



THE **SOUTHEAST GUIDE** TO B CORPS AND BENEFIT CORPORATIONS

Introduction

A corporation is a creature of state law. It is governed first and foremost by laws of the place in which it is incorporated and/or principally operates and additionally by the standards to greater or lesser degrees of the places in which it conducts business. Of course, from Alabama to California, we are a diverse country of diverse sets of rules and regulations. Rising above the diversity, however, is the universal principle of **shareholder primacy**; that is, corporate directors are elected by corporate shareholders, and the directors in their management of the corporation must above all else provide a financial return to shareholders.

An unfortunate byproduct of shareholder primacy is that it limits the ability of corporate management to esteem its employees and environmental footprints or to measure the social consequences of its practices, if such estimation or measurement endangers stockholder return. This is admittedly an oversimplification, but not an egregious one. Time and time again, corporations have been prevented from, say, paying employees higher wages at the expense of issuing dividends, by lawsuits initiated by shareholders against corporate directors, aka shareholder suits.

The rise of the **benefit corporation** is in direct response to shareholder primacy. Under benefit corporation statutes, corporations that operate according to a 'doing well by doing good' ethos are shielded from a range of acquisition tactics and shareholder suits when compliant with the respective statutes. Moreover, data is showing that benefit corporations tend to attract better talent and scale better than their non-benefit peers. They may even find tax advantages not otherwise available to standard corporations and limited liability companies.

We at RVL® are into doing well by doing good. We're one of the handful of Certified B Corp® law firms nationally and a 2018 + 2019 Best for the World Honoree for our commitment to triple-bottom-line business practices. We believe that the challenging work of Building Today's Companies for Tomorrow's Economies ® goes hand in hand with positively impacting the environmental and social fabric of our communities. Learn more about how we manage the corporate, intellectual property, and technology needs of emerging enterprises at **rockridgelaw.com**.

Helpful Definitions

Virgil, statutes he did not write. They are full of legalese and best read with, well, there's really no liquor that makes reading statutes enjoyable. We largely summarize state statutes cited in this guide to spare you the sad experience of seeing how in-artfully English words can be combined. For our summaries, the following definitions are useful shorthands for operative terms.

Articles of Incorporation

A set of formal documents containing a corporation's pertinent information (such as its address, agent, shares, and limitations), which is submitted to a governmental body (such as the Secretary of State) in order to legally create the corporation.

Annual Benefit Report

An annual report that addresses a corporation's effort to provide General Public Benefits, including for example, details about the success of the corporation's efforts and circumstances that might have hindered the corporation from realizing its benefit goals.

B Lab

A nonprofit organization that certifies companies as "Certified B Corporations."

Benefit Director (or "Director")

An elected member of the board who prepares the Benefit Report and shares it with stipulated parties (shareholders, the public, etc.).

Benefit Report

An assessment of a company's overall social and environmental performance against a third-party standard.

General Public Benefit

A material, positive impact on society and the environment, as measured by a third-party standard, through activities that promote a combination of Specific Public Benefits.

Incorporation

The act of becoming a corporation, including in some states where Benefit Corporation statutes extend to limited liability companies.

Public Benefit Corporation (or "Benefit Corporation" or "PBC")

A for-profit corporation that intends to produce a public benefit and to operate in a responsible manner, balancing its stockholders' pecuniary interests, the best interests of those materially affected by the corporation's conduct, and the public benefit identified in its Articles of Incorporation.

Shareholder Primacy

The concept that shareholder interests are paramount to all other corporate interests and profit maximization is king.

Specific Public Benefit

A benefit that is specifically named, such as "providing low-income communities with beneficial products."

Third Party Standard

A standard for defining, reporting, and assessing a company's overall corporate, social, and environmental performance through comprehensive, independent, credible, and transparent evaluation.

Q&A: Benefit Companies and Certified B Corps

Written by Rockridge Venture Law | Originally Published at www.cultivatingcapital.com

Q: How would you describe what a Benefit Corporation is and why it's important?

