

## **Thinking Outside the Bud**

Episode 407 - Rob Sechrist

<https://www.thinkingoutsidethebud.com/podcast/navigating-cannabis-financing-a-conversation-with-rob-sechrist-of-pelorus-capital-group>

## **Navigating Cannabis Financing: A Conversation with Rob Sechrist of Pelorus Capital Group**

In this episode, we dive deep into the world of cannabis financing and lending with our special guest, Rob Sechrist, the Co-Founding President of Pelorus Capital Group. Join us as we explore Rob's journey into the cannabis lending industry, how his company has evolved to become a leading player, and the unique insights they've gained through data-driven strategies. Discover the challenges and opportunities in this dynamic market, and gain valuable knowledge about cannabis investment, market evolution, and the potential impact of federal legalization. If you're interested in the intersection of finance and cannabis, this episode is a must-listen.

Rob is the Co-founding President of Pelorus Equity Group ("Pelorus"), the leading provider of value-add bridge commercial real estate loans to cannabis businesses and owners with cannabis-related real estate and Pelorus Fund, a private mortgage real estate investment trust ("mREIT").

Rob brings nearly 23 years of experience in the real estate finance industry. Since the formation of Pelorus in 2010, he has raised more than \$250MM in secured real estate transactions. Rob's primary role at Pelorus as a manager of the Pelorus Fund, development of strategic alliances with both private and institutional investors, formation of equity partnerships, and coordinating the company's growth into new markets. Today, Pelorus raises tens of million a month through the company's investors and equity partnerships. Prior to joining the real estate industry, Rob was the founder and CEO of an international action sports manufacturing company. He has also managed medical product sales in Southern California as well as trained the sales reps nationally for an orthopedic manufacturer.

Rob earned a BA from San Diego State University. Licenses include California Real Estate Broker's License, NMLS License and designated expert witness as an asset based lender. He is also the CEO of JRS Capital USA, Inc., a real estate consulting firm based out of Newport Beach, California.

<https://pelorusequitygroup.com/>

Instagram: @robsechrist

Twitter: @PelorusEquityGr

Twitter: @m5\_rob

## EPISODE TRANSCRIPT

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**0:01**

You're listening to thinking outside the bud where we speak with entrepreneurs, investors, thought leaders, researchers, advocates and policymakers who are finding new and exciting ways for cannabis to positively impact business, society and culture. And now, here's your host business coach, Bruce Eckfeldt.

**0:31**

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**1:06**

Welcome everyone. This is thinking outside the bud. I'm Bruce Eckfeldt. I'm your host. Our guest today is Rob Sechrist. He is Co-Founder and President of Pelorus Capital Group. We're gonna talk about the world of cannabis, we're gonna talk about lending, we're talking about debt, we're gonna talk about real estate, and really kind of how this whole industry has evolved, you know, why it's evolved the way it has, how Polaris has kind of approaching it and where they're kind of seeing opportunities, and really kind of what's going on in the cannabis world. Rob is a highly experienced in this area, both with cannabis in general and with capital and fundraising and debt and has a lot of insights, both historically and currently so excited for this conversation to kind of see what ROTC is and the space here and maybe where we're going. Or maybe we're potentially going in and the variables that are going to affect that, but excited for the conversation excited to get into the details. So with all that Rob, welcome to the program.

**1:55**

Thanks for having me. And I look forward to digging into this stuff. Yeah.

**2:00**

Before we kind of dive into all the details that are happening today. Give us a little background. I mean, you guys have been one of the early if not the earliest, you know capital groups in cannabis. You've been doing this for a while give us the backstory. How did you get in this? Why cannabis? You know, what's been kind of the motivation for you?

