

OTIS & BEDINGFIELD, LLC

ATTORNEYS AT LAW

2024 FALL NEWSLETTER



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COREY W. MOORE 2025



Best Lawyers
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LIA SZASZ 2025

Otis & Bedingfield, LLC is proud to announce that two of its attorneys were included in the 2025 Edition of *Best Lawyers: Ones to Watch® in America!*

Lia Szasz, Esq. was recognized for her work in Commercial Litigation, Litigation-Real Estate, and Litigation-Trusts and Estates

and

Corey W. Moore, Esq. was recognized for his work in Closely-Held Companies and Family Businesses Law

Hearty congratulations to Lia and Corey!

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Otis & Bedingfield LLC

Providing a range of legal services throughout Northern Colorado



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*Otis & Bedingfield, LLC is
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This newsletter is not an offer to represent you. You should not act, or refrain from acting based on information in this newsletter. The hiring of a lawyer is an important decision that should be based solely on written information about qualifications or experiences.

Anyone considering hiring a lawyer should independently investigate the lawyer's credentials and ability, and should not rely upon advertisements or self-proclaimed expertise.



*"No man ever steps in the same river twice, for it's not the same river and he's not the same man."
- Heraclitus*

Founding Member, John Kolanz, Esq. Retires!

Our valued Partner John Kolanz, one of Otis & Bedingfield, LLC's founding members, retired from the practice of law on July 1st. John will be enjoying more time with family and chasing the most challenging sport fish wherever they may be around the world!

John's very distinguished and respected 30 years of practice in environmental and natural resource law aided businesses, municipalities, non-profits, and individuals navigate the complex environmental regulatory landscape, addressing all manner of environmental challenges, including water quality, wetlands, air quality, endangered species, hazardous waste, asbestos, and use of federal lands.

John will be sorely missed by all of us, but we wish him every good thing as he moves forward to this next stage of his life and work.
Godspeed, John!!!

Corporate Transparency Act Requirement Update

The Corporate Transparency Act (CTA) enacted in January 2024 establishes a national database in the U.S. to identify the individuals who own or control companies/corporations, to aid in a broader federal effort to combat money laundering, terrorism, tax evasion, and other financial crimes.

FILING DEADLINES

The filing deadlines for the CTA depend on when the business was formed:

- BEFORE January 1, 2024, the deadline to file the initial report is January 1, 2025;
- DURING 2024, the deadline to file the initial report is 90 days after the Business was formed;
- ON OR AFTER January 1, 2025, the deadline to file the initial report is 30 days after the business was formed.

After the initial report is filed, there is no annual/quarterly filing requirement; however, business must report any changes to previously reported information within 30 days.

The CTA requires certain businesses to file a Beneficial Ownership Information (BOI) report with the Financial Crimes Enforcement Network (FinCEN). The BOI report discloses information about the business's beneficial owners and company applicants.

Penalties for failing to file a report or filing false information can include: up to 2 years in prison; fines up to \$10,000, and civil penalties of up to \$500 per day.

The Federal Trade Commission New Non-Compete Rule In Effect

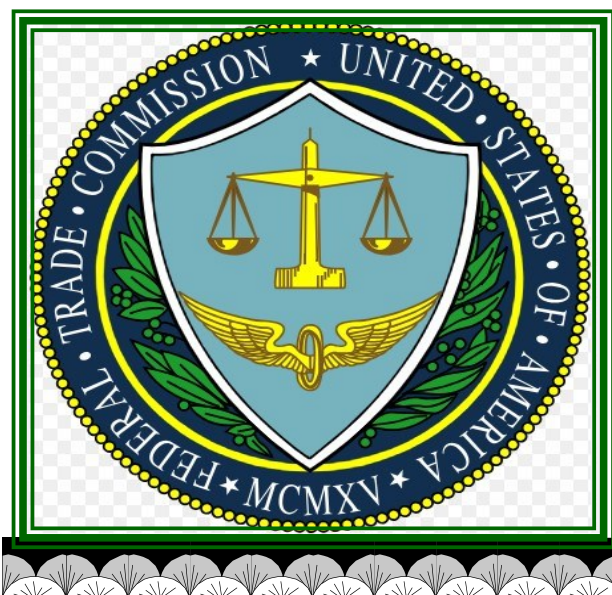


The rule defines a “non-compete clause” as any employment term that restricts a worker from seeking new employment or operating a business post-employment. It covers both written and oral agreements and applies to all workers, including employees, independent contractors, interns, and volunteers, but excludes non-competes related to the bona fide sale of a business.

