

THE FINANCIAL SERVICES INNOVATION COALITION (FSIC)

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A Compendium of select Writings and Publications



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The Marshall Plan for the Economic Recovery of Black America



Congress Should Use a New Stimulus Package to Create a \$1 Trillion Recovery Inclusion & Stabilization Fund (Marshall Plan) to Help African American Communities Recover and Rebuild After the Coronavirus Pandemic

Kevin B. Kimble, Esq. - Financial Services Innovation Coalition (FSIC)

Charles I. Brooks - FaithWorks

Leroy Jones, Jr. - Sheridan Broadcasting Corporation



DECLARATION

We the undersigned fully support this proposed plan of action and call on the U.S. Congress and Administration to show their serious intent to support communities of color who have experienced the most loss during the coronavirus crisis and who to date have received almost no assistance.

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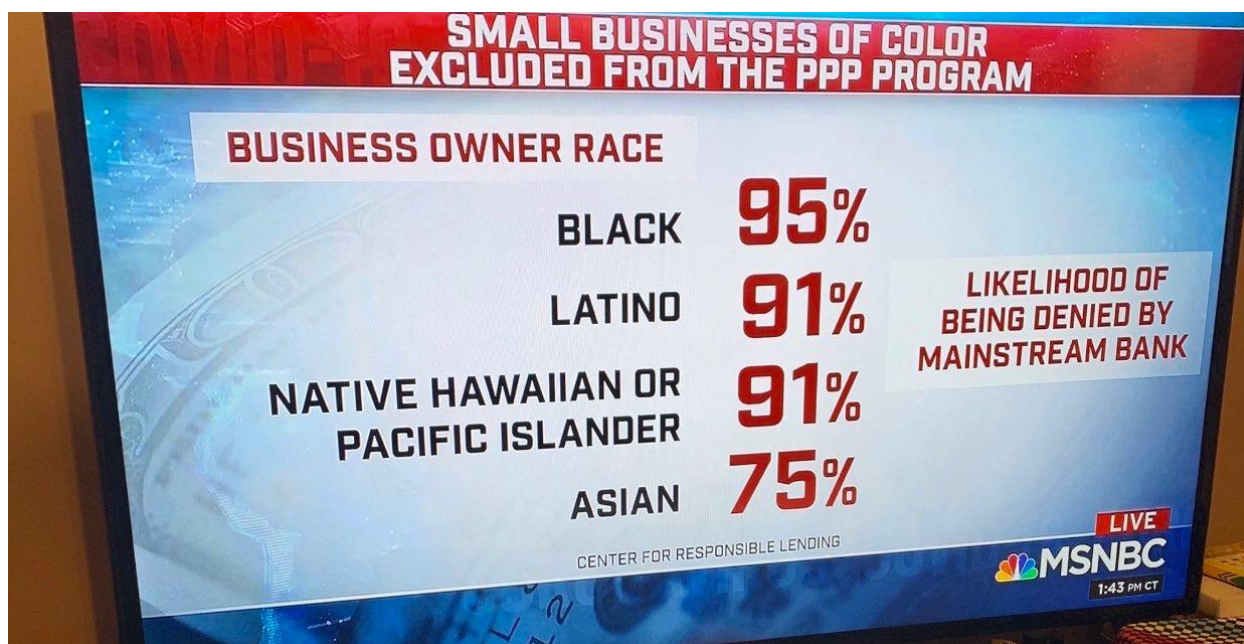
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Congress Should Use a New Stimulus Package to Create a \$1 Trillion Recovery Inclusion & Stabilization Fund (Marshall Plan) to Help African American Communities to Recover and Rebuild After the Coronavirus Pandemic

Background

As Americans deal with the ramifications of the Corona virus, the great racial disparities that have plagued African Americans for centuries have become starkly and deadly visible for all to see. An imperative exists for Congress to achieve the spirit of the 14th Amendment, the Civil Rights Act and enact affirmative remedies abolishing the residue of systemic racism. This inevitably requires developing a plan to save African American institutions including businesses, non-Profits, HBCUs and other entities serving traditionally under-resourced multicultural neighborhoods and communities.

