



STEPHEN LENN, J.D.



L&S BUSINESS LAW PLLC

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After more than 40 years practicing in corporate finance and merger and acquisition matters, primarily with large law firms and for large companies, Steve formed L&S Business Law PLLC. His objective is to offer the value imbedded in the experience, skills, contacts and relationships developed representing both large institutional and entrepreneurial clients with the personal attention, agility and flexibility of a boutique.

In addition to continuing in a conventional corporate, transactional and corporate finance practice, in recent years Steve has been involved in more than \$1.5 billion of cannabis industry merger and acquisition and debt and equity finance transactions, many with multi-state and/or international components. Clients have primarily been publicly traded corporate and private acquirers, private equity firms, high net worth private investors, family offices and underwriters, but have also included owner/operators. Steve has been a speaker/panelist at multiple investor conferences, several presented by Arcview and Kahner Global, in venues including Las Vegas, Los Angeles, Ft. Lauderdale and Toronto.

Prior to returning to the practice of law in Arizona in 2010, for more than 12 years he acted as a business consultant and investment banker, working primarily with privately owned small and middle market companies in connection with strategic and business planning, capital formation and the sale of businesses and assets.

Steve recently received recognition for the 35th anniversary of his rating at the highest level of the Martindale-Hubbell Peer Review process, AV, 5.0 out of 5, and has been recognized as one of the top bank lawyers in Arizona in the rankings published by the AZ Business Magazine. He is a member of the Arizona, California, New York and Ohio bars. While engaged in the investment banking business, Steve also held Financial Institution Regulatory Authority Series 7, 63 and 79 licenses.

Steve has been a guest lecturer at The Walker Center of Global Entrepreneurship of The Thunderbird Graduate School of Global Management, teaching a class in a Law for Entrepreneurs course for which he helped design the curriculum.

Working with both public and private entities, his legal experience has focused on general business/corporate and securities law, mergers and acquisitions and corporate and real estate finance, as well as banking law and regulation, lender and borrower representations in negotiating and documenting credit

transactions and problem asset resolutions. He has both served as special counsel to federal and state bank regulatory authorities, nationally and regionally, and has negotiated with them on behalf of financial institutions in connection with the resolution of regulatory orders and proceedings. As both in-house and outside general or special counsel for financial institutions, he has developed and executed strategies for and coordinated multi-jurisdictional programs and systems for asset dispositions and litigations.

Steve has prepared both private offering memoranda and registration statements in connection with private and public offerings of securities, and has represented offerors and both individual and institutional investors in connection with transactions exempt from the registration requirements of federal and state securities laws. He has also conducted investigations for committees of independent corporate directors, and successfully resolved enforcement inquiries and investigations by the Securities and Exchange Commission (the SEC).

CIVIC ACTIVITIES

Since relocating to Phoenix in September, 2008, Steve served for 10 years as a member of the Board of Trustees of the Barrow Neurological Foundation, six years as a member of the Board of Directors of The Make-A-Wish Foundation of Arizona and for three years as a member of the Board of Directors of The Phoenix Public Library Foundation. Other civic organizations in which he has become involved since relocating to Phoenix include The Whispering Hope Ranch and The Southwest Autism Research & Resource Center (SARRC).

In Cleveland, Steve was a Charter Trustee of North Coast Harbor, the organization responsible for the development and execution of the master plan for Cleveland's lakefront. He also was a Charter Trustee and served on the Executive and Strategic Planning Committees of the Board of the Great Lakes Science Center, one of the principal constituents of Cleveland's lakefront, and a Corporate Board Member of the Ohio Motorists Association. In addition, he was a member of the Board of Directors of the Cuyahoga County Public Library Foundation, served as a Trustee of Dance Cleveland, a constituent company of Cleveland's Playhouse Square entertainment district, and was a member of the Board of Directors of the Jewish Community Center of Cleveland.

SELECTED EXPERIENCE

Cannabis

Since 2015, Steve has been representing clients in the cannabis business. His focus has been on Arizona and multi-state acquisition and financing transactions, significant commercial arrangements, and governance and regulatory matters. Steve has represented public and private company acquirers, institutional and high net worth equity and debt funders, as well as businesses seeking capital from those and other sources. He has also represented both operators and providers in connection with various joint venture, licensing, production and similar arrangements, ancillary businesses serving the cannabis industry, and sellers of substantial ownership interests in those businesses.

In addition, Steve's experience in the cannabis industry and his banking and bank regulatory expertise offers a combination of capabilities that places him at the rapidly approaching intersection of those industries, putting him in a position to guide commercial banks, financial intermediaries and industry customers as they navigate this new frontier.

