

---

## CARES ACT HIGHLIGHTS

---

On March 27, Congress passed and President Trump signed the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, a \$2.2 trillion stimulus package to address the economic effects of the ongoing COVID-19 pandemic. This expansive new law enacts a wide range of new programs and changes to existing law that will provide individuals, businesses, and tax-exempt organizations with much-needed economic relief during the current volatile period.

Thompson & Knight has been closely monitoring the legislative activity, and we have summarized the major provisions of key sections in the CARES Act below.

### SMALL BUSINESSES

***The Paycheck Protection Program (“PPP”) –*** The CARES Act amends Section 7(a) of the Small Business Act (“SBA”) to create the PPP to deploy \$349 billion of loans to support small businesses for the period from February 15, 2020 to June 30, 2020 (“the covered period”). The existing SBA structure is largely the same, but there are some changes to extend eligibility requirements and waive certain other requirements. To be eligible for these loans, borrowers must qualify as a small business, which is defined as not more than the greater of 1) 500 employees or 2) if applicable, the existing SBA size standard for the industry in which the borrower operates. Only SBA-approved lenders may issue these loans.

- Proceeds of these loans must be used for payroll costs, leave benefits, interest on mortgage obligations, rent, utilities, and interest payments on debt obligations incurred prior to the covered period.
- The maximum loan amount is determined by a formula, but it is not to exceed \$10 million.
- Lenders must provide complete deferral for a period of between 6 months and 1 year.
- No collateral or personal guarantees will be required. The interest rate will not exceed 4%, and there will be no prepayment penalties.
- Small businesses must certify that the uncertainty of current economic conditions makes necessary the loan request to support their ongoing operations.
- The “affiliations” rule under the SBA will apply to the PPP, with a few exceptions, including: 1) any small business (500 employees or less) in the accommodation and food sectors industry; 2) any small business operating as a franchise that is assigned a franchise identifier code by the SBA; and 3) any business concern that receives financial

assistance from a company licensed under Section 301 of the Small Business Investment Act of 1958.

- Certain amounts of a PPP are forgiven so long as a lender expects a borrower to expend during an 8-week period on the sum of any: 1) payroll costs; 2) payments of interest only on any covered mortgage obligations; 3) payments on any covered rent obligation; and 4) covered utility payments. Any forgiven amounts will be treated as cancelled indebtedness by the lender and forgiven amounts will not be taxable to the borrower. Any borrower seeking loan forgiveness must submit to the lender an application that contains the required information and certifications.

***SBA Section 7(b)(2) Economic Injury Disaster Loans (“EIDL”)*** – Borrowers can apply for EIDL’s directly on the SBA website. The CARES Act temporarily waives certain pre-existing Section 7(b)(2) requirements for the covered period. The CARES Act has allocated \$10 billion for emergency advances for those who apply for an EIDL. Each emergency advance can be no more than \$10,000 and must be used for allowable purposes, such as 1) paid sick leave; 2) payroll; 3) meeting increased costs to obtain materials unavailable from the applicant’s original source due to supply chain disruptions; 4) making rent or mortgage payments; and 5) repaying obligations that cannot be met due to revenue losses. Notably, an applicant will not be required to repay any amounts of an advance, even if subsequently denied an EIDL. The emergency grant terminates on December 31, 2020.

[Click here](#) to view the Thompson & Knight Client Alert covering the details of these programs.

## **BUSINESS INCOME TAX**

***Net Operating Losses (“NOLs”)*** – The CARES Act revises existing limits in the Tax Cuts and Jobs Act of 2017 (“TCJA”) for NOLs in tax years beginning before January 1, 2021.

- **Allow NOL Carrybacks** – NOLs from taxable years beginning after December 31, 2017 and before January 1, 2021; *i.e.*, 2018, 2019, and 2020 taxable years can be carried back five years and carried forward indefinitely.
- **Suspend the 80% Cap** – For tax years beginning before January 1, 2021, the CARES Act temporarily suspends the 80% limitation on the amount of taxable income that can be offset by NOLs.
- **Practical Impact** – NOLs from 2018 and 2019 can be quickly carried back to earlier years, generating cash refunds of taxes paid at higher rates in the prior five years than in carryforward years.
- **Excess Business Losses** – The CARES Act suspends the limitations on excess business losses of non-corporate taxpayers for 2018, 2019, and 2020 taxable years. This change may increase a non-corporate taxpayer’s NOL that can be carried back under the above-discussed NOL provisions.

