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GTA

FunGuyz closes storefronts and moves sales of psychedelic mushrooms online

FunGuyz, the illegal magic mushroom dispensary with 30 storefronts across Ontario, has closed their physical stores due to police raids and moved their business completely online.

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Police are seen taking apart a sign for a FunGuyz location near Danforth and Carlaw avenues earlier this month.

Richard Lautens Toronto Star

By Raju Mudhar Staff Reporter

FunGuyz, the largest psilocybin store in Ontario, is closing its 30 locations citing persistent enforcement.

Known for their colourful signs featuring large images of psychedelic mushrooms, a spokesperson for the illegal enterprise confirmed that, due to recurring raids by authorities, it will be moving its sales online. Its last brick-and-mortar outlets in Ontario were officially closed Monday, FunGuyz said.

The move marks a new chapter for an operation that's been one of the most prominent faces of a seemingly burgeoning mushroom business in Ontario, even as debate about access to psilocybin continues in Canada.

“We’re closing all 30 locations and transitioning to online. There have been numerous raids from stores to warehouses to production centres. It cost us a lot of money to stay open, so, at this point, we’re just closing down,” said a man who gave his name as Elwyn Smith and said he was acting as spokesperson for FunGuyz. (Those speaking on behalf of the company had previously refused to give their real names).

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Smith estimated that their various stores had been subject to more than 120 raids and increased scrutiny in several cities and areas, such as York Region, where police have focused on cracking down on magic mushrooms dispensaries and operations. He also said 50 per cent of their business is already online sales.

Despite the brazen way many storefronts display and sell the psilocybin products, they are still illegal and selling them is drug trafficking. Some people can get permission to use magic mushrooms for medical reasons through a special access program under Health Canada. But many illegal mushroom dispensaries have been following the playbook created by illegal cannabis dispensaries that operated before the legalization of marijuana.

Toronto police spokesperson Stephanie Sayer told the Star this summer that while anyone selling or producing psilocybin without a Health Canada exemption would be committing a criminal offence, “in terms of priorities, enforcement by TPS is largely focused on the trafficking of illegal drugs that are resulting in overdose deaths, and having a traumatic and devastating impact on our communities.

“When a report is made to Toronto police about an illegal dispensary, it is investigated, and any decision to proceed with charges is based on the findings of that investigation. We also work with the City, as brick and mortar shops could also be subject to bylaw, permit and zoning infractions.”

FunGuyz had rapidly expanded, opening up in several jurisdictions across Ontario, and in Montreal, and spokespeople for the outlet often spoke in the media about their crusade to push the legalization of psilocybin. It also led to competitors like Shroomyz opening shops throughout the province.

“Maybe because we grew too fast and the brand was almost too big, which was the goal, that might be the reason why they came after us,” said Smith. “As for the other guys, we’ll see if they take issue with them once we’re closed.”

Smith said the operation sees benefits for both the business and customers by moving to a completely online model.

“Without the overhead of stores, we’ll be able to charge less. We’re able to drop the prices on our product and still give everyone equal access,” said Smith. “It will be a lot harder for them to investigate what goes on behind the scenes without any physical locations. We don’t want the taxpayers’ money focusing on us when there are bigger issues within Canada, from crime to the opioid crisis. We want them to direct their forces to things that really matter, not mushrooms.”

William Jaksa is a Toronto criminal lawyer who has also represented cannabis dispensaries and a young man who worked at a [Shroomyz location for two weekends and ended up with a criminal record](#), who is now appealing the ruling.

Jaksa said he understands why FunGuyz are moving online, as it will invite less scrutiny, and theorized that might have always been the goal.

“Storefronts are expensive. Storefronts are vulnerable. Storefronts are security risks. With storefronts, you need to have that firewall up between the staff and the management so the staff can’t rat you out to the police. Now that they’ve built the brand and they’re recognizable, they’re going to start email blasting all their clients, and hopefully their clients have built some loyalty to them and some trust to them, and they’ll start buying online now,” said Jaksa.

When asked about FunGuyz impact, Smith said the company definitely helped people become more familiar with mushrooms and provided many with a service and product there is demand for. He believes it is helping push the cause of legalization forward.

“It helped the cause, for sure. The average person likely thought that ‘Wow, these stores are legal. Like, who would open up a store if it wasn’t legal?’ And I think that probably pushed it in that direction a little bit. It legitimized them,” agreed Jaksa. “But you’re still hitting up against that hard wall of legislation and the law.”

With all the raids, FunGuyz said, they paid for the legal fees for workers who were arrested. One of them, who was caught in a raid in London, has launched a Charter challenge, arguing that outlawing the drug infringes on Canadians’ “freedom of thought.”

Paul Lewin is the lawyer working on that challenge, and said he believes the storefronts did help the cause of legalization of magic mushrooms.

“I think many things moved us towards cannabis legalization. I think research and court cases, but I think civil disobedience was part of it as well. But people got used to it and didn’t find it so strange or scary, and I think that psilocybin stores are

playing a similar role and that this kind of civil disobedience is also moving the ball forward,” said Lewin.

All that said, Smith also remains defiant and said if the authorities continue to go after their now online illicit business, FunGuyz is ready to return.

“We’re surrendering. So, if they decide to attack (us) online, then we’ll pop the 30 stores back open,” said Smith. “We’ll come back full force. Instead of 30, we’ll have 60 (stores). We have the power to do so. Again, it’s gotten to the point where we’re looking out for the other issues within Canada, not magic mushrooms. ... At least they can direct their (police) forces to something that matters.”



Raju Mudhar is a Toronto-based reporter for the Star covering breaking news. Reach him via email: rmudhar@thestar.ca

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