

11M-193



# Office of the Minnesota Secretary of State

## Minnesota Public Benefit Corporation / Annual Benefit Report

Minnesota Statutes, Chapter 304A



Read the instructions before completing this form  
Must be filed by March 31  
Filing Fee: \$55 for expedited service in-person, \$35 if submitted by mail

The Annual Benefit Report covers the 12 month period ending on December 31 of the previous year.  
Notice: Failure to file this form by March 31 of this year will result in the revocation of the corporation's public benefit status without further notice from the Secretary of State, pursuant to Minnesota Statutes, Section 304A.301

1. Corporate Name: (Required) Cogent Consulting SBC
2. The public benefit corporation's board of directors has reviewed and approved this report.
3. In the field below, enter the information required by section 304A.301 subd. 2 or 3 for the period covered by this report, (see instructions for further information): Note: Use additional sheets if needed. (Required)

Please see attached report.

4. I, the undersigned, certify that I am the chief executive officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

Susan Hammel  
Signature of Public Benefit Corporation's Chief Executive Officer

3/31/2020  
Date (Must be dated within 30 days before the report is delivered to the Secretary of State for Filing)

### Email Address for Official Notices

Enter an email address to which the Secretary of State can forward official notices required by law and other notices:

shammel@coagentconsulting.net

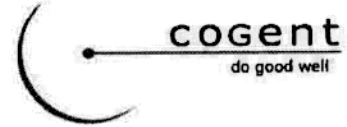
Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

### List a name and daytime phone number of a person who can be contacted about this form:

Susan Hammel 952.237.5427  
Contact Name Phone Number

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Does this entity own, lease, or have any financial interest in agricultural land or land capable of being farmed?  
Yes  No



## Annual Benefits Report, CY 2019

Cogent Consulting, PBC ~~PBC~~ SBC

Submitted 03/31/2020

per call  
SH/me

Cogent Consulting, PBC elected to become a Specific Benefit Corporation on December 18th, 2018. We are an independent, strategic, financial, and impact investing firm empowering purpose-driven organizations. By speaking the language of philanthropy, business, and impact investing, we apply traditional investment discipline, community engagement, and human-centered design to impact investing and strategic advising. Impact investing is defined by the Global Impact Investing Network as “Investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.”

We work with a diverse set of mission-driven investors and entrepreneurs through evidence-based and actionable advice. Our work serves foundations, investors, social entrepreneurs, and the impact investing place-based ecosystem. Our clients include Ashoka: Innovators for the Public, the Local Initiative Support Corporation Twin Cities and Duluth offices, the Minnesota Council of Foundations, and the U.S. Impact Investing Alliance.

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Pursuant to Section 304A.101 of the Minnesota Statutes, Cogent Consulting PBC pursues the following specific benefit purpose as listed in its articles:

*To empower purpose-driven organizations that drive positive social impact in their communities.*

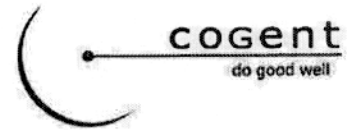
One: In 2019, Cogent Consulting, PBC created the above specific benefit (*empower purpose-driven organizations that drive positive social impact*) with all of its clients and all of its pro bono work. This work included the following projects:

1. Add knowledge to the field: Cogent Consulting developed a deep understanding of new Opportunity Zones legislation in order to help its clients use that tax credit tool to gain access to new investments for community benefiting developments. That knowledge was then used to develop specific tools for two non-profit CDFIs: the Local Initiative Support Corporation for the Twin Cities and Duluth offices, and the Community Reinvestment Fund. Cogent’s work supported these clients and their partners to be able to take advantage of the Opportunity Zone legislation. In addition Cogent partners gave nine formal and informal presentations to Minnesota audiences, including the Lake City Economic Development Authority.

- a. The specific tools included a paper on the impact investor perspective on Opportunity Zones, an Opportunity Zone impact investing Blueprint to be used to frame specific projects, Opportunity Zone Social impact Assessment Framework used to review the actual and promised impact on the community by specific projects, and an Opportunity Zone project Social Impact Scorecard. The paper, "Opportunity Zones: An Impact Investing Perspective", is available upon request.
  - b. Next year it is likely that a number of specific developments will have Opportunity Zone investments as a result of investors and others using this new knowledge.
2. **Grow the field:** In 2019 Cogent expanded and strengthened the Twin Cities Impact Investing Ecosystem, providing pro bono support to Impact Hub MSP. Cogent Consulting provided facilitation for strategic planning among those engaged in Impact Investing creating a five-year sector growth plan. Now Cogent Consulting is providing the coordination to address gaps identified in year one by supporting ongoing efforts nurturing new ideas and solving roadblocks.

