

# Bloomberg News

## MedMen's \$1.65 Billion Listing Shows Cannabis Is Moving North

By [Jennifer Kaplan](#)

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- Canadian Securities Exchange a new home for U.S. pot companies
- Expert says firms to 'hibernate' there until U.S. rules shift

Cannabis company [MedMen Enterprises's](#) deal to go public in Canada with a \$1.65 billion valuation is the latest signal the U.S.'s northern neighbor is poised to capture more marijuana investment.

The reverse takeover -- in which a private company goes public via the acquisition of a listed one -- is among the largest deals for marijuana in Canada. With the plant's legal status still questionable in the U.S., the transaction illustrates the corporate-cannabis industry's migration north to raise cash from investors eager to latch on to a fast-growing market.

MedMen's destination is the Canadian Securities Exchange -- a market with simpler reporting requirements that's home to mostly small-cap companies. For U.S. pot companies looking to tap into the public markets, the CSE is the best option for now, according to David Bukzin, vice chairman of Marcum LLP -- an accounting firm that has established a cannabis-focused group.

"I believe a number of those companies will hibernate there, if you will, until things change here in the States," Bukzin said, referring to the CSE. "Then they will either re-domesticate or do a listing onto either the Nasdaq or the NYSE."

The Los Angeles-based company, which has 800 employees and 18 licensed marijuana facilities in California, Nevada and New York, raised C\$143 million (\$110 million) in a private subscription at a valuation of C\$2.14 billion (\$1.65 billion), according to a company statement. About 5 percent of shares will initially trade on the CSE, the company said.

### **Manhattan Dispensary**

MedMen, which [recently opened](#) an upscale marijuana dispensary in Midtown Manhattan, sees the deal as a way to gain access to capital, Chief Executive Adam Bierman said at a recent industry conference.

He predicts other cannabis companies will choose to follow in MedMen's footsteps to gain access to the flood of money rushing into cannabis in Canada. The cannabis industry in the U.S. alone is expected to reach [\\$75 billion](#) by 2030, according to investment bank Cowen & Co.

With larger exchanges largely off limits for cannabis companies, Bukzin said the CSE is best poised to benefit for now.

"Fortunately -- or unfortunately -- it's the only place to list, really, if you're a U.S. company touching the plant," he said.