

# SOCIAL ENTERPRISE AND NONPROFIT LAW

Apply online at: <http://apps.law.georgetown.edu/clinic-application/>

Faculty	Professor Alicia Plerhoples, Deputy Director Sunitha Malepati
What do students do	Students represent nonprofit organizations, social enterprises, and small businesses on transactional, corporate governance, and strategic business matters.
Semester or year-long	One semester, Fall or Spring
Open to	Second semester 2Ls and all 3Ls (at least 40 credits).
Prerequisite(s)	All first year courses and <i>either</i> Corporations <i>or</i> one of the J.D. seminars focused on nonprofit law (i.e., the Nonprofit Organizations Seminar or Governance of Nonprofit Organizations) prior to the semester in which student is enrolling in the Clinic.
Credits	9
Requires Student Bar Certification	Yes
How many students	12/semester
Conflicts	Handled on a case-by-case basis; no simultaneous outside legal employment allowed
Average time commitment	32 hrs/wk
Seminar hours	Tuesdays/Thursdays, 11:10 am - 1:10pm (Time Subject to change)
Orientation	Please note that orientation is mandatory and takes place the Friday after classes begin from 9:30 am - 4:00 pm
Information session(s)	TBD

## INTRODUCTION

The Social Enterprise & Nonprofit Law Clinic engages law students in learning the law, skills, and practice methods of transactional lawyering in the public interest through reflective, supervised legal practice for organizational clients. Clinic students will represent nonprofit organizations, social enterprises, and small businesses on transactional, corporate governance, and strategic business matters. Students enrolled in the Clinic will effectively serve as corporate counsel to organizations dedicated to improving their communities and making a lasting social impact. Working in teams, students will generally represent one or two organizational clients during the semester and interact with social entrepreneurs, board members, senior nonprofit managers, and general counsels. Clinic students will review governance practices and draft bylaws, committee charters, policies, and practical governance tools in order to help their clients comply with current federal and local law as well as generally recognized best practices for corporate and nonprofit governance. Clinic students will draft contracts, prepare templates, and help plan and execute transactions. Students will devote considerable attention to effective client communication and professionalism. Students may also prepare and present a legal workshop at a D.C. nonprofit or business incubator. Please note: the Clinic will not engage in any litigation.

## WHAT IS SOCIAL ENTERPRISE?

A social enterprise can be a for-profit business or a nonprofit organization. A “social enterprise” offers:

- **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.

## WHY WORK WITH SOCIAL ENTERPRISE CLIENTS?

- Social enterprises and nonprofit organizations have charitable missions and/or seek to produce a positive social or environmental impact. By providing legal assistance to these organizations, Clinic students help further such missions and outcomes.
- The social enterprise and nonprofit sectors present novel and challenging legal, regulatory, and policy questions. The Clinic immerses students in these issues.
- Social enterprises and the innovative business models and ideas that social enterprises proliferate are at the forefront of business innovation today. Innovation helps drive the economy by contributing to job growth and economic stability. By representing these clients, Clinic students take part in such innovation.
- Representing social enterprise clients inspires Clinic students to engage in public interest work post-graduation. Through their Clinic work, students see the importance of transactional law skills to public interest work.

## LAW, SKILLS, & PRACTICE METHODS

Clinic seminar and client work will expose students to the following substantive law areas:

- Business Law
- Social Enterprise Law
- Nonprofit Law
- Corporate Governance
- Tax Law
- Intellectual Property Law
- Contract Law
- Professional Responsibility
- Corporate Social Responsibility

Through the Clinic seminar and client work, students will develop the following skills:

- Financial Statement Analysis
- Interviewing
- Fact Gathering
- Client Counseling
- Transaction Planning
- Contract and Business Documents Drafting
- Statutory Analysis

- Transactional Legal Research
- Professionalism

Clinic seminar and client work will teach the following practice methods:

