

MEMORANDUM

To: The House Committee on Commerce and Economic Development, Vermont General Assembly

From: Prof. Oliver R. Goodenough, Vermont Law School Center for Legal Innovation

Re: S. 269

Date: April 12, 2018

Thank you for the opportunity to present testimony on S 269. In my testimony today, I will seek to:

- Comment on the current version of the Bill
 - High Level
 - Zuckerberg Testimony
 - Opportunities
 - Role of clarity in economic development
 - Specific Provisions
 - Line 3.17: Keep flexibility?
 - Summit and Report: VLS Participation
- Respond to concerns raised by David Hall
 - Current LLC law does not require financial contribution for limited liability
 - Rather, limits on *vicarious* liability for those active in the business
 - NOT for actions of the individual that are wrongful themselves
 - So: those whose activity would give rise to such vicarious liability get a shield limited to that
 - “Participant” label useful here, not critical in my view
 - Liability use; governance use
- Suggestions for the future
 - DFR Study
 - Blockchain summit
 - Other possibilities
 - Formal Summer Study

- Informal conversation group
- Legislative/industry education day
- Industry alliance
- Questions?

Reminder: my appearance today entirely in my private capacity as an interested Vermonter and not in the capacity as a Professor at Vermont Law School.