



Making Tennessee the Innovation Capital of America

An Economic Development Roadmap
from the Entrepreneurship & Innovation Council
of the Beacon Center of Tennessee



Strong Growth but Troubling Forecasts

If there is one word that best describes the American economy of the past few decades, it is change, and change at an ever-increasing rate. Changes in technology are widely believed to have led to a surge in American workers' productivity in the late 1990s and early 2000s. But this broad level of change is not just limited to technology. The rise of platforms has led to a record number of Americans working as freelancers or gig-workers. Companies like Uber, Netflix, Airbnb, and Tesla have challenged long-entrenched industries and delivery models. The COVID-19 pandemic changed the nature of work and led to shifts in industries, such as the rise of food trucks as an alternative to brick-and-mortar restaurants.

At the heart of these changes is the innovative entrepreneur or small business owner. Small businesses are responsible for 66 percent of employment growth over the last 25 years. In some ways these startups are poised to continue to shine, with both the number of startups funded and the size of those funding rounds growing tremendously. Yet, the business startup rate and share of Americans employed in startups (companies formed within the past year) are near all-time lows only improving recently since the start of the pandemic. How are these seemingly irreconcilable countering trends possible? One explanation has been the concentration of this innovation, growth, and funding in a few cities along the American coasts. From 2005 to 2017, more than 90 percent of America's innovation-sector growth was in five metro areas: San Jose, San Francisco, San Diego, Boston, and Seattle.

Meanwhile, Tennessee has become the envy of many states with the nation's lowest per capita debt and second lowest tax burden after Alaska. However, if Tennessee wishes to have a thriving economy in the future, it must become an entrepreneurial and innovation leader today with a more dynamic economy in which new startups are created, thrive, sometimes fail, and realign. To accomplish this, we must identify and pursue reforms that nationally recognizes Tennessee as the easiest place to start a business and creates an economic system that allows all entrepreneurs to flourish without onerous government interference.



A Council of Entrepreneurs

The Beacon Center established an Entrepreneurship and Innovation Council — comprised of some of the state’s leading entrepreneurs and innovative policymakers — to identify the barriers that should be eliminated and the market-friendly policies that should be adopted to fuel entrepreneurship. Entrepreneurs by their nature are problem solvers and they know better than anyone what actual hurdles prevent them from achieving their visions.

The Council met throughout 2022 to study barriers imposed on entrepreneurs and innovators, researched solutions that other states and nations have advanced, and crafted new and unique solutions to these problems. The Council chose to balance its efforts and recommendations in a way that will benefit all Tennessee small businesses, from mom-and-pop shops to the high-tech. To leverage Tennessee’s existing strengths and attract new emerging sectors, the Council made recommendations in four areas:

- 1. Entry Barriers:** What are the costs and other barriers for entrepreneurs looking to launch businesses? Here, the Council sought to duplicate Delaware’s strong business climate and ease of starting a business.
- 2. Taxes:** Tennessee already has a strong tax climate as an income tax-free state; however, there are numerous opportunities for reform on the business side, particularly around reducing compliance costs and reforming taxes that punish entrepreneurs and startups.
- 3. Healthcare:** Tennessee, and particularly Nashville, is a leader in the healthcare services industry. What reforms are necessary to expand the state’s status as a healthcare hub?
- 4. Blockchain:** How can Tennessee become a magnet for the development of revolutionary blockchain technology beyond its traditional applications in finance and financial technology?

The recommendations below are by no means an exhaustive list of free market reforms that would help foster entrepreneurship and innovation. However, these recommendations, if acted upon by policymakers, would create the largest leverage points to make Tennessee the capital of entrepreneurship and innovation in the United States.



Council Members

John Bass

Founder & CEO, Hashed Health

TJ Chang

Co-Founder and General Partner, Krypton Ventures

Scott Conger

Mayor, City of Jackson

Amanda Latifi

Co-founder & CEO, Hafta Have

Jared Meggs

Founder & CEO, Prosody

Richard Patton

Founder, Chairman & Chief Investment Officer, Courage Capital Management

Jason Schmitt

CEO, Old Time Pottery

Senator John Stevens

Tennessee State Senator, District 24

Douglas Song

Co-founder & Managing Partner, Prodos Capital

Jorge Titinger

Titinger Consulting

Tammy Wolcott

CEO, LBMC W Squared, LLC



Entry Barriers

All businesses, even behemoths like Apple and Walmart, started with the simple step of an entrepreneur taking a risk and launching their business. As entrepreneurs seek to launch businesses, they balance numerous priorities and challenges from obtaining funding and identifying talent to vetting vendors and obtaining customers. These new business owners often launch their business based on a specific skill or a developed product, but they have little experience running a business. For example, someone who starts a restaurant or a plumbing business may have little to no previous experience managing cash flows, creating a budget, or interpreting a profit and loss statement. Tennesseans desiring to run a

business need readily available resources to help them obtain the technical expertise required to launch their business quickly and effectively. Due to their geographic proximity and reach, Tennessee’s community colleges or Colleges of Applied Technology (TCATs) could serve as affordable and effective centers to learn these basic entrepreneurial skills either in-person or online.

Recommendation

State community colleges and TCATs should offer a standardized set of entrepreneurial programs that provide affordable and cost-effective training to Tennesseans looking to start a business.

1



When starting a business for the first time, few entrepreneurs contemplate the regulatory costs and government agencies involved in launching their business. But these costs are real. A 2017 survey of entrepreneurs and small business owners found that the average regulatory cost for a new business in its first year is more than \$83,000. While it would be difficult to fully eliminate these costs or government agency involvement, state policymakers could look at Delaware’s business friendliness, efficiency, and strong business case law as a role model.

