

Perkins Coie Shepherds the First Registered Investment Company Structured as a Maryland Benefit Corporation

The U.S. Securities and Exchange Commission granted effectiveness to the registration statement of a client of Perkins Coie, which is the first known registered investment company structured as a Maryland Benefit Corporation. As interest in socially responsible investing continues to grow, it is possible to utilize a governance model that commits an entity through state law organizational documents to pursue broader public benefits, beyond just the pecuniary interests of shareholders.

Maryland Benefit Corporations

Similar to several other states, the State of Maryland has created the "benefit corporation" as an optional form of business association. While largely similar in legal structure and treatment to more traditionally structured corporations, Maryland "benefit corporations," or "b-corps," undertake certain additional responsibilities under Maryland's corporate statute. For instance, a Maryland benefit corporation *must* have the purpose of creating a general public benefit, which the Maryland [statute](#) defines as:

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."

In addition, a Maryland benefit corporation will publicly produce an annual report measuring itself against a third-party standard so that it is transparent with the effectiveness of its pursuits.

First Registered Investment Company

Leveraging this strategic corporate model for its client, Perkins Coie successfully registered shares offered by the first registered investment company (to our knowledge) to be structured as a benefit corporation. Through the registration process, Perkins Coie demonstrated to the SEC staff how a registered investment company could satisfy both the important investor protection components of the Investment Company Act of 1940 as well as leverage the corporate governance obligations of a benefit corporation to focus on socially responsible investing. The Perkins Coie team that represented the matter before the SEC included Todd Zerega, firmwide co-chair of the Investment Management Practice; Mark Parise, an investment management partner in Perkins Coie's New York office; and Thomas Ahmadifar, an investment management counsel in Perkins Coie's Washington, D.C. office.

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