A: A Public Benefit Corporation may be thought of as a legal framework to best promote corporate social responsibility. Over the past few decades, U.S. corporate law has trended towards something lawyers ominously refer to as the Doctrine of Shareholder Primacy. It basically means that shareholders can pressure a company into maximizing monetary return to those investors over competing considerations like environmental and social impact. For example, a company could be prevented from rolling out a novel paternity leave program for its employees if by doing so the company were to risk shareholder dividends. By organizing and operating as Benefit Corporations, companies can shield their management activities from shareholder pressures; effectively, Benefit Corporations put the force of law behind the idea that a company can and will consider people, planet, and profit as worthy metrics of success.

*Note that we will use "company" in our answers when referring to you or your entity since benefit corporation regulations extend in some states to partnership structures as well as corporations.

Q: If a company is already set up as a C Corp or an S Corp, what will change if it becomes a Benefit Corporation?

A: A few things: for instance, in Delaware, to become a Public Benefit Corporation, an already existing C or S Corp must (1) add "Public Benefit Corporation," "PBC," or "P.B.C.," to its name, (2) identify one or more Specific Public Benefits in its Certificate of Incorporation approved by both the board of directors and stockholders of the corporation, and (3) amend stock certificates to state "Public Benefit Corporation." Once effective, directors have a duty to consider in board actions not only stockholder interest, but also the stated public benefit(s) and all other stakeholders in the company.

Q: What is involved in the process to become a Benefit Corporation? How long does it take and how much does it cost (not including legal fees)?

A: If you're already incorporated as a C or S Corp, then the administrative filing costs will be the required amendments to your company's incorporation documents. If you have yet to incorporate, then the filing costs will be the same as incorporating as a C or S Corp in your state. If your state has not adopted benefit corporation legislation or has adopted a watered-down version of laws (think double-bottom-line vs triple-bottom-line),

then you may need to consider foreign certificates. The amount of time involved will largely depend upon your corporate governance structure and how much time is necessary for board-level adoption of the new structure.

Q: What are the ongoing requirements and fees needed to retain Benefit Corporation status?

A: Most states require that a company submit a Benefit Report annually or biannually; this is one way of keeping companies focused on the triple-bottom-line approach to measuring success. Some states require the update to be published publicly and others allow the company to choose. Also, some states require that the company provide notice of its status as a Benefit Corporation before the sale of stock. Of course, the company will need to operate in accordance with its newly stated corporate, environmental and social mission; and its accounting practices will need to be updated to properly record and substantiate this. Otherwise, the company should comply with corporate formalities as usual.

Q: How does becoming a Benefit Corporation affect your taxes? Are they taxed differently?

A: Benefit Corporations are not tax-exempt like non-profits because they are still for-profit entities. A Benefit Corporation will still be taxed as an S Corp, C Corp, or alternative pass-through entity where applicable. Benefit Corporation status is first and foremost a legal status. Notwithstanding, in some circumstances, for instance with pass-through entities, expenditures historically not deductible as not related to the primary business of the company may become deductible through Benefit Corporation adoption. For instance, if a law firm partnership properly organized wished to purchase kayaks for monthly river cleanups (just brainstorming here, of course), that purchase may ordinarily be considered personal expenditures attributable to its partners or not reasonably related to the practice of law. As a Benefit B Corporation, the law firm may reasonably argue that the purchase is a proper business expenditure in light of the firm's triple-bottom-line business model and specific corporate structure. The I.R.S. in its rule making is concerned with the creation of wealth, and if new markets are created or competitive advantages achieved through investments specific to differentiating branding, i.e. promotion of Benefit Corporation status to appeal to conscientious consumers, then a secondary if not parallel aspect of the company's business purpose has been achieved and should be recognized equivalent with other primary business expenses.

Alabama

Q: Does Alabama have a Benefit Corporation statute?

A: No, unfortunately not.

Q: What are my options?

