

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.:

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
)
v.)
)
CHRISTIAN J. GONZALEZ,)
)
Defendant.)
_____)

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF AND
DEMAND FOR JURY TRIAL

Plaintiff Securities and Exchange Commission (the “Commission”) alleges:

I. INTRODUCTION

1. From at least February 2021 through August 2021, Defendant Christian J. Gonzalez (“Gonzalez”) furthered the Ponzi scheme perpetrated by MJ Capital Funding, LLC (“MJ Capital”), its affiliate MJ Taxes and More, Inc. (“MJ Taxes”) (collectively, the “MJ Companies”), and their principal, Johanna M. Garcia (“Garcia”), by falsely assuring MJ Capital’s sales agents, investors, and prospective investors that the company was legitimately generating revenue sufficient to pay investor returns.

2. The MJ Companies, from at least June 2020 through August 2021, raised over \$196 million from more than 15,400 investors nationwide through an unregistered fraudulent securities offering. Garcia and the MJ Companies tricked investors into thinking their investment would be used to fund small business loans called Merchant Cash Advances (“MCAs”) in exchange for a percentage of the business’ income over a specified period of time. In reality, investors’ outsize annualized “returns” of 120% – 180% were funded with money obtained from new investors.

3. The Ponzi scheme collapsed once the Commission filed its emergency action to stop this ongoing fraud on August 9, 2021, against Garcia and the MJ Companies (collectively, the “MJ Defendants”). *SEC v. MJ Capital Funding, LLC, et al.*, No.: 21-61644-CIV-AHS (S.D. Fla.). On August 11, 2021, the Court granted the Commission’s motions for an asset freeze and injunctive relief against the MJ Defendants and the appointment of a receiver over the MJ Companies.

4. Gonzalez played a significant role in perpetrating the Ponzi scheme. He was MJ Capital’s loan “underwriter” and the person responsible for the company’s “Funding Department” on the merchant cash advance side of the business. During a recorded video conference call to a group of MJ Capital sales agents, Gonzalez made several misstatements aimed to make MJ Capital appear as though it had a thriving MCA business and quell concerns about its use of investor funds. He understood those misstatements would be relayed to investors and prospective investors and, in fact, a video of the call was posted on YouTube for public viewing. Among other things, Gonzalez falsely claimed that MJ Capital was making 30 to 50 MCAs a month, that the company had funded “hundreds” of loans to date, and that almost all of the investor funds raised so far had been lent to merchants.

5. These statements were false. In fact, only a small fraction of investor funds was used to make MCAs. Instead, most of the investor funds were used to pay fictitious returns to existing investors, undisclosed commissions to sales agents who promoted investments in the MJ Companies, and personal expenses for insiders of the MJ Companies. As such, investors’ ability to receive the promised returns and repayment of principal was dependent on a rising stream of funds from new investors, and by convincing existing investors to renew their existing investments, thus deferring the MJ Companies’ need to repay investors their principal investment.

6. Moreover, Gonzalez misused \$200,000 in investor funds earmarked for creating a platform for underwriting MJ Capital's purported MCAs.

7. At all relevant times, the MJ Companies' securities were not registered with the Commission, nor did they qualify for an exemption from registration.

8. By engaging in this conduct, Gonzalez violated Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77e(a), 77e(c), and 77q(a); Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5, 17 C.F.R. § 240.10b-5.

II. DEFENDANT

9. Gonzalez is a resident of Ft. Lauderdale, Florida. Gonzalez was MJ Capital's loan "underwriter" and the person responsible for the company's "Funding Department".

III. OTHER RELEVANT ENTITIES AND INDIVIDUAL

10. MJ Capital is a Florida limited liability company located in Pompano Beach, Florida. Garcia formed MJ Capital in June 2020 and is its Manager, an Authorized Member, and President. MJ Capital purports to be in the business of providing merchant cash advances to businesses located in Florida and throughout the United States. MJ Capital claimed to fund millions of dollars in merchant capital loans to small business owners in exchange for a percentage of the business' income over a specified period of time, with the amount of such funding having steadily increased every month since its inception in 2020. The total amount to be repaid is supposedly calculated by a factor rate, a multiplier generally based on a business' financial status. The Court appointed the Receiver over MJ Capital on August 11, 2021, and entered a Judgment for Permanent Injunctive Relief against MJ Capital on October 1, 2021.

