

# BellRock Brands Announces Commencement of Debt Restructuring

AURORA, CO, USA, March 18, 2024 /EINPresswire.com/ -- BellRock Brands Inc. ("BellRock" or the "Company") (CSE: BRCK.U), an industry-leading cannabis multi-state house of brands, announced today that its senior secured creditors have jointly filed a Complaint in Denver District Court, in an action captioned Berman, et al. v. BellRock Brands, Inc., et al., 2024CV30763, alleging breach of the prevailing secured notes. The Company is working cooperatively with its secured creditors to ensure that the full debt restructuring that the secured creditors seek is facilitated in a way that ensures continuity of the Company's operations and relationships and ongoing performance of the Company's contractual obligations.

The Company's restructuring and turnaround team includes Zachary L. Venegas and Scott Ogur, principals of West 4th Holdings, as well as Sat Joshi, BellRock's Chief Strategy Officer. This team possesses significant operational turnaround experience along with extensive experience in Chapter 11 bankruptcy, receivership, and other restructuring processes across several industries, including the cannabis industry. In late 2023, BellRock, on the advice of its turnaround and restructuring team, retained Allen Vellone Wolf Helfrich & Factor P.C. ("Allen Vellone") to advise on matters related to restructuring its debt obligations. "Since beginning our engagement 2022, we have guided BellRock through a turbulent environment, stabilizing revenue, reducing expenses and increasing productivity, resulting in the Company generating positive EBITDA," said Zachary L. Venegas. "The results provide a dramatically stronger foundation for the Company to restructure its debt obligations and transition to being a well-capitalized company with a growth-oriented strategy." Members of the turnaround and restructuring team as well as Allen Vellone are actively working at headquarters with BellRock's senior leadership team and staff to minimize disruptions to BellRock's operating activities.

In addition to executing existing operational turnaround strategies, BellRock is increasingly focusing on initiatives to grow revenue and cash flow. Examples of such initiatives include a refresh of the Mary's Medicinals® product line, which began in 2023 and is expected to be completed later this year. The Company expects to launch several new products across its various markets this year and is driving greater utilization of its fixed assets and intellectual property through both licensing partnerships and collaborations with third-party brands and retailers in multiple markets. Sat Joshi, Chief Strategy Officer, added "Our business operates within an ecosystem of valued customers, service providers and suppliers that are all contending with the numerous challenges faced by the cannabis industry. Due to alignment with these stakeholders and the support of our secured creditors, we are confident in BellRock's ability to

emerge as a stronger company and enter its next growth phase.”

#### ABOUT BELLROCK BRANDS:

BellRock Brands is a multi-state cannabis house of brands possessing one of the industry's broadest product portfolios.

#### FORWARD-LOOKING INFORMATION AND STATEMENTS

The information provided in this press release may contain "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws. All statements, other than statements of historical fact, made by the Company (or its predecessors) that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on current expectations and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward- looking statements, including, but not limited to, risks and uncertainties related to: (i) the regulation of the medical and recreational marijuana industry in the United States, Canada, Mexico, Australia, New Zealand, Latin America and other countries in which the Company may carry on its business; (ii) the ability of the Company to obtain meaningful consumer acceptance and a successful market for its products on a national and international basis at competitive prices; (iii) the ability of the Company to develop and maintain an effective sales network; (iv) the success of the Company in forecasting demand for its products or services; (v) the ability of the Company to maintain pricing and thereby maintain adequate profit margins; (vi) the ability of the Company to achieve adequate intellectual property protection; (vii) the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest; and (viii) other risks described from time to time in documents filed by the Company with securities regulatory authorities.

With respect to the forward-looking statements contained herein, although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements as no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks, including the risks described above. Consequently, all forward-

looking statements made in this press release are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Company. The cautionary statements contained or referred to herein should be considered in connection with any subsequent written or oral forward-looking statements that the Company and/or persons acting on the Company's behalf may issue.

The Canadian Securities Exchange has neither approved nor disapproved the contents of this news release.

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SOURCE BellRock Brands Inc.

Media Inquiries or Investor Relations

BellRock Brands

Email: [IR@bellrockbrands.com](mailto:IR@bellrockbrands.com)

Investor Relations

BellRock Brands Inc.

[email us here](#)

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