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## Bankrupt GenCanna Wants \$1.7M For Unpaid Hemp Products

By Sarah Jarvis

Law360 (April 5, 2021, 7:44 PM EDT) -- Bankrupt hemp company GenCanna has filed five adversary suits against companies it says received deliveries of hemp and CBD products but never paid for them, as it seeks to collect a total of \$1.68 million from the buyers.

The complaints were filed on Thursday against California-based Theorem 12 LLC and Real Remedy LLC; Florida-based BMH Ventures Inc., formerly known as Blue Moon Hemp Inc., and Full Impact LLC; and Arizona-based CBD Unlimited LLC. Each complaint includes one count of breach of contract and one count of unjust enrichment.

"GenCanna delivered goods to defendant, and defendant retained those goods but has failed to pay for them," the company said in each of the complaints.

GenCanna claimed that Blue Moon owes it the most of the five companies, with an alleged outstanding balance of more than \$788,000 for CBD it ordered in June 2019.

The new adversary suits come weeks after two other clawback cases that have been filed in the ongoing wind-down of GenCanna.

In one complaint filed on March 26, GenCanna Acquisition Corp. claimed that Kentucky-based Arrow Farms LLC has refused to return certain equipment, urging the court to order Arrow Farms to hand that equipment over. And earlier in March, the trustee overseeing GenCanna's wind-down, Oxford Restructuring Advisors, filed a clawback action seeking **\$1.4 million** that it claims was paid to a web design company owned by GenCanna executives for services it never performed.

GenCanna entered bankruptcy proceedings in January 2020 after one of its creditors filed an involuntary Chapter 11 petition. The company consented and then filed a petition of its own the following month, court records show.

In May, GenCanna got the go-ahead to sell the bulk of its assets in a deal worth more than **\$70 million**, and in November, U.S. Bankruptcy Judge Gregory Schaaf **approved** GenCanna's Chapter 11 plan. Oxford filed an adversary action against law firm Pillsbury Winthrop Shaw Pittman LLP in January seeking to claw back **\$1.2 million** in payments made by GenCanna in the year preceding its bankruptcy filing.

Blue Moon was not immediately available to comment Monday, and CBD Unlimited and counsel for GenCanna did not immediately respond to requests for comment. Theorem 12, Full Impact and Real Remedy could not be reached for comment.

GenCanna is represented in the newest adversary cases by James R. Irving, April A. Wimberg and Christopher B. Madden of Dentons, and Michael J. Barrie, William M. Alleman Jr. and Noelle B. Torrice of Benesch Friedlander Coplan & Aronoff.

Counsel information for the adversary companies was not available Monday.

The adversary cases are OGGUSA Inc. v. Theorem 12 LLC, case number 21-05016, OGGUSA Inc. v. BMH Ventures Inc., case number 21-05020, OGGUSA Inc. v. CBD Unlimited LLC, case number 21-05019, OGGUSA Inc. v. Full Impact LLC, case number 21-05018, and OGGUSA Inc. v. Real Remedy LLC, case number 21-05017, in the U.S. Bankruptcy Court for the Eastern District of Kentucky.

The main bankruptcy case is In re: OGGUSA Inc. et al., case number 20-50133, in the U.S. Bankruptcy Court for the Eastern District of Kentucky.

--Additional reporting by Rick Archer and Diana Novak Jones. Editing by Adam LoBelia.

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