



General Cannabis with their 5 Brands is bringing unparalleled Management and Consulting Services, Security, Hemp-based Apparel, results-oriented CBD Products and Access to Capital to the Cannabis Industry in Colorado



Michael Feinsod
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Interview conducted by:
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CEOCFO: Mr. Feinsod, you have been Executive Chairman of General Cannabis since 2014, and now CEO since January of 2019. You and have a strong background in investment management. What attracted you to the company and what lead to your being named CEO?

Mr. Feinsod: You said it; my background in investment management is exactly the thing that positioned me to be able to spot a quality acquisition when I see it. During my four years as Executive Chairman, not only did I lead the acquisitions at General Cannabis, but I have been very involved in the company overall and it's been a positive experience. Our family of brands are maturing, proving year-over-year growth and streamlining process with the support of our corporate team. So as we started to look at our goals for 2019, we collectively agreed that this is the time to focus on new and active acquisitions in Colorado and that I would be a natural leader to drive the effort.

CEOCFO: General Cannabis has 5 brands, let's start with Next Big Crop. Would you tell us about the management and consulting service you offer, who your customers are, as well as about you Succeed here™ solution?

Mr. Feinsod: We acquired NBC in 2015. Next Big Crop offers unparalleled management and consulting services in an industry that has traditionally lacked sound operational and quality standards. We partner with cannabis businesses to deploy proven solutions for every phase of medical and adult-use cannabis business operations—from licensure, design, and construction, to the cultivation, manufacture, and sale of medical-grade cannabis product. NBC has deployed its services in fifteen states as regulated cannabis continues to expand nationwide. The succeed here solution is based on the fact that no matter what entry point a person or company may be in with their grow operation, NBC has a solution to fit their needs. This ultimately creates efficiencies and raises the bar in the industry.

CEOCFO: *Next we have Chiefton with lifestyle brands and apparel and accessories that utilize hemp. Would tell us how you got into what is become the very interesting area of industrial hemp?*

Mr. Feinsod: The mission of Chiefton Supply Co is to create the highest level of function, relevance, and comfort in the most responsible way possible. Not only does our apparel and accessories utilize textiles like hemp, but also organic cotton, and recycled polyester. This division has an innate passion to provide eco-friendly apparel.

As you're likely aware, there is a shift in the younger culture as more young adults understand the benefits of hemp and the impact of wearing sustainable clothing. It seems natural to us as a company that serves the cannabis industry that we would invest in hemp to serve this demographic. Not to mention there is proof that hemp has a positive impact for the earth. It's important that we understand the needs of today's market and are able to provide an authentic product for their lifestyle.

CEOCFO: *Your Iron Protection Group is a security company. What are some of the services that you provide cannabis companies out there and what type of companies are taking advantage of your offerings today?*

Mr. Feinsod: Iron Protection Group (IPG) is proud to be one of the fastest-growing and most established cannabis security companies. Our operators, many of whom are US veterans, enforce compliance in all laws and regulations pertaining to their function within our clients' business. We have a vision of security that is different from other security companies, taking an unobtrusive approach to security. We strive to keep the spotlight off of us and our activities while providing safety and security so our customers can focus on what they do best.

Most of our clients are cannabis operators, small- to large- grow operations and multi-facility dispensaries are the majority of our business. However, other industries have caught word of IPG's unique approach to guarding. As mentioned above, we strive to be an approachable extension of our clients' brands vs. the traditional hard-faced security guards and this tactic has proved to interest industries outside of cannabis, making our client mix varied in industries such as hospitality, education, government and hospitals.

CEOCFO: *What is your geographic range with security? How do you manage all of the different aspects of security in the cannabis industry? Is there manpower involved and technology such as RFID tags?*

Mr. Feinsod: That is actually where the synergies across our divisions come in. RFID tags are a good example of the security, or a tracking device that would be more applicable to our Next Big Crop division. From a security standpoint, our most active market is Colorado where we started and we started to move down to California, where we have seen a significant amount of revenue. Those are our two core markets.

CEOCFO: *Would tell us about some of the opportunities you are currently involved with in your GC Capital brand?*

Mr. Feinsod: GC Capital, short for General Cannabis Capital, it is no secret that one of the most critical factors for the cannabis industry is access to capital. Being well capitalized with strong value-added input from the right partner can mean the difference from a great idea and true success in one of the fastest-growing industries in history.

GC Capital is designed to provide smart capital to entrepreneurs and established companies throughout the entire cannabis industry. We provide a secure debt and working capital loans to private cannabis operators in Colorado and California. We are also an equity investor in Flowhub, point-of-sale software system.

CEOCFO: *Finally we have your STOA Wellness brand. Are you building CBD dispensaries? Would you tell us your strategy there and what sets you apart from other storefronts?*

Mr. Feinsod: STOA Wellness was founded on the verifiable truth that not all CBD is created equally. At STOA Wellness, our mission is to help you navigate the increasingly complex world of CBD to find the exact right products for you. It's more than just a place to find CBD—it's a place to come face-to-face with subject matter experts. Our promise is to always offer an expertly curated collection of only the top quality, results-oriented CBD products so that everybody can benefit from the incredible, life-changing potential of CBD.