- **Modify Interest Deduction Limitation** – The CARES Act increases the business interest expense deduction limit from 30% of adjusted taxable income plus business interest income to 50% for taxable years beginning in 2019 and 2020. Another change allows the limitation for taxable years beginning in 2020 to be calculated with respect to adjusted taxable income from 2019.
- **Expanded Bonus Depreciation** – The CARES Act retroactively fixes a drafting error in the TCJA that prohibits certain qualified improvement property from being eligible for 100% bonus depreciation and allows restaurateurs, retailers, and others to claim bonus depreciation.
- **Charitable Contributions** – The percentage limitation on charitable contributions is increased to 25% for corporations for cash and food inventory contributions.

## PAYROLL TAX

***Advance Refunding of Payroll Credit Required for Paid Sick Leave*** – The Families First Coronavirus Response Act (“FFCRA”) allows an employer to claim refundable tax credits for the emergency paid sick leave and emergency paid family leave that an employer is required to provide to employees who are absent from work due to the COVID-19 crisis. The CARES Act expands those provisions by:

- Providing for an advance of the payroll tax credits, subject to the limitations imposed by the FFCRA and calculated through the end of the most recent payroll period in the quarter;
- Requiring the Secretary of the Treasury to prescribe forms and instructions necessary to permit the advancement of the credits; and
- Requiring the Secretary of Treasury to waive penalties associated with the failure to deposit payroll taxes if the failure was due to an employer’s anticipation of the FFCRA credits.

***Payroll Tax Deferral*** – The CARES Act allows employers and self-employed individuals to defer payment of the employer share of the 6.2% social security tax that they are otherwise responsible for paying for the period beginning on the date of enactment of the CARES Act and ending on December 31, 2020. It requires that the deferred taxes be paid over the following two years, with half of the amount required to be paid by December 31, 2021 and the other half to be paid by December 31, 2022.

***Employee Retention Credit*** – The CARES Act provides a refundable payroll tax credit for 50% of qualified wages paid by employers to employees during the COVID-19 crisis.

- The credit is available to employers (including tax exempt organizations) who carried on a trade or business during calendar year 2020 and whose 1) operations were fully or partially suspended due to a COVID-19 related shutdown order, or 2) gross receipts declined by more than 50% when compared to the same quarter in the prior year.
- The credit is based on qualified wages paid to the employee from March 13, 2020 through December 31, 2020. For employers with greater than 100 full-time employees, qualified wages

are wages paid to employees when they are not providing services due to the COVID-19 circumstances described above (suspension of business or drop in gross receipts). For employers with 100 or fewer full-time employees, all employee wages are qualified, regardless of whether the employer is open for business or subject to a shut-down order.

- The total eligible wages per employee are \$10,000, resulting in a maximum credit of \$5,000 per employee.
- Employers receiving emergency small business interruption loans are not eligible for this credit. Further, any wages taken into account for purposes of the retention credit cannot be taken into account for purposes of the credits allowed under the FFCRA, the employer credit for paid family and medical leave under Internal Revenue Code Section 45S, or the work opportunity credit under Internal Revenue Code Section 51.

## INDIVIDUAL INCOME TAX

**Rebates** – Individual taxpayers are allowed a refundable credit against 2020 income tax of \$1,200 (\$2,400 for couples filing jointly), plus \$500 per qualifying child. The credit phases out for taxpayers with adjusted gross income exceeding \$75,000 (\$150,000 for couples filing jointly). The IRS will “refund” the credit amount to taxpayers “as rapidly as possible,” by using the amount that the taxpayers would be allowed based on their 2019 return, if it has been filed, or their 2018 return. If the taxpayers have not filed for 2018 or 2019, the IRS can use information from their Social Security Benefits Statements. The IRS may deposit the rebate directly into a bank account designated by the taxpayers for income tax refunds since January 1, 2018 (followed up by notification by mail to the taxpayers’ last known address indicating the amount of the payment and the method of payment).

**Charitable Contributions** – Individual taxpayers who do not itemize deductions are allowed an “above the line” deduction of up to \$300 of cash contributions.

**Student Loan Repayments** – Gross income of an employee does not include up to \$5,250 of payments made by the employer of principal or interest on qualified education loans after the date of enactment through the end of 2020.

**Retirement Plan Changes** – The CARES Act waives the 10% early withdrawal penalty for distributions up to \$100,000 from qualified retirement accounts for coronavirus-related purposes made on or after January 1, 2020. Income attributable to such distributions would be subject to tax over three years, and the taxpayer may recontribute the funds to an eligible retirement plan within three years without regard to that year’s cap on contributions. The CARES Act also provides flexibility for loans from certain retirement plans for coronavirus-related relief.

