

1
2
3
4
5
6
7
8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10

11
12 **SECURITIES AND EXCHANGE**
13 **COMMISSION,**

14 **Plaintiff,**

15 **vs.**

16 **ANTHONY TODD JOHNSON, et al.,**

17 **Defendants.**
18
19

Case No. 5:20-cv-01493-MCS-SHK

**~~[PROPOSED]~~ FINAL JUDGMENT AS
TO DEFENDANTS SMART
INITIATIVES, LLC, VALLEY VIEW
ENTERPRISES LLC, TARGET
EQUITY LLC, ZABALA FARMS
GROUP, LLC, GPA ENTERPRISES
LLC AND GREEN BUD INITIATIVES
LLC**

20 The Securities and Exchange Commission having filed a Complaint and
21 Defendants Smart Initiatives, LLC, Valley View Enterprises LLC, Target Equity
22 LLC, Zabala Farms Group LLC, GPA Enterprises LLC and Green Bud Initiatives
23 LLC (collectively “Defendants”) having entered a general appearance; consented to
24 the Court’s jurisdiction over Defendants and the subject matter of this action;
25 consented to entry of this Judgment without admitting or denying the allegations of
26 the Complaint (except as to jurisdiction and except as otherwise provided herein in
27 paragraph VII); waived findings of fact and conclusions of law; and waived any right
28 to appeal from this Judgment:

1 I.

2 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants
3 are permanently restrained and enjoined from violating, directly or indirectly, Section
4 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. §
5 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
6 any means or instrumentality of interstate commerce, or of the mails, or of any
7 facility of any national securities exchange, in connection with the purchase or sale of
8 any security:

- 9 (a) to employ any device, scheme, or artifice to defraud;
10 (b) to make any untrue statement of a material fact or to omit to state a
11 material fact necessary in order to make the statements made, in the light
12 of the circumstances under which they were made, not misleading; or
13 (c) to engage in any act, practice, or course of business which operates or
14 would operate as a fraud or deceit upon any person.

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
16 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
17 binds the following who receive actual notice of this Judgment by personal service or
18 otherwise: (a) Defendants’ officers, agents, servants, employees, and attorneys; and
19 (b) other persons in active concert or participation with Defendants or with anyone
20 described in (a).

21 II.

22 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
23 Defendants are permanently restrained and enjoined from violating Section 17(a) of
24 the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or
25 sale of any security by the use of any means or instruments of transportation or
26 communication in interstate commerce or by use of the mails, directly or indirectly:

- 27 (a) to employ any device, scheme, or artifice to defraud;
28 (b) to obtain money or property by means of any untrue statement of a

1 material fact or any omission of a material fact necessary in order to
2 make the statements made, in light of the circumstances under which
3 they were made, not misleading; or

- 4 (c) to engage in any transaction, practice, or course of business which
5 operates or would operate as a fraud or deceit upon the purchaser.

6 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
7 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
8 binds the following who receive actual notice of this Judgment by personal service or
9 otherwise: (a) Defendants' officers, agents, servants, employees, and attorneys; and
10 (b) other persons in active concert or participation with Defendants or with anyone
11 described in (a).

12 III.

13 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
14 Defendants are permanently restrained and enjoined from violating Section 5 of the
15 Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any
16 applicable exemption:

- 17 (a) Unless a registration statement is in effect as to a security, making use of
18 any means or instruments of transportation or communication in
19 interstate commerce or of the mails to sell such security through the use
20 or medium of any prospectus or otherwise;
- 21 (b) Unless a registration statement is in effect as to a security, carrying or
22 causing to be carried through the mails or in interstate commerce, by any
23 means or instruments of transportation, any such security for the purpose
24 of sale or for delivery after sale; or
- 25 (c) Making use of any means or instruments of transportation or
26 communication in interstate commerce or of the mails to offer to sell or
27 offer to buy through the use or medium of any prospectus or otherwise
28 any security, unless a registration statement has been filed with the

1 Commission as to such security, or while the registration statement is the
2 subject of a refusal order or stop order or (prior to the effective date of
3 the registration statement) any public proceeding or examination under
4 Section 8 of the Securities Act [15 U.S.C. § 77h].

