JONATHAN Z. MAY

Title: Partner
Phone: 410.727.8546
Email: jmay@rosenbergmartin.com

Bar Admissions

- Maryland
- District of Columbia
- U.S. Tax Court
- U.S. District Court: District of Maryland
- U.S. District Court: District of Columbia

Practice Groups

- Business Planning & Transactions
- Tax & Wealth Planning

Education

- Georgetown University Law Center (LL.M, Taxation)
- University of Baltimore School of Law (J.D., *magna cum laude*)
- University of Maryland, Baltimore County (M.A., Management of Aging Services)
- University of Maryland (B.S.)

Bio

Jon leads the firm's Business Planning & Transactions practice group, and contributes to the Tax & Wealth Planning and Tax Controversy groups, bringing over 25 years of experience advising clients on business, transactional, corporate, and tax matters.

Clients Jon represents include established and emerging businesses operating in various industries (e.g., sales, manufacturing, distribution of products, business and consumer services, and professional services). Jon also represents numerous tax-exempt associations and organizations such as charities, professional and trade associations, health care providers, educational institutions, human services organizations, substance abuse treatment providers, and providers of services and supports for seniors (e.g., assisted living, long-term care, home care, CCRCs, etc.). He advises clients on a variety of general corporate and business law matters and acts as general outside counsel for a number of organizations and companies. Select experience includes asset acquisitions and dispositions, joint ventures, mergers and consolidations, contract negotiations, regulatory compliance, entity formations and affiliated entity structuring, corporate governance, tax planning and tax controversy matters. Click here to read more about Jon's practice and representative experience.

Jon is a member of the American Bar Association (Taxation Committee and Subcommittee on Exempt Organizations), the Maryland State Bar Association, and the District of Columbia Bar Association; he also is a past Chair of the ASAE Ethics Committee, is a Past Chair of Leadership Howard County and previously served as a board member for the Maryland Volunteer Lawyers Service. Jon's educational degrees include a B.S. from the University of Maryland, a M.A. in Management of Aging Services from the University of Maryland Baltimore County, a J.D. from University of Baltimore School of Law, and an LL.M. in Taxation from Georgetown University Law Center. He is licensed to practice in the State of Maryland and the District of Columbia.

Experience
Business Planning & Transactions

Entity Formations, Governance, Contracts, and Compliance

- Advise on entity formation choices for new investments and business ventures, and assist with the creation of corporations, partnerships and limited liability companies
- Advise companies and boards of directors on corporate governance and policy matters
- Represent businesses in the negotiation and drafting of contracts with third-parties for manufacturing of goods, purchases and sales of goods and services, licensing of intellectual property, publishing, consulting, etc.
- Represent clients in the negotiation and drafting agreements between stockholders, members, owners and others of buy-sell, right of first refusal and covenant not-to-compete agreements
- Assist closely-held and family-owned businesses with succession planning matters
- Regularly advises businesses on corporate licensing and regulating compliance matters
- Advise on matter involving state unclaimed property and escheatment

Mergers and Acquisitions

- Advise and assist businesses in negotiating mergers, acquisitions, asset purchases and divestitures, strategic alliances and joint ventures
- Represented client in successful multi-million dollar sale of subsidiary business in connection with "roll-up" transaction involving multiple seller parties with a total enterprise value of $100,000,000 and involving a private equity buyer
- Represented nonprofit hospital system in successful negotiation and documentation of a $20,000,000+ joint venture transaction with another hospital system and obtained ruling from IRS recognizing no adverse impact on tax-exempt status from implementation of transaction
- Represented owner in the sale of a company engaged in the manufacture and distribution of medical devices
- Represented purchaser in the acquisition of an accounting services business
- Represented investor in the acquisition of an ownership interest in a real estate investment and services business
- Represented purchaser in acquisition of an automotive salvage parts and services business focused on B2B and consumer market
- Represented purchaser on acquisition of a manufacturing distribution sales business involving water testing and related products
- Represented a group of family-owned and closely-held companies in the sale of its products and services business to a multinational technology company
- Represented a regional franchisee with multiple locations acquisition transaction involving another franchisee's assets

