



Benefit Corporations in Massachusetts

and

Certified B Corps Worldwide

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Overview of Benefit Corporations

1. Not a non-profit corporation

- Existence of Shareholders
- For-profit motive
- Not a public charity
- Not tax exempt



2. Differences from other for-profit corporations

- Organized and administered for much more than for-profit motives, much more than just return for shareholders
- Organized to also benefit employees
- Organized to also benefit environment
- Organized to also benefit community
- Accountability for acting in all interests, for which B corporation was formed

3. B Corps In Massachusetts

- Statutory benefit corporations since 12/1/2012 , under Mass. Gen. Laws chapter 156E
- LLCs, partnerships as non-statutory "certified B corps"



4. Global Movement

- *People using business as a force for good*™
- Verified Social and Environmental performance
- Public transparency



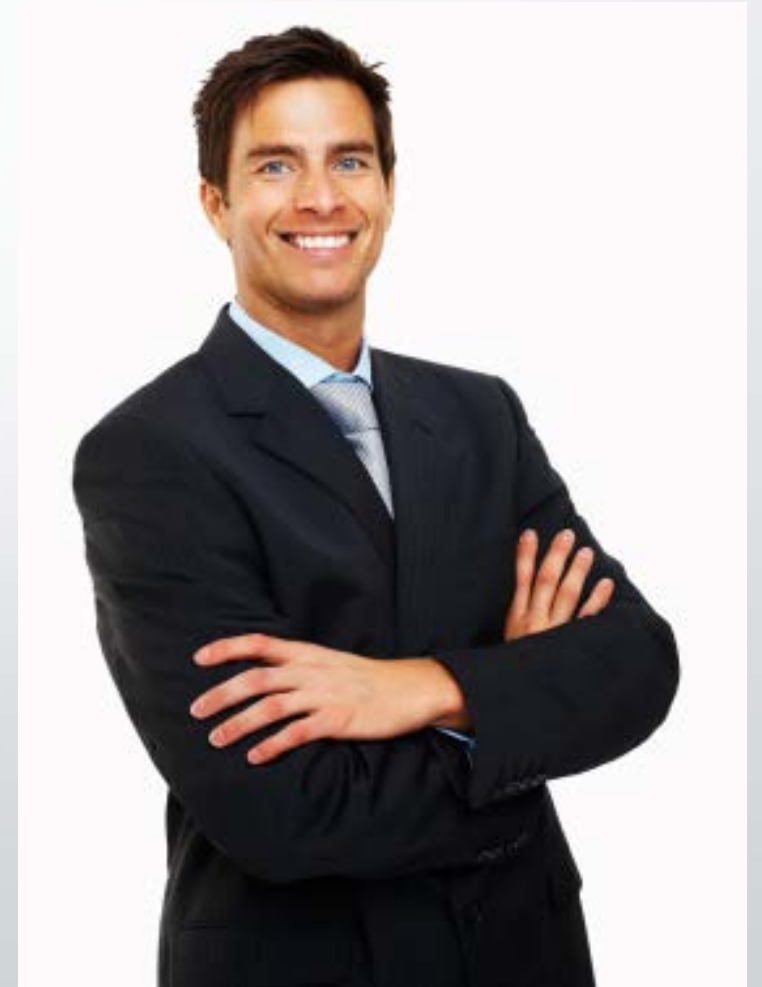
Statutory Benefit Corporations under Mass. Law

1. Incorporation under MGL ch. 156E

- Only Massachusetts corporations
- Compliance with either 156A (professional corporations) or 156D (business corporations)
- Added terms that create benefit corporation
- Shareholder agreement to those terms

2. Key components of Mass. benefit corporation

- Independent Benefit Director
- Benefit Officer



3. Changing to 156E corporation



- Change by existing corporations to benefit corporations
- Mergers to form benefit corporations

4. Annual Reporting

- Annual report filed with State
- Annual report to shareholders
- Meeting third party standard

5. Enforcement

- Advertising as a B Corporation
- Limited liabilities of officers/directors
- Termination of status

Certified B Corps - worldwide private certification

1. B Lab & its certification process

- B Lab is a non-profit organization
- Building global community of certified B corporations
- Align interests of business and society
- Measure and monitor societal impact

2. Eligible businesses

- LLCs, partnerships & sole proprietors eligible to be B corps if meet certain standards
- All benefit corporations are eligible to be certified B corps

3. Requirements for certification

- Taking the B Impact Assessment
- Assessment Review and Submit Supporting Documentation
- Disclosure questionnaire and Background checks

4. Maintaining certification

- Re-certification every 2 years
- Update to assure the B corp continues to engage in a high level of impact with their stakeholders

5. Worldwide movement

- Over 1,500 certified B corps, in over 30 countries
- Website: <https://www.bcorporation.net/>

ABOUT THE SPEAKER AND PRESENTATION

- Robert Adelson has been an attorney for over 30 years
- Began Career with major NYC law firms
- Partner in 6-Attorney Boston law firm since 2004
- Specialized in business, tax, stock and options, employment, contracts, financings, intellectual property, M&A.
- Clients are (1) small companies and entrepreneurs, (2) C-level executives and key employees, (3) independent consultants
- Author of articles published in *Boston Business Journal*, *Mass High Tech*, *CEO Refresher*, *Family Business Magazine* and other publications.
- Degrees from Boston University, B.A., *summa cum laude*, Northwestern University (Chicago), J.D., *Law Review*, and New York University, LL.M. in Taxation



ABOUT THE SPEAKER AND PRESENTATION

- Robert Adelson has been Chairman of ENET since 2009
- Board member since 2002, director of annual sunset cruise since 2003, spoken or moderated more than dozen ENET meetings over last ten years, including meetings on these subjects:
 - *“Transforming Your Idea into a Successful company”*
 - *“Bootstrapping 101: Alternative Ways to fund a Startup without an Angel or VC”*,
 - *“Licensing Technology”*,
 - *“Building a Superior Management Team”* ,
 - *“Raising Seed and Angel financing”*
 - *”Legal Challenges to the Startup”*
- Co-Founder/Board member 128 Innovation Capital Group since 2004, moderated over 40 meetings over those 10 years
- Named one of the “Top 20 Boston Startup Lawyers”
- LINK: <http://www.chubbybrain.com/blog/boston-startup-lawyers-top-20-massachusetts/>

THANK YOU!

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