A: Alabama businesses, including LLC's and sole proprietors, can still obtain B Corp® Certification through the nonprofit B Lab. It is a common misconception that Certified B Corps and Benefit Corporations are the same thing, but B Corp status can be attained through certification by B Lab, irrespective of the absence of a state benefit statute. Check out more about certified B Corps and how to become one at <https://bcorporation.net/>.

** Note, this is current as of January 2020.

TRANSCEND
THE FEARLESS COMPANY

Notable Example of an Alabama B Corp:

"We work with leaders of mid-sized to large organizations to hone their thinking, their conversations and their execution to get the most from their existing resources. Our clients consistently grow revenue, profits and influence ahead of their competition – and often ahead of their own expectations."

www.leadfearlessly.com

Arkansas

Q: Does Arkansas have a Benefit Corporation statute?

A: Yes, see [Arkansas Code Annotated § 4-36-101](#), et seq.

Q: Great, how does it apply to my company?

A: In Arkansas, an entity must file or amend its Articles of Organization to become a Benefit Corporation by including a statement that distinguishes it as a Benefit Corporation. An Arkansas Benefit Corp is encouraged (but need not) detail the Specific Public Benefit(s) that it wishes to pursue. Entities can also appoint a Benefit Director to handle matters associated with meeting the requirements under Arkansas Code.

An Arkansas PBC must produce a Benefit Report annually for its shareholders that details its progress in pursuing its stated General Public Benefit (and Specific Benefits if applicable). This report must be generated using a Third-Party Standard (such as the one used by B Lab) and given to its shareholders. In addition to shareholders, the entity must make the report publicly available through its website (if there is one) or available on request (if there isn't a website). Any financial or proprietary information included in the Benefit Report may be omitted as publicly posted. A separate copy must also be filed with the Arkansas Secretary of State on an annual basis along with a filing fee.



Florida

Q: Does Florida have a Benefit Corporation statute?

A: Yes, see [Fla. Stat. Ann. §§ 607.601, et seq.](#)

Q: Great, how does it apply to my company?

A: In Florida, an entity must file or amend its Articles of Organization to become a Public Benefit Corporation by including a statement that distinguishes it as a Benefit Corporation. A Florida Benefit Corp is encouraged (but need not) detail the Specific Public Benefit(s) that it wishes to pursue. The PBC may also appoint a Benefit Director to handle matters associated with meeting its requirements under Florida Code if the Articles specify. The Benefit Director, Benefit Officer, or board of directors must prepare a Benefit Report and present it to shareholders on an annual basis. A Benefit Corporation should also post each Annual Benefit Report on the public portion of its website and leave it posted for at least three years. If the entity does not have a website, it should provide a copy of its most recent Annual Benefit Report, without charge, to any person who requests a copy.

The Florida statute, 607.613 , is unique in that it specifies what happens if the Benefit Corporation fails to comply with reporting requirements. It says that the circuit court can order the corporation to furnish the report if a shareholder requests a copy and is denied. Interestingly, the court may also order the Benefit Corporation to pay the shareholder's costs, including reasonable attorney fees, which were incurred in obtaining the order.



Notable Example of a Florida Benefit Corporation:

"Based in downtown St. Petersburg, Florida, Landis Message & Media serves forward-thinking, mid-to-large businesses and organizations, along with cause-related campaigns and public figures. Locally to nationally, we create customized plans and programs to help promote, educate, publicize, fix, solve, achieve, grow, recruit, sell, create, define, connect, and other good things."

www.landis.media

Georgia

Q: Does Georgia have a Benefit Corporation statute?

A: Not yet, but the state legislature is working on it. The Georgia legislature is considering [HB 230](#), which has passed the house but not the Senate (yet). This bill proposes adding which would add the Benefit Corporation as an entity filing option with the state. Updates on state by state legislation can be found at www.benefitcorp.net/policymakers/stateby-state-status.

Q: What do I do in the meantime?

A: Georgia businesses can still obtain B Corp Certification through the nonprofit B Lab. It is a common misconception that Certified B Corps and Benefit Corporations are the same thing, but B Corp status can be attained through certification by B Lab, irrespective of the absence of state benefit statute. For example, in the Atlanta area, there are a few businesses operating as B Corps without active Georgia benefit corporation legislation. Find out more about certified B Corps at <https://bcorporation.net/>.