11. MJ Taxes is a Florida corporation located in the same office as MJ Capital in Pompano Beach. Garcia incorporated MJ Taxes in December 2016 as MJ Tax Services & More Inc. and is its President. In March 2020, Garcia changed the company's name to MJ Taxes and More Inc. The Court appointed the Receiver over MJ Taxes on August 11, 2021, and entered a Judgment for Permanent Injunctive Relief against MJ Taxes on October 1, 2021.

12. Garcia is a resident of North Lauderdale, Florida. Garcia controlled the MJ Companies prior to their going into receivership. On September 8, 2021, the Court, by consent, entered a preliminary injunction against Garcia.

IV. JURISDICTION AND VENUE

13. The Court has jurisdiction over this action pursuant to Sections 20(b) and 22(a) of the Securities Act, 15 U.S.C. §§ 77t(b) and 77v(a); and Sections 21(d), 21(e), and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d), 78u(e), and 78aa.

14. This Court has personal jurisdiction over Gonzalez, and venue is proper in the Southern District of Florida, because many of Gonzalez's acts and transactions constituting violations of the Securities Act and the Exchange Act occurred in the Southern District of Florida, where Gonzalez resides and conducts business.

15. In connection with the conduct alleged in this Complaint, Gonzalez, directly and indirectly, made use of the means or instrumentalities of interstate commerce, the means or instruments of transportation and communication in interstate commerce, and the mails.

V. FACTS

A. The MJ Defendants' Securities and Solicitation of Investor Funds

16. Since at least June 2020, MJ Taxes began soliciting investments, agreeing to pay annual returns of varying amounts, typically 120%, for six-month investments. Between June 2020

and September 2020, MJ Taxes and investors entered into written agreements, signed by Garcia on behalf of MJ Taxes, called a Loan Agreement. These agreements refer to the investor as “Investor” or “Lender” and MJ Taxes as the “Facilitator” or “Borrower.”

17. Beginning at least as early as October 2020, MJ Capital became the primary investment vehicle for raising funds from investors. From October 2020 until the Ponzi scheme collapsed in August 2021, MJ Capital entered into written agreements with investors called a Merchant Cash Advance Agreement. These agreements refer to the investor as the “Purchaser,” and MJ Capital agrees that it will use the investor’s money to fund an MCA. MJ Capital promises an annual return of varying amounts, typically 120%, with MJ Capital guaranteeing repayment of principal if the merchant defaults. The term of the investment is either six months, 9 months, 12 months or six months with an option by the investor to extend the term for an additional six months.

18. In addition to the written agreement, MJ Capital required investors to sign: a Non-Disclosure Agreement, where the investor would agree not to disclose confidential information about MJ Capital; a Purchaser Non-Compete Agreement, where the investor would agree not to engage in any business that would compete with MJ Capital for two years; an IRS W-9 form; and a Referral Program Agreement, which allowed an investor to receive a one-time referral bonus of an unspecified amount for each referred person who invests with MJ Capital.

19. The MJ Companies solicited investors through its own employees, external sales agents, and word-of-mouth.

20. MJ Capital employed a multi-tiered sales team to solicit investors and a complex payment system to pay these agents. The sales team hierarchy was as follows: Board Member, Manager, Team Leader, and Account Representative. Multiple undisclosed commission payments,

which came out of the offering proceeds, were paid to each agent in this hierarchy based on each investment.

21. MJ Capital also solicited investors through its website and social media. MJ Capital's then website, www.mjcapitalfunds.com (the "Website"), whose domain name was registered on July 29, 2020, represented that MJ Capital was in the business of funding MCAs and that investor money would be used for this purpose. The Website provided background information on how MJ Capital can assist small businesses with merchant cash advances and further invited business owners to fill out an online application for funding. For example, the Website stated that MJ Capital could provide "an alternative option to satisfy a business's financial needs", and that it had a "pipeline of investors" from whom the business could expect "cash of up to \$200,000 to fulfill [its] needs"

22. At least as early as May 12, 2021, the Website's "blog" section stated: "[MJ Capital] has grown to an extent where there is a team of underwriters who qualify every company that seeks funds from MJ Capital. There are no exceptions to this! The process consists of checking 6 months' worth of bank statements, last year's tax returns, and [the merchant's] profit and loss sheet for the last year."