**2:15**

Sure. So valores is an asset manager that today is solely focused on private credit to cannabis use borrowers. But prior to pivoting to that we have originated billions of dollars and 1000s of transactions in our collective careers in lending. And our local congressman here in Orange County was Dana Rohrabacher, who passed the most consequential legislation to pass in cannabis to date still, and that's the Robach or Luminar amendment, which was named at the time that defunded the Department of Justice, any prosecution of a cannabis related business in a medically licensed state. And so when that passed, we realized in our minds, this was the largest newly created asset class in the country, we could certainly lend on it prior to that, but there was the fear that the cannabis use tenant that we had underwritten could be potentially prosecuted, and the borrower may have a struggle to replace that tenant if there's the fear of prosecution. So once that was eliminated in 2014, my partner Dan strongest suggested we go this direction, I said, it's going to be enormously challenging for to raise the capital. And it was so much harder than we ever thought that I honestly, if I would have known, we probably wouldn't be here today. But we are. And so we started analyzing the sector. Well, first of all, we already had the skill set to do it. So we're experts in underwriting and doing value add transactions, which is which there was no existing cannabis use properties, really, to date that, you know, anybody was was lending on a program that way. And so we started analyzing the sector. And we started originating in 2016. And as we dug deeper and deeper into this particular asset class, the specialties nature was so vastly superior than the traditional fix and flip residential stuff. That was our primary focus of where we were currently in that market cycle. We decided to go all in and become the first dedicated lender to the sector. And then shortly after that, we realized that if we're really going to be all in, we need to launch a fund. And so we launched the the floors fund in 2018, for 100 million, then we upsize that fund to 250 million in 2020 and converted to a private mortgage REIT for the tax advantages. And then from there, we got investment grade rated, we are the first private company to get that and with that we upsize the fund offering to a billion dollars, and we were the first to do many things. We're the first to bring in institutional investors into a private bond offering were the first to get FDIC insured specialty lending from federally chartered bake for our fund the versed are solving so many things that you wouldn't know would be normally would normally not never be an issue. But having custody having title getting the correct title policies that are necessary to be a prudent lender didn't really exist in the sector. And that's pretty kind of nuanced. But anybody real estate would kind of understand more what I'm saying, We've got deeper and deeper into the sector. And today, we've originated 73 transactions for over 500 million with 39 payoffs. And we're currently managing about 380 million in our fund. And we think of ourselves as having a different view than most people in the country, because we're seeing transactions from both the real estate side in the cannabis operator side in real time, all over the country in every market as its current. So we're getting true market or price discovery on operational costs or whatever it might be in real time. And we also built the first database that was focused on the real estate side, and how it relates to the industry. Because there's no Reese or costar that you could get add to economics or indicators of what's happening in the market. So we map every single license in the country off the top of my head, I think

it's 45,000, owned by 30,000 business owners. And we started tracking those across the country, we ended up also mapping Canada as well, just to get an idea of how that market developed and what happened there, that's all become really important of the evolution of this strategy, that typically, when you're a lender, you're lending to an industry that has been around for decades, for multiple series of decades, and there's no regulatory risk, the markets are fully stabilized. And you have more macro environments that are slowly trending in cycles, with the general economy. And you know, it might be hospitality, it might be industrial properties might be whatever you're in, but in cannabis, the specialties nature, there was no data. And most of the companies that are operators have very little track record, you know, as far as years or decades, and so that we had to become an expert in the cannabis operators side as well. And not from the perspective of actually operating the business, but understanding the business from the financials. And that's really, really given us a competitive advantage. Now that we've looked at 1000s of transactions, we've time series that that data we've washed out, each of these markets mature in each state, whether it's unlimited or limited license states, and what happens when recreational comes on board in factoring in geography, power, lighting, the weather, that particular region, because the weather can actually affect the power rates and things either all the way down to, you know, tourism in Las Vegas, which is a massive, we actually had to factor that in for that particular location. Because with the amount of velocity of people that come in there, and are using cannabis. So anyway, I'll just stop. There was a long ramble.

