**Cannabis Social Equity Advisory Board Application**

1. Full legal name David Rabinovitz
2. Employer CannaVentureLabs.com
3. Job title Principal
4. Other affiliations, board

memberships, etc. Trainer for cohorts 1 and 2 of CCC Social Equity program

Technical advisor to City of Boston Social Equity Program via Boston Cannabis Board

1. Relevant board seat(s) Past treasurer and board member of MassCann
2. **Brief explanation of relevant background and experience**

I have been involved in the cannabis industry since 2010. Along the way I have accumulated a lot of knowledge as to the industry construct (how state and federal laws intersect with one another and what issues will trigger impactful change) and have become more involved in social equity advocacy. Pre-cannabis, professionally, my career was focused on financial analysis, commercial finance, lending and investing due diligence, and business planning. My experience and skillset are a very strong fit for the experience requested. Having been a trainer for the first 2 social equity training cohorts, I am well known within the social equity community and respected as a resource and advisor.

1. **Background in the cannabis industry**

I entered the cannabis industry inadvertently in December 2010 when a doctor in Arizona was referred to me for some cannabis-related finance and strategy advice. Three months later, he called to ask if he could give my name to a cannabis associate in Los Angeles. That led to several years researching new medical programs and assisting the L.A. client with a state-by-state go-to-market strategy. When the L.A. client asked me to write a private placement memorandum in 2011, I realized I needed to understand the industry and its history. I began to read – articles, books, research papers, federal guidance documents, court cases, anything related to the industry. I subscribed to newsletters and created Google news feeds. In 2012 I assembled a team to pursue a Massachusetts medical license.

In 2018 I entered the industry full-time. For two years I read about 1,000 hours per year (2 - 3 hrs. per day) and attended conferences. That created a level of critical industry knowledge and led to some media interviews.

Realizing the first obstacle for social equity program participants was identifying available municipalities, in 2019 I created a Google-sheets (spreadsheet) to track municipal data related to cannabis – demographic data, liquor store (§ 15 licenses) counts, median income, and home values, how the communities voted on Question 4, voter turnout rates, etc. The spreadsheet was made available to all SEs who were part of our training class for both cohorts 1 and 2. Creating the spreadsheet taught me a lot about how the Massachusetts market might develop and the critical issues the local industry will face.

I became involved with MassCann in 2018 and very quickly got involved with MassCann’s Demystifying Cannabis series for social equity participants. My social equity involvement grew from there. When we (my partner and I) decided to apply for the social equity training contract, more of my license activities began to follow the path of a typical SE applicant, to better understand, appreciate, and experience first-hand the associated challenges. As we began to encounter those challenges, I began to document them and write about the experiences (see attachment). That furthered my social equity effort visibility, resulting in more contacts from SEs, which furthered my social equity efforts.

A noteworthy comment from the state’s first licensed woman operator was that what separated our course material from the other trainers was the practical advice from being in the field and experiencing the competitiveness and harshness of the market, versus a more academic approach to the training.

I track a lot of Massachusetts industry data to spot trends. At present, retail prices are dropping (average flower prices are down in Massachusetts 17% from the 2021 average price to mid-2022 average pricing) and will continue to drop as more cultivators come online. As I noted in a 2019 article: “*When supply and demand finally come into balance, there will be a backlog of* [cultivation] *applications to be processed, licensees building out facilities where they have yet to start growing, and new grows that have not reached their first harvest. And if that happens, just like the federal government typically calls a recession about eight months after one starts, the markets won’t realize supply and demand are in equilibrium until at least a year after it happens. Over-capacity seems inevitable.”* Understanding these headwinds will be essential to developing successful social equity guidelines and programs.

Based upon my business experience, lending experience, industry knowledge (regulatory), and my hands-on experience dealing with landlords, municipalities, and working without an investor-funded budget (as most SEs do), I hope you will find my background and skill ideally suited for this opportunity.

