

October 17, 2019

Stigler quoted in "Cannabis M&A Flares As Players Bet On US Legalization"

Law360

Michael Best Partner Shawn Stigler was quoted in *Law360*'s article "Cannabis M&A Flares As Players Bet On US Legalization" on October 17, 2019.

Cannabis companies are snapping each other up in the U.S. despite regulatory challenges as they try to build market share ahead of anticipated federal legalization of marijuana, seeking to become either industry leaders or attractive targets for large acquirers looking to enter the market.

A handful of larger cannabis combinations made headlines earlier this year — including Massachusetts-based Curaleaf Holdings Inc.'s \$948.8 million deal for private equity-backed Cura Partners, which Curaleaf followed with an \$875 million deal for Grassroots two months later.

Another challenge to M&A that is unique to the cannabis industry is that many of the target companies were not set up with an acquisition in mind. That means that their financial record keeping and other corporate practices might make due diligence particularly difficult.

"Given that it's a new industry and people were scrambling to organize or maybe get a license, and a lot of the folks especially on the Main Street side are first time entrepreneurs, it hasn't had all of the corporate formalities," said Shawn Stigler, co-leader of Michael Best & Friedrich LLP's cannabis practice.

That makes the merger situation more difficult than what attorneys might be used to when dealing with a company set up by a venture capitalist or other investor.

To read the full article, [click here](#).

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