Concerns about non-competes harming competition have grown, supported by empirical research showing that non-competes suppress wages, hinder new business formation, and limit innovation. Despite state efforts to regulate non-competes, their prevalence remains high, with an estimated 30 million American workers affected. Many non-competes persist even when unenforceable, due to workers’ lack of awareness of their legal rights and the complexity of state laws.

The FTC’s final rule aims to address these issues by standardizing regulations across states and ensuring fair competition in labor and product markets. The rule includes a severability clause to ensure its continued effectiveness even if parts are invalidated by a court.

If you have questions about non-compete agreements, you should contact an experienced business attorney in your area.



By: Frederick J. Steimling, Esq.
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The Federal Trade Commission (FTC) proposed the Non-Compete Clause Rule on January 19, 2023, under sections 5 and 6(g) of the FTC Act. After a comprehensive review of empirical research and over 26,000 public comments, the FTC adopted a final rule addressing non-compete clauses.

The issuance of this final rule declares that entering into non-compete clauses with workers after the rule’s effective date (September 4, 2024), is an unfair method of competition, thus banning new non-competes.

For any existing non-compete agreements, the rule differentiates between senior executives and other workers. Non-competes with senior executives remain enforceable, while those with other workers become unenforceable after the rule’s effective date. Employers must notify affected workers that their non-compete agreements are no longer valid, with model language provided to facilitate compliance.



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IMPORTANT NOTICE FOR LLCs

Effective July 1, 2024, the Colorado Secretary of State’s cost for the filing of the Annual Periodic Report has increased to \$25.



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The attorneys at O&B are recognized leaders in real estate law and business law. We advocate for individuals, businesses, and families in the Northern Colorado region. Our clients are landowners, business owners, business professionals, businesses of all sizes, and individual families in need of guidance or representation in court proceedings involving commercial real estate.

For more information about our lawyers or practice areas, please visit our website at www.nocoattorneys.com or contact us at (970) 330-6700 OR (970) 663-7300.

Colorado Legislature Gives Local Governments First Dibs on Certain Multifamily Properties



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While it is not unusual for surprises to pop up during due diligence reviews when buying or selling multifamily residential real estate, there will now be one more due diligence consideration to add to the list.

Effective August 7, 2024, Colorado House Bill 24-1175 will act to provide local governments with a right of first refusal or right of first offer on certain "Qualifying Property."

A right of first refusal ("ROFR") is when a property owner has granted another party the right to match a bona fide offer to purchase a piece of property that the owner would like to accept. A ROFR allows the party with the ROFR to step into the shoes of the third-party would be buyer.

A right of first offer ("ROFO") differs from a ROFR in that when a property owner decides to sell a property that is subject to a ROFO, the property owner must notify the beneficiary of a ROFO of the owner's desire to sell and allow the holder of the ROFO to make a reasonable offer to purchase the property.

Generally ROFRs or ROFOs are the product of a written agreement between two parties to clarify the details related to topics such as the contents of notices between the parties, how such notice will be delivered, and timelines.

However, under House Bill 24-1175 local governments and housing authorities will have the benefit of either a ROFR or a ROFO on certain qualifying properties.

For the purpose of a ROFR under the new law defines "Qualifying Property" as multifamily residential or mixed-use rental property consisting of no less than five units of existing affordable housing. Mobile home parks, as defined in C.R.S. §38-12-201.5, are specifically excluded.

For the purpose of a ROFO under the new law defines "Qualifying Property" as a multifamily residential or mixed-use rental property that has between 15 units and 100 units. Existing affordable housing and mobile home parks are specifically excluded.

The new law details the notice provisions and timelines of each of the ROFR and ROFO. Although these timelines are very specific, they do not appear to take into consideration the timing requirements for buyers and sellers looking to participate in a tax-deferred exchange.

Potential sellers of Qualifying Property should be aware that violations of this new law can result in an award of monetary damages.