First, Tennessee should seek to streamline the process and agencies that prospective entrepreneurs must interact with to launch their business. Delaware is known for its simplicity of employing a registered agent that can handle all government filings and have all necessary paperwork processed in as little as an hour. In Tennessee, entrepreneurs must file with a local

clerk, often with the Secretary of State, and with the Department of Revenue to have their business fully operational. Meanwhile, state resources for entrepreneurs are often housed within the Department of Economic and Community Development (ECD) and may be missed as entrepreneurs are not required to interact with ECD. While the Department of Revenue has resources for new business owners, most entrepreneurs would likely not see them until registering to pay taxes, after the process of fully launching a business is nearly complete. Much of Delaware’s attractiveness for new businesses is not the cost, but rather the simplicity of starting a business there.

Recommendation

Designate a “one-stop shop” within state government for all business filings and resources for soon-to-be entrepreneurs.

2

The state should consider waiving the cost of an individual's first business venture as an additional recruitment tool to improve Tennessee's attractiveness with out-of-state entrepreneurs and Tennessee residents alike. According to data obtained from the Secretary of State, Tennessee collected over \$18 million in registration fees in 2021 from newly formed LLCs alone. By making it "Free to Be in Tennessee" for a person's first

business filing, that money could be reinvested back into the early stages of their business and would further elevate Tennessee's reputation as a business-friendly state.

Recommendation

Create a "Free to Be in Tennessee" campaign where an individual's cost for filing their first business is waived by the state.

3



Finally, Delaware is attractive to businesses and corporations looking to launch due to their advanced and flexible corporate law and business-focused chancery court. The court is known for its efficiency, expertise, and strong body of case law handling even the largest of cases. Recently the court was expected to handle Twitter's planned courtroom battle with Elon Musk. In 2015, the Tennessee Supreme Court created a Business Court Docket Pilot Project to serve a similar purpose as Delaware's. To speed the development of the project, state policymakers could make the pilot project permanent and adopt all of Delaware's case law except where

it explicitly contradicts existing state statutes. Adopting Delaware's case law and business court approach would immediately make Tennessee more attractive to businesses and corporations looking to domicile and grow here.

Recommendation

Expand Tennessee's business court pilot project and adopt Delaware business case law except where it contradicts existing Tennessee statutes.

4

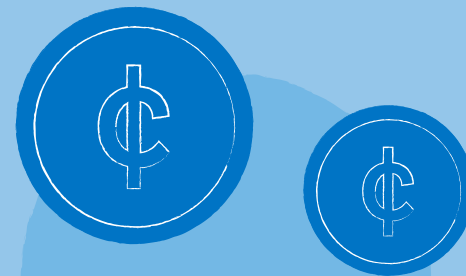
Taxes

As one of the few states with no personal income tax, a flat corporate tax, and no property taxes on inventory, Tennessee already has a strong tax climate. However, Tennessee's business tax structure creates perverse incentives and punishes entrepreneurs, particularly in high-investment sectors.

Meanwhile, Tennessee's competitors are not sitting still. While Tennessee's corporate income tax rate is tied for the highest in the Southeast, North Carolina is aggressively phasing out its corporate income tax over the next decade and will soon become the third state without a corporate income tax or business gross receipts

tax. Mississippi is in the process of phasing out its capital stock tax, just like Tennessee's approach with the Hall Income Tax. As tax reform can have a near immediate impact and tip the scales in favor of one state over another for an entrepreneur looking to launch, expand, or relocate their business, the Council investigated the importance of further tax reform.

Our top recommendation is the elimination of the state's "Business Tax," or gross receipts tax. Gross receipts taxes create a pyramid effect, driving up the cost of goods and favoring large corporations with more vertical integration.