Our concept store, in Greenvale, NY recently opened and we are refining the concept for a national roll-out in 2020.

CEOCFO: *Would you tell us about your management strategy for your brands? Is everything under one umbrella reporting to you or are you overseeing everything and making the decisions?*

Mr. Feinsod: Our management strategy is to understand the objectives and revenue goals for each of the divisions and develop a tactical plan in order to execute and analyze throughout the quarters. Each of our divisions are very unique so we first identify profitable opportunities and industry solutions per company and then layer on ideas to develop synergies in order to cross-promote.

Our headquarters are based in Denver, CO. Corporate finance, marketing, accounting and legal support all reside in our headquarters. Each of our entrepreneurial divisions has a Managing Director. Our MD's work 1:1 with our corporate team to ensure they are set up for success in executing their plans. In addition, we utilize shared workspace contracts along the West and East Coast.

CEOCFO: *Was it your initial strategy to build such a diverse company?*

Mr. Feinsod: The needs of the rising cannabis industry ebb and flow frequently as you can imagine. The flood gates were wide-opened when I joined GC. We knew that no single company at that time could support the public market, endure the overhead required and effectively run, much less grow. However, I understood there were many young entrepreneurs in the cannabis space with solid business plans, so I identified the ones that would make the greatest and longest impact. Unlike other "start-up" industries, there was no capital readily available to fund these companies through lumpy periods and challenges. Our entrepreneurial Managing Directors each offer a solution to the community. They offer services that will be needed for the long-term and are intelligent in that they keep their fingers on the pulse, so together we know how to proactively plan for change. Diversity has served our companies well and in fact, offers us the opportunity to develop new solutions that may not come to a single-business.

CEOCFO: *What about your management philosophy and style that allow you to govern such a variety of brands?*

Mr. Feinsod: I take a portfolio approach to the cannabis industry. Nothing has moved “as planned” in regulated cannabis over the last ten years. Our ability to stay flexible, with a diversified revenue base of a variety of industry services has allowed us to grow to this point. We give autonomy to each Managing Director to continue to run their brand as they see fit. Every new idea is taken seriously and I am always up for a quick review of anyone in the company’s ideas.

CEOCFO: As you go forward will you continue to add more brands, will you focus more on growing your current brands or both?

Mr. Feinsod: Simple answer is both and more. Our current brands are well supported by our headquarters and corporate team as I previously mentioned. We continue to help each division focus on national expansion using our experience as a guide. We are always considering new acquisitions however active investing is now it’s a prime focus for us. Colorado will most likely be fueled by a series of tuck-in dispensary and production assets. We also plan to continue the nation expansion of STOA Wellness and other CBD opportunities as the industry evolves and the nation becomes more educated on the powerful effects of the plant.

CEOCFO: Where did your brands come from? Where they through acquisitions or developed by you and your team?

Mr. Feinsod: Iron Protection Group, Next Big Crop and Chiefton were acquisitions. Our STOA brand was developed with outside advisors during 2019 as we prepared to leverage some of our practical operating experience in CBD retailing. GC Capital was also started organically, a function of us touching various sectors of the industry.

CEOCFO: Are there any other companies out there with such a diverse group of brands under one umbrella, and what is it about General Cannabis that allows you to succeed and grow?

Mr. Feinsod: There are a lot of other companies beginning to acquire brands and operation businesses. We have strong respect for all of our public market competitors. However, we are one of the few companies that started in Colorado, stayed in the United States, and are still working exclusively in the United States. We have not gotten detoured by the Canadian system, so we believe our focus on the United States gives us a competitive advantage.

CEOCFO: Would you tell us about your Business Acquisitions opportunities?

Mr. Feinsod: As I mentioned, we are always open to acquisitions. General Cannabis has already begun to expand nationwide and as legalization continues to pass in new states, we will be prepared to enter new markets. In areas that are currently legal, we tend to favor deals that employ seed-to-sale tracking. This dovetails with our strong compliance culture. We are proud to be a legitimate company that handles our business “by the book”.

CEOCFO: Would you tell us about your recent announcement to acquire a Denver Cannabis Retailer and what that means for you?

Mr. Feinsod: Cannaseur was the first one we have announced. There are three other letters of intent that we have not announced yet. Given the change in Colorado law and the recent passing of what we call the “PubCo” bill (Colorado House Bill 19-1090), which will allow public companies to own cannabis license assets; we intend to leverage our experience and platform to acquire license businesses in Colorado.

CEOCFO: In closing, what sets General Cannabis apart in this very exciting and diverse industry, with so many different needs and opportunities?

Mr. Feinsod: As I touched on throughout different parts of this interview, we are professionally diverse, well positioned and prepared, well-funded, and here for the long-term. General Cannabis invests not only in our entrepreneurs, but also to the industry. We thrive on being able to solve problems, develop innovative strategies and most importantly, we believe in the power of the plant. We can create synergies quicker than others and our service and product knowledge run deep. There is no denying that we have endured the ebbs and flows of the industry thus far and are committed long-term. There is no stopping us in making a positive impact.



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