** Note, this is current as of March 2020.



RUBICON

Notable Example of a Georgia B Corp:

"Rubicon Global is a technology company that provides waste, recycling, and smart city solutions to businesses and governments worldwide. We deploy a full suite of cloud based solutions to help our customers and network of independent waste haulers work towards more sustainable waste and recycling practices, uncover cost savings, and improve operations through data analytics."

www.rubiconglobal.com



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VENTURE LAW

rockridgelaw.com

Kentucky

Q: Does Kentucky have a Benefit Corporation statute?

A: Yes, see [Title XXIII, Chapter 271B](#) of the Kentucky Revised Statutes for more info.

Q: Great, how does it apply to my company?

A: In Kentucky, the name of an entity that files with the state as a Benefit Corporation shall end with "Public Benefit Corporation," "Benefit Corporation," "P.B.C.," or "PBC." A threshold unique to Kentucky is that 90% of the outstanding shares of each class of the stock of the corporation (of which there are outstanding shares) must approve becoming a PBC.

Once approved, the entity must include in its Articles of Incorporation (1) a statement that distinguishes it as a Benefit Corporation and (2) a statement of General Public Benefit (with additional Specific Public Benefits if desired) that it agrees to pursue. The entity must present an Annual Benefit Report to its shareholders that includes the corporation's progress in pursuing its stated public benefit(s).

The Kentucky Code reads that the Articles or Bylaws may require that the corporation (1) use a Third-Party Standard to measure impact and (2) make the report available to the public, but it's not required. A Kentucky PBC shall no less than biennially provide its stockholders with a statement as to the corporation's promotion of the public benefit(s) identified in the Articles of Incorporation. Again, it may be required by the Charter or Bylaws that a PBC release this report to their public website but it's not required by law. Overall, Kentucky standards are a bit more lenient than its counterparts to the North, but it is a PBC leader in the Southeast nonetheless.



Notable Example of a Kentucky B Corp:

"TiER1's mission is to improve organizations through the performance of people to build a better world. We wake up every morning ready to tackle big challenges, so that more people can do the amazing work they are meant to do. When they contribute more, stretch their talents, and free themselves of workplace limits, a remarkable thing happens—they become happier and more fulfilled. Every day we're in business, we really are building a better world."

www.tier1performance.com

Louisiana

Q: Does Louisiana have a Benefit Corporation statute?

A: Yes, see [Title 12](#) of the Louisiana Revised Statutes for more info.

Q: Great, how does it apply to my company?

A: In Louisiana, an entity may elect to become a Benefit Corporation with 2/3 approval of its shareholders. After approval, the entity must (1) amend or file its Articles of Incorporation to include a statement that it is a Benefit Corporation subject to the Act and (2) make sure its corporate name ends in "A Benefit Corporation" (which may be in parenthesis). The corporation should have a General Public Benefit (with additional Specific Benefits if desired) that it agrees to pursue. The board of directors of the corporation should appoint a Benefit Director to spearhead the Benefit Corporation requirements for the company.

The Benefit Director is to prepare an Annual Benefit Report and present it to shareholders. In Louisiana, the Director may use a third party to certify the report, but it is not required. However, the use and justification for a Third-Party Standard is required to be in the report. A Benefit Corporation should post all of its Benefit Reports on the public portion of its website (if it has one). If it doesn't have one, the report must be made readily available to those who request it. The compensation paid to directors and financial or proprietary information in the Benefit Reports may be omitted from the reports as posted.



Notable Example of a Louisiana Benefit Corporation:

"Goods that Matter creates everyday design goods, with extraordinary impact. We provide a trusted home for eco-conscious customers to purchase the highest quality, eco-friendly, handmade-in-America goods for everyday use. Each Matter product is handmade in the U.S., of eco-friendly materials, & gives back to unique social and environmental causes. 10% of all proceeds flow to causes that impact the health, happiness, and sustainability of our communities both locally and for our neighbors around the world."

www.ourgoodsmatter.com

Mississippi

Q: Does Mississippi have a Benefit Corporation statute?