Accomplishments since 2018:

* Contract trainer for CCC SE program, cohorts 1 and 2
* Social equity advocate (see links to published articles, attached)
* Technical advisor to City of Boston Social Equity program
* Secured the first HCA in the state not tied to a specific location (see attached article and the impact / intersection with social equity)
* Appointed treasurer and board member of MassCann
* Have helped over a dozen SEs prepare for and secure HCAs
* Co-founder of Stone’s Throw Cannabis, a unique social equity venture opening a retail store across the street (just a stone’s throw away) from South Station. My partner and I secured the location, arranged for the capital, and recruited 6 SEs as operating partners and majority owners. Our board has 6 seats with 2 for the founders, one for the investors, and three for the SE/EE participants. The board is designed to strive for consensus but in the event of a tie vote, the decision goes to the side with the most SE/EEs. One of the leading cannabis law firms in Boston found our operating agreement to be the fairest they had seen for social equity teams
* Founding host of *The Green Rush* podcast, a 2-hour weekly cannabis business talk show on ProCannabis Media
* Speaker at various industry conferences including NCIA, NECann Boston, NECann Portland, NECann Atlantic City, Worcester Business Journal, and smaller trade association meetings
1. Background in finance or commercial lending

 From 1982 through 2005 (and again from 2017 through 2018) I was employed in the commercial finance industry providing equipment financing services for small to mid-size private firms. Experience included sales, operations, credit and underwriting, and contracts. In 1991 I founded an equipment leasing company – Champion Credit Corporation – that was acquired by BankVest Capital in 1998.

Champion focused its underwriting on small companies struggling to make the next big step. This required much more in-depth due diligence and underwriting, and the company soon became known for its technical skills in analyzing credit, conducting due diligence, and structuring transactions to balance the risks involved. That lead to an eventual acquisition in just 6 ½ years.

 Since 2005, I have been employed in the consulting arena, working with principals of engineering and architect firms on financial-related issues including ownership transition planning, business valuation, and merger and acquisition support work. While not directly lending, the level of financial analysis and due diligence for these sorts of services exceeds that generally required in a commercial finance / lending environment.

1. Background in general business development or entrepreneurship

 I have founded several small companies and have an undergraduate degree in business with a concentration in entrepreneurship. I hold an MBA from Babson College, the #1 ranked entrepreneurship school in the country.

1. Background in cannabis business development

I have and continue to mentor, coach, and advise numerous social equity teams on business planning and start-up issues. I have experience developing business plans and conducting financial planning (including break-even analysis) for start-ups. During COVID, social equity training was conducted over Zoom and the sessions were recorded. Those recordings were made available by the CCC to cohort 3 participants, and I have been approached online, via LinkedIn, and at times in person, by cohort 3 participants who have sought me out for advice based upon their impressions of my knowledge from the training videos.

1. Other relevant issues

 Having been a social equity business trainer while concurrently securing an HCA and working on licensing activities, I am well-versed in the challenges impacting social equity program participants (also see the sampling of advocacy articles below). The newly enacted law is a great start for correcting some of the headwinds facing social equity. While the loan program will be critical, many SE/EEs are not ready for loans as they have not completed business plans, budgets, and other market research activities. To be successful, the program will need a grant component. The City of Boston Social Equity Program provides small dollar (up to about $15K) grants to SE teams to be used for various planning services from security plans to traffic studies. Services are often performed by vendors on the City’s preferred vendor list. The state program will need a similar component to help SE/EE candidates conduct the necessary research and to prepare a thorough loan request package. Without initial funding to access those resources, many SEs may struggle to assemble a strong business plan and loan request.

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4. Attach CV/resume/ bio  <https://www.linkedin.com/in/davidrabinovitz/>

**Cannabis Thought Leadership – Selected Articles – Social Equity Advocacy**



**2019-Aug:** <https://cannabis.net/blog/opinion/the-boston-strangler-how-landlords-control-massachusetts-marijuana-licensing-now>

**Maynard awards Host Community Agreement not tied to a location (a first in Massachusetts)**

**2019-Nov:** <https://www.bizjournals.com/boston/news/2019/11/05/maynards-flexibility-with-marijuana-entrepreneur.html>

**Cumberland Farms and Cannabis**

**2019-Dec:** <https://commonwealthmagazine.org/opinion/cumberland-farms-proposal-has-marijuana-side-effects/>

**Host Community Agreements**

**2020-Jan:** <https://digboston.com/before-its-too-late-the-mass-host-community-agreement-fiasco-rears-its-ugly-head-again/>

**2020-Mar:** <https://digboston.com/an-open-letter-to-the-boston-cannabis-board-members/>

**How landlords are controlling the Massachusetts marijuana licensing process**