23. Additionally, at least as early as May 12, 2021, MJ Capital represented through social media that it is in the business of funding MCAs and offers "quick approvals," "fast funding," "flexible terms" and "help[s] small businesses". Its then Twitter page touted: "MJ Capital specializes in MCA funding for businesses, our goal is to help you and your business thrive during uncertain times by working with our team."

24. In or around June 2021, an undercover Federal Bureau of Investigation agent ("UC") posing as a prospective investor spoke with MJ Capital's office manager at MJ Capital's

office in Pompano Beach. The office manager explained, among other things, that MJ Capital would use the UC's funds to purchase future sales or profits of companies and the UC would make a 10% monthly return, an underwriting team determines a merchant's ability to repay, and MJ Capital has liens on a merchant's projects as further security.

25. The Loan Agreements and Merchant Cash Advance Agreements (the "Agreements") are investment contracts. Investors looked solely to the MJ Companies to produce returns, and the MJ Companies' ability to do so depended entirely on their ability to either fund profitable MCAs or attract new investors to cover payments to existing investors. The Agreements are also notes. As investment contracts and/or notes, the Agreements are securities within the meaning of the Securities Act and the Exchange Act. These securities have not been registered with the Commission.

B. The MJ Defendants' Material Misrepresentations to Investors and Misuse and Misappropriation of Investor Funds

26. The representations that the MJ Companies were using investor money to fund MCAs and that their money was secure were lies. In fact, the MJ Companies made very few MCAs, they did not file liens in connection with the few MCAs they did make, and investors' ability to receive the promised returns and repayment of principal was dependent on the MJ Defendants' ability to continue to raise new investor money and convince existing investors to extend the term of their agreements.

27. From June 1, 2020 through August 31, 2021, the MJ Companies received at least \$196 million in investor funds from investors in Florida and several other states. However, the MJ Companies only made approximately \$895,000 in MCAs. During that same time period, the MJ Companies received approximately only \$393,000 in repayment for those MCAs.

28. From June 1, 2020 through August 31, 2021, the MJ Companies misused investor funds by making payments totaling at least \$61.8 million to sales agents for promoting investments in the MJ Companies. The MJ Companies also misused investor funds by making payments on loans owed by MJ Taxes via transfers to MJ Taxes' bank account.

29. From June 1, 2020 through August 31, 2021, Garcia and the MJ Companies also misappropriated at least \$7.4 million of investor funds on a variety of purchases unrelated to the business, including credit card payments, travel, entertainment, restaurants, and luxury goods and clothing.

30. Because the MJ Companies made few MCAs and were diverting substantial investor money, the MJ Companies were not earning anywhere near the revenue needed to pay the promised returns to investors.

31. From June 1, 2020 through August 31, 2021, the MJ Companies paid at least \$109 million in purported returns to investors. However, instead of paying investors out of the revenue of the business, the MJ Companies used new investor money to pay returns to existing investors.

32. The investments in the MJ Companies were not secure. To the contrary, the only way the MJ Companies could honor their obligations to investors would be by successful continuation of their fraudulent scheme. Once the supply of new investors was exhausted, the MJ Companies would be unable to pay the promised returns to existing investors.

C. Gonzalez's Material Misrepresentations to Investors, Misuse of Investor Funds, and Offer and Sale of Securities in Unregistered Transactions

33. Gonzalez played an important role in the MJ Companies' Ponzi scheme. He began working at MJ Capital in February 2021, ostensibly to run MJ Capital's merchant cash advance side of the business.

34. Since his hire through the collapse of the Ponzi scheme in August 2021, Gonzalez acted as MJ Capital's loan "underwriter" and the person responsible for the company's "Funding Department." He purportedly began building a "platform" for MJ Capital to allow merchants seeking cash advance loans from the company to upload their applications and other relevant documents. He also provided Garcia with sample websites from other businesses that MJ Capital could use as templates to create its own merchant cash advance website.

