



the tan2000 international holdings corporation
helping others since our founding in 1996 by alan c. tan

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**TESTIMONY OF PRESIDENT AND CHIEF EXECUTIVE OFFICER ALAN C. TAN
ON BEHALF OF THE TAN2000 INTERNATIONAL HOLDINGS CORPORATION AND HIMSELF
BEFORE THE COMMERCE COMMITTEE**

Good morning, Senator LeBeau, Representative Perone, and members of the Commerce Committee. I am Alan Tan, President and Chief Executive Officer of The TAN2000 International Holdings Corporation, a Pre-Accelerator Social Enterprise headquartered in Rocky Hill, Connecticut. I am also a resident of the Town of Rocky Hill.

I appreciate the opportunity to be here today to represent the Corporation's commitment to social enterprise and to also personally voice my support for S.B. 23 – An Act Concerning Benefit Corporations and Encouraging Social Enterprises.

As I am the President of what many in the New York City startup ecosystem has termed a “pre-incubator” program, we see every day the value that the Benefit Corporation structure has for the ecosystem and entrepreneurial community as a whole. In fact, the lack of a Benefit Corporation in Connecticut, made it extremely difficult for us to begin to ramp up our “pre-incubator” program. We could not operate as a socially-minded non-profit entrepreneurial “pre-incubator” for tax reasons, necessitating a for-profit registration. We had to introduce all kinds of by-laws and contractual agreements amongst shareholders in order to safeguard the social benefit part of our enterprise – the commitment of all shareholders of the Corporation to the Company's values of Helping Others, Innovation, and Diversity. Current organizational structures make it difficult at best for an entrepreneur who is socially minded and want to make a profit. Since our aptly-termed “pre-accelerator program” has statistics and stories of our currently participating entrepreneurs that help demonstrate this point, I wanted to take the time to bring their stories to your attention.

Currently, out of 19 new entrepreneurs who have entered participation in our program in the early part of 2014, three of them are creating social enterprises. I bring your attention to one in Connecticut who aims to help artists that would otherwise be passed over succeed. When discussing the goals of the idea with the prospective entrepreneur, he wanted to help artists in the community, but most importantly, wanted a way to sustain his organization without the reliance on traditional sources of non-profit revenue. As the organization would eventually grow in a manner that required a specialized structure, due to the confidential nature of the program that I am unable to elaborate on without his express permission, the entrepreneur was left with very few options, with the most feasible one being to incorporate as a Benefit Corporation – outside of Connecticut. All the other options that would have allowed this entrepreneur to remain in Connecticut would have included compensating a lawyer to devise a very structured by-laws structure, one that our entrepreneurs cannot afford so early in their lifecycle. Our entrepreneurs come

from all walks of life, from college students to recently laid off employees, and asking them to front that kind of money, or to get a loan before even developing a sustainable revenue model, just to live their dream of being a socially responsible entrepreneur who wants to make a profit while helping the community, is just unacceptable. Entrepreneurs should not have to go through what our Corporation had to do just to create a for-profit enterprise that is socially and community minded.

I have more stories like this from our experiences with our entrepreneurs, but it would just “beat a dead horse”, as the saying goes. Thus, our Corporation, The TAN2000 International Holdings Corporation, on behalf of our entrepreneurs and partners strongly advocates for the advancement of this bill. Every surrounding state has adopted the Benefit Corporation legislation, and for the sake of our social entrepreneurs, we should give them the tools they need to succeed.

With that said, I turn your attention to my plea as a personal individual here, all corporate interests aside. As I have personally developed The TAN2000 International Holdings Corporation as a social enterprise with the mission to “help others through diversity in innovation”, and served in many capacities to advance our communities and to provide opportunity to those in need, I personally believe that we should be doing everything we can as a State to help social entrepreneurs succeed. This legislation will provide a valuable tool, with no cost to the State besides your time to consider this bill, to social entrepreneurs that will enable more of them to realize their dreams right here in Connecticut.

In closing, on behalf of my entrepreneurs and partners as President and CEO of The TAN2000 International Holdings Corporation, and also as a private individual, I strongly urge you to pass the Governor’s proposal – the Act Concerning Benefit Corporations and Encouraging Social Enterprises.

Thank you for your time and consideration.