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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

ANTHONY TODD JOHNSON, et al.,

Defendants.

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

**~~[PROPOSED]~~ FINAL JUDGMENT AS
TO DEFENDANT JEREMY
JOHNSON**

The Securities and Exchange Commission having filed a Complaint and Defendant Jeremy 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

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) Defendant's officers, agents, servants, employees, and attorneys; and
9 (b) other persons in active concert or participation with Defendant or with anyone
10 described in (a).

11 IV.

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

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

1 V.

2 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
3 Defendant shall pay, jointly and severally with co-defendants Anthony Todd Johnson
4 and Green Bud Initiatives LLC, disgorgement of \$2,776,726.00, representing net
5 profits gained as a result of the conduct alleged in the Complaint, together with
6 prejudgment interest thereon in the amount of \$222,575.00 for a total of
7 \$2,999,301.00, which the Court finds is for the benefit of investors. The Court
8 further imposes a civil penalty against Defendant in the amount of \$192,768 pursuant
9 to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the
10 Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy these obligations by
11 paying for aforementioned sums to the Securities and Exchange Commission with 30
12 days after entry of this Final Judgment.

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

19 Enterprise Services Center
20 Accounts Receivable Branch
21 6500 South MacArthur Boulevard
22 Oklahoma City, OK 73169

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

26 Defendant shall simultaneously transmit photocopies of evidence of payment
27 and case identifying information to the Commission's counsel in this action. By
28 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).

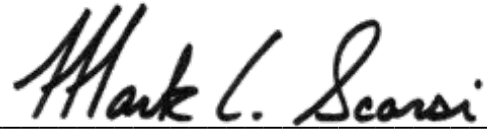
24 VIII.

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.
28

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



MARK C. SCARSI
UNITED STATES DISTRICT JUDGE

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