35. Gonzalez was paid a weekly salary from MJ Capital, through an entity he controlled, and he received other payments from both MJ Capital and MJ Taxes. For one of the loans that MJ Capital funded, he received a commission payment from MJ Capital for \$55,250, which came out of investor funds.

36. On May 25, 2021, at Garcia's request, Gonzalez gave a presentation about MJ Capital's merchant cash advance side of the business to at least 26 sales agents, who were at the time offering and selling securities on behalf of the company. The presentation, made through a live video conferencing call on Zoom, was narrated and featured a question-and-answer session. One of MJ Capital's sales agents introduced Gonzalez as a "broker" on the company's merchant cash advance side of the business.

37. During the Zoom call, Gonzalez told the sales agents that MJ Capital was using investor money to fund merchant cash advance loans to businesses. He represented to the sales agents that MJ Capital was funding anywhere from 30 to 50 loans a month. He also claimed that MJ Capital had funded "hundreds" of loans to date, and that almost all of the investor funds raised so far had been lent to merchants. Furthermore, he claimed that MJ Capital was receiving daily interest payments from merchants.

38. The statements Gonzalez made during the Zoom call were false and misleading. Contrary to his representations to the sales agents, MJ Capital was never making 30 to 50 loans per month. MJ Capital only used about \$895,000 of investor funds to make merchant cash advances, which amounted to 13 loans since inception. During the entire time Gonzalez worked in MJ Capital's "Funding Department", the company only made 7 cash advance loans to merchants totaling about \$777,000.

39. Gonzalez knew that his misstatements to the sales agents would be communicated to investors and prospective investors. For example, many of the sales agents prefaced their questions to Gonzalez with statements such as: "I want to be able to answer [investors]..." or "We always get questions ...", or "I want to be able to answer that question perfectly....". In fact, when one sales agent asked what to say to a prospective investor questioning, "how do I know my money is not being used to pay somebody else interest", Gonzalez responded that the right answer was, "cause it's not a Ponzi scheme ...".

40. At least four sales agents who attended the Zoom call continued to raise money from investors after the call. Moreover, between the date of the video call and the date of the Commission's action, MJ Capital raised approximately \$94 million of the total \$196 million from investors.

41. Gonzalez had ultimate authority for the false and misleading statements he made to the sales agents during his presentation.

42. On May 26, 2021, the video of Gonzalez's presentation was posted on YouTube. One investor (who also appears to be a sales agent) who viewed the video presentation on YouTube stated in a WhatsApp group chat that the video contained "extremely useful information!...I definitely feel more confident after [listening] to this meeting."

43. In addition to his material misrepresentations, Gonzalez obtained and misused \$200,000 in investor funds that he received from MJ Capital and which were earmarked to pay vendors so he could build the cash advance loan platform. These funds were deposited into the bank account of an entity that he and Garcia controlled. However, Gonzalez was the sole signatory on that account. Gonzalez misused this money at the time of the MJ Capital securities offering by never using it to build the loan platform, as he said he would do. Gonzalez ultimately spent the \$200,000 on himself during the several months after the Commission filed its emergency action in which it obtained an asset freeze and a temporary restraining order, among other relief, against the MJ Defendants.

VI. CLAIMS FOR RELIEF

COUNT 1

Offer or Sale of Securities in Violation of Sections 5(a) and (c) of the Securities Act

44. The Commission adopts by reference paragraphs 1 through 43 of this Complaint.

45. No registration statement was filed or in effect with the Commission pursuant to the Securities Act with respect to the securities and transactions issued by the MJ Companies described in this Complaint and no exemption from registration existed with respect to these securities and transactions.

46. From at least as early as February 2021 through August 2021, Defendant directly and indirectly:

(a) made use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell securities, through the use or medium of a prospectus or otherwise;

(b) carried or caused to be carried securities through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or delivery after sale; or

(c) made use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security,

without a registration statement having been filed or being in effect with the Commission as to such securities.

47. By reason of the foregoing, Defendant, directly or indirectly, violated and, unless enjoined, is reasonably likely to continue to violate Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

COUNT 2

Fraud in the Offer or Sale of Securities in Violation of Section 17(a)(1) of the Securities Act

48. The Commission adopts by reference paragraphs 1 through 43 of this Complaint.

49. From at least as early as February 2021 through August 2021, Defendant, in the offer or sale of securities by use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, knowingly or recklessly employed devices, schemes, or artifices to defraud.

