

1 LYNN M. DEAN (Cal. Bar No. 205562)  
Email: deanl@sec.gov  
2 ROBERTO A. TERCERO (Cal. Bar No. 143760)  
Email: terceror@sec.gov

3 Attorneys for Plaintiff  
4 Securities and Exchange Commission  
Michele Wein Layne, Regional Director  
5 Alka N. Patel, Associate Regional Director  
Amy Jane Longo, Regional Trial Counsel  
6 444 S. Flower Street, Suite 900  
Los Angeles, California 90071  
7 Telephone: (323) 965-3998  
Facsimile: (213) 443-1904

8  
9 **UNITED STATES DISTRICT COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**

11  
12 **SECURITIES AND EXCHANGE**  
13 **COMMISSION,**  
14 Applicant,  
15 vs.  
16 **ANDREW T.E. COLDICUTT and**  
17 **LAW OFFICE OF ANDREW**  
**COLDICUTT,**  
18 Respondents.

Case No.  
**SECURITIES AND EXCHANGE**  
**COMMISSION'S APPLICATION**  
**FOR AN ORDER TO SHOW CAUSE**  
**AND APPLICATION FOR AN**  
**ORDER COMPELLING**  
**COMPLIANCE WITH**  
**INVESTIGATIVE SUBPOENAS**

1 **I. INTRODUCTION**

2 1. The Securities and Exchange Commission (“SEC”) hereby applies to  
3 this Court for an Order Show Cause why an order should not issue requiring  
4 Respondents Andrew T.E. Coldicutt (“Coldicutt”) and the Law Office of Andrew  
5 Coldicutt (“Law Office” and collectively, “Respondents”) to comply with two  
6 investigative subpoenas issued and properly served on them by the SEC on March 24,  
7 2017 (“SEC March 2017 Subpoenas”).

8 2. This Application is based on the Declaration of Roberto A. Tercero and  
9 the exhibits attached thereto regarding relevant factual matters in this proceeding, the  
10 Memorandum of Points and Authorities filed in support of this Application, the  
11 Proposed Order to Show Cause, and the Proposed Order Compelling Compliance,  
12 each of which is filed concurrently herewith, such matters of which judicial notice  
13 may be taken, and any other written or oral evidence as may be offered at a hearing  
14 on the Application.

15 **II. JURISDICTION AND VENUE**

16 3. Jurisdiction is conferred upon this Court by Section 22(b) of the  
17 Securities Act of 1933 (the “Securities Act”), 15 U.S.C. §77v(b), and Section 21(c) of  
18 the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. § 78u(c).

19 4. Venue is proper in the Central District of California because the SEC’s  
20 investigation is being carried out by the SEC’s Los Angeles Regional Office, which is  
21 located within this Court’s judicial district. *See*, 15 U.S.C. § 78u(c).

22 **III. RESPONDENTS**

23 5. **Andrew T.E. Coldicutt** resides in San Diego, California. Coldicutt is a  
24 securities attorney and has been a member of the State Bar of California since 2008.

25 6. **Law Office of Andrew Coldicutt** is a sole proprietorship. Its principal  
26 place of business during the relevant time period was 1220 Rosecrans Street, PMB  
27 258, San Diego, California 92106.

1 **IV. THE SEC'S INVESTIGATION**

2 7. On May 25, 2016, the SEC issued a formal order of private investigation  
3 (the "Formal Order"), entitled In the Matter of Andrew T.E. Coldicutt, SEC File No.  
4 LA-4660, pursuant to Section 20(a) of the Securities Act, 15 U.S.C. § 77t(a), and  
5 Section 21(a) of the Exchange Act, 15 U.S.C. § 78u(a).