**7:49**

No, yeah, that was great. That was probably 50 questions. Let me go back to the beginning. Because I'm always curious about this. I mean, I think people coming in from other industries, you know, that have a lot of experience and a lot of understanding how a particular part of industry works, or a business works. And then coming into cannabis, were you able to kind of directly apply in terms of your previous experience on, you know, lending on the real estate side? And then what did you know, you kind of were going to need to change? And then what was kind of the surprise, right? Like, what did you kind of learn as you really started getting a great question.

**8:19**

So typically, when you're lending, you're obviously underwriting the the property, adjusting for the loan to value to adjust your risk, you're underwriting the business or the exit strategy, if it's a fix and flip the income and the stability of that, that business operation, if it's a business, if it's an income producing property, and you're underwriting the sponsor, or the guarantor for the property. And typically, those are your core elements. Now, if you're doing value add value add simply means in real estate that your loan has proceeds in it that were pre approved, under written budget to improve the value of that property might be tenant improvements, ground up construction, whatever it might be, normally, those are the elements that is the core focus of what you're looking at. Now you're gonna get more nuanced, depending on what exactly the use of that property is going to be in the location. But that's a high level, what we discovered is that the typically your borrower is solely the prop CO or the owner of the property. And in cannabis, the highest and best use is always going to be cannabis. Yeah. And you cannot, you need to make sure that you have the cannabis operator license, as well as the prop CO for collateral in order to have the highest and best use if you have to take that property back.

And so working through and figuring out how to navigate that in each state was is extremely challenging. And I think that we were one of the first to kind of figure that landscape out and map that out. And then potentially unrelated parties, which is problematic in some circumstances, and they're always unrelated parties are almost always unrelated parties from a legal sense, even if they're owner user. So yeah, what we learned is that in this particular sector, the nature of the property is so special to us, it's most similar to cold storage data centers or lab space. Yeah, we realized that this sector was so specialized that we actually to be really good stewards of capital, we actually needed to understand a lot more how that business was operating efficiently, how things will map out for as the market is maturing in that particular state. And also, we were able to start establishing mean averages for energy costs for labor, for amounts of people that would take to to harvest this particular size, room amounts of light for halogen lights and routes for LED lights. And so we started to utilize that information and from our existing loan book and from the deals that we're looking at to, and it's not always the same, it's evolving, because there's new technology coming on to become more efficient. So we were able to then become really understand the businesses greater than any one particular borrower, even if you're a massive MSO, because we're seeing all the transactions and new ideas across the country. And we're able to establish, look, these guys are definitely way outside the mean to the positive. And these guys are way underperforming. And so we could let them know that look, this is the average, we got to figure out why you're missing it or why you're outperforming and we got to we got to come to a consensus of if that's if we can improve it if it's underperforming to make you a better borrower, if we're still underwriting, or if you're over performing. Why is it we need to be convinced that that your numbers data that you with your data set can now can show us how our data sets are wrong and that that could be possible. So there are those elements where new technology comes online. And that's how we discover it, discover it, we see a massive outlier, we go and analyze that facility. And now we embed that in we anonymize that data, we push it back out to our borrowers. And so that's giving them a competitive advantage. And some of those things are saving millions of dollars, depending on the size of the transaction to the bottom line because of efficiencies. Yeah,

**12:06**

where did you start? I guess, because, you know, we're dealing with all this state by state markets, like what were your first dates? And then how did you decide to kind of which dates to go after? Were there some logic or strategy there?

**12:15**

Yeah. So because we're from California, and and we're, we have licenses in California, you need blending licenses and things like that, or for originating real estate, we started in California, and that's our investor base. So that was the most natural place for us to start. And it's the largest market in the world. And for us, the largest market in the world with an unlimited license is actually from from a lender's perspective is a benefit, you want to have it be the most easily most easy to replace a tenant if somebody fails to get that highest and best use back out of another cannabis operator, as opposed to Florida, where everybody has to be vertically integrated. And if you take if you had to reposition that property and bring in another tenant, it might be a struggle to get somebody to, to come in and be vertically integrated through that whole state. That's a massive

capital expenditure. So we look at both unlimited and limited license states. And we're letting naturally but we started in California, just just by who was our backyard?