This current public healthcare and economic crisis has laid bare the adverse impacts and implications of decades long policies and practices of benign neglect towards African Americans and the African American community in terms of housing, education, healthcare, employment and entrepreneurship. For too long the answer to the request for race specific remedies has been met with legal and political hurdles. This document seeks to not only lay out the provisions of the “African American Marshall Plan” but to also provide the legal justification for such a remedy.

Provisions of the African American Marshall Plan

The stark reality is that the coronavirus pandemic is having a devastating effect on the

African America community. Far more often than not, African Americans are deemed “essential” employees for the pandemic response beyond first responders and healthcare professionals even as their children require home schooling or daycare. Moreover, African Americans are at greater risk of contracting, needing hospitalization or dying from the coronavirus than other racial and ethnic groups across the United States.

Along with battling the scourge of this life sapping disease, this new normal requires us to be forward-thinking when it comes to every day American freedoms and liberties, like voting rights, social connection and natural disaster preparedness. We already have seen how difficult it is for states to conduct primary elections during this crisis. Some states, like New York, have postponed primary voting with no guarantees that a primary will happen at all because of the pandemic. In other states, like Ohio, mail-in balloting for the primary election is being considered without the necessary funds to ensure ballots can be mailed to all registered voters. Finally, states like Wisconsin proceeded with in-person balloting despite an inappropriate number of polling places and ballots, as well as failure to ensure adequate social distancing and other preventative safeguards.

Furthermore, we are approximately 60 days away from the 2020 Hurricane Season. Federal and state weather experts such as NOAA, predict that the 2020 season severity of destruction will double the harsh 2019 season at a minimum, with at least 16 named tropical storms and 8 major Hurricanes. As such, there is a very real possibility that as we begin to emerge from this coronavirus season, several jurisdictions along the Atlantic and Gulf Coasts, all with significant industries and sizable communities of color, will experience “Hurricane Katrina” or “Super Storm Sandy” type catastrophes. How will we handle the mass care, food, clothing and shelter needs for millions of Americans if evacuation orders are required? How will we set up emergency shelters just weeks after insisting that Americans shelter in place and practice social distancing? How will we provide for the needs of already over-worked first responders and healthcare professionals, some of whom have contracted the virus themselves? Will they be able to go back on the frontline for storm season so soon after battling the deadly coronavirus? These questions all need answers. There is no “one size fits all” solution, for these unprecedented times are compounding the losses of un-served and underserved African Americans.

Consequently, a Stimulus Package must include race and ethnicity as a factor to ensure a level playing field in the recovery and mitigation phases of this tragedy across communities of color, particularly the African American community. This plan would be called the Recovery Inclusion and Stabilization Fund (“RISF”).

Proposal

Under the RISF, \$1 trillion fund would be created from up to \$400 billion of previously authorized but unspent funds, and up to \$600 billion in newly appropriated funds from the next Stimulus Package that can be drawn upon by minority businesses and minority nonprofit organizations to fund community-based businesses and revitalization projects. Under the RISF:

- \$350 billion in forgivable loans to “qualified” African American for-profit businesses
- \$250 billion for “qualified” non-profit organizations serving predominantly African American constituents or community projects
- \$250 billion to support both public and private Historically Black Colleges & Universities (“HBCUs”)
- \$150 billion for municipalities with substantial African American populations to help prepare for and respond to natural disasters

The stakes for our increasingly diverse and divided nation have never been higher in our lifetimes. History has shown that generations of benign neglect policies and practices toward the African American communities have crippled our overall ability to compete on the world stage in this technological age. We believe Congress must act boldly and decisively by creating the Recovery Inclusion and Stabilization Fund so that we emerge from the current crisis as One Nation, with all hands on deck that is ready, able and willing to lead the world in this new normal.

Professional Sport Team Owners in US Prove Socialism Can Work

Op-Ed

By Kevin B. Kimble Esq., Founder – FSIC

Michael Flores, CEO – Bretton Woods, Inc.