**Waiver of Required Minimum Distributions for 2020** – The CARES Act waives application of the required minimum distribution rules for certain defined contribution plans and IRAs for calendar year 2020. This waiver provides relief to individuals who otherwise would be required to withdraw funds from such plans and accounts during the economic slowdown due to COVID-19.

**Other Benefit Plan Changes** – The CARES Act includes certain other provisions that impact employee benefit plans, such as funding relief for single-employer defined benefit plans; requirements for group health plans to cover COVID-19 testing, preventive services, and vaccines; and changes permitting over-the-counter drugs to be treated as qualified medical expenses eligible for reimbursement from an HSA, FSA, or HRA.

## EMPLOYMENT AND LABOR

**Employee Paid Leave** – The CARES Act made a few minor clarifications to the Emergency Family and Medical Leave Expansion Act (“EFMLEA”) and the Emergency Paid Sick Leave Act, including that the monetary leave benefit caps are per-employee and not an overall per-day cap. It also clarified that an employee is still eligible for EFMLEA if he or she was laid off after March 1, had worked for the employer not less than 30 days of the last 60 days prior to the layoff, and was later rehired by the employer.

**Pandemic Unemployment Assistance Program** – The CARES Act creates a temporary Pandemic Unemployment Assistance program through December 31, 2020 to expand eligibility for unemployment benefits to individuals not otherwise eligible, such as self-employed workers, independent contractors, those who have exhausted state unemployment benefits, and those with limited work history. Individuals are not eligible for benefits if they have the ability to telework with pay or are receiving paid sick leave or other paid leave benefits. Specifically, the CARES Act provides that a “covered individual” includes anyone who is able and available to work but is unemployed or partially unemployed due to several COVID-19 related-reasons, including any of the following:

- The individual is the primary caregiver for a child or other person in the household who is unable to attend school or another facility as a direct result of COVID-19;
- The individual is unable to reach the place of employment because of a quarantine imposed as a direct result of COVID-19;
- The individual is unable to work because a health care provider has advised the individual to self-quarantine due to COVID-19 concerns;
- The individual has to quit his or her job as a direct result of COVID-19; or
- The individual’s place of employment is closed as a direct result of COVID-19.

The Pandemic Unemployment Assistance program also extends benefits from 26 weeks (in most U.S. states) to 39 weeks and waives the usual one-week waiting period. The amount of benefits includes the amount that would be calculated under state law plus \$600 per week for up to four months. Finally, the CARES Act offers U.S. states the opportunity to receive funding for state-enacted “short-time compensation” programs to subsidize employees who have their hours reduced in lieu of a layoff.

## BANKRUPTCY

**Chapter 11** – The CARES Act makes a significant change to Chapter 11 of the Bankruptcy Code: it increases the debt limit for small business bankruptcy from \$2,725,625 to \$7,500,000. The Small Business Reorganization Act recently created subchapter V, a faster, more flexible, and more cost efficient Chapter 11 reorganization process for small businesses with debts less than \$2,725,625. The CARES Act increases this debt limit to \$7,500,000, allowing many more small businesses to seek the protections of a subchapter V reorganization. This increased debt limit applies only to subchapter V cases filed after the CARES Act is enacted, so current Chapter 11 cases will not be able to convert to a subchapter V. It also contains a sunset clause so that, absent an extension by Congress, the debt will reset to \$2,725,625 after one year.

**Chapter 7 and Chapter 13** – The CARES Act also excludes payments made to people pursuant to the Act from the Chapter 7 means-test calculation and from the disposable income calculation of Chapter 13. It also permits a Chapter 13 debtor who has already confirmed a plan to request modifications for hardships related to the COVID-19 emergency. Both of these changes also contain a one-year sunset clause.

## QUESTIONS?

If you have any questions about these and other complex legal and practical issues raised by the CARES Act, we have the experience and expertise to help. Please contact the Thompson & Knight attorney with whom you regularly work or one of the attorneys listed below.