The Effect of Tax Pyramiding Under a Gross Receipts Tax

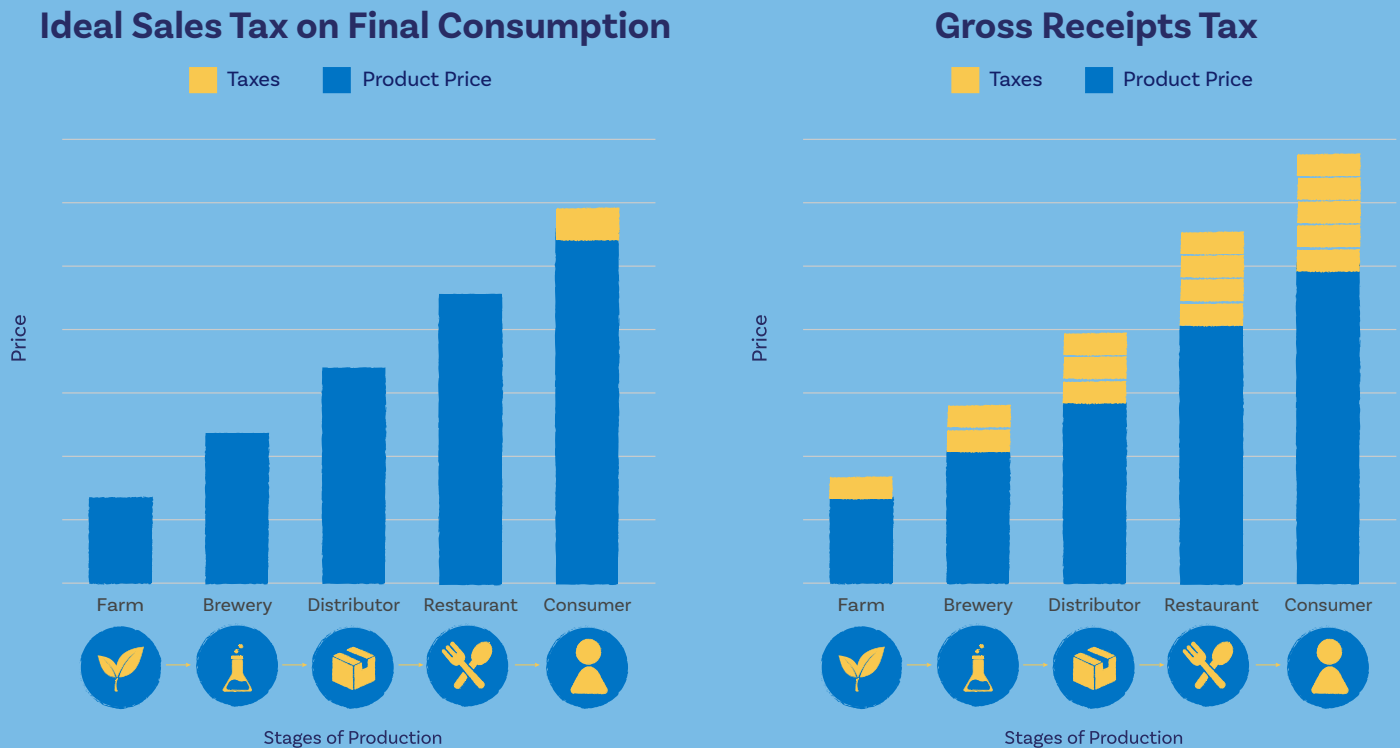


Figure 1. Gross receipts taxes like Tennessee’s Business Tax create an exponential effect, driving up the costs of goods at every stage of the supply chain.

Because the tax is on gross sales rather than profits, the tax punishes startups and entrepreneurs, who typically take several years to reach profitability. Tennessee is one of only seven states with a gross receipts tax, and our version is an unusually onerous one from a compliance perspective. Local governments can impose an additional tax on top of the state tax, and depending on the industry or service, businesses may face different tax rates. Businesses must determine what their tax rate is - no small feat as the official guidance from the state is over 150 pages. Meanwhile, the tax only generates \$540 million in state and local

government revenue (roughly two percent of all state and local revenue). That amount that nowhere justifies the onerous compliance cost it places on businesses and the pressure it places on the price of goods in an era of high inflation. Few if any other policy changes the state can make would have a greater impact on countering inflation harming Tennesseans right now.

Recommendation

Eliminate the Business Tax, ideally immediately or through a phaseout like the Hall Income Tax.

The second tax issue we identified as a major pain point for entrepreneurs is the state’s tangible personal property tax. While many states include machinery and equipment in a business’s liability like Tennessee, most states offer a “de minimis” exemption, waiving the tax for businesses with the smallest of liabilities. The reason for this is because, like the Business Tax, the compliance cost for businesses—especially small businesses—is extremely high. For example, in a recent TACIR hearing, the Williamson County Trustee stated that 22 percent of personal property accounts yielded tax bills of \$10 or less. At such amounts, many small businesses spend more time assessing their personal property than they ultimately pay in taxes.

However, a de minimis exemption requires a change to the state’s constitution, which is a long

and arduous undertaking. In the meantime, state policymakers should create additional “streamlined” assessments as a short-term solution. Currently, the smallest of businesses can forgo itemizing their liability if they attest to having no more than \$1,000 of assets and paying the tax on that amount. Policymakers should create additional thresholds to streamline the process for more businesses. For example, a threshold of \$10,000 would cover roughly half of all Tennessee businesses.

Recommendation

Raise the “streamlined” assessment option for tangible personal property taxes from a \$1,000 threshold to \$10,000, with the goal of amending the state constitution to allow for the creation of a de minimis exemption.

2



The final tax that the Council believes needs to be reformed for the sake of entrepreneurs is the state’s “Franchise Tax,” a capital stock tax. Tennessee is one of only 16 states with capital stock tax and has the fourth highest rate in the nation. Like the Business Tax, the Franchise Tax is levied regardless of whether a business makes a profit, making it extremely punitive to new businesses and startups that have yet to turn a profit. Even worse, Tennessee is one of the few states without a cap on its Franchise Tax liability. One’s liability is based on the greater of the company’s net worth or the book value

of real or tangible personal property owned or used in the state. The “greater of” format unfairly punishes businesses and sectors with large amounts of machinery and other equipment, as they will have a larger Franchise Tax liability and tangible personal property tax liability.

Recommendation

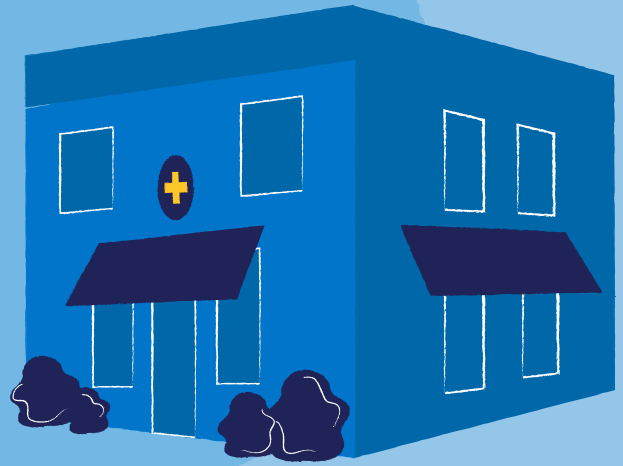
Eliminate the “greater of” format for the Franchise Tax and create a maximum cap liability like that of other states.

3



The Council also considered reforms to the Excise Tax, the state’s corporate income tax. We considered reforms such as fully transitioning to a single-sales factor apportionment and allowing for the full expensing of investments, like what is allowed at the federal level. While

state policymakers should consider this reform over the long-term, the Council believes the Excise Tax is less onerous from a compliance standpoint and is not as punitive on small businesses compared to the three taxes addressed above.