**13:13**

Yeah. And what what were the other states? I mean, did you focus on unlimited licenses and then then get limited? Or we're like, how did how did it play out? Just because I, I could see there's certain parts of doing well in California could transfer well to other areas, and some may not. Yeah,

**13:27**

so you know, this is a very common question that we get is, you know, what states are we trying to focus on? And you know, where did we go wrong. In reality, we're looking for the best deal deal by deal as they come in. We're not trying to necessarily diversify our portfolio just to diversify it by a we need something in this state, or we need to be an unlimited license, we will adjust our ELA to ease we'll adjust that that how that transaction is structured, if we like that transaction to be in whatever state it's in. Now, we do now for our data project. We do run the per capita basis of everything that's happening in that state for each level of the licensing and our tracking, what is the capacity for cannabis usage? For example, for dispensaries? How many should be out there to absorb the per capita uses are under we're tracking the square footage. So from that perspective, we do look at states in in the state certain license types might be not a great place to be but other ones might be so for example, Denver is oversaturated in dispensaries per capita basis and so we don't do dispensaries anyway. But it's these are all things that we track we track it on all levels of the of the landscape of each state to know that so we do have for looking on that just to give us an idea of where are we headed and now we can start to rehab enough time series data then now we can start to project what's going to happen as this market matures. What's going to happen when this market goes recreational what's going to happen if this market adds additional licenses like Florida, how does that impact the valuation of the licenses and things like that

**15:05**

CES? And what are some of the insights that you've seen on the data? I mean, you mentioned some of the some of the things you track what what ended up being kind of really key for you, when you started to look at new deals.

**15:15**

So I don't want to give away too much of this. As much as I like to there, I will just say, at this level, there are things that from the legacy market came into the legal market, and there was ways of doing things that this is such a complex industry, you don't want to change any more variables, then you have to Yeah, it's already hard enough that if nothing changed in your SOPs, and your equipment, and all the things that you do, there's still a

vast amount of variability just by nature of plants. And just so you know, we primarily do large cultivation is as the main basis of what we do. Yep. And so what I think is interesting is that most people that are operating the cultivation, which is I think it's the most challenging aspect or where you need to have that really bandwidth of expertise to run it, they got their experts, and they're kind of like chefs or artists, and they don't want to change anything. And they're not necessarily open to things that are evolving in a lot of times, there's things that have come through the industry that we've heard about, but they were total failures, or they didn't work out as planned. And so now in your mindset, you've written that off. But in reality, some of those things may now have evolved to such a level, and you have meant to have a confirmation bias to the negative that if it's in that category, it's always going to be bad. And that that is a mistake, because some people are implementing things that are so vastly improving margins, that there's no way to compete with them. And it generally gets fostered out of California, because it's such a competitive market, that if you're not every single day looking for a new way to be efficient, you're never going to be able to keep up because all it takes is one guy to figure out one thing. And if he picked up another 20% in net profit, because of this, he can compress down and put you out of business and, and pick up market share. And so that's why California is we're just by necessity, that these things kind of, I think get figured out and then eventually translate across the country, as opposed to limit licensed states, they have an artificial protected market in a way and they're not required to be running as efficiently as possible. And I think that that is unfortunately a negative, because they just you don't do things typically until you're forced to, especially when you're pushing it is as hard as they are in California. And so those are those are things that I would just say that are evolving at all times, I can give one example, there was a weighing machine cost a quarter of a million dollars, and it reduced the variance per gram packaging from a 10th of a gram to a 100th of a gram. Okay, that machine paid for itself in two months. And so now normally you wouldn't have the product has by per gram is worth enough money to make that investment is all kinds of stories I could give you like that. But that machine, the industry may not even really know and that that machine existed. This was something we discovered way back in 2018. But so just just things like that just give it a high level of an example. And I think everybody would know, things like that today that just, it's just so make so much common sense. But there's other things out there that are things that people would never in a million years, and they would be willing to bet their their life savings that there's impossible that that's the case. And you would say, Look, I don't want you to do that, because you're setting yourself up to fail, because I already got the facts I can I can prove it to you. Yeah, I'm curious

