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**THE SOCIAL ENTERPRISE &
NONPROFIT LAW CLINIC**

GEORGETOWN LAW

A REWARDING INAUGURAL YEAR

ANNUAL REPORT | 2014

COMMUNITY
COMPLIANCE
TECHNOLOGY
URBAN
IMPACT
FOOD
LAW
AGRICULTURE
NONPROFIT
DEVELOPMENT
NONPROFIT
COMPLIANCE
GOVERNANCE
SMALL BUSINESS
CONTRACTS
SOCIAL
REPRENEURS



I am delighted to report the accomplishments of the Social Enterprise & Nonprofit Law Clinic (SENLCL) at Georgetown University Law Center in its inaugural year. During the 2013-2014 academic year, 18 third-year law students provided 5,477 hours of free legal services to 19 social enterprises and nonprofit organizations. SENLCL students assumed the role of lead attorney to their clients, representing them on business and transactional matters, including:

- Counseling the executive director of a South American social enterprise regarding its launch of a new project in the United States, including entity options for the new project and structuring the relationship between the South American entity and the U.S. project;
- Negotiating and drafting a series of contracts between a nonprofit client dedicated to workplace justice and a nonprofit accelerator program;
- Applying for tax-exemption and providing corporate governance advice to the board of directors of a nonprofit organization committed to helping formerly incarcerated women navigate the reentry process;
- Drafting an affiliation agreement between a nonprofit client dedicated to women’s public health issues and an international not-for-profit working to improve the reproductive health of African women;
- Advising a church on forming a subsidiary entity to operate the church’s enterprise activities, which include maintaining a community space for spiritual communion, social justice, and the arts; and
- Counseling the founder of a start-up on creating a nonprofit organization to house a donor advised fund.

In sum, SENLCL students engaged an innovative community of social entrepreneurs and nonprofit executives who are improving their communities and making a lasting social impact. I look forward to future semesters as challenging and rewarding as the inaugural year in the Social Enterprise & Nonprofit Law Clinic.

Alicia Plerhoples

Associate Professor of Law

Director, Social Enterprise & Nonprofit Law Clinic

2013-2014 ACADEMIC YEAR		
Clients Represented: 19	Clinic Student Attorneys: 18	Hours of Pro Bono Legal Services Provided: 5,744

FACILITATING THE IMPACTFUL WORK OF NONPROFITS AND SOCIAL ENTREPRENEURS

Professor Alicia Plerhopes created the Social Enterprise & Nonprofit Law Clinic to give students a profound understanding of effective legal representation of business and nonprofit clients, and how business lawyers' knowledge and skills can be used in the public interest.

To that end, and consistent with Georgetown University's long tradition of public service, the Social Enterprise & Nonprofit Law Clinic provides *free* legal services to social enterprises, nonprofit organizations, and community businesses, who are often unrepresented due to the high cost of legal services. These organizations are innovating in a wide range of fields, including health, social services, education, youth development, technology, food safety and security, sustainable agriculture, and civil rights, and are critical to economic growth and a strong social safety net. Social entrepreneurs employ business techniques to tackle difficult societal and environmental issues. They are redefining both the nonprofit and for-profit sectors by challenging tradition-

al norms, embracing sustainability in their use of natural resources, labor, and capital, and insisting upon social and environmental accountability through impact measurement.



As a part of SENLC orientation, students tour 1776, a D.C. accelerator and global hub for start-ups working in the fields of health, technology, education, and smart cities.

WHAT IS A SOCIAL ENTERPRISE?

A social enterprise can be a for-profit business or a nonprofit organization. A social enterprise commits to:

- **Internal Positive Impact** in the way the social enterprise operates, treats employees, engages in production, and selects materials and other factors of production.
- **External Positive Impact** in what the social enterprise contributes to the environment, the communities in which it operates, and/or humanity.
- **Legal & Ethical Accountability** in the social enterprise's incorporation documents, mission statements, stated values, and governance policies and practices.

Additionally, social enterprises generally:

- Apply entrepreneurial approaches to addressing social, environmental, and human justice issues.
- Have a primary purpose *beyond* making money for individual owners and investors.
- Set as a primary goal improvement of the environment, humanity, and/or community.

