

## Structuring employee liquidity opportunities for private companies

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Davis Polk partner Veronica Wissel authored “Structuring employee liquidity opportunities for private companies” in *Thomson Reuters’ Practical Law*. The article addresses the primary challenges in permitting service-vested but illiquid equity awards – including double-trigger restricted stock unites (RSUs) and vested stock options – to participate in liquidity programs such as tender offers or secondary offerings, focusing on U.S. federal income tax implications and the complex rules under Section 409A.

In the piece, Veronica also provides practical recommendations for structuring these programs to mitigate risk, explores the distinct considerations for incentive stock options (ISOs) and non-qualified stock options (NSOs), and analyzes the impact of these transactions on a company’s future Section 409A valuation.

[Read the full article](#)