**18:50**

how much you are able now that you have all this data for kind of the timeshare? Is that the time that you've been doing this, how much can you look at a more mature market and kind of know how it evolved? And where are the inflection points and and kind of developments were and then apply that to a newer market? You know, with a scene kind of underlying regulatory structure license structure and be able to say, okay, yeah, this is what's gonna happen, right for the first six months, the next six months, and then a year and a half this is gonna happen, like how much do you are you able to kind of model individual markets and apply them to some of the new markets?

**19:21**

Well, I all I can say is, I think that we have a better chance of not having anything at all. Because that's where we everybody what was, so we can only project with the inputs and variables that we have on the basis that we have today. And what I mean by that is that each of these states, as we're modeling things through the landscape, even if we have an exact similar state, same sizing, same kind of geographical layout, it's not necessarily exactly the same. And I'll give you an example. So California, the market was primarily started as legacy guys that came into the legal market. And were initially the lowest expense would have been just to do outdoor cultivation. And they, they could grow and sell any quality of the weed and they had great quality wheat. And you had brands that had relatively no experience, if any experience at all they didn't even want to deal with with growing cannabis that would buy that. And so the California market, unbeknownst to the wholesalers has been transitioning, and they didn't know it, where the brands started to build their own facilities. And they started to get a perpetual harvest in a more consistent crop more consistent cost basis, more consistent quality control, and be able to have a professional harvest and have that product on the shelf all year round, as opposed to betting everything on the October harvest and hoping that everything works out and working through that. And so these brands as it got bigger and bigger and bigger started building out facilities. And so just by pure nature, the market was evolving, that the capacity for the buyers for the outdoor wholesale was starting to diminish. And they they weren't aware that that was happening. And so these if you are your own brand, and you're you're selling for you're selling your own product, you're selling by the gram into actual products instead of instead of by the pounds at wholesale. So it might be you might be able to get \$1,200 A pound at the wholesale level, but you're probably getting \$2,200 When you sell by the gram. And so even when you hear the stories that the price wholesale prices, this, the market has already moved past that. And they're already working on their strategies to sell at the ground level and to bypass that so the market is moving and evolving. And so my broader point is, is that we can only identify what we are know of at this point, and it's still evolving. And that that was an example in the evolution of how Wholesale is transitioning to older guys owning their own their own brands, but you also have regulatory changes and things happening on that side as well.

## **21:58**

Yeah. How about some of these new markets? I mean, obviously, you have New York, New Jersey, hopefully coming online, your son, boy, you got Maryland, Missouri. I mean, there's a couple of states over the last year or two that have come online, what's your I guess? You know, are those interesting to you? What kind of activity? Have you seen, you know, how are they similar different than previous states? Is there anything new there that you're curious to see how it's gonna play out?

## **22:20**

So look, again, we look at all the markets, we're willing to go into unlimited licensed states, and we're willing to go into Limited License states, and we have closed transactions. And some of those states that you America, you mentioned, we did Maryland and New Jersey with terrassen. And that transaction, that borrower those numbers, debt coverage ratio is insane. So we're very happy with those markets. But I will tell you that there are transactions in California that are doing the ballers are doing amazing as well, too. So not not everything is bad. And not everything is good in any particular state, even though you might hear that that state is crushing it



there. It's just how good is that operators. Typically, when somebody's doing well, you're not going to get a press release on how well they're doing, especially if they're privately held publicly traded companies can't get they have to put it out in their financials. But there's a lot of companies out there that are struggling, but there's also ones that are that are doing that are getting by just fine. And there's ones that are outperforming in picking up additional market share.

