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Business

BOLD TYPES

After state's first cannabis receivership, lawyer predicts many more to come

By **Jon Chesto**
Globe Staff

Cannabis operator **MariMed's** takeover of a failed Quincy medical marijuana seller last month marked the first receivership for the industry in Massachusetts. But a lawyer who helped orchestrate the process says it probably won't be the last.

Frank Segall at **Burns & Levinson**, along with his colleague **Scott Moskol**, became go-to experts in the cannabis sector after establishing a marijuana-focused practice roughly a decade ago. The market was still new back then, with medical marijuana dispensaries only starting to open. The legalization of recreational-use marijuana soon followed, and entrepreneurs raced to get into the space.

Along the way, Segall encouraged **Steve Hoffman**, then chairman of the **Cannabis Control Commission**, to create a receivership process for the sector, to help give lenders confidence that they can recover their money if a borrower goes belly up. This was necessary, Segall argued, to provide much-needed financing options for the industry, because normal bankruptcy proceedings are not an option as long as marijuana is illegal on a federal level.

"If you're a secured lender, you're saying, 'How am I going to protect myself?'" Segall said. "The only weapon in the arsenal for a lender today is to force a borrower who can't pay them into receivership."

Today, the state's cannabis market is suffering amid a glut of sellers, cultivators, and product. Prices have crashed, and many dispensaries are having a hard time.

And Segall had to put that receivership process to work, on behalf of his client, investment firm **Teneo Capital Management**. Quincy medical dispensary **Ermont Inc.** had owed Teneo more than \$22 million but defaulted on the loan. So

Segall lined up a court-appointed receiver, **Jacques Santucci** of **Opus Consulting**, to run the business on an interim basis and sought a Superior Court judge's approval for a takeover. Segall eventually won a court order to sell the business, and Norwood-based MariMed picked it up. MariMed is now pursuing plans to add recreational sales to the Quincy medicinal business, now operating as **Panacea Wellness**.

Other attorneys involved with this complicated deal included **Lawrence Green** of Burns & Levinson; **Erica Rice** and **Kevin Conroy**, of **Foley Hoag**, for MariMed; and **John Morrier** and **Michael Fencer** of **Casner & Edwards**, working for Opus.

The entire process took over a year, and Segall is ready to go through it again. The phone keeps ringing at Burns & Levinson,



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Burns & Levinson attorney **Frank Segall** is a go-to expert in the cannabis sector.

where Segall and Moskol lead a national marijuana practice with 15 attorneys assigned to it.

“You’re seeing businesses start to go out of business in Massachusetts,” Segall said. “I’m getting more and more calls from struggling businesses [asking]: ‘How do we restructure, how do we deal with our lenders?’ ... We knew it was inevitable [but] you have to have these creditors’ rights in place.”

With board seat, Rosengren keeps a hand in banking

Just because former **Federal Reserve Bank of Boston** chief executive **Eric Rosengren** retired from his job leading the Boston Fed in 2021 doesn’t mean Rosengren retired from banking completely.

In fact, he’s been pulled back into the fray by **Nitin Mhatre**. The chief executive of Boston based **Berkshire Hills Bancorp**, Berkshire Bank’s holding company, has long admired Rosengren. As a result, Mhatre eventually invited Rosengren to join Berkshire’s board. That appointment became official last week. Because he considers Berkshire to be a community bank, Rosengren said the appointment is a natural extension of the work he did at the Fed to promote community development in midsized cities.

Rosengren joins another newcomer on the board, former lieutenant governor **Karyn Polito**. Berkshire will briefly have 14 board members as a result, though two of them, **John Davies** and **Jonathan Shulman**, are not seeking to be reelected. As a result, after the bank’s annual meeting on May 18, the board will be back to its usual 12 members.

Rosengren stepped down from the Boston Fed position in the fall of 2021, accelerating his planned retirement by about nine months, citing health reasons at the time. **Ken Montgomery** took over on an interim basis, and **Susan Collins** was eventually recruited for the chief executive job.

Meanwhile, Rosengren has kept busy with some consulting work, a board seat

at **Colby College** (his alma mater), and teaching classes at **MIT**’s Sloan School of Management.

“The combination is intended to keep me busy,” Rosengren said, “but not so busy that I’m working harder than when I was president at the Boston Fed.”

Giving UMass Boston business students real-world experience

As dean of the **University of South Dakota**’s business school, **Venky Venkatachalam** faced a parade of students who learned their summer jobs evaporated in the early days of the COVID-19 pandemic. His solution: a program that placed dozens of students with businesses across South Dakota, working on consulting-type projects.

Now, Venkatachalam leads the business school at **UMass Boston**, and he’s bringing the idea here. On Tuesday, UMass Boston chancellor **Marcelo Suárez-Orozco** will join Venkatachalam and **Mike Vlacich**, the US Small Business Administration’s regional administrator, to launch a new version of the program, called BEST Boston (BEST stands for Business Engagement for Students).

Venkatachalam will test it out this year with four small businesses: **Qubic Labs**, an incubator for blockchain startups in Quincy; **WestNet**, a medical supply business in Canton; **Castle Group**, a Boston PR and events firm; and the **Black Economic Council of Massachusetts**, a business association. Ten students will work for 10 hours a week, for 10 weeks, and be paid \$18 an hour. (The business school covers the costs.) Venkatachalam hopes to involve 40 businesses and 80-plus students next year, if all goes well. This is part of his push to ensure all business school students graduate with some industry experience. And it’s good for the participating businesses, too.

“I want every small business that is facing a challenge [or] an opportunity to think about UMass Boston as their go-to place for innovation,” Suárez-Orozco said. “Venky’s graduates, they’re going to be

running and starting the next generation of businesses.”

All roads lead to Dorchester

With **Jim Brett**, all roads seem to lead back to Dorchester.

Consider what happened last week at the **New England Council**, a group led by the Savin Hill resident. The council hosted Governor **Maura Healey**, who gave a fiery speech about how she wants to make sure Massachusetts is economically competitive. As part of the proceedings, **TD Bank** executive **Sheryl McQuade** auctioned off a Bruins jersey signed by members of the team. (Her bank was an event sponsor.) Attendees put their names in a box. Healey drew the winner.

It turned out to be **Bob Scannell**, chief executive of the **Boys & Girls Clubs of Dorchester**. In an e-mail, Scannell said his initial reaction was shock “because I’ve never won anything in my life.”

He took the jersey back to his office for safekeeping. Of course, he runs a nonprofit that might benefit but Scannell decided to pay it forward: He is giving the jersey to the **Martin Richard Foundation**, the charity named after the boy from Dorchester who died in the 2013 Boston Marathon bombings. He said members of the Richard family are always looking for ways to help others, and the Boys & Girls Clubs of Dorchester is working with the foundation to build and raise money for a fourth Boys & Girls Club, on Mount Vernon Street in Columbia Point.

Scannell suggested to **Bill Richard** that the foundation could auction off the jersey or use it as an incentive for runners on the foundation’s marathon team.

At the New England Council event, Healey jokingly sought to reassure the crowd that the fix was definitely not in for Brett’s favorite neighborhood.

“I know it seems totally fixed because it’s a guy from Dorchester,” Healey said. “But it wasn’t!”

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