.

The new Act allows the buyer to obtain from the Wisconsin Department of Revenue the amount of any delinquent sales or use tax liability of a seller company which has a sales tax seller's permit.

Before the Act, a purchaser could not directly obtain this information from the Department.

A buyer's limited options included checking the Wisconsin Delinquent Taxpayers list, which only covers certain delinquencies over \$5,000.

The buyer could also check the Wisconsin Circuit Court Access website, which does not disclose all non-warrant delinquencies.

The significance of the Act is that it allows purchasers to obtain, directly from the Department of Revenue, a certificate that provides the amount, if any, of delinquent taxes.

For the buyer to obtain this information, the seller must confirm in writing that it owns the business and is selling it to the buyer.

The seller must also request the delinquent tax statement from the Department.

The request must be signed by the business owner, corporate officer or person with a power of attorney.

The request must include the Federal Employer Identification Number of the target company.

Either the seller or purchaser can email the request to: [DORComp-SPUFAX@wisconsin.gov](mailto:DORComp-SPUFAX@wisconsin.gov).

Purchasers should now require in their purchase contracts that their sellers request the amount of any delinquent taxes.

The delinquent tax certificate received from the Department should not be confused with the clearance certificate a purchaser typically requests after the sale is finalized.

That clearance certificate only confirms that the seller has filed all sales and use tax returns and paid all sales and use taxes that are due.

Contact FOS with questions regarding the new law.

### *Convention, cont. from page 2*

with extremely narrow margins in many recent elections.

The Convention presents a unique opportunity for Milwaukee to boost its national image, and for local businesses to thrive.

Hotels for the big event are already filled, so local residents may consider making some money by renting out their homes. We here at FOS will be available to serve the legal needs of Convention-goers.

We promise to smile and wave at folks taking pictures of our ladybugs.

### *What a Year, cont. from page 1*

continue to serve our clients, whenever the need exists, for whatever legal issues arise.

We will review and negotiate your contracts, help you buy and/or sell your business or real estate, register and maintain your trademarks, assert your rights and defend you before administrative bodies and in court, and protect your assets through tax and estate planning.

Thank you for the trust that you place in us. We look forward to continuing our partnership with you in 2020.

## FOS LAWYERS ARE SUPER!

FOS congratulates FOS shareholder **Matt O'Neill** and FOS of-counsel **Ken Barczak** for being named to the list of 2019 Super Lawyers.

Matt received special recognition as part of the Super Lawyers Wisconsin "Top 50" and Milwaukee "Top 25."

FOS also congratulates shareholders **Laurina Kinnel** and **Mike Koutnik** for being named to the list of Super Lawyer Rising

Stars.

All four are formally recognized in the December 2019 Super Lawyer edition of *Milwaukee Magazine*.

This is Matt and Ken's fourteenth year, and Laurina and Mike's third year being honored.

### QUESTIONS?

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## DON'T LET YOUR DRIVER'S LICENSE GROUND YOU AT THE AIRPORT

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If you plan to fly within the U.S. or have face-to-face dealings with federal agencies, your driver's license may soon be insufficient identification to let you through the doors.

As a result of enhanced security procedures, effective October 1, 2020, driver's licenses must comply with the federal REAL ID requirements to allow a person to board an airplane or enter a federal agency.

To comply with the new requirements, most people must provide the DMV with an original or certified copy of their birth certificate or a valid, unexpired U.S. passport.

If your name has changed (for example, due to marriage), an original or certified copy of the document changing your name (i.e., marriage certificate) is required.

A complete list of acceptable documents can be accessed at: <https://wisconsin.gov/Documents/dmv/shared/bds316-english.pdf>.

If your driver's license is up for renewal before October, 2020, you can comply with the REAL ID program during the renewal process.

Otherwise, you can upgrade your license by providing the DMV with the required documents and a duplicate license fee.

The same requirements and procedures apply to those who hold identification cards issued in lieu of driver's licenses.

A REAL ID compliant license or identification card has this symbol in the upper right corner:



If your driver's license or identification card does not comply with the REAL ID program on October 1, 2020, you may still be able to board your plane or enter a federal agency if you provide the

required documents prior to boarding or entry.

Wisconsin is already issuing REAL ID compliant licenses and identification cards.

Some applicants, however, have had to return to the DMV more than once to provide all required documents.

The DMV's already long lines will get worse as the October 1, 2020 deadline approaches. So obtain your REAL ID today.