

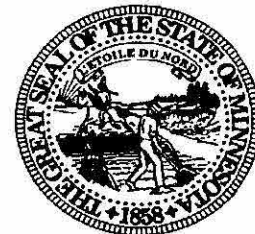
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# Office of the Minnesota Secretary of State

## 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 and online filings, \$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) Esqyr, SBC

2. The public benefit corporation's board of directors has reviewed and approved this report.

3. Enter the information of your public benefit corporation's specific or general benefit, with regard to the period covered by this report as required by 304A. 201 subd. 2 or 3 in the field below (see instructions for further information): Note: Use additional sheets if needed. (Required)

See 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.

[Signature]  
Signature of Public Benefit Corporation's Chief Executive Officer

3.30.16  
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:

Chris.P.esqyr.com

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:

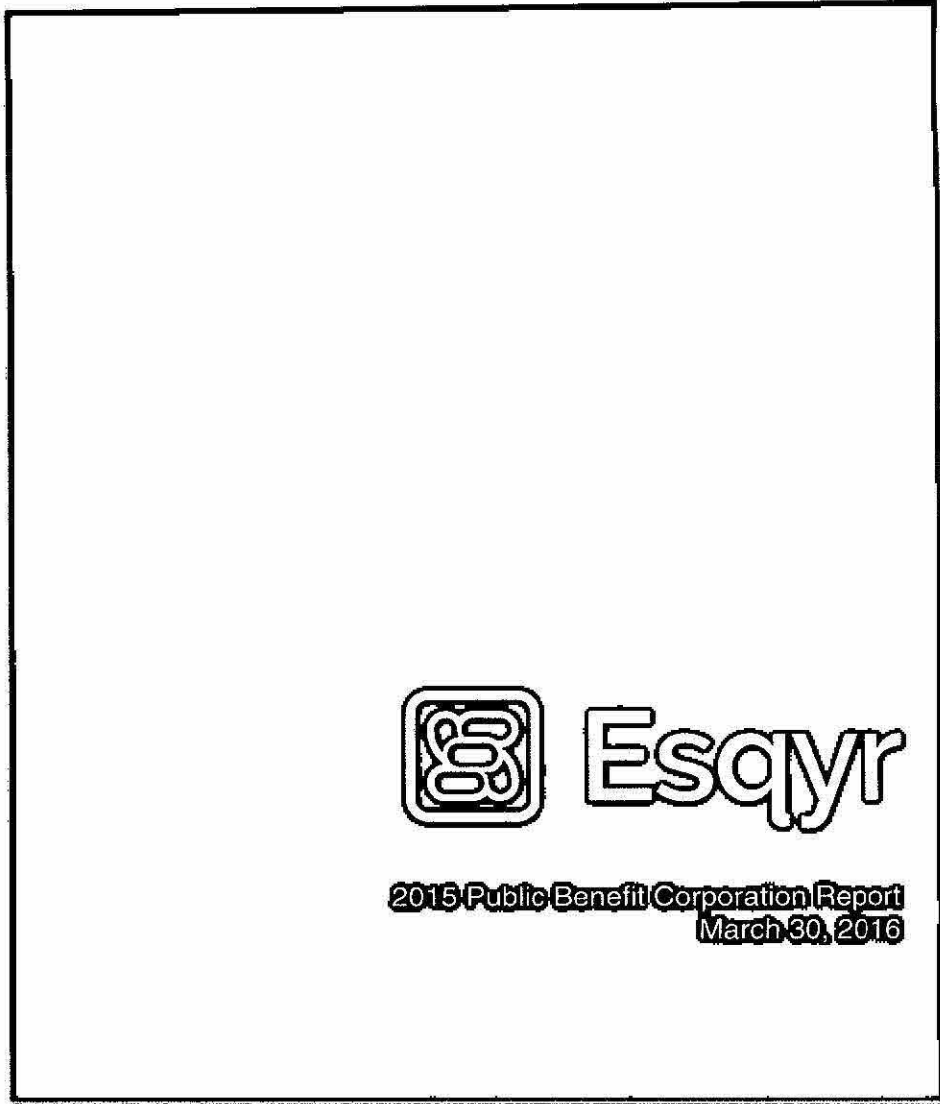
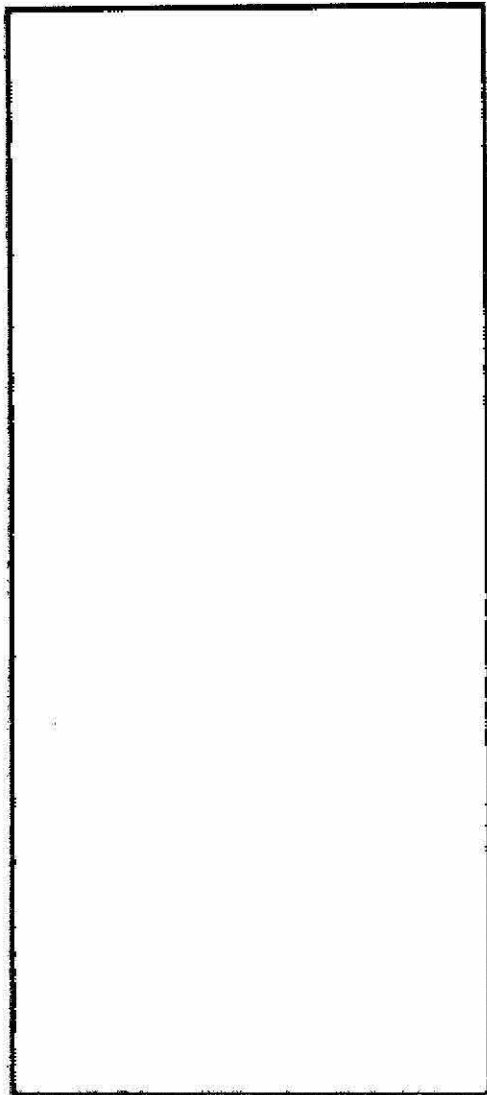
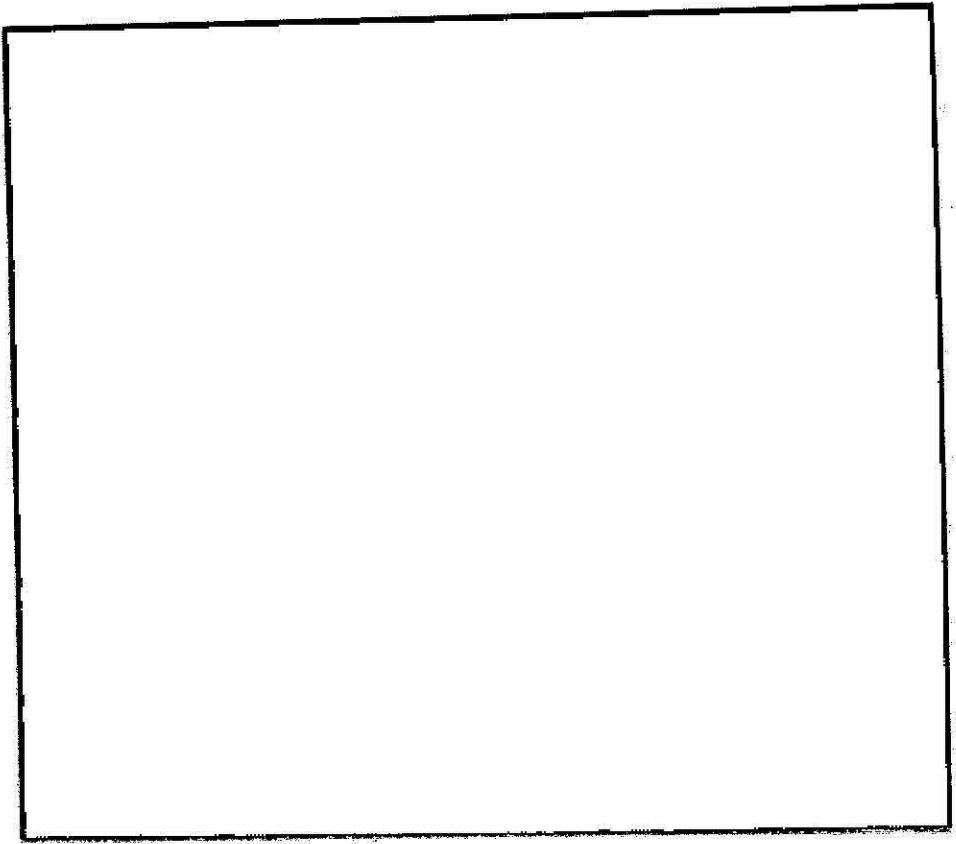
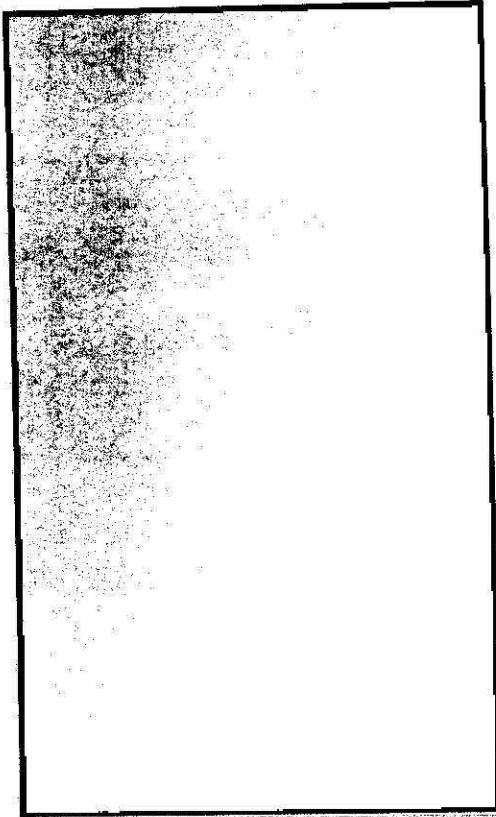
Chris Henjum | 612 709 3538  
Contact Name | Phone Number

