



CANNABIS LICENSING AND ENFORCEMENT COMMISSION
 Board Room #105, Pleasant Street, Malden, MA
 Community to watch Via Zoom Webinar
 Wednesday, June 2, 2021 at 5 PM

Committee Members in Attendance		
√	Jenelle DeVits, Chair	Council Appt.
√	Ron Hogan	Finance
√	Kevin Molis	Chief of Police
√	Nelson Miller	Bldg. Commissioner
√	Diana Jeong	Mayor's Appt.
√	Kathleen Manning Hall	Clerk <i>Non-voting mem.</i>

MINUTES

- 1. Roll Call of Committee members.** Meeting was called to order at 5 PM and there was a quorum sufficient to conduct business.
- 2. Benevolent Botanicals Financial Update.** Warren Lynch, Stee McMorris and Michael Clebnick represented Benevolent Botanicals.
 - Warren reiterated that they have had some success in raising money since March 10.
 - Michael Clebnick updated that since April 28th when they were voted to move forward pending financing, he has put a lot of work into structuring the company. He has been founder and CEO of several businesses and has experience in fundraising and operations as well. The CLEC gave them 90 days, however within 30 days they have raised \$300,000 and have non-binding letters of intent from personal friends and family members.
 - They have retained Roberto, Israel and Weiner, Cannabis attorneys and are putting together a Private Placement Memorandum. They have set up a convertible debt instrument. They need to have the proper structure in place before they raise more money. At this time they are unable to share the private placement memorandum publicly.
 - The \$300,000 is enough money to build out the building for retail, although they plan to do more than retail. An investor loan with a four-year term will get interest and will amortize - this works well for investors. They are working to get accredited investors who will put in at least \$25,000 into the company. They are only allowed 35 investors.
 - Jenelle would like to see the letters of intent since a money gap still remains. She would like to see more committed funding sources. The CLEC must be consistent with what it

has done with other applicants. The CLEC wanted to give them a chance to raise the needed funds as most applicants have funding when submitting their application. Ron believes that they need more time. Their deliverable would be showing us that the money is available – the CLEC needs to see the different sources of money so that this body feels comfortable moving them forward to the next step.

- The \$300,000 raised is about one fourth of the funding needed for the complete buildout. For retail, they feel that would cover the buildout, not capital expenses, inventory, staff, they would need probably \$200,000 more.
- Mike believes it would take 90 days to raise the full amount. Initial loan will take care of start-up costs.
- Nelson feels it is imperative that the CLEC remains consistent with how other applicants have been treated. With only 25% raised, the CLEC does not feel comfortable moving forward. The CLEC would like to see the commitments of all the money coming in, some in bank statements, some in commitment letters.
- Applicants will take the remaining 60 days of their 90-day window to come back with funding for all three licenses. They will speak with builders, architects, etc. and may not be able to do cultivation in that building after all. They need to determine whether they will be able to utilize all three licenses and how much they need to raise.
- Once the CLEC determines that proper financing is in order there will be a motion to move forward to the next stage

- 3. New Business.** There is a paper on the June 8th City Council docket regarding social applicants and minority owned business applicants - it will get referred to Ordinance Committee. CLEC will go before the Ordinance Committee on June 15th.

4. Next meeting: t/b/d

Motion to adjourn at 5:58 PM by Chief Molis and seconded by Nelson Miller. All in favor, meeting adjourned.