5 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
6 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
7 binds the following who receive actual notice of this Judgment by personal service or
8 otherwise: (a) Defendants' officers, agents, servants, employees, and attorneys; and
9 (b) other persons in active concert or participation with Defendants or with anyone
10 described in (a).

11 IV.

12 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
13 Defendant Green Bud Initiatives LLC is permanently restrained and enjoined from
14 violating, directly or indirectly, Section 15(a) of the Exchange Act, 15 U.S.C. §
15 78o(a), which makes it unlawful for any broker or dealer which is either a person
16 other than a natural person or a natural person, to make use of the mails or any means
17 or instrumentality of interstate commerce to effect any transactions in, or to induce or
18 attempt to induce the purchase or sale of, any security (other than an exempted
19 security or commercial paper, bankers' acceptances, or commercial bills) unless such
20 broker or dealer is registered in accordance with Section 15(b) of the Exchange Act,
21 15 U.S.C. § 78o(b).

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
23 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
24 binds the following who receive actual notice of this Judgment by personal service or
25 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and
26 (b) other persons in active concert or participation with Defendant or with anyone
27 described in (a).

1 V.

2 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
3 Defendant Green Bud Initiatives LLC shall pay, jointly and severally with co-
4 defendants Anthony Todd Johnson and Jeremy Johnson, disgorgement of
5 \$2,776,726.00, representing net profits gained as a result of the conduct alleged in the
6 Complaint, together with prejudgment interest thereon in the amount of \$222,575.00
7 for a total of \$2,999,301.00, which the Court finds is for the benefit of investors.
8 Defendant shall satisfy this obligation by paying for aforementioned sums to the
9 Securities and Exchange Commission with 30 days after entry of this Final Judgment.

10 Defendant may transmit payment electronically to the Commission, which will
11 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also
12 be made directly from a bank account via Pay.gov through the SEC website at
13 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified
14 check, bank cashier's check, or United States postal money order payable to the
15 Securities and Exchange Commission, which shall be delivered or mailed to

16 Enterprise Services Center
17 Accounts Receivable Branch
18 6500 South MacArthur Boulevard
19 Oklahoma City, OK 73169

20 and shall be accompanied by a letter identifying the case title, civil action number,
21 and name of this Court; Jeremy Johnson as a defendant in this action; and specifying
22 that payment is made pursuant to this Final Judgment.

23 Defendant shall simultaneously transmit photocopies of evidence of payment
24 and case identifying information to the Commission's counsel in this action. By
25 making this payment, Defendant relinquishes all legal and equitable right, title, and
26 interest in such funds and no part of the funds shall be returned to Defendant.

27 The Commission may enforce the Court's judgment for disgorgement and
28 prejudgment interest by using all collection procedures authorized by law, including,

1 but not limited to, moving for civil contempt at any time after 30 days following entry
2 of this Final Judgment.

3 Defendant shall pay post judgment interest on any amounts due after 30 days
4 of the entry of this Final Judgment pursuant to 28 U.S.C. § 1961.

5 The Commission shall hold the funds (collectively, the “Fund”) until further
6 order of this Court. The SEC may propose a plan to distribute the Fund subject to the
7 Court’s approval, and the Court shall retain jurisdiction over the administration of
8 any distribution of the Fund.

9 The Commission may propose a plan to distribute the Fund subject to the
10 Court’s approval. Such a plan may provide that the Fund shall be distributed
11 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of
12 2002. The Court shall retain jurisdiction over the administration of any distribution
13 of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

14 VI.

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
16 Consent is incorporated herein with the same force and effect as if fully set forth
17 herein, and that Defendant shall comply with all of the undertakings and agreements
18 set forth therein.

19 VII.

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for
21 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,
22 11 U.S.C. § 523, the allegations in the complaint are true and admitted by Defendant,
23 and further, any debt for disgorgement, prejudgment interest, civil penalty or other
24 amounts due by Defendant under this Judgment or any other judgment, order, consent
25 order, decree or settlement agreement entered in connection with this proceeding, is a
26 debt for the violation by Defendant of the federal securities laws or any regulation or
27 order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy
28 Code, 11 U.S.C. §523(a)(19).

1 VIII.

2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
3 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this
4 Judgment.

5 IX.

6 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
7 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith
8 and without further notice.

9
10 Dated: January 28, 2021



11
12 MARK C. SCARSI
13 UNITED STATES DISTRICT JUDGE
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28