Healthcare

Tennessee, and particularly Nashville, is already a national healthcare hub. According to the Nashville Healthcare Council, an association of Nashville-based and national healthcare firms, the city’s healthcare industry generates \$66.9 billion annually in revenue and more than 328,000 jobs. Healthcare policy is extremely complex due to its complicated third-party payment system, federal government intervention, and myriad of stakeholders (e.g., payer, provider, consumer). With so much of the nation’s healthcare policy set at the federal level, the state can only do so much. There is no one silver-bullet policy that will lower costs and provide high-quality care to every Tennessean. However, state policymakers have an opportunity and responsibility to remove barriers to greater access and better care. The Council chose to focus on policies that reduce barriers and costs for healthcare providers that would ultimately lead to better quality and cheaper costs for consumers.

First, while its utilization rates have fallen since the start of the pandemic, telemedicine remains a relatively new and innovative technology. Tennessee is the only state that mandates patients start an in-person relationship with providers before being able to utilize telemedicine. The Council heard from several experts that this restriction can impede innovative providers from cultivating and maintaining relationships with patients. Eliminating this requirement may offer the ability for both practitioners and patients to utilize this technology more meaningfully.

Recommendation

Eliminate the requirement for providers to establish an in-person relationship with patients before utilizing telehealth.

1



Second, COVID-19 highlighted the need for more trained healthcare professionals, especially in rural communities. While much attention has focused on doctors and nurse practitioners, the larger shortage involves all “bedside professionals” including nurses, lab technicians, phlebotomists, and pharmacists. Tennessee may need to lower the entry requirements for

these professions where possible. This will allow providers to more easily hire the workforce necessary to grow and better serve patients.

Recommendation

Reduce professional entry requirements and expand the scope of practice of lower-level healthcare workers where possible.

2

Finally, one regulatory area on the horizon deals with artificial intelligence and machine learning (“AI/ML”) and smart machines. AI/ML has the potential to revolutionize healthcare in the delivery of care. As machines begin reading tests like X-Rays, MRIs, and retina scans, there will be questions around what regulations are needed to ensure quality. The second area that AI/ML has the potential to revolutionize is the administration of healthcare (e.g., provider credentialing, the process of verifying the professional qualifications of medical providers).

It is understood that the FDA will provide regulatory oversight of AI/ML in the delivery of care. However, it is unclear what role (if any) the FDA will play in regulating AI/ML in the administration of healthcare. While the debate

around AI/ML in the delivery of care is debated in Washington D.C., state policymakers should conduct a comprehensive review of all Tennessee statutes, rules, and policies to identify possible roadblocks that may inhibit use of AI/ML above and beyond any future FDA requirements and seek to remove those burdens. Removing barriers to this technology will ensure that Tennessee remains a hub for new technologies and devices in the medical field.

Recommendation

Conduct a comprehensive review of state statutes and rules to ensure no restrictions on artificial intelligence and machine learning exist above and beyond FDA requirements.

3

Blockchain



Despite the ups and downs of the cryptocurrency industry, blockchain technology still holds tremendous potential to transform sectors such as banking, logistics, and even healthcare. As a result, many countries, states, and even cities have sought to attract blockchain businesses and entrepreneurs. For example, Miami Mayor Francis Suarez sought to turn the city into the hub for Bitcoin-related investments and start-ups. As a result of these and many other efforts, some in the growing crypto industry have become increasingly unimpressed and even skeptical of state-level efforts to attract blockchain entrepreneurs short of a full holistic approach that provides legal clarity, certainty, and consistent definitions.

Tennessee should pursue an approach similar to Wyoming, which began a series of reforms in 2017 to position the state as a regulatory haven for Bitcoin and other blockchain-based projects. One reform allowing for the creation of “crypto banks” (called Special Purpose Depository Institutions) is estimated to bring up to \$20 billion in investment to the state. The Council spoke with experts on Wyoming’s crypto-related laws and initiatives. While it would be tempting to seek to duplicate most if not all of these reforms, such a large initiative and effort would likely be confusing and politically challenging. Ultimately, the Council believes that four of Wyoming’s most foundational reforms would provide the clear and holistic framework necessary to attract key investments and put Tennessee on the radar with other emerging blockchain hubs.

By declaring blockchain-based assets as property rather than securities, they become the regulatory purview of the state and not the federal government. Subsequently exempting cryptocurrencies from personal property taxes, especially when they are used as a method of payment, will ensure that digital assets are not

subject to a tax designed for hard goods with a heavy compliance burden.

Recommendation

Clarify “token taxonomy” by defining cryptocurrencies as property, but property that is exempt from tangible property taxes.

1

By applying the “super-negotiability” rules of money and property right protections of the UCC directly to individuals for all blockchain-based assets, Tennessee can promote the adoption and liquidity of blockchain based assets and ensure state commercial law reflects the true nature of this technology such as their directly owned and peer-to-peer nature.

Recommendation

Give further legal certainty by granting the “super-negotiability” status and the property right protections of the Uniform Commercial Code directly to individuals and for all blockchain based assets.

2

Innovative companies prefer to hear that their new business model, product, or service is expressly allowed rather than regulators telling them that it might not be prohibited. State policymakers should create a regulatory sandbox as a mechanism that can provide that regulatory certainty on the front end. A regulatory sandbox is a program set up to assist innovative entrepreneurs and small business owners as they test, try, and launch new technologies and products by temporarily removing archaic regulations that have nothing to do with health and safety and that would otherwise make it difficult or impossible for those entrepreneurs to get their products off the ground. By fast-tracking

new businesses through bureaucratic red tape and giving them regulatory clarity, lawmakers can make it easier for these entrepreneurs to start and grow their companies and create jobs in our state. A regulatory sandbox that covers financial technology and blockchain-based assets, like those created in eight other states, would provide regulatory flexibility and reduce perceived risks by creating a mechanism where innovative actions can be deemed acceptable by regulators.