A: Not yet, but it almost did.

The Mississippi Legislature was working on [HB 8](#) that would have covered the process and stipulations of becoming a Mississippi Benefit Corporation (if enacted). The drafts of the bill included similar language to other state benefit corporation legislation with respect to choosing a General Public Benefit, making disclosures to shareholders, and sharing an Annual Benefit Report on the company website. However, the bill died in committee, so there is no current benefit corporation legislation in place in Mississippi.

Q: What do I do in the meantime?

Mississippi companies, including LLC's and sole proprietors, can still obtain B Corp® Certification through the nonprofit B Lab, irrespective of the absence of a state benefit statute. It is a common misconception that Certified B Corps and Benefit Corporations are the same thing, but B Corp status is attained through certification by a third party, called B Lab, while a Benefit Corporation is a designation based on state business entity filing provisions. Find out more about certified B Corps at <https://bcorporation.net/>.

*Note: this is current as of March 2020.

Missouri

Q: Does Missouri have a Benefit Corporation statute?

A: Not yet, but the state legislature is working on it.

Q: What are my options?

A: The Missouri legislature is considering [HB 1936](#), which would add the Benefit Corporation as an entity filing option with the state. Updates on state by state legislation can be found at **www.benefitcorp.net/policymakers/stateby-state-status**.

Missouri businesses, including LLC's and sole proprietors, can still decide to obtain B Corp Certification through the nonprofit B Lab. It is a common misconception that Certified B Corps and Benefit Corporations are the same thing, but B Corp status is earned through certification by a third party (called B Lab) while a Benefit Corporation is a legal designation based on state provisions. Check out more about certified B Corps and how to become one at **<https://bcorporation.net/>**.

** Note, this is current as of March 2020.

** Special Note: RVL's media was used by proponents to explain Benefit Corps!

North Carolina

Q: Does N. Carolina have a Benefit Corporation statute?

A: No.

[HB616](#) was introduced in 2017, but it failed the second reading that summer. Several drafts of the bill included similar language to other state benefit corporation legislation such as choosing a General Public Benefit, making disclosures to shareholders, and sharing a biennial Benefit Report to its shareholders.

Q: What do I do in the meantime?

A: While the Benefit Corporation designation does not exist in North Carolina, B Corp® Certified businesses are numerous and thriving. In Raleigh alone, there are over a dozen companies that are certified by B Lab's rigorous standards for transparency, accountability, and environmental and social impact.

It is a common misconception that Certified B Corps and Benefit Corporations are the same thing, but B Corp status is designated through certification by a third party (B Lab) while a Benefit Corporation is a legal designation based on state provisions. Check out more about B Corps and how to become one even if you're in a state that doesn't recognize Benefit Corporations at <https://bcorporation.net/>.

**Note: this is current as of March 2020.

Notable Example of a N. Carolina B Corp:

"Y Scouts is driven by the belief that talent is the ultimate competitive advantage. Creating business solutions to help attract and select the best leaders is what we do best. We support candidates and clients at all levels of leadership, across every industry. We take great pride in a core business built around conscious companies, purpose driven enterprises, and those organizations that are working towards building a better tomorrow for their employees, customers and stakeholders."

www.yscouts.com



South Carolina

Q: Does S. Carolina have a Benefit Corporation statute?

A: Yes, see the South Carolina Benefit Corporation Act, also known as [Title 33, Chapter 38](#) of the South Carolina Code of Laws, for more info.

Q: Great, how does it apply to my company?

A: As a New Entity: A new entity must (1) declare Benefit Corporation status in its Articles of Incorporation filed with the state and (2) declare its corporate purpose to create General Public Benefit. The entity may, in addition, choose to add any Specific Benefits as applicable. The entity must designate a Benefit Director to oversee benefit proceedings within the company.