General Business, Securities, Merger and Acquisition, and Corporate and Real Estate Finance

Steve's practice included the representation of:

Issuers, underwriters and selling shareholders in connection with federal and state requirements with respect to initial, secondary and/or follow-on public offerings of equity and debt securities, including the preparation and filing with the SEC of numerous registration statements;

Public companies in the preparation and filing of listing applications and reports and the resolution of regulatory issues with the New York and American Stock Exchanges;

Issuers in the preparation of private offering memoranda with respect to the issuance and sale of equity and debt securities pursuant to exemptions from federal and state registration requirements;

Issuers and institutional and individual investors in the negotiation of terms and the preparation of agreements and other documentation with respect to investments in connection with private offerings of common and preferred equity and convertible and subordinated debt;

Companies listed on the New York and American Stock Exchanges and traded over the counter in responding to unsolicited, hostile acquisition offers and in the formulation and presentation to shareholders for approval of anti-takeover charter provisions;

Publicly and privately owned businesses and institutional and individual investors in connection with purchases and sales of non-real estate related businesses and assets for cash or securities, reorganization and merger and acquisition transactions, the structuring of the transactions and the negotiation and preparation of agreements and related documentation with respect thereto. These transactions involved businesses including manufacturers of industrial products such as machine tools, consumer products such as a major regional ice cream company, textile manufacturers, non-bank financial services firms such as an investment advisory firm managing a family of mutual funds that was sold to Neuberger and Berman, manufacturers of military equipment and entertainment businesses;

A privately owned hotel and hotel management companies with annual revenues of up to \$100 million in connection with the negotiation and documentation of the acquisition and disposition of properties in Ohio, Texas, Florida, Massachusetts, North Carolina and California, of hotel management companies managing properties in multiple states and of franchise agreements with franchisors including Marriott, Hilton, Westin and Sheraton, Days Inn, Ramada, and various limited service franchisors;

A local developer group in the negotiation and documentation of a joint venture with one of Japan's largest construction companies and for the development, financing and construction of the 500 room Westin Hotel and underground parking garage contiguous to the Convention Center in downtown Indianapolis, Indiana. This representation included the negotiation and documentation of various state, county and city economic development incentives and an agreement by the Lily Foundation to finance a \$7 million urban park on the roof of the hotel's parking garage;

The chief of the Oneida Indian Nation of New York, which had the first high stakes gaming casino in the state, in the negotiation and documentation of a multimillion dollar per year employment agreement and representation of the Nation in the negotiation and documentation of a transaction for the financing by the Nation of the production and distribution of a series of movies through theaters and cable networks.

Steve has also served as an independent arbitrator, on a panel with two retired federal court judges, in a binding arbitration in connection with a law firm dissolution.

Banking Law, Regulation and Problem Asset Resolution

While Executive Vice President and General Counsel of one of Ohio's largest banking organizations, Steve:

Had direct line responsibility for three subsidiary banks and all non-banking subsidiaries, which included a majority owned, publicly registered small business investment company and wholly owned leasing and capital management subsidiaries;

Served as a member of the corporate credit review committee and a member of the board of managers for the bank's 1 million square foot headquarters office building;

Was the direct report for human resources and operations divisions;

Was appointed by the board, during a hiatus between chief executive officers, as a member of a three-person managing committee responsible for the exercise of the authority of the chief executive and the day to day operation of all facets of the organization's businesses;

Was responsible for the maintenance of the organization's regulatory relationships with the Federal Reserve, the Federal Deposit Insurance Corporation (the FDIC) and Ohio Banking Department, including the oversight of examinations and resolution of multiple regulatory issues.

Steve played a lead role in the development and execution of strategies to defend against the first two hostile takeovers attempted in the banking industry, including the engagement and supervision of investment bankers (First Boston) and New York and Washington outside counsel (Sullivan & Cromwell and Arnold & Porter). After the successful defense of the first, using the newly effective Change in Bank Control Act, he negotiated the standstill agreement with the potential acquirer. The organization was acquired in the second contested takeover at a premium of approximately 47% above market and almost 30% over the initial offering price. Following the acquisition, at the request of the acquirer, Steve founded and served as the Managing Partner of a new office and a member of the Executive Committee of the acquirer's outside general counsel, a 250 attorney regional law firm, in five years growing the office from 1 to 17 attorneys and the most profitable office in the firm on a per capita basis. In addition to office and firm-wide management responsibilities, he also assisted in development of strategic, management and compensation programs and plans.

In 1988, Steve joined one of the 25 largest law firms in the U.S., acting as its senior financial institutions partner nationally. He utilized his banking experience and national and regional regulatory relationships to develop and execute a firm-wide strategy which resulted in the firm becoming one of the largest legal

contractors to the Resolution Trust Corporation (the RTC). He administered the firm's RTC practice, including the maintenance of liaisons with the Offices of the RTC General and Regional Counsels.

