

PACIFIC COUNSELOR™

SPRING 2024

Law Bulletin from TERAOKA & PARTNERS LLP



Hello Everyone,

Many of you may remember my father, George Teraoka, who regularly attended our Holiday Parties (pre-pandemic) that we enjoyed for close to 20 years. Sadly, he passed away this last December at the age of 102 years. I was blessed to be with him when he passed; he was clear minded, grateful and humble until his last moment. Both my father and my mother enjoyed being a part of our holiday gatherings and having conversations with many of you. For me, I remain so grateful to have had them in my life for so long. While I miss them so, they continue to serve as a great inspiration for me. Even at my vintage, my Dad would say “you’ve got a long ways to go and so many things yet to do and accomplish.”

So, here we are at Spring 2024, traditionally a time for new beginnings. Our business climate is robust. While higher interest rates have yet to subside, our stock market continues to be resilient, which reflects investor and consumer confidence in our domestic economy. “AI” continues to dominate technology talk, and more importantly, we are beginning to experience how this technology can impact what we do day to day. We have learned how to adapt to the new work order in the Bay Area. Mondays and Fridays are remote workdays, and Tuesdays, Wednesdays and Thursdays are in-office days. We can accordingly gauge traffic and parking availability around this schedule.

As business attorneys, we see our mainline business clients continuing apace, attending to best practices in documenting transactions, maintaining corporate compliance and governance, paying attention to detail and taking preventive precautions to minimize risk and liability exposure, all essential ingredients to business success.

As we move through 2024, we continue to adhere to our basic motto: “Strive to provide high quality legal services in a timely manner at reasonable rates.” We value and appreciate our relationships with all of you. The longer we stay in business and experience, the ebbs and flows of life, the more we appreciate what we have. We hope to see many of you soon!

Best Regards,

Steve Teraoka

NEW SICK LEAVE LAW FOR CALIFORNIA EMPLOYERS

Effective January 1, 2024, S.B. 616 went into effect. This new law (Cal. Labor Code Sections 245.5, 246 and 246.5) increases the number of paid sick days that California employers must offer to employees and changes some of the accrual options. California employers whose sick leave policies are compliant with the sick leave laws in Oakland, San Francisco, Berkeley, Santa Monica, Emeryville, Los Angeles, and San Diego will most likely be compliant with the new state law.

Under California's Paid Sick Leave Law (PSL) employers were required to provide a minimum amount of paid sick leave to their employees, generally at the rate of 1 hour for every 30 hours worked, subject to certain eligibility, use, and accrual limitations. An employee is eligible to take paid sick leave if the employee has worked for the same employer for at least 30 days within the same year, and has completed a 90-day employment period. As of the 90th day, employees may use accrued paid sick days pursuant to their employer's stated policies as long as consistent with PSL requirements. While employees start accruing upon hire or the effective date of the law, there can still be a use restriction until the 90th day of employment.

S.B. 616 makes the following updates to California's PSL:

- **Increases the amount of required paid sick leave from 3 days (24 hours) to 5 days (40 hours).** This increase applies whether or not an employer opts to accrue or frontload paid sick time.
- Defines "full amount of leave" as 5 days (40 hours).
- Increases the current rolling accrual cap (or maximum accrual cap) from 6 days (48 hours) to 10 days (80 hours).

If the employer uses a different method than 1 hour per 30 worked, then the entire amount (that is, all 5 days) must be available for use by the 200th calendar day of employment. Please note: any local laws provide that more protection must be followed. California law is the floor, cities may provide additional benefits.

California employers should update and implement these revised requirements immediately, because employees may now sue to enforce these provisions under PAGA for failure to pay paid sick leave at the regular rate. Employers already battling assertions for failing to pay meal period and rest break premiums or overtime at the regular rate. Employers already battling assertions for failing to pay meal period and rest break premiums or overtime at the regular rate of pay are especially vulnerable to sick pay suits, as this is an easy add-on claim.

CORPORATE TRANSPARENCY ACT

The Corporate Transparency Act (the "CTA") which became effective on January 1, 2024, requires companies to report identifying information about the individual(s) who directly or indirectly own or control a company ("Beneficial Ownership Information" or "BOI"). This new regulation was passed as a measure to provide more transparency in business ownership to further combat money laundering, tax fraud other misconduct by so-called "shell companies." The CTA has been met with challenges, and one ruling by the U.S. District Court of the Northern District of Alabama found that the CTA was unconstitutional. However, the application of that decision is limited to the plaintiffs in that case and the U.S. Government will be appealing this decision. Companies should be aware and be prepared to comply with the requirements of the CTA as willful violations may be subject to civil penalties of up to \$500 each day.

The following is a general overview of the reporting requirements:

Who: Both domestic and foreign entities registered in the U.S. There are 23 types of entities that are exempt including certain entities in the financial sector, tax exempt entities and large operating companies.

When:

- For companies registered to do business before January 1, 2024, the deadline to file the initial BOI report is January 1, 2025.
- For companies registered to do business after January 1, 2024 but before January 1, 2025, the deadline to file the initial BOI is 90 calendar days after receiving notice of registration.
- For companies registering to do business after January 1, 2025, the deadline to file is 30 calendar days from actual or public notice of registration.

What: A company subject to reporting requirements must submit information regarding "beneficial owners," meaning any individual who either directly or indirectly: (1) exercises substantial control over the reporting company, or (2) owns or controls at least 25% of the reporting company's ownership interests. This would include without limitation, all senior officers, individuals with authority to appoint or remove officers or a majority of directors, and important decision-makers.