Recommendation

Create a regulatory sandbox.

3

Additionally, while adopting Delaware’s business case law was previously mentioned, with blockchain-based assets likely to soon be front and center in business disputes, adopting Delaware’s business case law except where it expressly contradicts Tennessee statute would be even more beneficial for this emerging sector.

providing tax certainty, legal clarity, and regulatory flexibility. We believe that if the state acts quickly on these proposals, it can be the place that accomplishes the best of both worlds, creating the “buzz” of a desirable location like Miami, while offering the most attractive business and regulatory environment of Wyoming.

Recommendation

Adopt Delaware Case Law.

4

These proposals would create the holistic approach necessary to attract innovative companies in the blockchain industry by



Conclusion

The Council believes these reforms and initiatives will make Tennessee the easiest place to start and grow a business. From high-tech healthcare or crypto start-ups to family-owned restaurants, Tennessee entrepreneurs and innovators need and deserve a policy and regulatory landscape that is clear, not overly burdensome, and facilitates their growth. We can create the environment for all businesses to thrive by reducing the barriers and costs to start a business and improving our tax code. Additionally, Tennessee can build upon or become a leader in rapidly evolving and emerging sectors through reforms that foster the adoption and utilization of revolutionary technologies. Given the opportunity and environment to thrive, Tennessee business owners are problem solvers and innovators. It is time for state policymakers to act and create that environment.



Council Member Bios

John Bass, Founder & CEO, Hashed Health

John Bass is the Founder & CEO of healthcare innovation studio, Hashed Health, a leader in the development of blockchain distributed ledger applications and tools for healthcare. Hashed Health's portfolio includes Professional Credentials Exchange, a startup with a new business model for physician credentialing.

John is an internationally recognized speaker on blockchain technologies. He also co-authored the book *Blockchain for Healthcare. Innovations that Empower Patients, Connect Professionals & Improve Care*. He and his team at Hashed have won numerous awards including Innovator of the Year, #1 Client Rated Blockchain Developer, and #1 Client Rated Blockchain Advisory in unbiased surveys. Formerly, John was CEO at InVivoLink (sold to HCA). His experience includes startup *empactHealth.com* (sold to Global Healthcare Exchange).

TJ Chang, Co-Founder and General Partner, Krypton Ventures

TJ graduated magna cum laude from Occidental College with a B.A. in Economics and is a general partner and co-founder at Krypton Ventures. He is well embedded in the start-up community and primarily invests in early-stage tech projects that have the potential to minimize big government control through blockchain technology. His record with start-ups speaks for itself, having founded 5 startups with 1 successful exit and currently sitting on the board of 4 startups.

After living in Los Angeles for 12 years and experiencing cancel culture, TJ has grown to be a huge promoter of LGBT republican voices. He has spoken on both CBS and FOX being bold and unapologetic about his views and continues to encourage more gay conservatives to speak out.

Scott Conger, Mayor, City of Jackson

Scott Conger was elected Mayor of Jackson on June 18, 2019 with 63.2 percent of the vote in a runoff election. His four-year term began on July 1. Conger is the third member of his family to serve as Mayor of Jackson. First serving as a city councilman in 2011, Conger represented District 5 of Midtown Jackson. He served on the Expenditure Committee, Budget Review Committee, Municipal Solid Waste Regional Planning Board, and was chair of the Taxi Board.

Along with his political responsibilities, Conger served as the President and CEO of United Way of West Tennessee from 2015-2019, an organization that brings people and resources together to help meet the needs in the area. Before United Way, his career began in higher education working as an admissions counselor for Lane College, later transitioning to the director of the loan management program. He went on to serve as the Donor Management Director of the West Tennessee Healthcare Foundation.

From 2010 to 2011, he led the Lambuth Area Neighborhood Association as president. He served on the boards for Jackson Downtown Development Corporation, the Jackson Area Chamber of Commerce, Area Relief Ministries, The Salvation Army, and WLJT-DTV Public Television for West Tennessee. Conger is a Rotarian and Eagle Scout, having served as Assistant District Governor, Past-President and affiliate of the Membership Committee and Strategic Planning Committee for

Council Member Bios

the Jackson Rotary Club. He is also a member of St. John's Masonic Lodge and the Jackson Scottish Rite of Jackson, where he served as Past-President and is a York Rite Mason.

An alumnus of Lane College, Conger was rewarded with the Tradition Award and Outstanding Young Alumni from the National Alumni Council of the UNCF. He went on to earn his Master's in Business Administration from Bethel University, where he served as an Alumni Ambassador for the program and is now a member of the board of trustees. An alumnus of Leadership Jackson and WestStar, Conger is committed to providing an educated workforce throughout West Tennessee. He was named one of Jackson's Finest Young Professionals in 2012 and one of The Jackson Sun's Forty Under 40 for 2014. He has also been recognized for his community service by New Life Christian Ministries and is a recipient of the William H. Graves Sr. Humanitarian Award. He was voted Best Local Public Servant in The Jackson Sun's 2014 Reader's Choice Awards. A member of the Lambuth Memorial United Methodist Church, Conger serves as District Lay Leader, and is involved with the Leadership Team, Staff/Parish Relations Committee and Evangelism Committee.

Conger enjoys life in Jackson with his wife, Nikki, daughter, Madelynn, and son, Charlie.

Amanda Latifi, Co-founder and CEO, Hafta Have

Named one of "5 Women at the Cusp of Fashion + Technology Innovation", Amanda Latifi is the co-founder and CEO of Hafta Have, a platform that empowers brick & mortar stores to perform more like online. A 2020 New York Fashion Tech Lab company and featured at this year's NRF Innovation Mansion, Hafta Have has pioneered the contactless capture of shopper data to drive cross-channel conversion, all via SMS.

