

Testimony before the
Senate Business and Transportation
in Support of
HB 2296-A (Read and Bailey) Oregon Benefit Company Legislation
Presented by, Eric Friedenwald-Fishman, Metropolitan Group
May 16, 2013

Chair Beyer and Members of the Committee,

My name is Eric Friedenwald-Fishman the founder and creative director of Metropolitan Group an Oregon headquartered company with offices in San Francisco, Chicago and Washington, D.C. that just celebrated our 24th Anniversary on February 14th (Oregon Statehood Day). I am here to support the increased ability of companies to consider the needs of communities, employees and the environment afforded in Oregon benefit company legislation, **HB 2296-A (Read and Bailey)**.

Benefit company legislation gives directors greater corporate freedoms that allow them to expand their mission to focus on community, social and environmental needs beyond profits and clears up potential confusion and perceptions of risk for directors. The legislation gives companies like Metropolitan Group and many others the legal protection to do good and do well by allowing us to incorporate individual ideals of social responsibility and environmental awareness into the very fabric of our companies. The legislation does not provide tax or procurement incentives, nor does it affect traditional corporate entities in any way, but rather simply gives businesses in Oregon who want them, the legal protections to consider the needs of other stakeholders.

I have had the pleasure and privilege of volunteering with a group of Oregon business leaders and attorneys who have worked together to explore this opportunity, craft the principles behind the Oregon benefit company bill and to engage numerous Oregon business leaders from small sole proprietorships, mid-sized companies and our states largest and leading C-corps. Together, we have arrived at one of the most flexible structures for benefit company legislation. I believe HB 2296 will help grow Oregon's economy by further cementing our status as a leading spot for business and sustainability innovation. As

you know from the support letter and backgrounder, over 75 Oregon businesses have already signed on to support establishing benefit company legislation in Oregon. We have also received the support and endorsement from OBA (whom you will also hear from this morning) as well as support of large businesses in Oregon and I would like to highlight the brief letter from Justin Delany of The Standard who wanted to testify but could not be here this morning.

(See attached Letter of Support from Justin Delany)

As a local business owner, I want benefit company legislation passed in Oregon so we can compete with the twelve (12) states across the country and the District of Columbia that have already enacted similar legislation, called benefit corporation legislation, and are benefiting from this new law. Already 200 companies have taken advantage of this legislation and become benefit corporations in a little over a year. Oregon has gone above and beyond the national benefit corporation movement, our benefit company legislation will allow Limited Liability Companies (LLC) as well as corporations to become benefit companies, thereby opening up the market to mission driven entrepreneurs of both business forms. Only, Maryland has passed similar legislation that allows for both the incorporation of benefit corporations and benefit LLCs. They have seen a large number of companies register as both corporate entities. Thus, by creating legislation that includes another business form, Oregon is increasing our chances of attracting investors, and mission driven entrepreneurs to our local economy.

Benefit company legislation will give me and other business leaders increased ability to run our companies to generate profits, create good jobs, grow the economy and make choices that benefit communities, our workforce and the environment. Our nation is on the cusp of emerging corporate change. By helping lead and innovate this change, Oregon can claim our place as a national leader in this growing marketplace.

Please help Oregon take the lead. Please vote YES on HB 2296-A.