Cogent has also expanded its national footprint, growing place-based impact investing in Cleveland, New Mexico, Philadelphia, and Virginia.

- a. In Cleveland, Cogent worked with The Cleveland Foundation and LOCUS to develop Cleveland's impact investing ecosystem.
  - b. Cogent's work in New Mexico is with the New Mexico Impact Investing Collaborative to explore fixed income collaboration for the state.
  - c. In Philadelphia, Cogent is working with the Barra Foundation to help them develop their impact investing policies, strategy, and due diligence.
  - d. In Virginia, Cogent worked with the Virginia Impact Investing Forum to develop its state-wide strategy.
  - e. Cogent has also performed due diligence on direct investment opportunities for several family foundations located across the country.
3. **Educate About Impact Investing:** Cogent increased the knowledge about impact investing within the philanthropic communities and their leadership as well as with the general public through presentations, and roundtables attended by entrepreneurs, non-profits, career changers, and students.
- a. Cogent works with foundations about the feasibility of impact investing for their own investment portfolios. Cogent founder and CEO continues to educate Minnesota's philanthropic community by serving as Executive in Residence for the Minnesota Council of Foundations. She is in her fourth year, supported by the Otto Bremer Trust and the Mortenson Family Foundation.
  - b. Cogent Consulting worked with the Board of Directors from the West Central Initiative Foundation to increase their knowledge about impact investing.



- c. Cogent hosts monthly Social Entrepreneur Roundtables that educate about Impact Investing and build new connections. These are open to all and are hosted at various locations across the Twin Cities, including Impact Hub MSP and the Riveter.
  - d. Cogent partners also have presented to a wide variety of groups as speakers or panelists about this topic.
4. Strengthen Social Entrepreneurs and the Non-Profit Sector: Cogent Consulting serves social impact-oriented clients seeking consultation on governance and the best investment strategy practices for their organizations.
  - a. Cogent Consulting worked with Washington DC area based Ashoka LLC to set proper governance procedures for their newly established for-profit subsidiary.
  - b. Cogent developed an investor relations strategy for impact investment funds with the non-profit organization the Greater Minnesota Housing Fund, and the for-profit Talanton LLC.
  - c. Cogent helped achieve best practices in endowment management with the Northland Foundation and the Phillips Family Foundation.
5. Provide Pro Bono services: Cogent Consulting worked with one or more organizations that can benefit from deeper engagement in Impact Investing or that are growing the Social Enterprise sector, businesses that are dedicated to making an impact.
  - a. This year Cogent Consulting provided pro bono facilitation services to lead the Impact Investing and Impact Reporting Communities of Practice for Impact Hub MSP. The value of this service is \$12,000 on an annual basis.
  - b. The CEO and Founder of Cogent Consulting also served on the Twin Cities Host Committee for the U.S. Social Investment Forum's annual conference, which was held for Minneapolis in June.

Two: Cogent Consulting encountered the following hindrances to pursuing its specific benefit purpose:

1. There is a continued misconception that impact investing requires financial tradeoffs. That is not correct as there are many investment opportunities that make an impact and have market rate or better returns. This misinformation is hindering growth in the number of people engaging in impact investing.
2. Impact reporting by companies is inconsistent and often includes false claims which make investors wary. Similar to the phenomenon of "greenwashing" this false or misleading reporting is detrimental to the movement.
3. Public attention has been focused on the first Opportunity Zone investors, who have been from the financial services industries and took advantage of these new investment opportunities without considering the impact of a project on the surrounding community. This has soured interests and as a

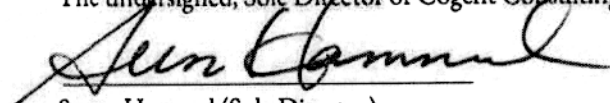


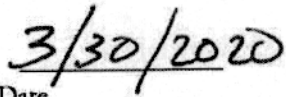
result, leaves out the positive community developments also happening in Opportunity Zones, limiting conversation and real engagement about its potential to have social impact.

4. The lack of diversity, equity, and inclusion in the investment field is an ongoing issue. The percentage of venture capital funding going to women and people of color-led startups continues to be less than 3%. Women in the investment industry as a whole hover around 20%.

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The undersigned, Sole Director of Cogent Consulting PBC, has reviewed and approved this 2019 Annual Report.

  
Susan Hammel (Sole Director)

  
Date



**Work Item 1156498600038**  
**Original File Number 11M-193**

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
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**04/30/2020 11:59 PM**

*Steve Simon*

Steve Simon  
Secretary of State