



NEW YORK STATE SENATOR

Daniel L. Squadron

## Squadron-Silver Bill to Bring Benefit Corporations to New York Becomes Law

DANIEL L. SQUADRON December 13, 2011

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### **Squadron and Silver: New Type of Corporation Will Unlock Billions in Investments for New York, Change the Way New York Does Business**

ALBANY – Last night, State Senator Daniel Squadron and Assembly Speaker Sheldon Silver’s bill to bring benefit corporations to New York was signed into law by Governor Cuomo, changing the way New York does business.

Benefit corporations will create a new industry of corporations with a "double bottom line" of profit and socially-responsible practices – unlocking billions in potential investments in companies that pursue a positive material impact on society and the environment.

"Benefit corporations will mean New York is open for business in an important new way. Benefit corporations will unlock billions of dollars in new investments in New York while empowering companies to do well *and* do good," said Senator Squadron. "By offering this opportunity to entrepreneurs and investors, New York will bring new businesses into the state, new investors into the market and a new socially-minded approach for our entrepreneurs. I'd like to thank Speaker Silver for championing this bill in the Assembly, and Governor Cuomo for making benefit corporations law and making New York's economy

stronger, more innovative, and more diverse."

"By bringing benefit corporations to New York, we are showing that profit and social responsibility are not mutually exclusive," said Speaker Silver. "This law will continue our efforts to strengthen and diversify our economy while ensuring that New York remains a national leader in progressive policies that help our environment, protect consumers and bolster the rights of working men and women."

A [May 2010 Hope Consulting study](#) of high net worth individuals in the U.S. found over \$120 billion in potential impact investments in mission-driven companies like benefit corporations that were doing good while making money. Benefit corporations will allow New York to harness these potential investments and create a hub for companies that serve the public good.

Officers and directors of existing companies are required to be guided exclusively by the maximization of profit. Benefit corporations legislation, which will go into effect in 60 days, allows business leaders to pursue the public interest while also operating profit-making businesses, rather than just simply maximizing shareholder value.

Benefit corporations' overall social and environmental impact will be assessed against a third party standard, ensuring a transparent, credible, and efficient marketplace.

Earlier this year, the legislation (S79-A [Squadron] / A4692-A [Silver]) unanimously passed both the Senate and the Assembly.

"Today Governor Cuomo, with the leadership of Senator Squadron and Speaker Silver, created the legal infrastructure needed to unleash the financial power of New York to scale market-based solutions to social problems," said Andrew Kassoy, co-founder of B Lab, the nonprofit organization that advocates for the creation of benefit corporations. "By signing

benefit corporation legislation into law, New York, the world's investment headquarters, has declared it is open for business as a force for good."

"I am thrilled to see benefit corporation legislation signed into law. It gives companies like ours a legal framework that reflects our commitment to both our shareholders and to our goal of creating sustainable jobs, supporting our local community and minimizing our impact on the environment," said David Bolotsky, Founder and CEO of UncommonGoods, an online retailer based in New York.

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