



Franchise and Retail in the Cannabis Industry

As a proven model for the distribution of products and services across a broad range of trade channels, franchising has become an essential source of economic activity in Canada and around the world. Consumers are reliant on franchised businesses to access a vast array of branded products and services, while the franchised businesses that offer them work to establish and entrench the consumer experience and quality standards associated with their offerings.

With the ability to move product efficiently, to maintain consistency in consumer experience, and to build and establish brand presence, franchising offers the recreational cannabis industry a compelling distribution and retail option. Having industry-leading practices in franchise law and cannabis law, Cassels Brock is uniquely positioned to offer a sophisticated and integrated multi-disciplinary approach to all facets of establishing and operating a retail or franchised recreational cannabis program in Canada.

Our Expertise

For nearly 30 years, our dedicated and highly-regarded franchise law team has offered cutting-edge and practical advice on all facets of franchising and retailing, from assisting local start-ups to working with some of the world's biggest brands on domestic and international expansion strategies and programs.

Cassels Brock has distinguished itself at the forefront of the cannabis industry in Canada, providing a wide range of expertise in connection with corporate, securities, regulatory, intellectual property, financing, real estate, municipal zoning & by-law, employment, retail, branding and celebrity endorsements matters.

Our team is recognized both domestically and internationally, by such authorities as *Chambers Global: The World's Leading Lawyers for Business*, *Chambers Canada*, *The Best Lawyers in Canada*, *International Who's Who in Franchise Law* and *The Canadian Legal Expert Directory*. Our lawyers are also renowned for their contributions to thought leadership and are frequently called upon to write and speak on advancements and innovation in the cannabis and franchise industries. We have been invited to provide expert insights at numerous industry conferences including O'Connabiz Conference & Expo, Lift Business Conference & Expo, National Cannabis Bar Association's Cannabis Law Institute, GrowUp Conference & Expo, the CLFA Annual Conference, the Annual Franchise Law Conference, the Annual IBA/IFA Joint Conference on International Franchise and the Canadian Franchise Association's Franchise Law Day. Our lawyers have also provided expert commentary to such publications as *The Globe and Mail*, *Bloomberg Politics*, *Law Times*, *Canadian Lawyer* and *MJBizDaily*.

How We Can Help You

Cassels Brock has assisted companies and brands within everything from program inception to corporate, retail and franchised expansion throughout Canada and beyond. Our services include:

- ◆ **Determining and Adapting to The Regulatory Landscape.** The Canadian cannabis industry is highly regulated, complex and rapidly evolving. At the same time, franchising is a regulated industry in six of the ten provinces in Canada. Cognizant of and fluent in the interplay between federal and provincial regulations applicable to cannabis and franchising, we help clients understand the law and identify the risks and opportunities it can present.



- ◆ **Developing a Growth Plan.** Different commercial opportunities may be available or attractive to clients as a result of various factors, including commercial opportunities and different regulatory landscapes in various markets or provinces. We help clients identify, mobilize and capitalize on opportunities and then construct an appropriate and achievable growth plan.
- ◆ **Drafting Commercial Agreements.** Regardless of the type of franchise or retail expansion mode chosen, properly drafted and well-structured agreements, tailored to specific business and strategic needs, is essential. In the franchise context, established approaches and principles need to be finely tuned to evolving cannabis dynamics. We work closely with clients to develop essential documents, with legal and strategic input from our multi-disciplinary practitioners.
- ◆ **Complying with Franchise Laws.** If the plan includes franchising in any of the six provinces with a franchise law, we guide clients through franchise-specific regulatory requirements, including the preparation and use of franchise disclosure materials. Our expert franchise law specialists provide a “ground-up” approach to educate and support client teams on development and growth of all facets of a franchise program.
- ◆ **Developing and Protecting Your Brand.** As effective branding is essential to the success of any retail or franchise system, we advise on brand creation, development, registration and protection, as well as on licensing, advertising and marketing, packaging and labelling, contests, and more.
- ◆ **Private Equity and M&A.** If a retail or franchised chain is to be purchased, sold or invested in, we can help. We bring a value-added perspective on dealing with franchise company assets and related regulatory compliance issues.

Integrated Services

As part of a full-service firm, our team is supported by colleagues in other practice areas, ensuring seamless navigation of all franchise or retail business issues, including:

- ◆ Private equity and public financing, including securities law
- ◆ Information technology including internet and privacy law issues
- ◆ Protection and licensing of trademarks and other intellectual property rights
- ◆ Corporate tax strategies and personal tax planning
- ◆ Competition law
- ◆ Real estate and commercial leasing
- ◆ Human resources issues including employment and independent contractor arrangements
- ◆ Bankruptcy, receiverships and business reorganization
- ◆ Construction law
- ◆ Advertising and marketing law
- ◆ Commercial contracts, including supplier and joint venture arrangements
- ◆ Dispute resolution

Our Team

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