Nonprofit Organizations and Associations

Entity Formations and Tax-Exempt Status Recognition

- Represent numerous nonprofit organizations and associations seeking recognition of tax-exempt status from the IRS and state taxing authorities, including public charities, private foundations, social welfare organizations, and trade and professional associations

- Worked with nonprofit client to obtain tax-exempt status recognition for a unique program to provide a broad range of medical and non-medical services to seniors to help them to stay in their own homes and communities
- Represented an institution of higher education in the formation and successful application for recognition of tax-exempt status of an affiliate nonprofit organization that will pursue grants and support the promotion and delivery of research and educational programs outside of the United States
- Represented a nonprofit healthcare institution in the formation of, and application for recognition of tax-exempt status for, affiliated nonprofit organizations that will support the institution's mission by delivering administrative services to and holding property for the benefit of the institution
- Represented several nonprofit organizations in IRS examinations of their Forms 990 and tax-exempt status; assessment of taxes or penalties was ultimately avoided and tax-exempt status was maintained
- Assisted a taxable nonprofit human services organization in the process of amending its corporate documentation and obtaining recognition of federal tax exempt status (IRS Section 501(c)(3))
- Worked on the formation of a national professional association (healthcare related) and creation of state and regional chapter structure and advised on related federal group tax exemption matters (IRS Section 501(c)(6))

Governance, Fiduciary Duties and Intermediate Sanctions

- Work with numerous nonprofit clients on corporate governance and policy matters, as well as matters relating to corporate charters and bylaws, including amendments, state law compliance, rule interpretation, etc.
- Work with nonprofit clients on crafting customized corporate policies on various topics, including conflict of interest, corporate ethics, whistleblowers, document retention and destruction, gifts and donations, joint ventures, etc.
- Counseled numerous nonprofit organizations in determining whether certain transactions or compensation arrangements could trigger intermediate sanctions penalties under IRC Section 4958, and procedures for creating a rebuttable presumption of reasonableness in connection with any related party transactions

Joint Ventures

- Advise associations and nonprofit clients on the formation of corporations, partnerships and limited liability companies for nonprofit purposes and investments in ancillary business ventures
- Represented nonprofit healthcare system in successful negotiation and documentation of a multi-million dollar joint venture transaction and obtained a ruling from IRS recognizing no adverse impact on tax-exempt status from implementation of the transaction

Affiliates and Subsidiaries

- Advise numerous nonprofit clients on strategies for formation of affiliates and subsidiaries used to purchase assets, make investments, receive certain donations, operate related activities, operate unrelated businesses, structure joint venture activities, etc.
- Assisted several membership associations with state chapter issues, including development of affiliate agreements

Corporate, Transactional and Compliance

- Regularly advise nonprofit organizations on corporate, licensing and regulatory compliance matters
- Draft, review and negotiate purchase, sale, services and consulting contracts on behalf of associations and nonprofit organizations
- Represented nonprofit client in successful sale of subsidiary business in connection with "roll-up" transaction involving a private equity buyer
- Represented nonprofit client on analysis of federal and multi-state licensing issues relating to consumer services to be provided on a national basis and implementation of registration and compliance program relating to same
- Represented and counseled nonprofit organizations in considering and consummating merger and combination transactions with other nonprofits

- Represented numerous nonprofit organizations in the negotiation and drafting of contracts for purchases and sales of good and services, licensing of intellectual property, publishing, affinity arrangements, sponsorships, etc.
- Worked with a nonprofit association on strategy for developing an effective process to review and address member complaints, and continue to advise client on handling of specific complaints
- Counseled numerous nonprofit clients regarding analysis of fundraising and charitable solicitations plans and implementation of related registration and compliance programs