## CONTACTS:

**Anthony J. Campiti**  
Employment and Labor  
214.969.1565  
[Anthony.Campiti@tklaw.com](mailto:Anthony.Campiti@tklaw.com)

**Demetra L. Liggins**  
Bankruptcy and Restructuring  
214.969.1565  
[Demetra.Liggins@tklaw.com](mailto:Demetra.Liggins@tklaw.com)

**Micah R. Prude**  
Employment and Labor  
214.969.1698  
[Micah.Prude@tklaw.com](mailto:Micah.Prude@tklaw.com)

**Barbara-Ellen Gaffney**  
Employment and Labor  
214.969.1232  
[Barbara-Ellen.Gaffney@tklaw.com](mailto:Barbara-Ellen.Gaffney@tklaw.com)

**Meghan McCaig**  
Trial  
214.969.1172  
[Meghan.McCaig@tklaw.com](mailto:Meghan.McCaig@tklaw.com)

**Cameron K. Rivers**  
Bankruptcy and Restructuring  
214.969.5825  
[Cameron.Rivers@tklaw.com](mailto:Cameron.Rivers@tklaw.com)

**Abbey B. Garber**  
Tax  
214.969.1640  
[Abbey.Garber@tklaw.com](mailto:Abbey.Garber@tklaw.com)

**Cassandra G. Mott**  
Finance  
713.951.5803  
[Cassandra.Mott@tklaw.com](mailto:Cassandra.Mott@tklaw.com)

**Elizabeth A. Schartz**  
Employment and Labor  
214.969.1737  
[Elizabeth.Schartz@tklaw.com](mailto:Elizabeth.Schartz@tklaw.com)

**J. Dean Hinderliter**

Tax  
214.969.1696  
[Dean.Hinderliter@tklaw.com](mailto:Dean.Hinderliter@tklaw.com)

**Neely P. Munnerlyn**

Tax/Employee Benefits  
214.969.1585  
[Neely.Munnerlyn@tklaw.com](mailto:Neely.Munnerlyn@tklaw.com)

**Shad E. Sumrow**

Finance  
214.969.1552  
[Shad.Sumrow@tklaw.com](mailto:Shad.Sumrow@tklaw.com)

**Austin M. Jacobs**

Finance  
713.951.5859  
[Austin.Jacobs@tklaw.com](mailto:Austin.Jacobs@tklaw.com)

**Bryan P. Neal**

Employment and Labor  
214.969.1762  
[Bryan.Neal@tklaw.com](mailto:Bryan.Neal@tklaw.com)

**James Z. Zhu**

Government and Regulatory  
512.469.6150  
[James.Zhu@tklaw.com](mailto:James.Zhu@tklaw.com)

**Todd D. Keator**

Tax  
214.969.1797  
[Todd.Keator@tklaw.com](mailto:Todd.Keator@tklaw.com)

*This Client Alert is sent for the information of our clients and friends. It is not intended as legal advice or an opinion on specific circumstances. Furthermore, due to the rapidly evolving nature of the COVID-19 pandemic, you should consult with counsel for the latest developments and updated guidance.*

©2020 Thompson & Knight LLP

## CARES ACT: SUPPORT FOR SMALL BUSINESSES

---

This Client Alert discusses certain key provisions of the Paycheck Protection Program (“PPP”) and Economic Injury Disaster Loans (“EIDL”) under the Coronavirus Aid, Relief, and Economic Security Act (“CARES”), which was signed into law today.

### CERTAIN KEY PROVISIONS OF PPP

PPP will be implemented through Section 7(a) of the Small Business Act (“SBA”), as amended by CARES. Certain key provisions of PPP include:

- Up to \$349 billion of loans to support small businesses for the period from February 15, 2020 to June 30, 2020 (the “covered period”);
- Small businesses are defined as those with not more than the greater of 1) 500 employees or 2) if applicable, the existing SBA size standard for the industry in which the borrower operates [with an exception for the accommodation and food sectors industry (NAICS Code 72) to the extent such business has no more than 500 employees per physical location];
- An “employee” includes individuals employed on a full-time, part-time, or other basis;
- Individuals who operate under a sole proprietorship or as an independent contractor and eligible self-employed individuals are eligible to receive a covered loan;
- Loans made during the covered period (“covered loans”) will be 100% guaranteed by the SBA;
- Only SBA-approved lenders may issue covered loans, which include lenders who are not currently SBA-approved but are subsequently approved by the Treasury Department in consultation with the SBA during the covered period;
- Proceeds of the covered loans may be used to pay payroll costs; costs related to the continuation of group health care benefits during periods of paid sick leave, medical or family leave, and insurance premiums; employee salaries, commissions, or similar compensation; interest on mortgage obligations; rent; utilities; and interest payments on other debt obligations incurred prior to the covered period;
- “Payroll costs” include salary, cash tips, leave benefits, insurance premiums, retirement benefits, and state or local tax assessed on the compensation of employees, but excludes compensation of an individual employee in excess of an annual salary of \$100,000, as pro-rated for the covered period, and any compensation of an employee whose principal place of residence is outside the United States;