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

Print Reset



**2015 Public Benefit Corporation Report**  
**March 30, 2016**

## Summary

Student debt is a national crisis. Unrelenting increases in educational costs have crippled student finances, and the statistics are staggering. Last year's graduates were the most indebted ever, and the trend is expected to continue.<sup>1</sup> Student debt is now on track to hit \$2 trillion by 2022 – a 700% increase since 2003.<sup>2</sup> This issue hits close to home, as Minnesota ranks fifth nationally in students with the highest student debt.<sup>3</sup>

At the same time that student debt has skyrocketed, there has been a corresponding increase in the number of occupations requiring a license to work. In the 1950s, only one in 20 workers needed a license to pursue their chosen occupation; by 2012, that figure had grown to one in three.<sup>4</sup> The expansion of professions requiring a license – and therefore a licensure test – has forced many students to take on even more debt to cover expensive test prep costs.

Esqyr is a public benefit corporation delivering cost-effective license/credential study materials, while also donating profits to organizations tackling student debt. By doing so, Esqyr will work toward reducing the mounting debt burden faced by students, and will ultimately help students “do good and test well.”

## The Esqyr Team



Chris Henjum,  
President

Chris formed Esqyr after struggling with his own significant student debt. He is an attorney working in Saint Paul.



Michael Wilson,  
Lead Software  
Engineer

Michael is a startup veteran, having formed his own startup and now working for a major tech company in Chicago.



Anthony Chester,  
Chief Content  
Creator and  
Director of Sales

Anthony has experience practicing consumer debt law, and will handle much of Esqyr sales.

<sup>1</sup> <http://blogs.wsj.com/economics/2015/05/08/congratulations-class-of-2015-youre-the-most-indebted-ever-for-now/>, <http://www.demos.org/blog/4/24/14/reflecting-1-trillion-student-debt-and-why-were-headed-2-trillion>

<sup>2</sup> *Id.*

<sup>3</sup> <http://www.usnews.com/news/blogs/data-mine/2015/10/27/2014-graduates-had-highest-student-loan-debt-ever>

