

# Mintz Levin's Approach to Supporting a Thriving Social Innovation Sector in Boston and Beyond

Kristin Gerber & Benjamin Stone 04 December 2017

It is no surprise that in 2017, *Forbes Magazine* named Boston as the top U.S. city for social entrepreneurs.<sup>1</sup> As attorneys at Mintz Levin,<sup>2</sup> a mainstay of the Boston community for more than 80 years, we have had the honor to engage with a thriving regional ecosystem of public and private sector actors supporting companies making a positive impact.

We also have learned – through serving our clients and our own entrepreneurial experiences – that starting and scaling, or successfully investing in, a profitable mission-driven business is a challenging endeavor. Social entrepreneurs and impact investors must navigate a gauntlet of business, legal, and cultural hurdles while also attempting to simultaneously generate positive financial, social, and environmental returns.<sup>3</sup> In the context of this exciting, multifaceted sector, attorneys are uniquely positioned to serve as invaluable advocates, translators, protectors, and connectors.

## **Social Enterprises**

From Mintz Levin's founding commitment to community service and social justice<sup>4</sup> to the launch of our pioneering Energy & Sustainability Practice in 2004<sup>5</sup> to the present day, the firm has served hundreds of high-growth ventures using market-driven, business-minded principles and tactics to stimulate social impact. We have helped these clients manage risk, overcome cultural and socioeconomic divides, broker catalytic financial and strategic partnerships, and prepare for and deliver long-term impact and impressive financial returns. Two strategies anchor our approach:

First, we draw on the firm's deep experience and success in counseling founders, companies, and venture capitalists and other investors through all growth stages – from formation to early- or seed-stage investments through subsequent multi-investor and late-stage financings, acquisitions, and IPOs.<sup>6</sup>

Second, we take a collaborative, empathetic approach, which includes (a) spending time in the target community and/or with the company's customers and partners to understand their motivations and viewpoints; (b) spending time with a company's leaders to understand how they plan to balance social and financial objectives; (c) leaning into the firm's nimble, entrepreneurial culture to develop tailored, straight-forward strategies and solutions; and (4) simply being inspired by the grit, determination, and impact of our remarkable clients. For example:

- Ayzh develops low-cost birthing kits for under-resourced clinics in India, the Middle East, and East Africa, supporting the health of mothers and newborns.<sup>7</sup>
- Seventh Generation develops and distributes sustainable products and is a leading advocate for the conservation of natural resources.<sup>8</sup> In 2016, Seventh Generation was acquired by Unilever in a groundbreaking transaction.<sup>9,10</sup>
- Cambrian Innovation solves critical water, wastewater, and energy management challenges for industrial producers.<sup>11</sup>
- Sanergy builds hygienic and affordable toilet operators in informal urban settlements in Kenya and processes the resulting human waste into useful end-products such as organic fertilizer, insect-based animal feed, and renewable energy.<sup>12</sup>
- Intarcia Therapeutics partnered with the Bill & Melinda Gates Foundation to develop the first once- or twice-yearly anti-HIV prophylactic therapy to prevent the spread of HIV in Sub-Saharan Africa and other countries.<sup>13</sup>
- Skillist connects America's workforce with the millions of high-paying positions that require more than a high school diploma but less than a four-year degree.<sup>14</sup>

## **Impact Investing**

Mission-driven organizations, like more traditional high-growth private sector companies, often require investment capital to survive and scale, and we partner with a variety of impact investors strategically investing to generate financial, social, and environmental returns.<sup>15</sup> Along the way, they are positively influencing the investment world.<sup>16</sup> By the start of 2016, for instance, nearly \$9 trillion – or approximately one out of every five dollars under professional management in the United States – had been invested in sustainable and impact investments.<sup>17</sup> Enthusiasm around the notion of combining profits and purpose is at unprecedented levels,<sup>18</sup> powered in part by the tremendous influence of millennials and women.<sup>19</sup>

The financial giants of the world have taken notice.<sup>20</sup> For example, Goldman Sachs acquired the first impact investment firm, Imprint Capital,<sup>21</sup> while BlackRock, the world's biggest asset manager, launched an Impact division.<sup>22</sup> These firms are sending the world a vital message about impact investing's potential: this is not just about feeling good, it is also about generating significant, long-term profits for companies and investors.<sup>23</sup>

Not surprisingly, Boston is home to many impact investing leaders.<sup>24</sup> In 2016, Bain Capital launched Bain Capital Double Impact, a firm client.<sup>25</sup> Led by former Massachusetts Governor Deval Patrick, Double Impact made its first two investments in July 2017: Living Earth, one of the largest commercial recyclers of organic

landscaping materials in the United States, and Impact Fitness, a Planet Fitness franchisee promoting healthy lifestyles in underserved communities.<sup>26</sup>

The greater Boston area is packed with hundreds of other investment firms, financial institutions and wealth advisors innovating in the impact investing space, including Pathstone Federal Street Advisors,<sup>27</sup> Spring Lane Capital,<sup>28</sup> Brown Advisory,<sup>29</sup> Athena Capital Advisors,<sup>30</sup> Blue Haven Initiative,<sup>31</sup> Trillium Asset Management,<sup>32</sup> Baldwin Brothers,<sup>33</sup> Brekinridge Capital Advisors,<sup>34</sup> Zevin Asset Management,<sup>35</sup> Stance Capital,<sup>36</sup> Boston Common Asset Management,<sup>37</sup> and more.