- The maximum loan amount is determined by a formula based on the average total monthly payments for payroll costs incurred during the 1-year period before the date on which the loan is made multiplied by 2.5 plus any outstanding EIDL loan (discussed below) that is being refinanced by the covered loan, the total of which may not exceed \$10 million (with special rules for seasonal businesses and businesses not in business from February 15, 2019 through June 30, 2019);
- Lenders will be required to provide complete payment deferral for a period of between 6 months and 1 year;
- There is no recourse against any individual shareholder, member, or partner of the business, except to the extent that the loan proceeds are used for an unauthorized purpose;
- No collateral or personal guarantees will be required;
- The interest rate will not exceed 4%, and there will be no prepayment penalties;
- The maximum maturity will be 10 years from the date of loan forgiveness (discussed below);
- Small businesses must certify that the uncertainty of current economic conditions makes necessary the loan request to support the ongoing operations of the eligible recipient; the funds will be used to retain workers and maintain payroll or make mortgage payments, lease payments, and utility payments; the eligible recipient does not have an application pending for a covered SBA 7(a) loan for the same purpose and duplicative of amounts applied for or received under a covered loan; and during the period beginning on February 15, 2020 and ending on December 31, 2020, the recipient has not received amounts under SBA 7(a) for the same purpose and duplicative of amounts applied for or received under a covered loan;
- The SBA will promulgate regulations necessary to carry out CARES within 15 days of the enactment of CARES; and
- The SBA will issue guidance no later than 30 days after CARES is implemented.

## **AFFILIATIONS RULE GENERALLY APPLICABLE TO PPP**

Notably, the “affiliations rule” under the SBA will apply to PPP, but for a few exceptions. The affiliations rule typically aggregates the employees of companies that are under common control. For example, if ABC Company has 300 employees and is owned by a private equity fund that has 1,000 employees across all of its portfolio companies, ABC Company will not qualify as a small business. However, CARES waives the affiliations rule for: 1) any small business (500 employees or less) in the accommodation and food sectors industry; 2) any small business operating as a franchise that is assigned a franchise identifier code by the SBA; and 3) any business concern that receives financial assistance from a company licensed under Section 301 of the Small Business Investment Act of 1958.

## LOAN FORGIVENESS UNDER PPP

CARES allows certain amounts of a PPP loan to be forgiven so long as it is an amount of principal that a lender reasonably expects a borrower to expend during an 8-week period (beginning on the date of the origination of the loan) on the sum of any:

- Payroll costs;
- Payments of interest only on any covered mortgage obligation;
- Payments on any covered rent obligation; and
- Covered utility payments.

### *Other important items of notes with respect to this loan forgiveness include:*

- The amount forgiven may not exceed the principal amount;
- The costs eligible for forgiveness must have originated or incurred from a source (such as a contract or lease agreement) that was in effect before February 15, 2020;
- Any forgiven amounts will be treated as cancelled indebtedness by the lender and forgiven amounts will not be taxable to the borrower;
- The SBA will remit to the lender the forgiven amount, plus any interest accrued through the date of payment, no later than 90 days after the date that the amount is forgiven;
- Any remaining balance after a reduction based on the forgiveness amount will continue to be guaranteed by the SBA;
- The covered loan will have a maximum maturity of 10 years from the date the borrower applies for loan forgiveness;
- Any loan forgiveness will be reduced if employees were terminated or wages were reduced (as compared to the prior year or, in the case of a seasonal employer, the prior season);
- An eligible recipient with tipped employees may receive forgiveness for additional wages paid to those employees;
- Borrowers that re-hire workers previously laid off will not be penalized for having a reduced payroll at the beginning of the period;
- Any borrower seeking loan forgiveness must submit to the lender an application that contains the required information and certifications;
- The lender has a 60-day period to render a decision on the loan forgiveness application;
- The lender is held harmless, which means an enforcement action may not be taken against the lender relating to loan forgiveness for the categorical payments outlined, and the SBA cannot penalize the lender; and
- The SBA is required to issue guidance and regulations related to loan forgiveness no later than 30 days after the enactment of CARES.