6 8. Pursuant to the Formal Order, the SEC directed that an investigation be  
7 conducted to determine, among other things, whether any persons or entities affiliated  
8 with Coldicutt, or others, have been or are engaging in violations of Sections 5(a),  
9 5(c), and 17(a) of the Securities Act, 15 U.S.C. §§ 77e(a), 77e(c) & 77q(a), and  
10 Section 10(b) of the Securities Exchange Act, 15. U.S.C. § 78j(b), and Rule 10b-5  
11 thereunder, 17 C.F.R. § 240.10b-5, by carrying out various acts and practices. The  
12 Formal Order identifies, among the potentially violative acts and practices, "making  
13 false statements of material fact or failing to disclose material facts concerning,  
14 among other things, the identity of control persons and promoters."

15 9. Pursuant to Section 19(c) of the Securities Act, 15 U.S.C. § 77s(c), and  
16 Section 21(b) of the Exchange Act, 15 U.S.C. § 78u(b), the Formal Order designates  
17 certain members of the SEC staff as officers of the SEC. As officers, they are  
18 empowered to administer oaths and affirmations, subpoena witnesses, compel their  
19 attendance, take evidence, and require the production of any books, papers,  
20 correspondence, memoranda, or other records which are relevant or material to the  
21 inquiry and to perform all other duties in connection therewith as prescribed by law.

22 10. During the course of the investigation, the SEC has learned that  
23 Respondents and others affiliated with them may have engaged in conduct in  
24 violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), and Section 10(b)  
25 of the Exchange Act, 15. U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. §  
26 240.10b-5, concerning the common stock of Green Cures & Botanical Distribution,  
27 Inc., a company whose stock is quoted publicly on over-the-counter market,  
28 specifically OTC Link (formerly "Pink Sheets"), under the ticker symbol "GRCU."

1 OTC Link is operated by OTC Markets, Inc. (“OTC Markets”). It appears that  
2 among other things – while GRCU stock was quoted on OTC Link and traded –  
3 Coldicutt, GRCU, and others related to GRCU may have made materially false and  
4 misleading public statements regarding GRCU, its management, and the presence of  
5 undisclosed control persons.

6 **V. INVESTIGATIVE SUBPOENAS ISSUED**

7 11. On March 24, 2017, the SEC issued the SEC March 2017 Subpoenas to  
8 Respondents calling for the production by April 5, 2017, of relevant documents  
9 regarding Respondents, GRCU, and others regarding GRCU, including documents  
10 and records concerning: (a) engagements of the Respondents as legal counsel by  
11 GRCU or others concerning GRCU; (b) legal services performed by Respondents for  
12 GRCU or others concerning GRCU; (c) offerings of GRCU securities; (d) issuances,  
13 cancellations or transfers of GRCU securities; (e) communications regarding GRCU;  
14 (f) transfers to or from Respondents of money or other assets concerning GRCU; (g)  
15 transfers to or from Respondents of money or other assets to a specified list of  
16 individuals and entities; and (h) filings on behalf of GRCU with OTC Markets.

17 12. The SEC Subpoenas were signed by a member of the SEC staff  
18 designated in the Formal Order and were served on the Respondents, pursuant to  
19 agreement of their counsel (“Respondents’ Counsel”) to accept service by email on  
20 March 24, 2017. Respondents’ counsel acknowledged that he received the emailed  
21 version of the SEC March 2017 Subpoenas on March 24, 2017.

22 13. To date, the Respondents have not produced any documents in response  
23 to the SEC March 2017 Subpoenas, even though SEC counsel on April 11, 2017, sent  
24 a letter to Respondents’ counsel requesting that Respondents fully comply with the  
25 them by April 18, 2017.

26 14. As set forth more specifically in the accompanying Memorandum of  
27 Points and Authorities and the Declaration of Roberto A. Tercero, the documents the  
28 SEC seeks from the Respondents (including those described in the preceding

1 paragraphs 8 and 10) are relevant to the SEC's pending investigation to determine  
2 whether violations of the federal securities laws have occurred or may be occurring.

