

FLOW KANA'S DEAL WITH THE DEVIL

By John Sakowicz

To the Editor:

Flow Kana's biggest equity stake is owned by Gotham Green Partners, a private equity firm based in New York. Flow Kana has raised a total of \$175 million from Gotham Green Partners, \$125 million of which was a round of financing in February, 2019. It was the largest private funding round of a cannabis company in the United States to date.

But who are Gotham Green Partners?

What do we know about them? Their website says nothing. It's dark.

So, I did some digging.

The Managing Partner at Gotham Green Partners seems to be a guy named Jason Adler.

Michael Henderson-Cohen, a Principal at Gotham Green Partners, sits on the Board of Directors at Flow Kana. He babysits Jason Adler's money at Flow Kana.

Jason Adler

Who is Jason Alder?

Jason Adler was the Chief Executive Officer of Saiers Capital, LLC (formerly Alphabet Management, LLC). It's a quantitative hedge fund, also known as a quant fund.

I think he cashed out a few years ago to get into private equity.

What are quants?

Quants are Wall Street's geeks. They're often mathematicians. And make their money manipulating financial markets, creating volatility in financial markets, then trading on the wild swings of volatility that they themselves create.

Jason Adler's partner, Nelson Saiers, was such a geek. He studied algebraic topology and cobordism theory. Barron's described Saiers as a star quantitative investor. He worked at UBS and Deutsche Bank. At Deutsche Bank, Nelson Saiers was a Managing Director and ran a proprietary trading business focused on derivatives

How do quants do what they do?

Quants use their hedge funds' massive, computer-driven, "flash" trading to create much of the volatility in today's markets. Something called "derivatives" highly leverage their trades.

If you're a big institutional investor and you can't beat the quants, then you join them. It's a sort of legal blackmail. Quant hedge funds specifically target risk-adverse institutional investors, like big pension funds, interested in hedging against the very risk that quant hedge funds they, themselves, create. It's ironic, but true.

Let's be clear: Hedge funds do not create value. They destroy value. Hedge funds are the true robber barons of Wall Street. And Jason Adler is one of those robber barons.

In large part, due to hedge funds, and also due to derivatives, which leverage bets made by hedge funds, global financial markets are now a dangerous world wrought with turbulence, unpredictability, and insane amounts of risk.

To think that Jason Adler is in our backyard, right here in Redwood Valley, makes my skin crawl.

As a footnote, Jason Adler also sits on the board of another cannabis company, The Cronos Group.

According to their own annual report, "The Cronos Group is committed to building disruptive intellectual property by advancing cannabis research, technology and product development."

Sounds like biotech to me.

Also, Cronos is bed with a company called Altria.

Altria is "Big Tobacco". More about that later.

Altria paid a 42% premium over the Cronos stock's 10-day volume-weighted average price for the period ending Nov. 30, 2018.

That gave Altria a 45% stake in Cronos, with an option for Altria to increase its stake to 55% over the next five years.

But there are even greater long-term benefits for Cronos Group resulting from the deal. Cronos will now have an exclusive partner in Altria.

Altria

Who is Altria? What is Altria?

Altria was previously known as Philip Morris Companies, Inc. Sound familiar? They have a huge portfolio of cigarette brands, including Marlboro. They also own wine brands and vape brands.

Altria is Big Tobacco. Their market capitalization, as of today, August 30, 2019, is \$82.07 billion.

And they are bad people.

According to the Center for Public Integrity, Altria spent around \$101 million on lobbying the United States government between 1998 and 2004, making it the second most active organization in the nation.

Altria also funded The Advancement of Sound Science Coalition which lobbied against the scientific consensus on anthropogenic climate change.

Daniel Smith, representing Altria, sits on the Private Enterprise Board of the American Legislative Exchange Council (ALEC).

In August 2006, Altria was found guilty of civil fraud and racketeering.

Jason Adler sits on the Cronos board, which makes him a partner with Altria. Because Jason Adler and Gotham Green Partners funded Flow Kana, that puts only one degree of separation between Flow Kana and Altria.

Let me say that again. There's only one degree of separation between Flow Kana and Big Tobacco.

There's more.

Pebble Labs

Jason Adler is on the board of directors at a biotech company called Pebble Labs, located near the U.S. nuclear weapons lab in Los Alamos, NM.

Pebble Labs has a patented recombinant gene technology that makes it possible to insert "engineered" genes into the genetic material of bacteria that live inside host plants or animals.

Keep in mind that recombinant micro-organisms can potentially produce any protein encoded by any gene. For example, Monsanto has already figured out how to insert a gene in

its seed corn that produces Bt toxin, designed to protect the plant by rupturing the stomach of any insect that feeds on it. Monsanto claims the toxin will break down before the corn makes it to your dinner table, but rats fed the GMO corn showed organ failure and the toxin has been detected in the bodies of pregnant women.

Pebble Labs plans on running away with this technology. It has an in-house, proprietary advanced analytics and computational technology called "Parallax Analytics" that uses uniquely developed algorithms, software, and data sources to design and drive accelerated research initiatives.

Freaked out yet?

There's more.

Michael Harrison

Pebble Labs' Chairman and CEO is a guy named Michael Harrison, who also simultaneously serves as CEO to a large private Ag Biotech company.

This is another irony, of course. Mendocino County was the first jurisdiction in the United States to ban GMOs with a county ordinance, Measure H.

Measure H did not specifically ban GMO bacteria/microorganisms. I forget the details why, but can research why later. Suffice it to say, if someone creates (and patents) a GMO bacteria that alters the properties of a non-GMO plant (e.g. cannabis), it may be legal in Mendocino County.

Do we want to go down that road?

I don't think so.

What Can You Do

Heard enough?

If you've heard enough, write to Jason Adler at Gotham Green Partners, 489 5th Avenue, Suite 29A, New York, NY 10017. Ask Mr. Adler what he's doing here in Mendocino County. Ask him if he's planning on using recombinant gene technology to create patented new strains of cannabis.

While you're at it, also write to Michael Steinmetz, Flow Kana's co-founder and CEO. Write to him at: Flow Kana, 1150 Bel Arbre Road, Redwood Valley, CA 95470. Ask Mr. Steinmetz if knows who he's in bed with.

BTW, Michael Steinmetz is another interesting dude. Originally from Caracas, Steinmetz built and sold a Venezuelan national food marketing and distribution company, and worked as an investment analyst at Merrill Lynch and a data analyst at NASA's jet propulsion laboratory.

NASA's jet propulsion laboratory.

Really?

Who the hell are these guys?

John Sakowicz

Please forward this post to our brothers and sisters reporting on the cannabis industry. Small farmers are very much endangered here in Mendocino County.

My website is www.heroespatriots.org

You may contact me as a source for this story. I would love to co-report this story. I've had a show on various public radio stations since 2008. Currently, my show, "Heroes and Patriots" airs on KMUD.

John Sakowicz, Candidate 1st District Supervisor, Mendocino County

[THIS IS A REPOST FROM JOHN'S ORIGINAL February 27, 2020, LETTER TO THE EDITOR](#)

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