- Reflective lawyering
- Transactional lawyering

TYPICAL CLINIC STUDENT WORK	
Legal Work	Student Work
Governance Review	<ul style="list-style-type: none"> <li>• Conducting due diligence review of governance arrangements to assess nonprofit's compliance with federal and state reporting requirements as well as generally recognized best practices</li> <li>• Providing report and recommendations to Executive Director and Board of Directors (often an oral and written presentation)</li> <li>• Drafting organizational documents (bylaws, committee charters, conflict of interest policy, whistleblower policy, board self-assessment tools) based on substantive law and best practices</li> <li>• Client interviewing, fact gathering, due diligence, close reading, drafting, and critical review of multiple documents</li> <li>• Applying statutes to documents, engaging and communicating with client, preparing and presenting a briefing document to management and/or Board of Directors, engaging in answering questions from management and/or Board of Directors</li> </ul>
Entity Formation	<p>Advising client on choice of entity, analyzing IRS regulations related to commercial activities, unrelated business income tax, and for-profit/nonprofit co-ventures</p> <ul style="list-style-type: none"> <li>• Preparing organizational documents, filing incorporation documents and applying for state and federal tax exemption (where applicable)</li> <li>• Client interviewing, fact gathering, and choice of entity analysis; applying applicable substantive law</li> <li>• Planning project, drafting documents, counseling client</li> </ul>
Operational / Strategic	<ul style="list-style-type: none"> <li>• Advisory work for client concerning a business operation, policy, program, or service</li> <li>• Analyzing, identifying, and recommending operational and strategic improvements and preparing operational documents for management's use</li> <li>• Client interviewing, fact gathering, legal research, and practical and legal analysis</li> <li>• Learning internal workings of an organization, client context, stakeholders, and incentive structures</li> <li>• Designing and crafting written or visual deliverable</li> </ul>
Contract / Transactional	<ul style="list-style-type: none"> <li>• Facilitating transaction or contract for client</li> <li>• Learning about contract design and organization and the rationale for contract provisions; tying applicable substantive law to contract</li> <li>• Conducting due diligence for transaction, identifying exchange of value, developing and executing workplan for the transaction</li> <li>• Client interviewing, fact gathering, and legal research</li> <li>• Drafting all relevant documents, which may include leases, independent contractor agreements, trademark license agreements, affiliation agreements, volunteer agreements, equipment leases, and joint venture documents</li> </ul>
Education	<ul style="list-style-type: none"> <li>• Preparing and presenting legal workshops to educate social entrepreneurs, small business owners, and nonprofits executives on legal issues affecting their organizations</li> <li>• Learning corporate, nonprofit, intellectual property, and other laws affecting organization's operation</li> <li>• Planning legal workshop, drafting advisory documents, designing and giving visual presentation</li> </ul>

## EXAMPLE CLIENT REPRESENTATIONS

**Jill Klotzbach** ('14) and **Steven Pong** ('14) provided extensive legal advice to MPOWER Financing, a Delaware public benefit corporation which works to remove financial barriers to American higher-education for students who are not served by traditional banks, such as low-income and international students. Working directly with MPOWER's founders, Jill and Steven prepared and drafted governance documents and policies to reflect current law and best practices for mission-accountable public benefit corporations. Steven and Jill also advised MPOWER on consumer privacy laws, and drafted a privacy policy.

**Joseph Zimmerl** ('14) and **Kelsey Scribner** ('14) represented an international NGO based in Washington, D.C. that is dedicated to providing improving the lives of women through economic empowerment. The international NGO accomplishes its mission by providing business and leadership training to women entrepreneurs and connecting them with global export markets for their products. Kelsey and Joseph provided comprehensive corporate governance advice and drafted governance documents and policies for the NGO based on IRS regulations, D.C. law, and recommended best practices for nonprofits. After giving multiple presentations on nonprofit governance requirements to the founders, Joseph and Kelsey assisted the NGO in conducting its first Board meeting. Kelsey and Joseph also incorporated the NGO, and drafted and completed the NGO's application for 501(c)(3) tax-exempt recognition. Finally, Joseph and Kelsey provided the client with guidance on anti-terrorism financing, including the OFAC Rules administered and enforced by the Department of Treasury and the "material support laws" enforced by the U.S. Department of Justice.

**Samuel Lipson** ('14) and **Elisabeth Kent** ('14) represented a historic D.C. nonprofit dedicated to providing safety net services for low-income senior citizens. The client sought assistance in creating several small for-profit ventures to create a sustainable revenue stream for the nonprofit. Samuel and Elisabeth conducted extensive research into the commercial activities of 501(c)(3) organizations and attendant risks and benefits. They drafted a legal memorandum advising the client of various options and key considerations. Samuel and Kelsey counseled the Board of Directors on various corporate structuring options for the for-profit ventures.

**Antonio Perez** ('14) and **Joseph Sadon** ('14) represented a collective dedicated to creating gardens and therapeutic spaces for vulnerable populations facing significant barriers to safe, peaceful outdoor space and nutritious, affordable foods. Antonio and Joseph researched various entity options that comported with the democratic governance model of the collective. Antonio and Joseph also researched IRS revenue rulings and tax cases related to the "charitable purpose" qualification to determine if their client would qualify as a 501(c)(3) organization. Antonio and Joseph counseled the collective as a whole on various entity options and the benefits and consequences of each.

More information about the Clinic, including the Clinic's Annual Reports, can be found on the Clinic website at: [www.socialenterprise-gulaw.org](http://www.socialenterprise-gulaw.org).

## TIME COMMITMENT

A nine-credit, semester-long clinical program is a significant time commitment. Based on the number of credits students receive, students are expected to work an average of at least 32 hours per week on all clinical program activities. We recommend that students take no more than 12 credits total when enrolled in the Clinic.

By enrolling in the Clinic, students agree to prioritize their client representation over other activities, including other schoolwork, journal activities, or part-time employment, due to the professional

responsibility students have to their clients. In line with this commitment and in order to avoid any potential conflicts of interest, students are not allowed to take other legal employment during their clinic semester. Students are also responsible for their client work over class breaks and final examination period. Students enrolled in the clinic during the spring semester should expect to do clinic work over President's Day / faculty retreat week but may plan travel for spring break.