3 15. The Respondents' continued refusal to comply with the SEC March  
4 2017 Subpoenas is hindering the SEC staff's efforts to determine what, if any,  
5 violations of the securities laws have occurred or continue to occur.

6 **VI. NOTICE AND SUBSEQUENT RESPONSE REFUSING TO COMPLY**

7 16. On April 11, 2017, SEC counsel sent Respondents' counsel a letter by  
8 United Parcel Service overnight delivery and email, stating that the Respondents had  
9 not produced any documents in response to the SEC March 2017 Subpoenas, even  
10 though the April 5, 2017 deadline for the document production had passed. SEC  
11 counsel also stated in the letter that the Respondents consequently had failed to  
12 comply at all with the SEC March 2017 Subpoenas. SEC counsel requested that the  
13 Respondents comply fully with the March 2017 Subpoenas no later than  
14 April 18, 2017. In the letter, the SEC also gave notice of its Application to  
15 Respondents, in which the SEC counsel stated that, if the Respondents did not  
16 produce the documents requested by the SEC March 2017 Subpoenas by  
17 April 18, 2017, the SEC counsel would have no choice but to evaluate its remedies,  
18 including seeking authority to file an application in federal court to enforce the SEC  
19 March 2017 Subpoenas. Respondents' counsel did not reply to the letter.

20 17. On May 4, 2017, the SEC filed a subpoena enforcement action ("May  
21 Subpoena Enforcement Action") with this Court against the Respondents, seeking an  
22 amended privilege log related to two earlier SEC investigative subpoenas ("Earlier  
23 SEC Subpoenas") issued to them in the same investigation, dated May 25, 2016.  
24 *SEC v. Coldicutt, et al.*, Case No. 2:17-cv-03888-CAS (AFM). On May 5, 2017,  
25 SEC counsel informed Respondents' counsel by email of the May Subpoena  
26 Enforcement Action and asked if he would accept service of the court filing. Later  
27 that day, Respondents' counsel replied, stating that he had responsive documents  
28 ready and would produce them that day. Respondents' Counsel did not identify to

1 which subpoenas the documents were responsive. SEC counsel explained that the  
2 May Subpoena Enforcement Action concerned the Earlier SEC Subpoenas and asked  
3 that Respondents produce the documents that Respondents' counsel said were ready  
4 to be produced.

5 18. On May 5, 2017, Respondents' counsel emailed SEC counsel, stating  
6 that no documents would be produced until the SEC rescinded the press release  
7 announcing the May Subpoena Enforcement Action on the Commission's website.

8 19. On May 8, 2017, SEC counsel informed Respondents' counsel by email  
9 that the SEC routinely posts litigation releases to its website when it initiates  
10 enforcement actions and that Respondents' obligations to comply with the SEC  
11 Subpoenas could not be conditioned upon whether a litigation release was issued.  
12 SEC counsel further stated that the documents that Respondents' counsel said that he  
13 had ready for production should be produced.

14 20. To date, the SEC has received no documents responsive to the SEC  
15 Subpoenas.

16 WHEREAS, the SEC respectfully requests that:

17 a) this Court issue an Order to Show Cause forthwith directing the  
18 Respondents to show cause, if there be any, why this Court should not order the  
19 Respondents to produce all documents responsive to the SEC March 2017 Subpoenas  
20 to a duly designated officer or officers of the SEC in the Formal Order, SEC File No.  
21 LA-4660;

22 b) upon return of the Order to Show Cause, this Court issue an Order  
23 directing the Respondents to produce all documents responsive to the SEC's March  
24 2017 Subpoenas; and

1 c) the SEC be granted such other and further relief as may be appropriate.  
2  
3

4 Dated: July 20, 2017

Respectfully submitted,

5 /s/ Lynn M. Dean

6 \_\_\_\_\_  
Lynn M. Dean

7 Roberto A. Tercero

8 *Attorneys for Plaintiff*

9 *Securities and Exchange Commission*  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28