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Davies Drives First Ever Going Concern Sale of Insolvent Cannabis Producer

In an industry first, Davies has facilitated a going concern asset sale of an insolvent cannabis company that saw a complete transfer of the business to a third party in record time.

The successful transaction was unique in both structure and speed, and pivoted on the creativity and experience of the Davies team, led by [Natalie Renner](#) and [Robin Schwill](#). Although new entrants into the cannabis sector can take up to 12 months to receive the necessary approvals and licences, the team engaged Health Canada early and worked closely with it to devise a novel structure that saw the licences obtained and the transaction close in less than four months. This ensured continuation of the business and preservation of jobs in a struggling industry.

The deal occurred in connection with proceedings of James E. Wagner Cultivation Corporation, a Canadian licensed cannabis producer, under the *Companies' Creditors Arrangement Act* (CCAA). The transaction was completed by way of a credit bid made by Trichome Financial Corp. and included the assumption of certain liabilities and the payment of costs associated with the CCAA proceedings.

Davies acted for KSV Kofman Inc. in its role as Monitor in the proceedings.