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Established in 1978 by
DAVID PACKARD

April 11, 2011

The Honorable Jared Huffman
P.O. Box 942849 Room 4139
Sacramento, CA 95814

Subject: Support for AB 361– Benefit Corporations

Dear Chairman Huffman:

The Silicon Valley Leadership Group is pleased to offer its support on AB 361.

Traditional corporate law has a narrow definition of fiduciary duty that makes it difficult for business leaders to focus on a mission that is broader than simply maximizing profit. Businesses with a social mission need alternatives that allow them to be run in ways that benefit more stakeholders. Benefit Corporation legislation has already been passed in several other states, so that companies can balance the pursuit of corporate profits with environmental and social goals.

AB 361 allows for more choice in terms of how to incorporate a business in California. Businesses that view environmental and social sustainability as a competitive advantage can elect to become a “benefit corporation.” AB 361 expands fiduciary duty to create clarity for directors about their obligations and liability protection, as well as for consumers and investors about what to expect from the business. The bill would encourage environmental and social responsibility, as well as greater standards of accountability and transparency for corporations that opt-in.

The Silicon Valley Leadership Group, founded in 1978 by David Packard of Hewlett-Packard, represents more than 335 of Silicon Valley's most respected employers on issues, programs and campaigns that affect the economic health, quality of life and environment in Silicon Valley. Leadership Group members collectively provide nearly one of every three private sector jobs in Silicon Valley.

The Leadership Group supports AB 361 because we believe it is good for the environment, community and economy.

Sincerely,

Mike Mielke
Senior Director, Environment Policy & Programs
Silicon Valley Leadership Group