October 7, 2020

We seem to be at a crossroads in our economic policy paradigm. We appear to be stuck between unbridled capitalism, bordering on feudalism, or the dreaded “S” word. But a look at America’s sports leagues, which are among the strongest, most vibrant institutions in our economy, provides an enlightening example of what is possible when a governing body strikes the right balance. Sport franchises are worth billions and they earn billions in revenue, and provide good paying jobs to their employees. To create this dynamic economic model, these owners surprise, surprise, share the wealth!

These “capitalists” understand that in order to have a thriving, competitive marketplace, a winner take all “laissez faire” economic approach does not work. In order to support a 30-40 team league, owners understand that the wealthier markets must support the smaller, poorer markets. They also understand that to have competitive and entertaining games, the talent must be distributed evenly. As a result, they have strict rules and regulations governing the operation of their leagues.

To maintain these competitive and lucrative institutions, every sports league requires the teams to share the revenue from TV and advertising deals. They cap spending so that teams from poorer cities can compete for talent. They tax wealthy teams who spend more than the cap and distribute the money to the poorer teams. They structure the draft so that losing teams get the first shot at recruiting the best talent.

Additionally, they have strong unions for their players, which provide significant minimum salary and benefits. In essence, these owners, the most successful capitalist in the United States, know that without these rules and regulations the teams in the five or six largest markets, with the most resources, would dominate the leagues and result in many fewer teams and a less wealthy organization. In fact, a look back at the history of the leagues will demonstrate the struggles they faced before they instituted many of these reforms.

This should all lead to an analysis of the Multiplier Effect and Universal Basic Income positive impacts on poorer communities. That is, with a tax policy that draws revenue from the wealthiest one percent and distributes these proceeds to the neediest amongst us, the resultant consumer spending will benefit businesses and services in these traditionally underserved communities which should also incent businesses to invest in these communities because of the increased demand.

This discussion requires a much deeper dive into the impact of artificial intelligence and robotics on both blue- and white-collar jobs and how government intervention can provide a glidepath to a new equilibrium of available jobs to job seekers.

As we think about the future of western economic policy, we would be wise to look at how sport team owners maximize the success of all stakeholders by sharing the wealth.

A Lawyers Role in Alleviating Inequities Through Advocacy

By Kevin B. Kimble, Esq.

May 15, 2020

In this election year and in light of the fallout from the Coronavirus outbreak, it is an important time to reflect on the need for legislative advocacy on behalf of the African American community for health inclusion. The clarion call for better health care in Black communities is often focused on the poor outlook and outcome of the population. African Americans are overrepresented in chronic diseases and underrepresented in research and resources. We must also be concerned with conditions in our prisons, as we know they systemically provide poor care for inmates, a large percentage of whom are minority. It is a moral imperative for lawyers of color to advocate for inclusion of these populations in the treatment protocols.

Additionally, we can and should ensure that African American businesses and entrepreneurs are not being denied the economic opportunities provided to others. While a great deal of the health care conversations surrounding African Americans is and should be focused on the tremendous health disparities, we should not overlook the economic disparities and inequities African Americans face in the health care industry.

As the government doles out hundreds of billions and possibly trillions of dollars in contracts and grants, Black institutions and businesses will barely gain a pittance of the money spent. This exclusion will be another example of generational wealth and opportunity being denied the African American Community.

This is an opportunity and even a duty for lawyers of color to seek out potential clients and advocate for minority inclusion in this effort. We have been denied these opportunities for far too long. Black Colleges, researchers, manufacturers, transporters, warehouses and other businesses need to be at the table. The government should be held accountable for meeting minority contracting goals.



Mr. Kimble is a Washington DC based strategist working with nonprofits, civil rights groups, institutions of higher learning and the business community to solve the problem of economic injustice and increase minority inclusion in the American workforce by utilizing innovative ideas and techniques. As the founder of a Financial Services nonprofit organization Kevin has been recognized by his peers as having a key role in helping solve some of the most serious financial services and economic issues that our country faces today. Kevin has been published in numerous magazines and newspapers and is a routine guest on several national radio shows.

The Looming Real Estate Crisis Plus Opportunity Zones Will Exponentially Expand the Wealth Gap

By Kevin B. Kimble, Esq.