How: Companies will be required to report BOI with the Financial Crimes Enforcement Network ("FinCEN") electronically through a secure filing system available through its e-filing website: <https://boiefiling.fincen.gov>.

Companies will need to assess whether they are a reporting company or if any exemptions apply. Next, they will need to identify the beneficial owners by evaluating who has the authority exercise substantial control over the company. Then a report will need to be prepared before the applicable deadline. Should you have any questions regarding the application of CTA to your business and require assistance with this reporting, please contact us.

THE INFORMATION DESCRIBED ABOVE IS FOR GENERAL INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE CONSTRUED OR RELIED UPON AS LEGAL ADVICE OR LEGAL OPINION ON SPECIFIC FACTS OR CIRCUMSTANCES. EACH PERSON HAS PARTICULAR SITUATIONS, CIRCUMSTANCES AND ISSUES UNIQUE TO HIM OR HER. YOU SHOULD CONSULT WITH YOUR LEGAL AND/OR TAX EXPERTS IN ORDER TO DETERMINE WHAT IS SUITABLE FOR YOUR BUSINESS.

George Toshiyuki Teraoka

May 13, 1921, to December 26, 2023



Fowler, CA-- George T. Teraoka passed away on December 26, 2023 at 102 years old, surrounded by family at his home. George was born in Lodi, California and graduated from Fowler High School in 1939. He was a grower, farmer, food processor, inventor, as well as a mentor to many, and a dedicated community servant. George was a living legend in the Central Valley as he lived and taught Buddhist teachings.

At 21, George and his family were evacuated from California to the Jerome, Arkansas internment camp, where he assisted as an electrician. George was permitted to work in St. Louis, Missouri while his family was moved to Rohwer camp. While in St. Louis, George met and married Mary Nobuko Kawahara of Portland, Oregon (via Minidoka) and they had 2 sons, Tom and Steven. He joined the US Army and was placed on reserve. He and Mary returned to Fowler in 1950, where they had 3 more children, Robert, Janet and Kathy.

Upon return to Fowler, George farmed a variety of crops, and over the years, he grew the family farms into becoming one of the largest producers of boysenberries in the country. He invented the first boysenberry mechanical harvester.

In Fowler, George lived a long, committed and incredible life dedicated to family, community service, youth mentoring and church leadership. George volunteered as Cub Scout Pack 390 leader for his sons, and later as Boy Scout Troop 390 leader. He continued his commitment to Scouting for over 25 years serving as Council Commissioner of the Sequoia Council and as a Cabinet Member of the Western Region of the Boy Scouts of America. George was awarded the “Sequoia Medal” and the “Silver Beaver Award,” the Boy Scouts’ highest service awards.

George was Chair of the California State Bushberry Advisory Board, Chairman of the Central California Farmers’ Co-op, and Vice Chairman of the Nisei Farmers’ League. He was a director on the Japanese American National Museum’s inaugural Board and was President of the Japanese American Citizens League for Fowler. He served on the Board of Directors of the Fresno County Historical Society, and was named as “Volunteer of the Year.” He also served for two terms as a member of the Fresno County Grand Jury, and was active for 47 years in the Fowler Friday Evening Club.

Well-known in the Buddhist Church community, he served multiple terms as President of the Fowler Buddhist Church, was a Board member of the Buddhist Churches of America, and spoke at countless church conferences. For over 65 years, he taught Sunday Dharma School and was the Charter President of the Western Federation of Dharma School Teachers’ League. He encouraged youth and wrote many letters of recommendation.

His personal interests included scuba diving, operating HAM radio, Shigin (Japanese poetry) and piloting his own Cessna airplane on many trips. His wife Mary and he loved ballroom dancing and helped to found the Fowler Dance Club.

In addition to awards in Scouting and agriculture, George earned numerous distinctions during his life, including the 2004 Fowler “Honored Pioneer” and the 2013 Fowler “Citizen of the Year.”

He was predeceased by his wife of 74 years, Mary Teraoka; his parents, Sawataro and Asano Teraoka; his sisters, Miki (Edward) Kurimura, Kaye (James) Hashimoto and Mari Teramoto; and grandson Michael Teraoka. He is survived by his five children, Tom (Jenny) Teraoka, Steve (Marsha) Teraoka, Robert Teraoka, Janet (Kodo) Umezu, and Kathy (Doren) Lee, as well as 9 grandchildren, 4 great grandchildren, and many nieces and nephews, including Ken Hashimoto who resided with George in his final days.

George lived actively to the end, flying to Arkansas on a Pilgrimage to Jerome as he turned 102 in May and then to Las Vegas to roll the dice last Fall. Underlying all that he did, and what created his purpose was the pride and joy of his family and his unwavering faith in the teachings of Buddha...to live a selfless life manifested in humility and gratitude for all.

Photos



Firm Holiday Party at the San Francisco City Club to celebrate together!



Steve & Marsha and Guests at the JCCNC New Year's party at the St. Francis Hotel in San Francisco



Steve explains the Art of Japanese Bowling (Ojigi) at the Hillsborough Racquet Club's "Secrets of Japan" program with Tim McCarthy



George Teraoka at 102 years greets actor George Takei ("Sulu" in Star Trek) at WWII camp pilgrimage in Jerome and Rohwer, Arkansas in May, 2023



Andrew Kawahara, Guest of the Firm, wins Grand Raffle Prize (air round trip to Tokyo) at JCCNC's New Year's Party

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