Amanda brings 15 years of experience in retail strategy and brand marketing for Fortune 500 brands: Sears, McDonald's, SC Johnson Brands, MarsWrigley (Skittles, Combos, Milky Way). A brand strategist assigned to McDonald's during the recession, Amanda was an integral member of the company's 'value team' studying price-sensitivity thresholds across the U.S.

Published with two Cannes Lions, Amanda shifted to tech in 2013 leading Marketing and Business Development for Fahlo (backed by Scooter Braun, Mark Cuban, Google Ventures, KPCB, Deep Fork) - helping to raise \$20M at a \$100M valuation (led by Yuri Milner). Amanda was tapped to consult with Whipclip (a \$600M valuation) - founded by Richard Rosenblatt and Ori Birnbaum, on branding and user acquisition / activation. Amanda has a MA in Advertising from The University of Texas and a minor in Marketing from The McCombs Business School. Amanda relocated to Nashville in 2019 with her husband and daughter. Say hello: @haftahave or @aelatifi on all socials.

Jared Meggs, Founder and CEO, Prosody

Jared Meggs is a healthcare and technology entrepreneur whose work is dedicated to the advancement of whole-person care and human development.

Over a decade ago, Jared started his career as a clinical investigator at Vanderbilt University, where he researched ways to predict depression and suicide risk. Following his tenure in academia, he

Council Member Bios

led clinical operations for Fortune 100 companies: St. Jude Medical, Abbott Laboratories, and Johnson & Johnson.

Currently, Jared is the founder and chief executive officer of Prosody, a health technology and services company with a portfolio of novel solutions that support behavioral health, addiction treatment, and primary care.

Discovering, developing, and deploying pragmatic, tech-enabled solutions that drive industry change and population-level impact is what drives Jared's work. He believes that primary health care starts with mental health care, and that technology, complemented with human connection, has the powerful potential to transform health care from a service to a product.

In 2021, Jared was recognized by Forbes for his leadership and innovation in helping thousands of Americans access and receive proactive health care. Outside of work, he serves on the leadership board and strategic planning committee of Siloam Health, and he supports the educational programmings of Lipscomb University and Vanderbilt University. Jared lives in Nashville and enjoys cosmology, music, and poetry.

Richard Patton, Founder, Chairman and Chief Investment Officer, Courage Capital Management

Richard C. Patton is the Founder, Chairman, and Chief Investment Officer of Courage Capital Management. Mr. Patton co-founded Courage in July 1998. From 1996 to 1998 Mr. Patton was at Ingram Industries where they formed and operated Woodmont Capital, LLC, which focused on special situations investing in private and public market securities. From 1994 to 1996, Mr. Patton was a private investor. From 1992 to 1994, Mr. Patton was a Portfolio Manager and Analyst with Fidelity Investments. Prior to this, Mr. Patton was the founder and CEO of a restaurant group, which he ultimately sold. Mr. Patton has served on the board of directors of Williamson-Dickie Manufacturing Company, which manufactures and sells work wear; and Krystal Restaurant Group, Blessings Corp. (Packaging), Ingram Barge Company, Permanent General Insurance and Reddy Ice Corporation. Mr. Patton also served on the boards of the Nashville Humane Association, the Nashville Zoo, the Nashville Region Red Cross, and the American Red Cross. Mr. Patton earned a B.S. in Economics from Vanderbilt University and an M.B.A. from the Harvard Business School.

Jason Schmitt, CEO and Member of the Board of Directors, Old Time Pottery

Jason Schmitt serves as Chief Executive Officer and Member of the Board of Directors for Old Time Pottery, a private equity sponsored omni-channel home décor retailer headquartered in Murfreesboro, Tennessee with nearly 1,000 employees across operations in 11 Southeastern and Midwestern states. Jason became Chief Executive Officer in 2019, architecting a successful turnaround of its business operations that has resulted in revenue, profitability, and workforce expansion. Prior to joining Old Time Pottery, Jason enjoyed a successful 20-year career as a Fortune 500 executive and venture capitalist at Walmart, Amazon, Gap, Mattel, ArcelorMittal, and McKinsey & Company. Jason sits on the Tennessee State Workforce Development Board, the Dean's Advisory Council at Middle Tennessee State University's Jones College of Business, the

Council Member Bios

United Way Board of Rutherford and Cannon Counties, and is a proud graduate of Leadership Tennessee. Jason was selected as a Henry Crown Fellow at the Aspen Institute and a Presidential Leadership Scholar in recognition of his civic leadership. Jason earned his A.B. magna cum laude in Social Studies and J.D. cum laude from Harvard University. Jason lives in Nashville with his husband Michael.

Senator John Stevens, Tennessee State Senator, District 24

Senator Stevens was elected to the State Senate in 2012 and represents Obion, Weakley, Henry, Gibson, Carroll and Benton Counties in Northwest Tennessee. Sen. Stevens is the first Republican to ever represent Obion and Weakley counties in the State Senate. Sen. Stevens lives in Huntingdon, Tennessee, with his wife, Elicia, and his two daughters, Lexie and Mary Kendall. Mr. Stevens and his family are members of the First Baptist Church Huntingdon where John teaches Sunday school and coaches his daughters' Upward basketball teams. He enjoys running, is an avid sports fan, is a lifetime learner, and occasionally spoils a good walk by trying to golf.