50. By reason of the foregoing, Defendant, directly or indirectly, violated and, unless enjoined, is reasonably likely to continue to violate Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

COUNT 3

In the Alternative, Aiding and Abetting Violations of Section 17(a)(1) of the Securities Act

51. The Commission adopts by reference paragraphs 1 through 43 of this Complaint.

52. The MJ Defendants, from at least June 2020 through August 2021, in the offer or sale of securities by use of any means or instruments of transportation or communication in

interstate commerce or by use of the mails, directly or indirectly, knowingly or recklessly employed devices, schemes, or artifices to defraud.

53. Gonzalez knowingly or recklessly provided substantial assistance to the MJ Defendants in their violations of Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

54. By reason of the foregoing, Gonzalez, directly or indirectly aided and abetted violations of and, unless enjoined, is reasonably likely to continue to aid and abet violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)(1)].

COUNT 4

Fraud in the Offer or Sale of Securities in Violation of Section 17(a)(2) of the Securities Act

55. The Commission adopts by reference paragraphs 1 through 43 of this Complaint.

56. From at least as early as February 2021 through August 2021, Defendant, in the offer or sale of securities by use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, negligently obtained money or property by means of untrue statements of material facts and omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

57. By reason of the foregoing, Defendant, directly or indirectly, violated and, unless enjoined, is reasonably likely to continue to violate Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2).

COUNT 5

In the Alternative, Aiding and Abetting Violations of Section 17(a)(2) of the Securities Act

58. The Commission adopts by reference paragraphs 1 through 43 of this Complaint.

59. The MJ Defendants, from at least June 2020 through August 2021, in the offer or sale of securities by use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, negligently obtained money or property by means of untrue statements of material facts and omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

60. Gonzalez knowingly or recklessly provided substantial assistance to the MJ Defendants in their violations of Section 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)].

61. By reason of the foregoing, Gonzalez, directly or indirectly aided and abetted violations of and, unless enjoined, is reasonably likely to continue to aid and abet violations of Section 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)].

COUNT 6

Fraud in the Offer or Sale of Securities in Violation of Section 17(a)(3) of the Securities Act

62. The Commission adopts by reference paragraphs 1 through 43 of this Complaint.

63. From at least as early as February 2021 through August 2021, Defendant, in the offer or sale of securities by use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, negligently engaged in transactions, practices, or courses of business which operated or would have operated as a fraud or deceit upon the purchasers.

64. By reason of the foregoing, Defendant, directly or indirectly, violated and, unless enjoined, is reasonably likely to continue to violate Section 17(a)(3) of the Securities Act, 15 U.S.C. § 77q(a)(3).

COUNT 7

**In the Alternative,
Aiding and Abetting Violations of Section 17(a)(3) of the Securities Act**

65. The Commission adopts by reference paragraphs 1 through 43 of this Complaint.

66. The MJ Defendants, from at least June 2020 through August 2021, in the offer or sale of securities by use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, negligently engaged in transactions, practices, or courses of business which operated or would have operated as a fraud or deceit upon the purchasers.

67. Gonzalez knowingly or recklessly provided substantial assistance to the MJ Defendants in their violations of Section 17(a)(3) of the Securities Act [15 U.S.C. § 77q(a)(3)].

68. By reason of the foregoing, Gonzalez, directly or indirectly aided and abetted violations of and, unless enjoined, is reasonably likely to continue to aid and abet violations of Section 17(a)(3) of the Securities Act [15 U.S.C. § 77q(a)(3)].

COUNT 8

Fraud in Violation of Section 10(b) and Rule 10b-5(a) of the Exchange Act

69. The Commission adopts by reference paragraphs 1 through 43 of this Complaint.

70. From at least as early as February 2021 through August 2021, Defendant, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, knowingly or recklessly employed devices, schemes or artifices to defraud in connection with the purchase or sale of securities.

71. By reason of the foregoing, Defendant, directly or indirectly, violated and, unless enjoined, is reasonably likely to continue to violate Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5(a), 17 C.F.R. § 240.10b-5(a).