<sup>4</sup> <http://ij.org/report/license-to-work/executive-summary/>

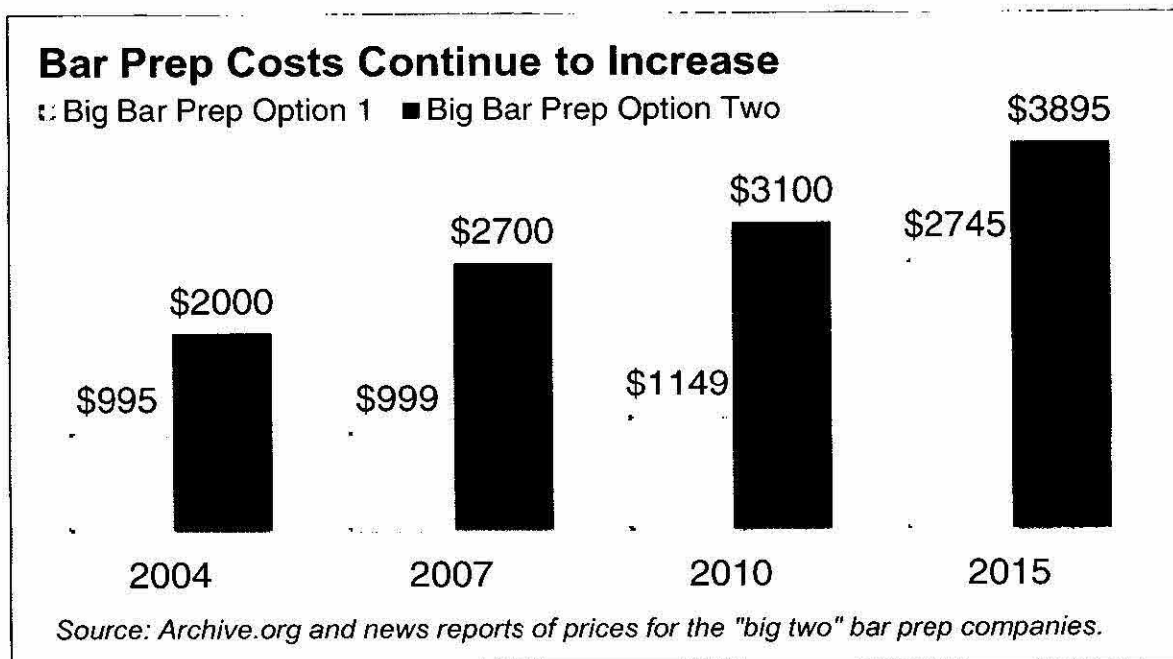
## The Student Debt Crisis

Esqyr has a long-term vision to serve students preparing for licensure in their desired profession by providing cost-effective study tools. Initially, Esqyr will focus on the legal profession with tools for bar exam preparation, because of the industry's notoriously high – and increasing – costs.

Among test prep businesses, bar exam prep companies are the most egregious contributors to student debt – charging up to \$4,000 for a bundled package of materials. And prices are on the rise: one bar exam prep company increased its prices 175% over the past 10 years – which is 75% faster than public school tuition.<sup>5</sup>

About 17% of recent graduates' debt is in private loans, which is often used to pay for the bar exam.<sup>6</sup> In fact, law students are the *only* students that have a private loan actually named after their licensure test – and it was an open question until recently whether this loan could even be canceled in bankruptcy.<sup>7</sup> Lenders are more than willing to profit off of students who are at the mercy of a broken test prep market for the bar exam, and large bar exam prep companies continue to reap the benefits.

While rising tuition costs are caused by a complex mix of factors, there few defensible reasons why the cost of test prep products – which are often needed to obtain a license or credential prior to working – continue to increase year after year:



In addition to being expensive, the test prep bundles offer little flexibility or customization, often forcing students to buy extra resources they may not need.

Esqyr can make a difference because it gives students choices to reduce student debt.

<sup>5</sup> Archive.org and news reports of prices for the "big two" bar prep companies.

<sup>6</sup> [http://www.upi.com/Top\\_News/US/2015/10/27/Study-Average-student-loan-debt-rose-56-percent-in-past-decade/5971445952665/](http://www.upi.com/Top_News/US/2015/10/27/Study-Average-student-loan-debt-rose-56-percent-in-past-decade/5971445952665/)

<sup>7</sup> <http://www.wsj.com/articles/judge-says-bankrupt-law-grads-can-cancel-bar-loans-1458941328> , <https://www.wellsfargo.com/student/graduate-loans/bar-exam/>

## The Esqyr Social Mission

Esqyr formed as a public benefit corporation on July 30, 2015 to assert our strong commitment to serve students, rather than just the bottom line.

As stated in our Articles of Incorporation, Esqyr's public benefit is twofold:

"First, giving a proportion of its profits to students to reduce or prevent debt related to educational costs, and/or second, to give a portion of its profits to organizations seeking to reduce student debt through systematic educational reforms."