PREPARING STUDENTS FOR TRANSACTIONAL PRACTICE

Business lawyers — including those who represent nonprofit entities — have a complex practice. Business lawyers analyze their clients' operations and goals in order to help solve their clients' problems, facilitate their clients' transactions, enhance their clients' corporate governance arrangements, and design protections for their clients' property and investments. Business lawyers must know applicable substantive law as well as how to navigate such laws to meet their clients' needs. Successful business lawyers also understand the non-legal incentive structures and environment in which their clients' businesses operate. The Social Enterprise & Nonprofit Law Clinic gives law students the opportunity to learn the theory, skills, and practice methods of business lawyering through reflective, supervised practice for organizational clients.

STUDENT REFLECTIONS

"The most rewarding aspect of my clinical experience was the opportunity to develop working relationships with clients. In previous legal experiences, I had mostly conducted work on a piecemeal basis for supervising attorneys. In those roles, my supervisor would delegate small assignments that would build toward a larger goal, but only in combination with other efforts — I was never in control of the 'big picture' myself. Through the clinic, my partner and I were in charge of creating a semester-long timeline for each client, which we amended to match our clients' changing goals. We interacted regularly with our clients through email, phone,

and in-person counseling sessions. We were accountable for ensuring that we met our clients' goals and also our own goals — and we were ultimately able to foster our own professional relationships with our clients through these many interactions. It was so rewarding to work together with these clients to accomplish their legal needs because there was a sense of responsibility and ownership for the legal decisions we were making. Unlike law school lecture courses or even smaller seminars, I felt that my efforts were important to more than just my own education — every step we took for a client would hopefully advance their organization's success." — *Casey O'Brien, L'14*

"I think law school is great at teaching students to analyze situations and issue spot, but that's only the first step to being a lawyer. Remembering the human aspect of the profession is something law school doesn't stress enough. For example, how do you get your clients to trust you? The SENL Clinic fills that gap. For me, building rapport with my clients, tailoring how to present information to address each client's needs, and knowing that the work I did really helped my clients made my experience with the SENL Clinic very rewarding." — *Stephanie King, L'14*

"The work we did was substantive and engaging; the clinic intentionally avoids work that is overly routine and commonplace, so that we found ourselves constantly dealing with unique and novel legal issues. What resulted was a semester of solving difficult problems for clients who were engaged, interested, and appreciative of the effect we had on their businesses. It is tremendously rewarding to know that I had a significant effect on the business plans of organizations that truly seek solutions to real world problems." — *Louis DiLorenzo, L'14*



REPRESENTATIVE CLIENTS

aloetree

In Fall 2013, SENLC students Rayna Wright (L'14) and Donald DePass (L'14) represented Aloetree, Inc. as it became the first "benefit corporation" in the District of Columbia. The D.C. Council passed legislation in 2013 allowing for the formation of benefit corporations. Since 2010, 22 states and D.C. have passed such laws. The directors of benefit corporations are required to consider the interests of various stakeholders, such as employees, the environment, and the communities in which they operate, in addition to the interests of their shareholders. Many benefit corporations also have a charitable mission or a "public benefit," similar to nonprofit organizations. The concept was a perfect fit for **Aloetree**, which has a mission to make outstanding children's products that help combat child trafficking in Cambodia, and to help children understand their value and ability to create a caring community. Aloetree does this through its partnership with Chab Dai, a coalition of anti-trafficking organizations in Cambodia, the U.S., and Canada, and by educating children through Aloetree's characters, which share stories about volunteering and building good character. During the Spring 2014 semester, SENLC students Sarah Imhoff (L'14) and Rachel Rosenfeld (L'14) drafted and negotiated a trademark licensing agreement on Aloetree's behalf with a popular sticker company. The agreement will help Aloetree co-brand its products and reach a distribution of over 1000 stores in the U.S.

"The work done by the clinic was professional, thorough, and top-notch. Each team Aloetree worked with was engaging, communicative, and enthusiastic to meet the needs we had established at the beginning of the semester. For instance, the students were flexible to meet at our office locations or on campus, and each time they came prepared with charts, documents, decision-maps, etc. Each decision point was thoroughly outlined and they always provided us with counsel that helped us make decisions to move Aloetree forward in a way that considered its social good and growth goals.

