



Thread Coffee Roasters, Inc.  
1812 Greenmount Ave, Suite 102  
Baltimore, MD 21202  
410-862-0922

Hello,

I am writing this witness testimony in the favorable position for bill 0085 that has passed *unanimously* in the Senate, in support of a business designation within the State of Maryland for cooperative status. We are so proud and supportive of a favorable outcome. This legislation is very close to my heart as a worker-owner in a successful business. Thread Coffee Roasters was incorporated in 2018 as a C-Corp, but only because we had no option to elect a cooperative structure. We paid a cooperative lawyer in both Maryland and Wisconsin to help us understand the best way to utilize the limited options available to meet our needs as a worker-owned cooperative. Our business is not unique - worker-cooperatives are much more numerous in Europe and South America, and in many other states with the U.S.

Over the past five years, we have seen a dramatic increase in visibility and interest of the cooperatively-run business. Many aging and successful entrepreneurs have inquired to me how they could pass their businesses down to their employees. I have been interviewed by young policy makers who see the inherent differences in the cooperative business model and the struggles faced by workers looking to create an equitable ownership structure within the LLC or Corporation status. This misunderstood business structure is also the focus of the SBA as it reworks its policies around lending to small businesses - which must understand a model in which no owner has a majority stake in the business.

Thread Coffee Roasters is a member-owner of a coffee buying cooperative called Cooperative Coffees. Members span the continent from Canada to Florida - but we registered our cooperative in Wisconsin due to its favorable and comprehensive understanding of the cooperative model. There must be an adoption of a cooperative status in Maryland. This state should be at the forefront of small business and not behind the curve. Bylaws, shares, and accounting structures for patronage dividends all confused within the confines of a corporation. We must shed light into the collectively-owned cooperative business and lead the way for other states to follow.

Thread Coffee Roasters is a B Corp Certified business - doing good for the community, environment, and our employees. We have held this certification for three years, but despite being a cooperatively-owned business, the certifying board does not see that reflected in our corporation status. We SHOULD be registered as a COOPERATIVE with articles of incorporation that clearly state our intention to our workers/members. We SHOULD clearly be understood as an entity that primarily focuses on the well-being of our workers, and yet, it remains unclear. The cooperative structures inherently IS GOOD for the workers as they control the operations as well as inherit the profits as shareholders.



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Let's cast away the shadowy misunderstandings of the cooperative structure and be a state that leads and does not follow.

Thank you,

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