

## First For Profit Benefit Corporation Goes Public

The largest U.S.-based for-profit multi-campus international university became the first benefit corporation to go public on February 1, 2017 raising \$490 million. This is a significant financial event and shows that the financial markets are available to companies that combine a positive social and environmental purpose along with shareholder profit.

"This is an important moment for us," Doug Becker, Laureate's chief executive officer, said in an interview,<sup>[1]</sup> adding that the company wants to continue investing in its missions and growth. Becker said the move to become the first benefit corporation that is public is one way to show that Laureate is putting quality first.

Laureate received certification (<https://www.bcorporation.net/community/laureate-education>) from the nonprofit group B Lab after years of "rigorous" evaluations. The B Lab's seal is given to companies that meet a set of standards for quality and responsibility. Becker said beyond focusing on quality and student outcomes, Laureate wants to focus on why the company is good for society and showing that being a for-profit isn't at odds with that idea.

While 4,500 benefit corporations have now been created, each of them was privately held until last week's IPO. The benefit corporation option is now available in 31 states (including Delaware and the District of Columbia). A benefit corporation must balance the interests of all its stakeholders in operating its business.

Hanson Bridgett is the first law firm to become certified by B Labs (<https://www.bcorporation.net/community/hanson-bridgett-llp-c>) and partner Jonathan Storper co-chaired the legal working group that wrote the benefit corporation legislation in California and advocated for its passage. The firm assists all manner of for profit businesses that combine purpose and profit, including numerous benefit corporations.

[1]<https://www.insidehighered.com/news/2017/02/02/laureate-becomes-largest-college-become-benefit-corporation>



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