## SELECTION CRITERIA / APPLICATION PROCESS

### A. Application Process

- Attend the information session about the Clinic (information is below; attendance is strongly recommended but not required);
- Submit your clinic application by 12:00pm (noon) on April 13, 2020.
- Application and other information can be found online: [www.law.georgetown.edu/go/clinic-registration](http://www.law.georgetown.edu/go/clinic-registration)

### B. Selection Criteria

- **Prerequisites:** The Clinic is open to students who:
  - will be second semester 2Ls or 3Ls (with at least 40 credits) by the beginning of the semester in which they are enrolling in the Clinic;
  - have successfully completed all first year courses; and
  - have successfully completed either Corporations or one of the J.D. seminars focused on nonprofit law (i.e., the Nonprofit Organizations Seminar or Governance of Nonprofit Organizations) prior to the semester in which they are enrolling in the Clinic.
- **Criteria for Selecting Students:**
  - Students will be selected on the basis of their written applications and demonstrated experience and/or interest in nonprofit law, corporate law, or the field of social enterprise, as well as the faculty's desire to select a diverse class with varying backgrounds and experiences in order to create a robust working environment for students and clients. Joint degree J.D./M.B.A. students are encouraged to apply to the Clinic.
- **Enrollment:**
  - Admitted students will be notified on April 20, 2020. Students must accept or reject the offer via email by 5:00pm on April 23, 2020.
  - By accepting enrollment into the Clinic, students agree not to withdraw from the Clinic (withdrawal will only be allowed for the most extraordinary reasons).

## FACULTY & STAFF

**Professor Alicia Plerhoples** is Professor of Law and the Director of the Social Enterprise & Nonprofit Law Clinic. Professor Plerhoples has been active in the local and national social enterprise movement, often speaking about laws that affect the work of social entrepreneurs. She is a member of the Echoing Green Legal Advisory Group which advises Echoing Green Fellows. Her most recent article, *Nonprofit Displacement and the Pursuit of Charity Through Public Benefit Corporations*, discusses the ways in which benefit corporations that claim to have a charitable mission may displace nonprofit organizations. Her article, *Social Enterprise as Commitment: A Roadmap*, posits that absent legal reform, a for-profit social enterprise must develop internal mechanisms to prioritize its social mission, mitigate tensions between pursuing dual missions, and avoid engaging in deceptive greenwashing. Prior to teaching, Professor Plerhoples practiced law in the corporate finance and real estate finance departments at law firms in Silicon Valley and New York City where she advised financial institutions and emerging biomedical and technology companies on finance arrangements. Professor Plerhoples

received a J.D. from Yale Law School, a Masters in Public Administration from Princeton University's Woodrow Wilson School of International and Public Policy, and an A.B. from Harvard College.

**Deputy Director, Sunitha Malepati** is a Supervising Attorney and Clinical Teaching Fellow in the Social Enterprise & Nonprofit Law Clinic. Before coming to Georgetown, Sunitha was an associate in the Private Investment Funds Group at Squire Patton Boggs (US) LLP, where she focused her practice on advising investors on investments into various alternative investment funds, including private equity, real estate, hedge and venture capital funds. She also advised on structuring and formation of various types of funds. Sunitha received her J.D. magna cum Laude and Order of the Coif from American University Washington College of Law and her B.S. in Economics from the University of Michigan. During law school, Sunitha was on the Editorial Board for the Journal of Gender, Social Policy and the Law and a student attorney in the Women & the Law Clinic. Prior to attending law school, she was the Chief of Staff at Living Cities, a philanthropic collaborative of foundations and financial institutions focused on developing and investing in initiatives that improve the lives of low-income people and the cities where they live.

**Maria Islam** is the clinic office manager for Social Enterprise & Nonprofit Law Clinic and the Civil Rights Clinic where she manages the day-to-day operations of both clinics. After receiving a B.A. in International Studies and a minor in Law and Society from American University, she started working at Georgetown Law as a faculty assistant with faculty support. Maria has interned at the U.S. House of Representatives, Brandeis Center for Human Rights Under Law, DC Volunteer Lawyer's Project, the U.S. Department of Justice, National Asian Pacific American Bar Association and various law firms.

## 2019-2020 CLINIC STUDENTS

### Fall 2019

Laura Ahrens  
Alexa Boccia  
Katherine Brittin  
Christina Higgins  
Sihyun Jeon  
Benjamin Kamelhar  
Anthony Kratz  
Jacob Shaughnessy  
Capriel Stevenson  
Xiaowen Zou

### Spring 2020

Justin Azar  
Megan Clayton  
Beneva Davies-Nyandebo  
Gary DePalo  
Olivia DePasquale  
Toni Deane  
Kaliene Hale  
Katherine Harris  
Akshay Nelakurti  
Lori Purvis  
Irma Sandoval  
Samuel Schraer

## FURTHER INFORMATION

For further information about the Social Enterprise & Nonprofit Law Clinic, please contact Professor Plerhoples at [aep65@georgetown.edu](mailto:aep65@georgetown.edu).

Information session: The Clinic will hold an informal group information session to help students determine whether they wish to apply to the Clinic, and to ensure that students who apply are fully aware of the obligations associated with participation in the Clinic. The session will be held on Zoom on a date TBD. Attendance at the information session is strongly recommended, but not required.