Unrelated Business Income Analysis

- Represent numerous nonprofit organizations and associations in determining whether certain business transactions will trigger unrelated business income tax
- Represented a nonprofit supporting organization and its affiliated supported organization in obtaining favorable rulings from the IRS unrelated business income matters

Legislation and Policy

- Represented nonprofit organizations in crafting a policy statement and proposed legislation for state certain regulatory and tax exemptions, and coordinated with the organizations' lobbyists to assist in achieving passage of the desired exemptions
- Worked with nonprofit organizations in crafting a policy statement and an amendment to proposed federal legislation impacting qualifications for tax-exempt supporting organizations, and coordinated with organizations' lobbyists to assist in achieving the desired amendment to the proposed legislation
- Assisted nonprofit organizations with drafting proposed legislation for amending licensing requirements for the provision of certain regulated consumer services

Assisted Living Communities / Skilled Nursing Facilities / Home Care Providers / Continuing Care Retirement Communities

- Represented continuing care retirement communities, health care, assisted living and long-term care providers in corporate, tax planning, tax-exemption and transactional matters
- Assisted a system of continuing care retirement communities in obtaining a private letter ruling from the IRS confirming that the structure of the system and transactions between the members of the system did not result in taxable income or loss of tax-exempt status
- Worked with nonprofit organization to obtain tax-exempt status recognition for a unique program to provide a broad range of medical and non-medical services to seniors to help them to stay in their own homes and communities
- Represented a nonprofit supporting organization and its affiliated nonprofit retirement community in obtaining favorable rulings from the IRS regarding recognition of exempt status, public charity classification, and unrelated business income matters

Tax & Wealth Planning

Corporate and Partnership Taxation

- Provide guidance on federal and state planning options and implementation of tax efficient structures for entity formations, mergers, acquisitions, liquidations, and purchase and sale transactions
- Assist closely-held and family-owned businesses with tax matters relating to succession planning
- Advise on the tax consequences and structuring options relating to converting from one type of entity (i.e., subchapter C corporation, subchapter S corporation, limited liability company or partnership) into another type of entity

Tax Controversy

Audits, Controversy and Administrative

- Represented the parent company filing a consolidated group return in obtaining a favorable private letter ruling from the Internal Revenue Service allowing the company an extension of time to file a consolidated loss carryback claim

- Represent nonprofit businesses and nonprofit organizations in audits and appeals before the Internal Revenue Service and state taxing authorities
- Represented several nonprofit organizations in examinations by the IRS relating to Form 990 and tax-exempt status issues, ultimately avoiding assessment of taxes or penalties, and maintaining continued recognition of exempt status
- Represented a nonprofit supporting organization and its affiliated supported organization in obtaining favorable rulings from the IRS regarding recognition of exempt status and public charity classification
- Represented nonprofit hospital system in obtaining a ruling from IRS recognizing no adverse impact on tax-exempt status from implementation of a multi-hospital joint venture transaction

Speaking Engagements

- Charitable Organizations and Their Intersection With Maryland Taxes. Mannes Greenberg Wednesday Tax Study Group
- Law, Ethics and Longevity. A course that is part of the graduate-level curriculum at the University of Maryland Baltimore County’s Erickson School of Aging Studies.
- Nonprofit Governance – Top Ten Things Directors of Nonprofit Organizations Need to Know about Fiduciary Duties and Board Responsibilities. Leadership Howard County, Leadership Premier Program Day, “Giving Back: Time, Treasure and Talent”
- Charitable Solicitations and Protection of Charitable Assets. MACPA 2015 Government and Not-For-Profit Conference
- Effective Board Governance – An Attorney’s Perspective. The United Methodist Association 75th Annual Conference
- To Shred or Not to Shred – Guidance for Nonprofits on Document Retention and Destruction. Lorman Education Services webinar.