

# Trichome Financial closes asset purchase of James E. Wagner Cultivation

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Torys acted as counsel to Trichome Financial with a team that included Scott Bomhof and Mike Noel (restructuring/M&A), Cheryl Reicin and Frazer House (corporate/M&A), Jeremy Opolsky and Lara Guest (court proceedings), Nadine Rockman Katz (lending), Teresa Reguly and Manpreet Singh (IP), Richard Johnson and Valérie Duchesneau (tax).

On August 31, 2020, Trichome Financial Corp. ("Trichome Financial") announced that its wholly-owned subsidiary, Trichome JWC Acquisition Corp. ("TJAC") received licensure from Health Canada and closed the acquisition of substantially all of the assets of James E. Wagner Cultivation Corporation on August 28, 2020, free and clear of legacy liabilities. TJAC, operating the JWC business, is now one of a small percentage of licensed producers holding a complete set of Health Canada licenses, enabling it to produce and sell both dried flower products as well as extract products.

The novel acquisition was made in connection with James E. Wagner Cultivation Corporation's consensual restructuring proposal with Trichome Financial under the *Companies' Creditors Arrangement Act* previously authorized by the Ontario Superior Court of Justice (Commercial List) on June 2, 2020. The sale marked the first sale through an insolvency proceeding of substantially all of the assets of a licensed producer of cannabis as a going concern. The assets—which include 114,000 square feet of licensed space in two facilities capable of producing approximately 7,000 kilograms per year of premium cannabis—were purchased for a total consideration of C\$16 million by way of a set-off of Trichome Financial's pre-filing debt and assumption of its debtor-in-possession financing, and will be used by TJAC to continue to produce premium cannabis offerings under the JWC brand.

TJAC also extended employment agreements to 107 people, the vast majority of whom were previously employed by James E. Wagner Cultivation Corporation.

Further information on the transaction can be found on MarketWatch's [website](#), with further details on the restructuring proposal found on the [website](#) of the Court-appointed CCAA monitor.

[Trichome Financial](#) is a specialty finance company focused on providing flexible and creative credit solutions to the global legal cannabis market.

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