

NEWS

Chris Sloan Quoted on Tennessee's For-Profit Benefit Corporation Act in Memphis Business Journal

Last year, Gov. Bill Haslam signed the For-Profit Benefit Corporation Act, allowing Tennessee businesses to file as for-profit benefit corporations beginning January 1, 2016.

The new designation is designed to allow for-profit businesses to add a combined mission that has a public benefit or improves society in some way.

In this Memphis Business Journal article, Chris Sloan and Jimmie B. Strong explain the new designation's requirements and its benefits.

"This is beneficial because directors of traditional corporations have fiduciary duties to shareholders; amongst those fiduciary duties is enhancing shareholder value. This means that directors could theoretically be liable to the corporation and its shareholders for deciding to pursue corporate goals in ways that benefit society but not the corporation's bottom line. The new structure eliminates this problem. A corporation may state in its charter that it will pursue a public benefit or public benefits," said Mr. Strong

[Read the Article](#) (Subscription required)