### **23:22**

Yeah, when in just give me a second here, figure out where to go with this one. So if you're looking at a deal, or someone's coming to you with a potential deal, like give us a little sense of kind of the process, the diligence, like what's the what are the key things that you're looking at? I mean, if I'm a license holder, you know, looking for capital to get my real estate in place and in shape, the ability to actually run and operate, like, what does that process look like for you? Sure.

### **23:47**

So first of all, they have to own the real estate, or it's not nothing we can do with them. So that's number one. Number two is they have to be an extremely experienced operator with a proven track record that this is just an expansion, it's fine if it's a new state or something like that. But we need to de risk it from that perspective, as well. And the sponsor or the guarantor needs to be a bank level quality. And, you know, unfortunately, we see so many transactions and so many people coming to us. And every deal is kind of a case by case basis. And so many people send us the same exact deal that we unfortunately can't even take calls on transactions, we have to have people email those transactions to us so that we can review that prior to even having a call to make make it a productive call. Otherwise, our origination team would just be on calls spinning their wheels all day long, many times transactions we've already seen multiple time through through maybe potentially even years and have much more depth information on that. And actually price discovery from build purchase offers potentially they didn't go through because the financing didn't come through on another transaction or they didn't raise the equity. So we actually have a lot of times more data than they might have, or we might be already under contract with somebody else and not able to speak to them. There's all kinds of reasons that we have to do it the way that we do it. And then typically, we're not doing anything less than than 5 million, but generally not nothing less than 10 million, our sweet spots 10 to 30 million. And so that's how it goes, we want to make sure that not only do you check all those boxes, but the equity that you're going to need, that you can show us that you've already got that lined up that you're not getting us all bought up and you don't have the or the capital that's necessary for your contribution if it's a purchase.

### **25:34**

Yeah. So you want to be kind of later in the process to kind of be the final puzzle piece to the to the deal to make it happen. I get that. Let's talk about kind of federal world here. Like what's your kind of take, I guess? How does federal legalization kind of shift things for you? What's your kind of view on stuff give us a sense of where you see this kind of market evolving? As we sort of sorted through the federal world,

**25:55**

there was a lot packed in there, because you see, it's all dressed out, we see it happening for how it pertains to us. Yeah, so I don't see any additional vendors coming into the banking space, there are 684 depositors for cannabis use depositors in the country, the last one said report, and we've heard up to 400 of those are have done lending, we're tracking four dozen of them, we've been paid off by banks, but the specialty use nature of especially cultivation, the banks are never going to understand that and the sizing of the transactions, they're not going to be doing transactions there. 3040 get the 100 million dollar deals, it's just they can't have that concentration. And they don't understand the market. And so they're going to start utilizing and forcing you to use non cannabis comps we use cost basis, we had to write something, we think that's the truth, most true methodology to to understand the value of the property. And they're going to banks are typically not all of them, but typically are going to use the alternative use in as, as you're trying to find a property that you're trying to buy for the least amount of money and build for the least amount and have the lowest labor cost and lowest excise tax, that's probably not going to be in Beverly Hills, it's probably going to be in a secondary market. And so banks just can't get comfortable in those types of markets. And they just don't understand. So we don't see any massive shift to our business model in meaningful legislation passes that decoupling federal policy from state policy, we do think that additional lenders would come into the space and we welcome I think that there's plenty of room this is about a 50 billion our asset class once it's all built out. And there's been about 4 billion that's of credit issued so far. So I welcome all that, but we would get a massive benefit, because we're paying a disproportionate high cost on capital to which you know, everybody doesn't realize that everybody's paying higher cost. Yeah, that's our intention to when we did the bond offering was we were going to bring out a fully stabilized loan product, we're trying to get that in the single high single digits, and that would go into be an amazing product. And then the rates went totally wide, and that that went out the window. But we will pass those costs along to our borrowers when we can and when we get some reform or, or the base can be more into our cost of capital will come down. And we'll pass that through to our borrowers in regarding outlook and the federal policies where things are there. I've been lucky enough to have lunch. That's probably three weeks ago now with Senator Danes. And that was when he told me that he did have the votes from both the Democrats and the Republicans to get it through. And that was very, very good to hear that he had that. And that was just prior to them doing the markups on section 10. Section 10 does seem to be the part that they're still trying to work through. I haven't gotten approval to say all I know about it. But there I have been pretty pessimistic all the way through after that meeting. And what he was able to tell me I was I'm now optimistically pessimistic. So and the reason I say that is what people forget is there's so many places that things can be derail. Yeah. And it could be the you have all the votes, it could be the you up every single thing, but there's macro things, you know, we've got a war going on. In Ukraine, we've got issues going with missiles being launched in North Korea, we got issues with with China. And so it's just sometimes the bandwidth is not there. And people have to remember that even though it's a \$30 billion a year revenue industry, that is a \$30 trillion economy in its infinite decimal is as to it's getting out already a disproportionate bandwidth relative to the size of the industry than other industries, just to be completely frank, but it's a social equity issue that needs to be resolved. And I think that that's great. And so that's why it's been elevated to the place it is now. I'm hopeful, and that'll get passed. What I do like about this particular session, Congress is that both the House and the Senate worked on the same bill this this time and that is massive because normally you pay So in both the House and the Senate, and then they got to ratify between the two, and it could fall apart there as well to many pieces. And, you know, Schumer seems, he seems like he's actually driving hard on this. I know that a lot of people would not agree with me. But recently there's been suppressed information. And that allows me to say