In transactions involving billions of dollars and individual and agency credits, Steve represented:

Lenders and borrowers in the negotiation and documentation of loan transactions involving secured and unsecured industrial and commercial credits and real estate credits involving office buildings, hotels and resort properties, multi-family rental housing, condominiums, and industrial, warehouse and distribution facilities;

Lenders and borrowers in the re-negotiation and workout of non-performing loans collateralized by the full spectrum of real estate and other commercial/business assets, including inventories and receivables;

Lenders in the enforcement of guarantees, the disposition of performing and nonperforming notes and the tracing, acquisition of title to and the disposition of real estate and other underlying collateral in both individual and bulk portfolio transactions.

He developed and coordinated systems for financial institutions in connection with the selection, retention and management of creditors' rights, general commercial litigation and transactional counsel in multiple jurisdictions throughout the United States and U.S. Territories, including the negotiation and oversight of staffing, rates, progress reporting, performance measurement and evaluation, and billing and payment.

Steve coordinated the multi-office representation of the RTC in connection with institution closings and seizures, supervisory assisted acquisitions and asset dispositions, and director and officer liability, loan collection and other litigation matters.

As special counsel to the RTC, he was co-lead counsel in the conduct of a review of all 1988/89 conventional Federal Savings and Loan Insurance Corporation assisted transactions and the preparation and submission of a "Report to The Oversight Board of the RTC and Congress" with respect thereto and in the issuance of a legal opinion confirming the constitutionality of FSLIC assistance.

Steve played a lead role in several aspects of the special counsel representation of the State of Ohio in connection with the failure of the Ohio Deposit Guarantee Fund (the ODGF), including coordination with multiple other firms of the grant of insurance by the FDIC to certain of the institutions and a special auction of other of the institutions that had been ODGF insured.

Steve's practice included the negotiation/resolution on behalf of distressed insured institutions of Memoranda of Understandings, Cease and Desist Orders and recapitalization transactions with various regional offices of the FDIC, state banking departments, the Comptroller of the Currency, the Office of Thrift Supervision (the OTS) and/or Federal Reserve and Federal Home Loan Banks.

He conducted an independent investigation at one of the largest saving and loans in the U.S., reporting to the CEO and an independent director, regarding alleged violations of banking regulation, including the issuance of a detailed report and presentation of the results of the investigation and the report to the regional office of the OTS. As a result of the voluntary conduct of the investigation and submission of the results to the OTS, the matter was resolved with no regulatory action against the institution.

Steve also conducted an investigation and prepared a report to a committee of independent directors of a banking organization, Federal Reserve authorities, the Enforcement Division of the SEC and the U.S. Attorney's Office with respect to apparent violations of the Foreign Corrupt Practices Act involving activities of the senior international lending executive in connection with the unexplained payment of commissions into a code named account in the Cayman Islands. As a result of the voluntary investigation and disclosure of its results, no regulatory actions were taken against the banking organization, although two of its executives were indicted.

He represented a banking organization in connection with an investigation by the Enforcement Division of the SEC into the adequacy of loan loss reserve provisions over multiple years and the appropriateness of the process for determining such provisions. The investigation was terminated by the SEC without any action against the organization.

Steve represented organizers of *de novo* banks and bank holding companies, and of purchasers and sellers of banks, bank holding companies and thrifts ranging in asset size from \$10 million to \$2 billion. The representations included the negotiation and documentation of transactions and the preparation and approval by federal and state regulatory authorities of applications required in connection therewith.

Steve served as special counsel to directors of a bank in connection with the resolution of U.S. Treasury Department currency violation complaints.

His experience also involved the negotiation and documentation of executive employment and "golden parachute" agreements for senior executives of insured banking and savings institutions and the preparation and documentation of cash and stock incentive plans and programs including, as appropriate, the preparation and filing with the SEC of registration and/or proxy statements with respect thereto, as well as the representation of new executives of an insolvent mutual savings and loan in negotiating with and securing required approval of employment agreements by Federal Home Loan Bank regulators.

Management, Business Consulting and Investment Banking

In his consulting and investment banking practice, Steve:

Served as a consultant and investment banker for a start-up business with a proprietary industrial process for the conversion of hazardous iron and other metal waste streams into a non-hazardous engineered products material feed with multiple potential applications. The representation included negotiation and documentation of a strategic partnership with an \$8 billion per year public company. The transaction involved an initial investment of \$18 million, and a total investment of more than \$60 million, and the development and execution of strategies for securing various economic development incentives including the approval of an \$80 million triple tax free bond;

Represented a profitable family owned coatings company in the cash sale of the business to a Fortune 500 company for more than \$25 million;

