

Dear Representative Corvese,

As a concerned CEO and stakeholder in Rhode Island's economic future, I am writing to express my opposition to Bill H5940. This proposal presents several alarming challenges that would further strain an already precarious business climate in our state. I already expressed my opposition to all listed sponsors of the bill but I wanted to make sure that you as the chair also hears my concerns.

As you know, Rhode Island is facing significant financial difficulties, and this bill risks intensifying the exodus of valuable employers and taxpayers—individuals and businesses that are the backbone of our community. Many manufacturers, already grappling with unfavorable conditions, are actively contemplating relocating their operations elsewhere. This legislation would push many others to follow suit, leaving our state with diminished economic vitality.

My company, a Rhode Island company since 1931, operates 2 business groups in 2 locations in Rhode Island. If this bill were to pass, I would separate those 2 operations into 2 different companies and move the one with the most potential to neighboring Massachusetts. For all of the reasons expressed in this letter, and maybe many others, this bill would be devastating to a company owner like me. Furthermore, I am not sure, but from the little I have checked, I believe at least certain elements of this bill may be considered "restraint of trade".

The mandates proposed in H5940 - such as forced disclosure of sensitive business information, mandatory delays in sales, and the potential loss of owner autonomy in choosing buyers - represent intrusive overreach into private enterprise.

These measures undermine the very principles of entrepreneurship and property rights. Moreover, the legal exposure and rigid timelines embedded in the bill would introduce additional risks, discouraging investment and complicating succession planning for business owners. In particular, this bill imposes barriers that would disproportionately impact smaller, privately held companies, valuable suppliers, legacy businesses, and startups that often deal with ownership changes and succession planning.

Additionally, these enterprises often operate on tight margins and lack the resources to navigate the bureaucratic mandates, financial disclosures, and delays introduced by H5940. By discouraging these foundational businesses, we create a ripple effect that weakens the ecosystem supporting larger corporations, making Rhode Island an even less attractive environment for business growth and investment and we already do not look attractive.

While the notion of promoting employee ownership may come from a place of goodwill, the real-world consequences of this bill would stifle innovation and discourage the kind of entrepreneurial risk-taking that sustains Rhode Island's economy. Instead of helping employees and fostering growth, this bill threatens to erode the foundation of our state's business community.

I implore you and the House Labor Committee to carefully consider the long-term repercussions of H5940 on Rhode Island's economic competitiveness. We need policies that incentivize businesses to stay, grow, and prosper here—not legislation that drives them away.

I hope the House can oppose this bill and work toward solutions that truly support our state's employers, employees, and communities.

Thank you for your time and attention to this urgent matter.

Sincerely,

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