Douglas Song, Co-founder and Managing Partner, Prodos Capital

Douglas Song has a diverse background with over 30 years in principal investments, investment banking and operational experience. Mr. Song is a Co-Founder and Managing Partner of Prodos Capital ("PC"), an investment firm focused on investments in the lower middle market. Prior to PC, Mr. Song was the head of investments and corporate finance for Verus International, a boutique merchant banking firm that was co-founded by Citigroup. At Verus, Mr. Song led investments in both private and public companies in the emerging growth and middle market. Prior to Verus, Mr. Song was SVP of Corporate Development at On2 Technologies. At On2, Mr. Song led all aspects of strategic planning, financial analysis, mergers & acquisitions, financings and the capital markets. Prior to joining On2, Song was a Managing Director at Bluestone Capital Partners, where he was a senior banker and a manager in that firm's Corporate Finance Department. At BlueStone, Mr. Song was responsible for the execution of public offerings and private placements as well as merger and acquisition transactions. Mr. Song was a member of BlueStone's Management Committee and Commitment Committee. Previously, he held positions as an investment banker at Smith Barney in the Global Energy and Power Group and Chase Manhattan Bank in the Workout and M&A Groups. During his career as an investment banker, Mr. Song has executed over a billion dollars in public offerings, private placements, cross border mergers and acquisitions, and restructurings transactions. Mr. Song received a B.S. Degree from the Questrom School of Management at Boston University.

Jorge Titingier, Titingier Consulting

Jorge Luis Titingier is multiple times CEO, Strategist, Consultant, Speaker and Board Member with over 30 years of experience directing substantial growth and leading the turnarounds with excellent success. With expertise in large multi-billion dollar companies and tech startups, he is a resourceful and strategist Thinker know for producing results: for developing strategies,

Council Member Bios

establishing new processes, building effective leadership teams, driving innovation and implementing initiatives spanning all business areas.

In 2016 he founded Titinger Consulting, a private consulting and advisory service provider that focuses on making culture a competitive advantage, strategic development and executive coaching, board governance, operational transformations and culture changes.

Tammy Wolcott, CEO, LBMC W Squared, LLC

Tammy Wolcott co-founded W Squared in 2005, which became part of the LBMC Family of Companies through acquisition in 2017. Tammy currently serves as President and Chief Executive Officer of LBMC W Squared, growing the company and providing guidance to all of the core infrastructure service offerings with particular emphasis on Finance, Accounting and Procurement. LBMC W Squared leverages scalable Finance & Accounting systems, people, and processes typically in place for large companies in a fractional outsourced model for small to medium-sized businesses. LBMC and W Squared have been recognized with multiple awards, including the Chamber of Commerce Future 50, Nashville Entrepreneur of the Year Finalist, Best in Business Finalist and Inc. Magazine fastest growing private companies.

Prior to founding W Squared, Tammy served as Vice President, Corporate Controller and Treasurer of CHD Meridian Healthcare (predecessor to the Take Care division of Walgreens). During her six years with the company, she was responsible for the Corporate Finance function as it grew to over \$200M in revenue. Her responsibilities included consolidation of 36 legal entities, management of required reporting for senior lenders, oversight of centralized payroll for 1,800 employees, management of the company's cash concentration and investment strategies, and the integration of internal processes to provide improved cash flow and efficient use of personnel. Tammy was also responsible for establishing both internal management reports and external public reports to comply with SEC guidelines and the review of internal controls and processes to comply with the Sarbanes-Oxley Act.

Before joining CHD Meridian Healthcare, Tammy served as National Director of Human Resources and as Assistant Controller Surgical Care Affiliates, Inc. and was instrumental in growing the company from three to 60 surgery centers during her nine-year tenure. Tammy played a key role in standardizing the accounting process and training for business managers, developing a consolidated cash management program, and creating a national benefits program for 1,500 employees.

Tammy has served on the Board of the Nashville Healthcare Council, the Board of Visitors for the Lipscomb University College of Business, the Harpeth Hall School Board of Directors and has been a presenter/panelist at business and start-up company forums with the Nashville Entrepreneur Center, Smart Business Dealmakers, the Social Enterprise Alliance, Baker Donelson, Vanderbilt University Owen Graduate School of Management and Lipscomb University College of Business.

A Nashville native, Tammy graduated from the Harpeth Hall School, attended the University of North Carolina–Chapel Hill and received her BS in Accounting from the University of Tennessee. Her charity passions include Nations Ministry which assists refugee families in Nashville, Warner

Resources

1. Richard Anderson, “How Well Do Wages Follow Productivity Growth?” Economic Synopses. Federal Reserve Bank of St. Louis. 2007.
<https://files.stlouisfed.org/files/htdocs/publications/es/07/ES0707.pdf>.
2. “Upwork Study Finds 59 Million Americans Freelancing Amid Turbulent Labor Market.” Upwork. December 8, 2021.
<https://investors.upwork.com/news-releases/news-release-details/upwork-study-finds-59-million-americans-freelancing-amid>.
3. Andrew W. Hait, “Fast-Growing Food Truck Industry Can Operate Amid COVID-19 Social Distancing Rules, No Indoor Seating Orders.” United States Census Bureau. September 2, 2020.
<https://www.census.gov/library/stories/2020/09/food-trucks-one-way-to-eat-out-during-pandemic.html>.
4. Daniel Wilmoth, Ph.D., “Small Business Facts, Small Business Job Creation.” U.S. Small Business Administration Office of Advocacy. April 2022.
<https://cdn.advocacy.sba.gov/wp-content/uploads/2022/04/22141927/Small-Business-Job-Creation-Fact-Sheet-Apr2022.pdf>.
5. “The State of the Startup Ecosystem.” Engine. April 22, 2021.
<https://static1.squarespace.com/static/571681753c44d835a440c8b5/t/60819983b7f8be1a2a99972d/1619106194054/The+State+of+the+Startup+Ecosystem.pdf>.
6. John Lettieri and Kenan Fikri, “The Case for Economic Dynamism and why it matters for the American worker.” Economic Innovation Group. October 2022.
<https://eig.org/wp-content/uploads/2022/10/Case-for-Dynamism-FINAL-Web.pdf>.
7. Robert Atkinson, Mark Muro, and Jacob Whiton, “The Case for Growth Centers: How to spread tech innovation across America.” Brookings Institution. December 2019.
https://www.brookings.edu/wp-content/uploads/2019/12/Full-Report-Growth-Centers_PDF_BrookingsMetro-BassCenter-ITIF.pdf
8. Dean Stansel, José Torra, Fred McMahon, and Ángel Carrión-Tavárez, “Economic Freedom of North America 2022.” Fraser Institute. November 15, 2022.
<https://www.fraserinstitute.org/sites/default/files/economic-freedom-of-north-america-2022-us-edition.pdf>.
9. “2017 NSBA Small Business Regulations Survey.” National Small Business Association. January 17, 2017.
<https://web.archive.org/web/20220121130108/https://www.nsba.biz/wp-content/uploads/2017/01/Regulatory-Survey-2017.pdf>.
10. “Tennessee Smart Start.” Tennessee Department of Economic and Community Development, Business Enterprise Resource Office.
<https://www.tn.gov/content/dam/tn/ecd/documents/bero/TSSG%20flowchart%2012017.jpg>.
11. “Checklist for New Business.” Department of Revenue.
<https://www.tn.gov/content/dam/tn/revenue/documents/misc/newbusiness-checklist.pdf>.
12. Becky Yerak, “Twitter’s Legal Battle With Elon Musk Heads to Delaware Business Court.” Wall Street Journal. July 11, 2022.
<https://www.wsj.com/articles/twitters-legal-battle-with-elon-musk-heads-to-delaware-business-court-11657570884>.

