

TRAILBLAZERS

CANNABIS LAW

MARTIN GLASS JENNER & BLOCK LLP



PIONEER SPIRIT As co-chair of Jenner & Block's cross-border transactions practice, Martin Glass counsels U.S. and Canadian companies in a variety of industries, including life sciences. His interest in cannabis law began as cannabis companies started going public. "As Canadian companies started getting listed on the U.S. exchanges and U.S. companies started getting listed on Canadian exchanges, I got involved."

TRAILS BLAZED Glass led the team representing Chicago-based Cresco Labs, Inc., one of the largest vertically integrated multistate cannabis operators in the U.S., in its public listing on a Canadian stock exchange in 2018. "It can be tricky for a U.S.-based cannabis company because you can't get listed on a U.S. exchange for regulatory reasons. Cresco did what some of its peers were doing. From a legal perspective, they moved the company to Canada by acquiring a public shell company in Canada." The move involved a reverse takeover and allowed Cresco Labs to be listed on the Canadian Securities Exchange, which historically deals with emerging markets, with the transaction resulting in a public company with a market capitalization of more than two billion Canadian dollars. "Unlike in the U.S., cannabis is fully legal in Canada and regulated just like alcohol. So Canada can be the best path for public liquidity for U.S. companies. As long as you are following your own country's laws, you can list on U.S.-based exchanges. So Canadian companies can list on the New York Stock Exchange or Nasdaq, but U.S. companies cannot."

FUTURE EXPLORATIONS Glass expects to see the legalization of marijuana and further branding of cannabis products. "Much like people say, 'I want a Bud' instead of 'I want a beer,' they will be saying, 'I want a Cresco edible.' That will become more and more the play, with consumers having a preference for specific brands."