Utilizing its same anchoring strategies for social enterprises, Mintz Levin helps impact investors align values and objectives, set performance expectations, connect with the right companies and develop unique, workable, profitable investment structures and products.

## **Contributing to the Social Innovation Ecosystem**

While social innovation is thriving, it will succeed in the long run only through widespread collaboration and transparency. That is why Mintz Levin spends considerable time and resources supporting the ecosystem.

For example, we serve as the exclusive legal mentor for

the Hult Prize, which challenges university students from more than one hundred countries to develop bold, market-based approaches to significant issues faced by billions of people.<sup>38</sup> In 2017, BuuPass, a centralized digital marketplace in Kenya, won the entire competition.<sup>39</sup> Now a firm client, BuuPass enables travelers to book and pay for their intercity bus tickets cash-free via SMS and online, and is aiming to democratize Africa's public transportation network through increased transparency and accessibility.<sup>40</sup>

We also proactively share our experiences and insights at a wide variety of schools, conferences, and incubators – including Harvard's Innovation Lab,<sup>41</sup> MassChallenge,<sup>42</sup> Harvard College's Impact Investing Group,<sup>43</sup> the New England Impact Investing Initiative,<sup>44</sup> and the Impact Capitalism Summit<sup>45</sup> – and serve as judges and mentors at Harvard Business School's New Venture Competition,<sup>46</sup> Boston College's Venture Competition,<sup>47</sup> Cleantech Open Northeast,<sup>48</sup> and the MIT Clean Energy Prize.<sup>49</sup> We are also members of The Global Impact Investing Network, an organization dedicated to increasing the scale and effectiveness of impact investing.<sup>50</sup> And we regularly publish our insights through the firm's digital channels,<sup>51</sup> including Mintz Edge<sup>52</sup> and our Energy & Sustainability Newsletter.<sup>53</sup>

Perhaps most importantly, we are committed to galvanizing a community of legal practitioners – particularly the next generation of lawyers – to use their

skills and enthusiasm to make a positive impact in the world. We guest lecture at law schools and regularly mentor law students and young lawyers, and we are members of the rapidly-growing Impact Investing Legal Working Group, a national group of lawyers representing a diverse array of impact investors, social enterprises, law firms, nonprofit organizations, foundations, and academic institutions.<sup>54</sup>

Standing alongside every great social entrepreneur and impact investor is a lawyer identifying and solving problems and providing experienced guidance and unrelenting support. Together, we can grow social innovation to new heights in Boston and beyond.

## **Author Bios**



### **Kristin Gerber**

Kristin is a corporate attorney at Mintz Levin in Boston, where she focuses on corporate finance matters including mergers and acquisitions, venture capital, private equity, and technology transfers. She counsels social enterprise companies, impact investors, and nonprofit companies with respect to complex corporate structures, governance

and sustainability, impact metrics, financings and grant development, strategic alliances, and commercial contracts. Kristin is heavily involved in the start-up community in Boston and regularly advises and mentors young companies and entrepreneurs regarding the legal and business issues that they face. She received a BSBA in Finance, Economics from Creighton University and a J.D. from Boston College. Kristin is recognized as a "Rising Star" for Corporate/Business by Massachusetts Super Lawyers.



## **Benjamin Stone**

Ben is a corporate attorney at Mintz Levin in Boston, where he counsels early-stage and emerging companies across a range of industries in a variety of transactions and corporate matters. Ben previously served as Managing Director & General Counsel of MCE Social Capital, an impact investment firm that finances businesses concentrating on clean energy, sustainable agriculture, and financial inclusion in more than 35 countries. Prior to MCE Social Capital, Ben served as Director of Start-Up Development at American Express and started Indego Africa, a lifestyle brand and social

enterprise that provides more than 1,500 female entrepreneurs in Rwanda and Ghana with access to global markets and business education. Ben launched his career as a litigation attorney at an international law firm in NYC. Ben received a B.A. in English Literature from Washington University in St. Louis, a J.D. from New York University School of Law, and completed the Stanford Graduate School of Business Executive Program in Social Entrepreneurship. Ben is a regular public speaker on law, entrepreneurship, and innovation; serves as a Term Member at the Council on Foreign Relations; and in 2016 was recognized by the Association of Corporate Counsel as a "Top Ten 30-Something."

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