a little bit more freely. But I know that there has been activity there more than what people were knew about, and also that we were within inches during the lame duck session. And I was unaware of that, that we were as close as we were. And so it does seem like there is the groundswell that's typically needed to get this passed through both the House and the Senate. And hopefully, we can work out the differences. It sounds like that the Hope Act is able to be there. And I'm going to be meeting with Cory Booker again, I've met with him several times. And I've been speaking with his staff. And it sounds like previously, that was one of the places that were that was that was we were losing Republicans, but it sounds like everybody's come to consensus there. So it sounds like we'd have a chance to get it through more than we've ever had. But I don't know if it's going to change things as much as people think, you know, after after that passes. I would like to see it do cannabis the schedule from one to three, because instantaneously the entire country, every single cannabis business in the entire country now gets to write up their federal expenses. Yeah, exactly. And that is a massive uplift. And I think there's so many other things that come along with that. And I suspect that even if that passed in December, you know, you're if you're on a calendar year, you're going to be able to write off your expenses for the whole year, it would be enormous. If we got passes, or that gets approved in December. I think December 3 is the earliest we might hear from there. So I'm hopeful. I do think it's going to happen at some point and we're prepared for it. But I think that you need to underwrite and invest with the if you can't, if your idea and thesis doesn't work in the current landscape, it's not a good idea to go. Yeah,

**31:55**

yeah. Not gonna make up for it. Rob, this has been a pleasure. If people want to find out more about you more about Polaris, what is the best way to get that information?

**32:02**

Sure. So you can always go to our website [PelorusCapitalGroup.com](http://PelorusCapitalGroup.com) and explore spelled slightly different P E L O R U S not Polaris. It's, it's a navigational instrument, not a star. Got it. And if you're looking for to submit transactions, you would just say email the detail don't request to info inf o at [Flores equity group.com](mailto:info@FloresEquityGroup.com). Or if you're looking for information on investing with us or information on that side, it's IR for Investor Relations at [PelorusCapitalGroup.com](http://PelorusCapitalGroup.com) as well.

**32:35**

Great. I'll make sure that all the links and everything are in the show notes so people can get that. Rob, it's been a pleasure. Thank you so much for taking the time today.

**32:41**

I was awesome. Appreciate it.

**32:43**

That's it for this episode of thinking outside the bud. Be sure to subscribe using your favorite podcast app so you don't miss our future episodes. See you next time.

**32:53**

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