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**UNITED STATES DISTRICT COURT**  
**CENTRAL DISTRICT OF CALIFORNIA**

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SECURITIES AND EXCHANGE COMMISSION,
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Plaintiff,

vs.

ANTHONY TODD JOHNSON, et al.,  
Defendants.

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

**~~[PROPOSED]~~ FINAL JUDGMENT AS  
TO DEFENDANT ANTHONY TODD  
JOHNSON**

The Securities and Exchange Commission having filed a Complaint and Defendant Anthony Todd Johnson (“Defendant”) having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph VII); waived findings of fact and conclusions of law; and waived any right to appeal from this Judgment:

I.

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

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

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

II.

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

- (a) to employ any device, scheme, or artifice to defraud;
- (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) Defendant's officers, agents, servants, employees, and attorneys; and  
10 (b) other persons in active concert or participation with Defendant or with anyone  
11 described in (a).

12 III.

13 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
14 Defendant is 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

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

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

IV.

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

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

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay, jointly and severally with co-defendants Jeremy Johnson and Green Bud Initiatives LLC, disgorgement of \$2,776,726.00, representing net profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$222,575.00 for a total of \$2,999,301.00, which the Court finds is for the benefit of investors. The Court further imposes a civil penalty against Defendant in the amount of \$192,768 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy these obligations by paying for aforementioned sums to the Securities and Exchange Commission with 30 days after entry of this Final Judgment.

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

Enterprise Services Center

Accounts Receivable Branch

6500 South MacArthur Boulevard

Oklahoma City, OK 73169

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

Defendant shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and

1 interest in such funds and no part of the funds shall be returned to Defendant.

2 The Commission may enforce the Court's judgment for disgorgement and  
3 prejudgment interest by using all collection procedures authorized by law, including,  
4 but not limited to, moving for civil contempt at any time after 30 days following entry  
5 of this Final Judgment. The Commission may enforce the Court's judgment for  
6 penalties by the use of all collection procedures authorized by law, including the  
7 Federal Debt Collection Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for  
8 civil contempt for the violation of any Court orders issued in this action.

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

11 The Commission shall hold the funds (collectively, the "Fund") until further  
12 order of this Court. The SEC may propose a plan to distribute the Fund subject to the  
13 Court's approval, and the Court shall retain jurisdiction over the administration of  
14 any distribution of the Fund.

15 The Commission may propose a plan to distribute the Fund subject to the  
16 Court's approval. Such a plan may provide that the Fund shall be distributed  
17 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of  
18 2002. The Court shall retain jurisdiction over the administration of any distribution  
19 of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

20 Regardless of whether any such Fair Fund distribution is made, amounts  
21 ordered to be paid as civil penalties pursuant to this Judgment shall be treated as  
22 penalties paid to the government for all purposes, including all tax purposes. To  
23 preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or  
24 reduction of any award of compensatory damages in any Related Investor Action  
25 based on Defendant's payment of disgorgement in this action, argue that he is entitled  
26 to, nor shall he further benefit by, offset or reduction of such compensatory damages  
27 award by the amount of any part of Defendant's payment of a civil penalty in this  
28 action ("Penalty Offset"). If the court in any Related Investor Action grants such a

1 Penalty Offset, Defendant, within 30 days after entry of a final order granting the  
2 Penalty Offset, notify the Commission's counsel in this action and pay the amount of  
3 the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission  
4 directs. Such a payment shall not be deemed an additional civil penalty and shall not  
5 be deemed to change the amount of the civil penalty imposed in this Judgment. For  
6 purposes of this paragraph, a "Related Investor Action" means a private damages  
7 action brought against Defendant by or on behalf of one or more investors based on  
8 substantially the same facts as alleged in the Complaint in this action.

9 VI.

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

14 VII.

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for  
16 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,  
17 11 U.S.C. § 523, the allegations in the complaint are true and admitted by Defendant,  
18 and further, any debt for disgorgement, prejudgment interest, civil penalty or other  
19 amounts due by Defendant under this Judgment or any other judgment, order, consent  
20 order, decree or settlement agreement entered in connection with this proceeding, is a  
21 debt for the violation by Defendant of the federal securities laws or any regulation or  
22 order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy  
23 Code, 11 U.S.C. §523(a)(19).

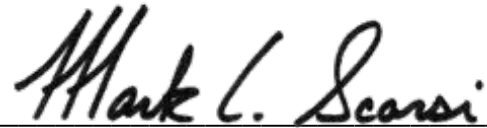
24 VIII.

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court  
26 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this  
27 Judgment.  
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IX.

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

Dated: January 28, 2021

A handwritten signature in black ink, reading "Mark C. Scarsi", written over a horizontal line.

MARK C. SCARSI  
UNITED STATES DISTRICT JUDGE