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**CALIFORNIA  
ADVOCACY  
COMMITTEE**

Senator Juan Vargas, Chair  
Senate Banking & Financial Institutions Committee  
State Capitol, Room 3092  
Sacramento, CA 95814

June 7, 2011

**RE: AB 361 (Huffman) Benefit Corporations - SUPPORT**

Dear Chairman Vargas and Committee Members:

On behalf of the United States Green Building Council California Advocacy Committee (USGBC CAC), representing eight chapters and thousands of forward-thinking business and professional members across this great state, I am pleased to write in support of Assemblymember Huffman's AB 361.

As we strive to build a sustainable green economy in California, our business models need to keep pace with our innovations in technology and market delivery. Benefit Corporation legislation enables the development of a new sector of leading businesses that seek to create benefit for society as a whole in addition to profit for shareholders. These ventures should be afforded the legal protection, currently not included in the California corporate code, to pursue a higher corporate purpose. Benefit Corp companies seek to improve the world they work in by creating high quality jobs that improve the quality of life for their communities. Assemblymember Huffman's legislation contains the general public benefit provisions that ensure that consumers, investors, and policy makers can clearly distinguish these companies from those that are doing something for short-term marketing purposes.

Benefit Corporation legislation also provides additional accountability to shareholders by redefining the fiduciary duty of directors, requiring them to consider the impact of their decisions on the long term interests of society, not just the short term interests of shareholders, even when considering a sale of the business. To ensure increased transparency to shareholders and the public, Benefit Corporations are also required to assess their overall social and environmental performance against an independent, credible, transparent, and comparable third party standard. Markets thrive on clarity and transparency, and these third party standards create a level playing field, encourage a more efficient and effective marketplace and build public trust.

Benefit Corporation legislation has attracted strong bipartisan support in many states because it is entirely voluntary and has no budget impact. It is now law in Maryland, Vermont New Jersey, and most recently Virginia. Legislation is also progressing rapidly in New York, Pennsylvania, Michigan, North Carolina, Colorado and Hawaii.

Please do not hesitate to contact me or our legislative advocate, Justin Malan if you or your staff has any questions regarding this letter or our organization's commitment to supporting green building (and building a green economy) in California.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Murphy".

Dennis Murphy  
Chair, USGBC CAC  
[dennis@usgbc-cac.org](mailto:dennis@usgbc-cac.org)

cc: Assemblymember Jared Huffman  
Justin Malan, USGBC CAC [916-448-1015, [justin@ecoconsult.biz](mailto:justin@ecoconsult.biz)]

Members of USGBC seek too transform the way buildings and communities are designed, built and operated, enabling an environmentally and socially responsible, healthy, and prosperous environment that improves the quality of life.