As an Existing Entity: A business that wants to become a South Carolina PBC needs to first amend its Articles with the Secretary of State's office. In this document, the entity must include its "corporate purpose" to create General Public Benefit (and any additional Specific Public Benefits). This requires a two-thirds minimum vote by the board of directors and shareholders to move forward. A Benefit Director and Benefit Officer is also required, and they must be appointed upon amending of the Articles. Then, the company should review the new Articles with an attorney and send them in with a filing fee to become a Public Benefit Corporation.

Operating your Benefit Corporation: The Benefit Director is required to prepare and release an Annual Benefit Report that uses a qualified Third-Party Standard as a basis for the entity's work toward its stated public benefit(s). The Benefit Report must be sent annually to each shareholder for review. The entity then posts all of its Benefit Reports on the public portion of its website (if it has one). If it doesn't have one, the report must be made readily available to those who request it. The compensation paid to directors and financial or proprietary information in the Benefit Reports may be omitted as posted. Lastly, the Benefit Report must be sent to the Secretary of State's office each year, but the financial and proprietary information can be omitted from this as well.

Tennessee

Q: Does Tennessee have a Benefit Corporation statute?

A: Yes. see the For-Profit Benefit Corporation Act, also known as [Title 48, Chapter 28](#) of the Tennessee Code, for more info.

Q: Great, how does it apply to my company?

A: As a New Entity: A new entity must (1) declare Benefit Corporation status in its Articles of Incorporation filed with the state and (2) declare its corporate purpose to create General Public Benefit. The entity may, in addition, choose to add any Specific Benefits it wishes to pursue. In the Tennessee Statute, a “public benefit” is broadly defined as “one (1) or more categories of persons, entities, communities, or interests, other than shareholders in their capacities as shareholders, including, but not limited to, an artistic, charitable, cultural, economic, educational, environmental, literary, medical, religious, scientific, or technological effect...” — so you have some options there.

As an Existing Entity: A business that wants to become a Public Benefit Corporation in Tennessee needs to first amend its Articles with the Secretary of State’s office. In this document, the entity must include its “corporate purpose” to create General Public Benefit (and any additional Specific Benefits) including but not limited to “an artistic, charitable, cultural, economic, educational,

environmental, literary, medical, religious, scientific, or technological” purpose or effect. This requires a two-thirds minimum vote by the board of directors and shareholders to move forward. After that, review the new Articles with your attorney, send it in with the filing fee, and you’re a Public Benefit Corporation.

Operating the Benefit Corporation:

An entity must prepare and release an Annual Benefit Report to the public and to its shareholders that details the ways in which the corporation pursued its stated public benefit(s), how successful those efforts were, and any hindrances to the pursuit of purpose(s) that it encountered. A for-profit Benefit Corporation is not required to have its Annual Benefit Report audited, certified, or otherwise evaluated by a third party, but it is required to post it on the public portion of its website (if it has one). If there isn’t a website, the entity must supply a copy to any individual who requests it. Proprietary and financial information can be withheld from the public disclosures. The Charter or Bylaws of a Tennessee for-profit Benefit Corporation may require that the corporation use a Third-Party Standard in connection with the corporation’s promotion of the public benefit(s) identified in its Charter, but that is up to the corporation and not required by Tennessee law.

Notable Example of a Tennessee Benefit Corporation:

"At AffirmHealth, we firmly believe that technology can better facilitate prescriber compliance, resulting in more effective long term outcomes. Our mission is to help healthcare leaders drive responsible, compliant prescribing across their entire organization."

www.affirmhealth.com



Notable Examples of a Tennessee B Corps:



"Whiteboard helps purposeful brands leverage the internet for good. Our small, multi-disciplinary teams focus on complex challenges related to digital product development, marketing, operations, and business strategy. Whether for profit or not-for-profit, our clients create solutions, celebrate entrepreneurship, stand for justice, and believe in the common good."

<https://whiteboard.is/>

"Nisolo's vision is to push the fashion industry in a more sustainable direction — where success is based on more than just offering the cheapest price — a direction that not only values exceptional design, but the producer and the planet just as much as the end consumer."

www.nisolo.com

N I S O L O

Virginia

Q: Does Virginia have a Benefit Corporation statute?

