

# New York Social Equity Cannabis Investment Fund RFI

## Questions & Answers

**Please be advised that this RFI was posted to solicit ideas and feedback. DASNY anticipates that once the final legislation authorizing the fund is passed, there will be a formal Request for Proposal (RFP) issued to select the Fund Sponsor/GP/manager.**

1. Can the Social and Economic Equity Plan, referenced in Section 87 be listed on the RFI website as an attachment?

**Response:**

This Plan is under development.

2. How will member selection be determined for the privately managed fund and it's appointed advisory committee for both sides, (state appointee & private mgmt).

**Response:**

Information surrounding the composition of these committees will be included in the RFP.

3. How many members will serve on this committee? Will the GP participate in the selection process?

**Response:**

Information surrounding the composition of these committees will be included in the RFP.

4. What will the decision-making process be and what support will be required?

**Response:**

Information surrounding the composition of these committees will be included in the RFP.

5. What are the stated parameters the fund objectives are based on which will determine success?

- a. *"The Fund's primary objective will be to advance the public purpose of providing social and economic equity to applicants selected".*
- b. *Is there a return/duration objective?*
- c. *How will license ownership be handled at the end of the fund's life? Will it be an auction process?*

**Response:**

Information surrounding those parameters will be included in the RFP.

6. Does the Private investor have the ability to establish a debt structure which includes collateral to ensure that the ultimate return provided to "Fund Investors" is not limited and at risk?

**Response:**

No

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7. The lease, sublease and the associated construction for the designated RCD location are the primary assets for DASNY. Why is the license not considered a primary asset and is their assistance provided for the RCD in obtaining this license?
- How does the state envision handling defaults or breach of covenants?
  - What will happen to these assets if the RCD is acquired by another company?

**Response:**

It is not an asset because the public policy intentions of the Fund and the license will remain with the social equity licensee.

- It will be addressed in the RFP.
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8. Will investors in this structure be held to the same regulatory requirements that traditional funds, operators will incur from a disclosure perspective? I.e fingerprinting, etc.

**Response:**

Yes

9. Who will hold the responsibilities of operating the Fund: audit, tax, fund administration, reporting?

**Response:**

The Fund

10. Why does the program place exclusive emphasis on RCD's, while neglecting the other license types across the supply chain (e.g. cultivators, processors, distributors, etc.)?

**Response:**

This RFI is for this specific program. We anticipate that there will be future RFI's for other specific types.

11. Is DASNY looking for one partner to fulfill the role of fund sponsor, general partner, and investment manager? If so, what are the parameters that render a partner qualified?

**Response:**

These parameters will be outlined in the anticipated RFP.

12. How does DASNY plan to empower and promote autonomy for social and economic equity licensees?

**Response:**

This RFI is related specifically to the Social Equity Fund. OCM, DASNY and other state entities will be making additional policy revisions outside of this RFI.

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13. What ways will the private partner be able to negotiate terms on loans between DASNY and the licensee applying to the program?

**Response:**

It is the intention of the state to give consistent market rate terms for the loans. We anticipate the general partner will have some input into the final terms.

14. What is DASNY's operational plan and capacity for the administrative haul required for the Fund?

**Response:**

DASNY has the capacity to complete this work.