



Funding A Growing Cannabis Business



Michigan Based Cannabis Grower Leverages 4X Loan Providing Initial Deposit In COLD HARD CASH

- ❑ **CHALLENGE:** Client struggles with banking problems due to Federal vs. State legislation. Resulted in storing large amounts of cash.
- ❑ **OPPORTUNITY:** Needed ability to leverage actual cash for loan deposit
- ❑ **OUTCOME:** Lender was able to solve the problem and collect multiple millions in actual cash from the borrower for the initial deposit. The company is aggressively expanding operations with the loan

As cannabis continues to be legalized at the State level across the US, the market opportunity is exploding. However, due to the fact that Cannabis is not legalized federally significant banking and financing challenges exist across the industry amid fears their legal profits could at a future time be reclassified as "proceeds of crime". As a result, many cannabis operators are hesitant to bank their profits, instead holding onto immense amounts of cash. Leveraging large amounts of cash to access growth capital for your business is not a typical approach to commercial financing. But for this cannabis grower it was the perfect answer. Using their profits (being stored in cash) they successfully leveraged the 4X loan. Our funder, being both a private lender and a problem solver figured out a way to get it done. In this unique scenario, the lender dispatched a secured armored car service

to collect millions for a cash deposit for placement as the loan loss reserve. With the cash deposited in escrow, the borrower received a four times credit facility of the deposited amount. With their \$20M+, they are expanding grow operations to several new states. They began receiving tranches in Q4 of 2018 and now with the loan fully disbursed, the client has the loan loss reserve returned to them - which had some significant benefits of its own. Thanks to this unique program, this Michigan grower is capitalizing on their expansion plans and their business is blooming.

Our funder has the ability to finance loans that just wouldn't even be considered anywhere else. Educate yourself on what is available to your business. See what's possible.

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