

NEWS RELEASES

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## Services

Cannabis  
Mergers &  
Acquisitions

## Industry

Food Systems

## Professionals

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# Husch Blackwell Represents Schwazze in Landmark Cannabis Transaction

## FIRST PUBLICLY TRADED COMPANY TO COMPLETE TRANSACTION UNDER COLORADO HB19-1090

Husch Blackwell represented Schwazze, formerly operating as Medicine Man Technologies Inc., in the closing of its acquisition of Mesa Organics and its Purplebee's business. The purchase consideration for the merger is approximately \$2.6 million in cash and approximately 2.6 million in shares of common stock, subject to certain holdback and adjustment provisions.

The transaction represents a significant milestone in the development of the cannabis industry in Colorado. It is the first to close after a change in Colorado law pursuant to House Bill 19-1090, allowing for publicly traded companies to own Colorado cannabis licenses. In addition to representing Schwazze in the transaction, Husch Blackwell's cannabis law team was integral to the drafting and passage of the legislation that enabled the deal.

"We worked closely with state lawmakers over the course of several years to craft legislation that would ultimately accrue to the benefit of the state's cannabis industry and to the industry at large," said Steve Levine, the leader of Husch Blackwell's Cannabis practice and the lead lawyer on the Mesa Organics transaction. "We feel confident that the legislation we helped to draft will make much needed capital available to the state's cannabis operators and is a major step toward establishing Colorado as the national leader in this emerging industry."

In March 2020, Schwazze became the first publicly traded company to receive suitability approval from the State of Colorado under HB19-1090, opening the way to the company's acquisition strategy. After finalizing its targeted

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acquisitions, Schwazze will be one of the largest seed-to-sale cannabis operators.

“Schwazze is an innovator and is positioning themselves to be an industry leader. We are very proud to represent the company in this milestone transaction,” added Levine.

The Husch Blackwell team led by Levine included Meghan Brennan and Jason Reschly.