A: Yes, see [Title 13](#) of the Code of Virginia for more info.

Q: Great, how does it apply to my company?

A: In Virginia, an existing or new company can become a Public Benefit Corporation (PBC) by amending or filing its Articles of Incorporation with the State Corporation Commission to include (1) a statement of its status as a Benefit Corporation and (2) a corporate purpose to create General Public Benefit (with optional Specific Public Benefits). The decision to amend Articles of Incorporation requires a 2/3 vote by the board of directors and shareholders.

The newly formed Benefit Corporation will need to prepare a Annual Benefit Report describing its efforts to create public benefit during the preceding year. This report, which should include an

assessment of the overall social and environmental performance of the Benefit Corporation, will be given to shareholders and made available to the public through the company's website. Financial or proprietary information may be omitted from the public version of the report, but, overall, it must be prepared in accordance with a credible Third-Party Standard.



Notable Example of a Virginia Benefit Corporation:

"Acorn Sign Graphics designs and fabricates custom architectural signage and graphics customers can depend on to be found, be seen, and be remembered. Our philosophy is simple: Put passion into each sign we create as we help our clients be found, be seen, and be remembered. Our passion isn't just for signs; it's for the entire process, too. Whether in a commercial setting or civic space, a health care complex or an academic campus, signs do more than identify and direct. They communicate an image and a brand."

<http://www.acornsign.com/>

West Virginia

Q: Does W. Virginia have a Benefit Corporation statute?

A: Yes, see the [West Virginia Benefit Corporation Act](#), also known as Chapter 31 F of the West Virginia Code, for more info.

Q: Great, how does it apply to my company?

A: In order to become a West Virginia PBC, a new or existing entity must file Articles of Incorporation with the Secretary of State that specify its status as a Benefit Corporation. The entity shall have a specified General Public Benefit (with optional Specific Public Benefits) to pursue. The entity must also prepare an Annual Benefit Report that details the company's progress in pursuit of its purpose(s).

The Benefit Report must be prepared in accordance with a Third-Party Standard (specified in the Articles of Incorporation, the Bylaws, or otherwise adopted by the board of directors). The report should be made available to each shareholder. Additionally, the Benefit Corporation should post its most recent Benefit Report on a publicly accessible portion of its website (if it has one); the report needs to be readily available to those who request it if there is no public website. A Benefit Corporation is not required to publicly disclose to persons other than its shareholders any proprietary, confidential, or individual compensation information contained in its Benefit Report.

Resources

[How to Choose a Third-Party Standard](#)

[State by State Status of Legislation](#)

[Benefit Corporation FAQ's](#)

[Find a Benefit Corporation](#)

[Find a Certified B Corp](#)

[Listing of B Local Chapters](#)

Rockridge Venture Law

Rockridge Venture Law® was launched in 2017 to become the preeminent intellectual property and technology firm across the Appalachian Innovation Corridor. We now have offices in Chattanooga, Durham, and Nashville, and represent clients and interests globally. Our services include all aspects of intellectual property, litigation, M&A, privacy, technology transactions, and ventures.

In 2018 and 2019, we were recognized as B Corp Best for the World for our commitment to triple bottom line business practices. RVL® is also certified by 1% for the Planet for its nonprofit partnerships advancing stewardship and sustainability. RVL's nonprofit partners in 2020 include Green|Spaces, Living Lands and Waters, Mustard Seed Ranch, and the NC State Lulu Games Social and Environmental Impact Competition.

Our pioneering environmental and social impact programs attract top-notch legal talent and assure our clients of missional

alignment with their corporate values. Rockridge uniquely addresses two modern profit drivers: innovation (uptake and development), and corporate social responsibility. We're Building Today's Company for Tomorrow's Economy® by leading clients through the dizzying array of information controls, by helping them to develop and monetize proprietary assets, and by enabling their impactful products, programs, and principles.

Learn more at rockridgelaw.com.

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