May 20, 2020

It is not a secret that the real estate market is suffering during this COVID-19 pandemic. Social distancing has caused businesses to shutter which has led to a decline in commercial real estate values. With workers forced to stay home, many people are unable to pay their rents and mortgages. These delinquencies will eventually lead to a large number of evictions and foreclosures.

While Congress included some mortgage and rental relief in the CARES Act, a comprehensive plan needs to be created. Understand the insufficiencies of the CARES act, the U.S. House of Representatives included additional mortgage and rental relief in the recently passed HEROES Act. These new provisions, while beneficial, are still not sufficient to stem the oncoming disaster.

It is no secret, that the small business and worker protection provisions in the first two bills were insufficient to the task of helping the average American. The main cause of this inefficacy is the cumbersome and exclusionary bureaucratic process used to distribute the relief. The big concern going forward is that any new housing relief will be burdened by the same inefficiencies and will only lead to more suffering.

One should remember that for every house, restaurant or other building that goes into foreclosure, there is an Opportunity Fund with billions of dollars in tax-free capital gains waiting to acquire the property for pennies on the dollar. This will allow investors to make exponential gains when they sell these properties 10 years from now tax-free.

This will be a greater transfer of wealth from the middle class to the wealthy than that of the Great Recession.

To avoid this result, we propose this practical solution:

- Congress should enact a law to allow both landlords and mortgage holders to submit vouchers to the Federal Reserve for unpaid rents and mortgage payments.
- This will allow for the retention of the status quo and stem the tide of foreclosures and evictions that is sure to arise from the pandemic.

CONGRESS SHOULD ACT NOW ON THIS COMMONSENSE SOLUTION.

Financial Services Innovation Coalition (FSIC) - FSIC is a growing network of Financial Services Lending Innovators, Legislators, Community Groups, and Academics who share a passion for applying emerging technology and market innovation to meet the credit and financial service needs of underserved consumers. Contact us at info@FSICoalition.org or visit our website at www.FSICoalition.org

MEMORANDUM

Date: April 20, 2020

To: The Honorable Nancy Pelosi
The Honorable Mitch McConnell
The Honorable Charles E. Schumer
The Honorable Kevin McCarthy

From: Kevin B. Kimble, Esq.

RE: **SBA And Banks Have Proven Themselves Unworthy of Stimulus Participation**

A lot has been made of the way banks have prioritized loan applications, choosing to help customers who have credit accounts first.

While this may at first appear to be good customer service for their best customers, the little discussed rationale behind this strategy is to ensure repayment of loans. In fact, there were provisions in the bill to allow banks to collect funds from stimulus money.

It is clear small business owners were NEVER supposed to get any of the PPP Funding. See:

“WHILE SMALL OPERATIONS STRUGGLE, CHAINS LAND PPP LOANS”:

<https://www.restaurantbusinessonline.com/financing/while-small-operations-struggle-chains-land-ppp-loans>

“Shake Shack Gets \$10M Federal Loan For Small Businesses Affected by COVID-19”:

<https://ny.eater.com/2020/4/17/21224943/shake-shack-ppp-loan-coronavirus-restaurants-nyc>

“Shake Shack returning \$10 million government loan meant for small businesses”

<https://www.nbcnews.com/news/us-news/shake-shack-returning-10-million-government-loan-meant-small-businesses-n1187541>

It is folly to continue using the current SBA and bank system to distribute money. To do so will ensure most businesses will continue to be left out of assistance.

A much better way would be to:

1. Allow every business with an EIN to and an account with a financial institution to click a button on their mobile banking app and have \$10,000 directly transferred into their account;
2. The financial institution can then send a voucher to the Treasury or the Fed for reimbursement.

This process will be fast, efficient, effective and inclusive.

We hope that both congress and the administration immediately fix this problem before we lose the entire backbone of our nation's economy.

CC:

The Honorable James Clyburn
U.S. House Majority Whip

The Honorable Karen Bass
Chairwoman
Congressional Black Caucus (CBC)

Honorable Maxine Waters
Chairwoman
House Financial Services Committee

The Honorable Senator Kamala D. Harris

The Honorable Senator Cory Booker

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In association with:



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