COUNT 9

**In the Alternative,
Aiding and Abetting Violations of Section 10(b) and Rule 10b-5(a) of the Exchange Act**

72. The Commission adopts by reference paragraphs 1 through 43 of this Complaint.

73. The MJ Defendants, from at least June 2020 through August 2021, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, knowingly or recklessly employed devices, schemes or artifices to defraud in connection with the purchase or sale of securities.

74. Gonzalez knowingly or recklessly provided substantial assistance to the MJ Defendants in their violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5(a) [17 C.F.R. § 240.10b-5(a)].

75. By reason of the foregoing, Gonzalez, directly or indirectly aided and abetted violations of and, unless enjoined, is reasonably likely to continue to aid and abet violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5(a) [17 C.F.R. § 240.10b-5(a)] thereunder.

COUNT 10

Fraud in Violation of Section 10(b) and Rule 10b-5(b) of the Exchange Act

76. The Commission adopts by reference paragraphs 1 through 43 of this Complaint.

77. From at least as early as February 2021 through August 2021, Defendant, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, knowingly or recklessly made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

78. By reason of the foregoing, Defendant, directly or indirectly, violated and, unless enjoined, is reasonably likely to continue to violate Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5(b), 17 C.F.R. § 240.10b-5(b).

COUNT 11

**In the Alternative,
Aiding and Abetting Violations of Section 10(b) and Rule 10b-5(b) of the Exchange Act**

79. The Commission adopts by reference paragraphs 1 through 43 of this Complaint.

80. The MJ Defendants, from at least June 2020 through August 2021, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, knowingly or recklessly made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

81. Gonzalez knowingly or recklessly provided substantial assistance to the MJ Defendants in their violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5(b) [17 C.F.R. § 240.10b-5(b)].

82. By reason of the foregoing, Gonzalez, directly or indirectly aided and abetted violations of and, unless enjoined, is reasonably likely to continue to aid and abet violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5(b) [17 C.F.R. § 240.10b-5(b)] thereunder.

COUNT 12

Fraud in Violation of Section 10(b) and Rule 10b-5(c) of the Exchange Act

83. The Commission adopts by reference paragraphs 1 through 43 of this Complaint.

84. From at least as early as February 2021 through August 2021, Defendant, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails,

knowingly or recklessly engaged in acts, practices, and courses of business which have operated, are now operating and will operate as a fraud upon the purchasers of such securities.

85. By reason of the foregoing, Defendant, directly or indirectly, violated and, unless enjoined, is reasonably likely to continue to violate Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5(c), 17 C.F.R. § 240.10b-5(c).

COUNT 13

In the Alternative, Aiding and Abetting Violations of Section 10(b) and Rule 10b-5(c) of the Exchange Act

86. The Commission adopts by reference paragraphs 1 through 43 of this Complaint.

87. The MJ Defendants, from at least June 2020 through August 2021, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, knowingly or recklessly engaged in acts, practices, and courses of business which have operated, are now operating and will operate as a fraud upon the purchasers of such securities.

88. Gonzalez knowingly or recklessly provided substantial assistance to the MJ Defendants in their violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5(c) [17 C.F.R. § 240.10b-5(c)].

89. By reason of the foregoing, Gonzalez, directly or indirectly aided and abetted violations of and, unless enjoined, is reasonably likely to continue to aid and abet violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5(c) [17 C.F.R. § 240.10b-5(c)] thereunder.

VII. RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court find that Defendant committed the violations of the federal securities laws alleged herein and:

A. Permanent Injunctive Relief

Issue a Permanent Injunction enjoining Defendant from violating Sections 5(a) and 5(c) of the Securities Act, and violating, or alternatively aiding and abetting violations of, Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder.

B. Disgorgement

Issue an Order directing Defendant to disgorge all ill-gotten gains, including prejudgment interest, resulting from the acts or courses of conduct alleged in this Complaint.

C. Civil Penalty

Issue an Order directing Defendant to pay civil money penalties 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. § 78(d).

DEMAND FOR JURY TRIAL

The Commission hereby demands a trial by jury on any and all issues in this action so triable.

September 27, 2022

Respectfully submitted,

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