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Media Contact:

Sushil Jacob / Green-Collar Communities Clinic Director / (510) 548-4040 ext. 611 / sjacob@ebclc.org

Elisa Della-Piana / Director of Programs / (510) 548-4040 ext. 308 / edellapiana@ebclc.org

EBCLC and its Partners Win Key Legislative Victory for California Worker Cooperatives

The East Bay Community Law Center is part of the leadership for creating widespread ownership of local economies through worker cooperatives.

(BERKELEY, CA) – The East Bay Community Law Center (“EBCLC”), Assemblymember Rob Bonta (D-Oakland), and community partners proudly announced today that Governor Brown signed a new law to facilitate the creation of worker-owned businesses in California. The law was the result of EBCLC’s two-year effort to remove unnecessary barriers to the creation of new worker cooperatives in California.

“AB 816, the California Worker Cooperative Act, provides a clear legal template for the formation of worker-owned businesses,” said EBCLC staff attorney Sushil Jacob. “By providing a pathway to incorporation and a clear legal structure, AB 816 will encourage the creation of new businesses and jobs that build the assets of working people throughout the state.”

“Worker owned businesses are central to a full economic recovery and to closing the income inequality gap,” explained Assm. Bonta, who introduced the bill. “As low-income communities continue to struggle with the dual problems of high rates of unemployment and low-wages, worker-owned, worker-managed small businesses have emerged as an effective way to rebuild the local economy and address economic inequality.”

AB 816 is the latest example of a growing movement to strengthen local economies through the creation of small businesses that are democratically owned and operated by their workers. Similar measures have been adopted in 10 other states. Specifically, AB 816 establishes a worker cooperative corporate entity, a statutory definition of a “worker cooperative”, and eases barriers to

raising capital. AB 816 mandates that a worker cooperative have a class of worker-members, and that the worker-members control the cooperative.

Anya Kamenskaya, a worker-owner at Oakland-based DIG Cooperative, Inc. commented that the new law was necessary to help expand her business, a graywater installation and servicing company. Kamenskaya stated that “the updated provisions in AB816 will enable our business to more easily raise expansion capital by use of securities exemptions for community-based investors. This, in turn, will increase our capacity to employ Oakland residents at a workplace that puts the well-being of our members first.

AB 816 was sponsored by the East Bay Community Law Center (EBCLC), the largest free legal services provider in Alameda County. EBCLC’s goal is to establish more worker cooperatives as a way to build communities that are more healthy, secure, productive and hopeful.

For more information, visit www.ebclc.org

See [AB 816](#) for the full text of the bill.

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