Because the amount of profit donated impacts the price of our products, Esqyr is balancing two considerations:

### 1. Delivering Low Prices and Student-Friendly Products

Though Esqyr's long-term strategy is to produce materials for credentials/licenses for several occupations, Esqyr will initially launch with tools designed for the bar exam.

The bar exam is the culmination of three years of legal education. As with other licenses, a student cannot practice without passing a licensure test. Because study support options are limited and licenses are mandatory to begin work, test prep companies (who are driven to deliver profit margins) have no incentive to both limit prices and provide the best study prep options for students.

Because Esqyr aims to reduce and/or prevent student debt, it will price products as low as possible while keeping the company revenue-positive and allowing for donations (described below).

### 2. Debt Reduction and Reform of Higher Education

Esqyr plans to charge roughly half the price for similar products sold by its competitors, while 1) donating accounts to students who face challenges paying back student debt (due to their area of practice) and 2) donating profits to organizations working on student debt issues.

## Annual Progress Toward Social Mission

### Esqyr's Public Benefit in 2015

Esqyr has not yet launched, so it cannot yet donate profits and/or accounts. However, with regard to the period covered by this report, July 30, 2015 to December 31, 2015, Esqyr pursued the specific benefit purpose stated in its articles of incorporation in the following ways:

1. Discovering and partnering with allied organizations
2. Public education and outreach
3. Preliminary organization of small companies for student benefit

The following is a description of how the Esqyr is working toward achieving its specific benefit purpose:

### **1. Discovering and Partnering with Allied Organizations**

Esqyr joined Impact Hub, a recently launched organization focused on organizations with a public mission. As part of Impact Hub, Esqyr co-founders have shared our public mission at events focused on social mission-driven companies and began speaking as a corporate leader on student debt reduction and prevention.

In addition, Esqyr's co-founders have researched and collaborated with organizations working on student debt prevention and higher education reform to reduce student debt. Organizations such as Law School Transparency and The Institute for College Access and Success emerged as likely organizations to which Esqyr may donate in the future.

### **2. Public Education and Outreach**

Esqyr grew its following on Twitter significantly, with its posts receiving 26,000 views in 2015. Nearly all posts are focused on student debt, financial literacy, or higher education reform. Esqyr has also developed a Facebook page and will be working to expand its social media reach in the coming year.<sup>8</sup>

In addition, Esqyr's website features a section with resources for students seeking information on student loan programs, financial education, and higher education advocacy. Esqyr also plans to fund research by leaders in higher education reform and has already met with these individuals to establish ongoing relationships (e.g. The Law School Bubble blog, Law School Transparency, etc.)

### **3. Preliminary Organization of Small Companies for Student Benefit**

The current test prep market is dominated by a few large, well-known players who offer complete prep packages, and many smaller companies who offer one-off services or products (tutoring, flashcards, databases of state-specific materials, etc.). It is nearly impossible for students to find these one-off services or products, which likely leads many to sign up for services they can barely afford.

Organizing these smaller companies' offerings into one centralized resource would greatly benefit students. Creating such a resource would provide students with a suite of tools that would be tailored to what they want – at thousands less than they would pay for the same service provided by the few large companies. In the past year, Esqyr has started to compile these companies to provide references to help students save money.

## **Plans for the Future**

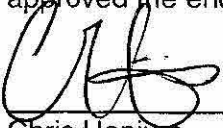
To date, Esqyr has made substantial strides to help students to “test well and do good.” In the coming year, the company will officially launch and begin to expand its focus on resources for credentials and licenses beyond law.

Because Esqyr has yet to launch, it is impaired in its ability to achieve its specific benefit. However, in the coming months, Esqyr will be fully able to serve students through donations, free accounts, public education, and partnerships with small companies.

<sup>8</sup> Twitter and Facebook analytics provided by HootSuite.com and Twitter.com.

**Certification By the Board of Directors**


The undersigned, being all the directors of Esqyr, hereby acknowledge and certify that we have reviewed and approved the enclosed First Annual Report.



Chris Henjum  
President, Esqyr, SBC

**SUBMISSION:**

I, the undersigned, certify that I am the President 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.

  
Chris Henjum, Esq., SRSC President





**Work Item 881694700036**  
**Original File Number 834850200056**

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
FILED  
03/30/2016 11:59 PM

*Steve Simon*

Steve Simon  
Secretary of State