## CONTINUED AVAILABILITY OF EIDLs

EIDLs continue to be available to eligible recipients under Section 7(b)(2) of the SBA. Generally speaking, with respect to EIDLs:

- Recipients can apply directly with the SBA;
- Recipients must be located in a declared disaster area;
- Recipients must be economically impacted by the subject disaster;
- The maximum amount of an EIDL is \$2 million secured for financial obligations and expenses (or \$25,000 unsecured);
- The Families First Coronavirus Response Act allows \$50 billion for COVID-19-affected EIDLs;
- The interest rate will be 3.75% for small businesses and 2.75% for non-profits; and
- CARES allows recipients of EIDLs for the period beginning January 31, 2020 to receive assistance through 7(a) loans, including PPP.

## TEMPORARY WAIVERS OF PRE-EXISTING 7(B)(2) REQUIREMENTS

During the covered period for an EIDL, CARES waives the following:

- The personal guarantee requirement on advances and loans of not more than \$200,000;
- The requirement that an applicant needs to be in business for the 1-year period before the disaster (except that no waiver may be made for a business that was not in operation on January 31, 2020); and
- The requirement that an applicant be unable to obtain credit elsewhere.

## EMERGENCY GRANTS

During the covered period, an eligible entity that applies for an EIDL can request, within three days after the SBA receives an application, that the SBA provide an advance of no more than \$10,000. These advances are required to be used for an allowable purpose, such as:

- Providing paid sick leave to employees unable to work due to the direct effect of COVID-19;
- Maintaining payroll to retain employees;
- Meeting increased costs to obtain materials unavailable from the applicant's original source due to interrupted supply chains;
- Making rent or mortgage payments; and
- Repaying obligations that cannot be met due to revenue losses.

Notably, an applicant will not be required to repay any amounts of an advance, even if subsequently denied an EIDL. If an applicant receives an advance, yet the applicant then transfers into the 7(a) program (including PPP), the advance must be reduced from the loan forgiveness amount for a loan made for payroll costs. The SBA's authority to allow these grants terminates on December 31, 2020.

CARES has allocated \$10 billion for these emergency advances, so it is recommended that any clients who are severely strained apply immediately for an EIDL and seek such an advance. Businesses may make an application online directly on the [SBA website](#).

## FINAL THOUGHTS

CARES uses, for the most part, the existing SBA structure to deploy the new \$349 billion economic relief program for small businesses, but there are some changes to extend eligibility requirements and waive certain other requirements.

There will likely be a strain on SBA resources and personnel due to the projected increase in demand for SBA loans. Thus, it is imperative that clients seeking SBA loans have documentation ready and apply as soon as possible.

For some clients who likely will not be able to use the SBA relief programs, such as portfolio companies of private equity funds, alternative resources spearheaded by the Treasury Department and the Federal Reserve may be available. Such programs, which are beyond the scope of this Client Alert, generally include:

- A mid-size business program (between 500 and 10,000 employees) for investment-grade companies who are solvent; and
- The soon-to-be announced “main street” lending program left to the Federal Reserve’s discretion.

The mid-size business program will be administered through banks and includes a number of restrictions, such as stock buybacks, dividends, employee compensation, offshoring, and union friendliness. The “main street” lending program is in its infancy stages but it is anticipated that this program will not have many of the restrictions included in the mid-size business program.

## WE ARE AVAILABLE TO HELP

If you have any questions about the information contained in this Client Alert, please contact the Thompson & Knight attorney with whom you regularly work or one of the attorneys listed below.

---

**CONTACTS:**

**Shad E. Sumrow**

214.969.1552

[Shad.Sumrow@tklaw.com](mailto:Shad.Sumrow@tklaw.com)

**Cassandra G. Mott**

713.951.5803

[Cassandra.Mott@tklaw.com](mailto:Cassandra.Mott@tklaw.com)

**Austin M. Jacobs**

713.951.5859

[Austin.Jacobs@tklaw.com](mailto:Austin.Jacobs@tklaw.com)

**Bill McDonald**

713.951.5832

[Bill.McDonald@tklaw.com](mailto:Bill.McDonald@tklaw.com)

**Timothy T. Samson**

713.951.5842

[Tim.Samson@tklaw.com](mailto:Tim.Samson@tklaw.com)

**Jeremiah M. Mayfield**

214.969.1744

[Jeremiah.Mayfield@tklaw.com](mailto:Jeremiah.Mayfield@tklaw.com)

*This Client Alert is sent for the information of our clients and friends. It is not intended as legal advice or an opinion on specific circumstances. Furthermore, due to the rapidly evolving nature of the COVID-19 pandemic, you should consult with counsel for the latest developments and updated guidance.*

©2020 Thompson & Knight LLP