



## **Community Equity™**

### **What is Community Equity™?**

The best way to explain our understanding and use of Community Equity™, is to simply explain why it is so desperately needed in our society. But we can still start with a simple example to get started.

Typically an equity owned company or stock based corporation only has owners or investors. We use Community Equity™ as a place holder for all other individuals and organizations that are involved in the success of the company. This can include everyone who contributes time and energy like workers, volunteers, advisors etc..., as well as anyone who contributes resources both in-kind resources and monetary resources, including investors, clients, and even the environment and society itself. The closest example of Community Equity™ in use by large corporation is employee stock options, where workers can get equity through their employment overtime, but typically this arrangements have to be contracted and all arranged per worker ahead of time. With community equity it all happens automatically, if you contribute as a member of the community surrounding the company, you get equity. Its that simple.

It is also important to note before going on to the why, that each and every company or corporation that chooses to incorporate Community Equity into their equity models can do it totally differently. There is NO one single way to organize and apply Community Equity to a company, each company and its community is different, and therefore its Community Equity, if done properly, would reflect its unique community experience.

We are here to help you and your company build Community Equity™ into your structure. For starters we encourage 20-25% Community Equity for any new startup or new company. Of the 25% we encourage that 5% of that would go towards “Societal Equity”, or equity beyond the single community of the company itself. Obviously if you are an existing company with existing equity ownership, it is much more complicated to add in new equity %s, but almost any genuine socially motivated owners should easily be able to add in 3-5% Community Equity™ with VERY little effect on the bottom line. A single owner, without even agreement from the other owners, could even transfer a portion of their own equity to Community Equity™ to get started. Even a little, just 1% or even less, or just a few shares, can go a long way.

### **Why is Community Equity™ Necessary?**

In the current format for how our capitalistic society works, you can have a person work 25-35+ hours per week for 40 years, make their boss and landlord millions of dollars, and then loose there job, loose there house, and end up homeless in just months or a year or so. Let me explain.

With the work, the company hires you, probably as a contractor with minimal benefits, and you work for 40 years and make the boss or owners millions of dollars over this time. Then one day

they fire you, you have no savings, possibly not even much retirement, and you get nothing, even though your boss/owner leaves with millions of dollars of equity you created.

Then with the house that you rented for 40 years because you had a difficult time getting or paying a mortgage, you literally paid off the mortgage for your landlord, and took care of the house for them, and now the house is worth over a million dollars, but you get nothing. The landlord walks away with a million dollar house, and you can't pay rent anymore because you lost your job and end up getting kicked out and homeless within months / a year or so.

I know it sounds terrible, but this truly happens, and much more than you think, as most people instead of making a single person millions of dollars are shuffled from house to house, and job to job, help many companies and landlords make millions, and the worker/renter gets nothing and ends up homeless. In the context of how our society actually works where people bounce between many jobs and locations, the technical term for the solution would be "Societal Equity", but it is the exact same principle as Community Equity™, but not within a single company, but over many companies within the society.

This take all equity model is 100% legal, and is actually the typical and standard practice for how to run a business and real-estate investments. This is how our society runs, and this is also exactly why all the money ends up going to the 1%, because they simply take all of the resources and energy that people put into the society and economy, and give nothing back to the workers, renters and consumers who are the actual people running the economy.

The solution is simple, Community Equity™! Everyone who contributes to a business or asset in any way shape or form should have stake in that business or asset, even if it is just a little bit that grows and grows overtime the more you contribute to it. This is not rocket science, this is simple basic fairness to ensure a balanced and stable economy.

### **How to you implement Community Equity™ within a Company?**

Community Equity™ is pretty simple to set up, but there are typically three stakeholders involved in the decision making process, the company (the entity issuing the equity), the Community (the group voting on who benefits from the equity), and the Place Holder (the organization that administers the decision making and distribution of the Community Equity™).

The easiest Place Holder would be some type of non-profit charity, that would be in charge of administering the decision making systems to make sure that the whole community gets Community Equity™, and is able to actively help decide and vote on where the money would go. The reason that non-profit charities work as a place holder for administering the Community Equity™, is that 1) they are already a community decision making model that distributes benefits on behalf of its non-profit mission, but 2) it is modeled and set up exactly like any

other trust, it is imply a trust on behalf of the entire public, as it is a public charity.

Therefore any legal entity that both the community and company can agree will have the overall communities interest in administering the Community Equity™ can be in the role of the Place Holder. In essence it is a simple process of creating a trust, and the Place Holder is simply the “trustee”, except in this case since the beneficiaries are a community, it is important that the trustee is an organization, as opposed to an individual person, but if it is a small community, maybe everyone could agree to an individual, but it can be dangerous, as the individual could easily petition for full rights to all of the equity unless the trust contract is set up properly.

Instead of only having the option of each person and company to figure this out and do it all themselves, we have multiple organizations that can help your company create and administer Community Equity™ as part of your ownership structure. In the end it is up to your companies decision making body to decide how and which organization will become the Place Holder, but you are welcome to set up a sponsored Place Holder organization within our Non-Profit 501c3 Tax Deductible Organization that currently holds most of the Community Equity™ we administer, but we also have an umbrella Community Equity™ Trust that is also a great candidate for helping you establish and administer your companies Community Equity™. Although any non-profit charity that is willing to take on the task will meet the basic requirements needed. If you do find a non-profit or other organization who is willing to take it on, they may have questions for us that are specific to the Place Holder, as this info sheet is written in the perspective of the Company and why the company should create Community Equity™. Simply have them get in touch with us and we can help them get started as a Place Holder organization.

## **Conclusion**

Community Equity™ is simple, easy, and necessary for your new company, and could even be implemented on a smaller scale, into an existing company. We can help you understand the concept and apply the models to specifically fit your unique situation and community that you are forming around your business operations. Additionally we can even help you create or find a Place Holder to administer your Community Equity™, or you are welcome to use our existing Community Equity™ Place Holders. Thank you for your commitment to making our world

just and right so that all people can prosper and build wealth, not just the  
0.0001%. . .

## **Contact**

CommunityEquity.net  
info@CommunityEquity.net

415-323-5833 (Jay)  
PO Box 20175  
Stanford CA 94309

Community LIFE Network (501c3 non-profit Charity)  
CommunityLIFEnetwork.org  
cln@CommunityLIFEnetwork.org

Unity Network  
www.UnityNet.info  
UnityTheory.net  
act@UnityNet.info

Sponsorship Options (including Sponsored Trusts)  
www.Sponsorship.wc.tc