Through their clear counsel, explanations, research, and presentation, Aloetree was able to achieve a lot; we were thrilled when we completed a tough trademark licensing agreement negotiation that will raise thousands of dollars for our anti-trafficking non-profit partner. Not to mention that the clinic helped us to clean up Aloetree's docket of legal issues — everything from the completion of trademark registration to the dissolution of a non-operating LLC. Working with the clinic gave our team peace of mind, and helped us to engage with the legal issues and business issues confronting a budding business. Aloetree is grateful for the clinic's outstanding work and counsel." — *Anbinh Phan, founder of Aloetree, Inc.*



PunchRock is a co-working space for social entrepreneurs and changemakers in Washington, D.C. In Fall 2013, SENLC students Chasmin Brooks (L'14) and Ethan Collins (L'14) advised PunchRock's founder Roxie Alshurue on creating a nonprofit organization — PunchRock Education or "PunchRockEd" — to conduct workshops designed to connect, educate, and inspire community changemakers and social entrepreneurs. Chasmin and Ethan advised PunchRockEd on structuring a contractual relationship between PunchRock and PunchRockEd, and drafted a series of corporate guidelines and contracts to ensure that the two entities have separate management and operations to avoid legal risks and brand confusion. During the spring semester, SENLC students Lorin Dale-Pierce (L'14) and Stephanie King (L'14) drafted governance documents and policies for PunchRockEd in accordance with IRS regulations, D.C. law, and suggested best practices for 501(c)(3) public charities.

FACULTY PROFILES

Alicia Plerhoples is Associate Professor of Law and the Director of the Social Enterprise & Nonprofit Law Clinic. She joined the Georgetown faculty in 2012, having previously taught as a clinical teaching fellow at Stanford Law School and a visiting assistant professor at University of California Hastings College of the Law. She has been

active in the local and national social enterprise movement, often speaking about laws that help facilitate the work of social entrepreneurs. Prior to teaching, Professor Plerhoples practiced at Cooley LLP in Silicon Valley where she advised financial institutions and emerging biomedical and technology companies on finance arrangements. She also practiced in the corporate finance and real estate finance departments of DLA Piper LLP in New York City and Silicon Valley. Professor Plerhoples received her law degree from Yale Law School and a Masters in Public Administration from Princeton University's Woodrow Wilson School of International and Public Policy.

Professor Plerhoples' legal scholarship focuses on social enterprise, corporate governance, and transactional law pedagogy. Her recent article *Delaware Public Benefit Corporations 90 Days Out: Who's Opting In?*, 14 U.C. Davis. Bus. J.L. (forthcoming 2014), presents empirical research on the 55 public benefit corporations that initially incorporated or converted to the new corporate form in Delaware. Her article *Representing Social Enterprises*, 20 Clinical L. Rev. 215 (2013), explores the work of the Social Enterprise & Nonprofit Law Clinic and argues that, by representing social enterprise clients on unique legal issues, law students learn to solve novel and unstructured legal problems and employ business lawyering in the public interest. *Can an Old Dog Learn New Tricks?*, 13 Transactions: Tenn. J. Bus. L. 221 (2012), examines traditional corporate law principles and how they might be adapted and applied to the flexible purpose corporation, a new corporate form in California that allows businesses to pursue social and environmental objectives along with profits. Professor Plerhoples also regularly contributes to the Social Enterprise Law Blog at www.socentlaw.com.

Priya Baskaran is the Supervising Attorney and Clinical Teaching Fellow of the Social Enterprise & Nonprofit Law Clinic. Baskaran came to the Law Center from the Community and Economic Development Clinic at the University of Michigan Law School, where she served as a staff attorney. At Michigan, Baskaran provided transactional legal services to community-based organizations, nonprofits, and small businesses in the City of Detroit and metro area. She has also worked on international land use issues as a research fellow for the East West Management Institute. Her work focused on environmental and land use issues with vulnerable populations in Cambodia. Baskaran received her law degree from the University of Michigan Law School and Masters in Urban Planning from the University of Michigan's Taubman College of Art, Architecture, and Engineering.

THANK YOU TO OUR ADVISORS AND GUESTS

The Social Enterprise & Nonprofit Law Clinic had a successful inaugural year due to the help of our advisors and guests. Thank you to William Klimon and Brendan Wilson at Caplin & Drysdale and Jon Widrick at Ascensus Law for providing valuable legal advice to SENLC students. Thank you to Brittany Heyd at 1776 for introducing SENLC students to start-up culture with tours of 1776. Thank you to Jonathan Ng at Ashoka and Chloe Holderness and Carrie Siegrist at Lex Mundi Pro Bono Foundation/LawForChange.org for speaking with SENLC students about attorneys’ capacity to facilitate social entrepreneurship. Thank you to Jim Gibbons, president and CEO of Goodwill Industries International, Inc., for providing SENLC students with an executive perspective on nonprofits engaging in enterprise activities to accomplish remarkable results.



To learn more about the Social Enterprise & Nonprofit Law Clinic or request legal assistance for your organization, please visit www.socialenterprise-gulaw.org or contact us at:

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