Resources

1. “Business Court Docket.” Tennessee State Courts.
<https://www.tncourts.gov/bizcourt>.
2. Patrick Gleason, “How the Flat Tax Revolution of 2022 Was Sparked in North Carolina.” Forbes. June 7, 2022.
<https://www.forbes.com/sites/patrickgleason/2022/06/07/how-the-flat-tax-revolution-of-2022-was-sparked-in-north-carolina/?sh=7f61ab87789c>.
3. Joseph Bishop-Henchman, “Mississippi Approves Franchise Tax Phasedown, Income Tax Cut.” Tax Foundation. May 16, 2016.
<https://taxfoundation.org/mississippi-approves-franchise-tax-phasedown-income-tax-cut>.
4. “Tennessee Business Tax Manual.” Department of Revenue. August 2021.
https://www.tn.gov/content/dam/tn/revenue/documents/tax_manuals/august-2021/Business-Tax.pdf.
5. Tennessee Advisory Commission on Intergovernmental Relations. June 16, 2022.
<https://www.youtube.com/watch?v=MJOSry5nZW0&t=1488s>.
6. Janelle Fritts, “Tennessee Should Build on Success and Improve Corporate Taxes.” January 26, 2022.
<https://taxfoundation.org/tennessee-tax-reform/>.
7. Dr. Murat Arik, “Health Care Industry Nashville MSA 2019 Trends, Scope, and Impact on the Regional Economy.” Nashville Healthcare Council.
<https://healthcarecouncil.com/wp-content/uploads/2021/09/NHCC-Economic-Impact-Study-2019-Full-Report.pdf>.
8. Josh Archambault and Vittorio Nastasi, “Rating the States on Telehealth Best Practices A Toolkit for a Pro-Patient and Provider Landscape.” Cicero Institute. February 10, 2022.
<https://ciceroinstitute.org/wp-content/uploads/2022/10/50-State-Telehealth-Best-Practices-2-8-22.pdf>.
9. “Artificial Intelligence and Machine Learning in Software as a Medical Device.” U.S. Food & Drug Administration. September 22, 2021.
<https://www.fda.gov/medical-devices/software-medical-device-samd/artificial-intelligence-and-machine-learning-software-medical-device>.
10. Adrienne Jeffries, “Blockchain laws tend to be hasty, unnecessary, and extremely thirsty.” The Verge. March 29, 2018.
<https://www.theverge.com/2018/3/29/17176596/blockchain-bitcoin-cryptocurrency-state-law-legislation>.
11. Gregory Barber, “The Newest Haven for Cryptocurrency Companies? Wyoming.” Wired. June 13, 2019.
<https://www.wired.com/story/newest-haven-cryptocurrency-companies-wyoming/>.
12. Mark Wilcox, “Five ‘blockchain banks’ may open in Wyoming.” Gillette News Record. September 17, 2019.
https://www.gillettenewsrecord.com/news/wyoming/article_c4100610-f661-54a7-9557-94370bacf6ce.html.
13. Eric Peterson, “Regulatory Sandboxes: Where Innovation Happens.” Pelican Institute for Public Policy. March 2022.
<https://files.pelicanpolicy.org/wp-content/uploads/2022/03/Regulatory-Sandboxes-Where-Innovation-Happens-March2022-WEB.pdf>.



About Us

The Beacon Center empowers Tennesseans to reclaim and protect their freedoms, so that they can pursue their version of the American Dream. The Center is an independent, nonprofit, and nonpartisan research organization dedicated to providing expert empirical research and timely free market solutions to public policy issues in Tennessee.

Guarantee of Quality Scholarship

The Beacon Center of Tennessee is committed to delivering the highest quality and most reliable research on Tennessee policy issues. The Center guarantees that all original factual data are true and correct and that information attributed to other sources is accurately represented. The Center encourages rigorous critique of its research. If an error ever exists in the accuracy of any material fact or reference to an independent source, please bring the mistake to the Center's attention with supporting evidence. The Center will respond in writing and correct the mistake in an errata sheet accompanying all subsequent distribution of the publication, which constitutes the complete and final remedy under this guarantee.

Ron Shultis | Director of Policy and Research | ron@beacontn.org

Jason Edmonds | Research Associate | jason@beacontn.org

615-383-6431 | BeaconTN.org