Working with its Paris based director of mergers and acquisitions, represented one of the world's largest cement companies in the sale of U.S. road marking equipment, materials and bridge expansion repair businesses that were collectively losing more than \$10 million per year. The businesses were sold in three separate all cash transactions, resulting in total proceeds to the seller of more than \$16 million;

Served as consultant and investment banker to a construction products/home décor company. The client owned a manufacturing facility in Italy using proprietary equipment and processes for the production of marble and granite products for use in interior home and commercial décor and external commercial curtain walling applications. He recruited a chief operating and marketing officer who made a \$750,000 investment and assisted in the development of strategies to mass market products to large residential homebuilders and hotel companies and suppliers of curtain walling products to the commercial construction market;

Acted as consultant to a distressed produce distribution business with annual revenues of approximately \$60 million that was in default to a secured lender. He designed, structured and conducted a sealed bid auction process which, in a three week period over a Christmas and New Year season, generated 11 site visits and two non-contingent cash bids substantially in excess of the lender's initial estimate of liquidation value. The process required the submission of offers by execution of non-negotiable documentation providing for a 30 day close and no seller representations or warranties, limiting due diligence during the 30 day period to the verification of real estate title and the absence of material inaccuracies in a recent lender required Phase One environmental report;

Served as consultant to a family owned home décor business with annual revenues of approximately \$5 million and substantial operating losses. The assignment involved assisting the client in the development of a new strategic plan and the identification of potential strategic relationships and/or investors. A \$3 million purchase offer was generated from a competitor, which the family elected to decline in favor of the execution of the new strategic plan;

Served as consultant and investment banker to a low tech, proprietary medical training products business. The initial objective was to raise \$1.8 million in exchange for up to 50% of ownership. In connection with the assignment, a business strategy was developed and executed that enabled the company to bootstrap the pre-investment production of products that resulted in sufficient cash flow to reduce the capital raise to \$400,000 for 20% of the ownership. That investment was made by the directors of a community bank identified and introduced to the client as a part of the assignment and which subsequently extended a working capital line of credit for the expansion of the business;

Co-founded, developed, authored and participated in the execution of a business plan, and assisted in securing an initial equity investment of \$10 million from institutional investors, for a business that acquired residential home security contracts from independent dealers pursuant to long term contracts. The contracts required dealers to sell systems only to customers that satisfied established credit criteria, use standard documentation developed as a part of the business plan and to sell to the business one of every three qualifying new accounts the dealers generated each month. The business was sold after a bit more than two years, by which time it had become the 13th largest owner of accounts in the country;

Served as investment banker to a luxury medi-spa business, founded by the former President of Revlon USA, with facilities on Fifth Avenue in New York City, Greenwich, Connecticut and at the Mandalay Bay Hotel in Las Vegas. In a two stage offering, total equity investments of \$7 million were negotiated and secured from individual and institutional investors;

Provided consulting and investment banking services to the developer of a mixed use 55,000 square foot convention center and first class office building, arranging \$32 million of institutional financing and \$1 million of county economic development financing;

Served as consultant to a toy business that owned the intellectual property rights and molds for retro products originally produced and mass marketed by toy companies during the 1950s and 1960s, including Marx Toys, Kenner and Ideal. Assisted the company in connection with a strategic relationship with a small injection molding business that produced product which was sold through retailers including Toys-R-Us and KB Toys, producing annual sales of approximately \$5 million;

Served as a consultant to law firms in connection with the development and implementation of strategic and business development plans.

In addition, during both his legal and investment banking practices, Steve was a preformation and founding Trustee of the Great Lakes Science Center and a member of its Executive and Strategic Planning Committees. He assisted in the development and execution of plans for the on time and on budget construction of a \$55 million facility on a lakefront site contiguous to the Rock and Roll Hall of Fame, with annual attendance of between 300,000 and 600,000 visitors and an endowment of approximately \$11 million.

EDUCATIONAL BACKGROUND AND PROFESSIONAL LICENSES

- Bachelor of Arts, *Cum Laude*, Tufts University
- Juris Doctor, Columbia University Law School
- Member Arizona, California, New York and Ohio Bars;

PRIOR EXPERIENCE

- Partner, Greenspoon Marder, Phoenix, Arizona
- Partner, Sacks Tierney, Scottsdale, Arizona
- Director, Simon Consulting. LLC.
- Managing Director, Capital Strategies, Inc.
- Partner, BakerHostetler, Cleveland, Ohio Office
- Founding and Managing Partner of the Cleveland, Ohio Office of Porter, Wright, Morris & Arthur
- Executive Vice President, General Counsel and Secretary, Union Commerce Corporation and Bank, Cleveland, Ohio
- Associate Attorney, Shereff, Friedman, Hoffman & Goodman (Since merged with Dechert LLP, an international firm with almost 1,000 attorneys in 27 cities), New York City
- Associate Attorney, Kronish, Lieb, New York City