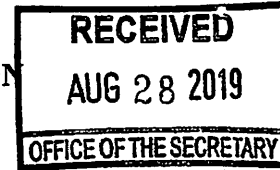


HARD COPY

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



Admin Proc. File No. 3-19242

| | | |
|---------------------------|---|-------------------------------|
| IN THE MATTER OF | : | |
| Apotheca Biosciences Inc. | : | BRIEF OF APOTHECA BIOSCIENCES |
| | : | PER ORDER OF THE COMMISSION |
| File No. 500-1 | : | |

APOTHECA BIOSCIENCES, INC. (Petitioner), through the undersigned counsel, pursuant to the Order of July 18 2019, hereby files this Brief in Support of the Petition to Vacate or otherwise remove the trading halt entered by the Commission on June 28, 2019. The Petitioner further states:

UNDERLYING FACTS FOR VACATING THE ORDER TO HALT TRADING

1. On June 28, 2019, the Commission entered an Order pursuant to Section 12(k) of the Securities Act of 1934 suspending trading of the securities of Apotheca Biosciences, Inc. ("CBDC").
2. On July 9 Apotheca filed a Petition contesting the order suspending trading of the Securities of Apotheca.
3. On July 18 2019, an Order was entered that the Commission was to produce all information which was in its possession as of the time of the entering the trading suspension. Such documents were to be produced by August 1, 2019. The Commission failed to produce such documents.
4. On August 6 2019, Apotheca, through the below signed counsel filed a motion to compel or in the alternative enter an Order to vacate the order of trading suspension.
5. Within approximately 5 hours of the time of the service of the Motion to Compel the

documents by the Commission, the Commission produced (but not to Counsel as entered in the case) a singular affidavit of Agent Susan Cooke Anderson in response to the Motion by Apotheca.

6. The action of the Commission in imposing a trading halt is based wholly on the innuendo of one Agent of the Commission with no supporting documentation, with statements of fact included in the affidavit of Susan Cooke Anderson that show that no real investigation or affirmation of her speculative findings was done. Indeed, the affirmations of such agent are replete with nothing more than conclusory allegations, supposition, and otherwise illegal standards of evidence to support such an imposition of such gross sanction as a trading halt.

7. What is evident is that there are numerous inaccuracies contained in the affidavit which, when the replies of true facts below are taken into context, show that the accusations against Apotheca, and those persons who are associated with Apotheca were unsupported by any true facts which were accurate or would have been known by any actual investigative diligence of the Agent or persons involved.

8. What is also evident is that the supposed actions of verification that were represented to have been made and completed in the affidavit, were not diligent in any form, since if the matters were even topically investigated, all of the matters of existence of the company at offices, web site, products etc. would have been verified. The representations of investigation were entirely void of any acceptable level of due diligence.

9. It should be noted clearly that no where does there exist an allegation that any of the Company's management or its majority (or any) shareholders sold or did any improper trading since the merger occurred. The Company can not and should not be held responsible for the actions of outside parties as set forth below, since many of the allegations in the supporting affidavit of Agent Anderson pertain to outside parties that have no link to the Company, either in fact or in any of the allegations in the affidavit.

10. What should also be completely evident in regards to contact with the Company, which the Commission could have easily done through numerous methods to verify news, or set aside any suspicions, is that the Company maintained numerous methods to communicate with it, including the following contact points:

Phone: (727) 228-3994
Website: <http://www.apothecabio.com>
Email: info@apothecabio.com
Twitter - @apotheca
Facebook – apotheca
Telegram- apotheca

As well as the actual office address in St. Petersburg, which the Company would represent, was never visited by any Commission member, FINRA representative or anyone else who is making the allegation contained in the affidavit.

11. The Company has made an absolute diligent search to find any communication from FINRA as alleged in the affidavit, and the Company has located no such communications attempted by FINRA or its agents.

12. On the factual and hypothetical discoveries pointed out by the Commission, we have tried to clarify the facts that are relevant to us and to the Company, Apotheca Biosciences, and made basic comments on other inquiries about companies, individuals and shareholders that are unrelated to the Company.

13. As pointed out throughout the response the Company has no relations with or have any information on the cited companies, individuals, who they are or what they are accused of. As noted in the previous correspondence, the Company completed its merger with Cannabis Leaf only on August 2018. Since that point and date, the Company has made no investor calls either directly or indirectly through any call centers or “boiler rooms” to any investors in the United States or abroad and neither has the Company hired and paid for such. Although the Company finds such

action (pointed out by the commission) by the unrelated companies or individuals repulsive and against the law, the Company cannot be held responsible for the actions of outsiders who have absolutely no link to the Company.

14. The following matters are set forth to refute the allegations contained in each of the paragraphs of the affidavit:

15. As to Para. 1, and the allegations contained therein, Apotheca Biosciences signed a reverse merger agreement with cannabis Leaf Inc. on March 4, 2018 and the merger was not completed until August 2, 2018. The transaction was an arm's length transaction and the Company (Apotheca) had no associations with the previous company (Cannabis Leaf) shareholders and/or management. During the due diligence process before the transaction the Company discovered no objectionable or negative information about Cannabis Leaf, their management, shareholders or any "FINRA Fraud Surveillance referrals to the Commission" prior to the merger. The Company had no information as to Cannabis Leaf's previous activities such as pump and dump and boiler room activities.

16. As to paragraph 2, and in other places, the allegation is that Apotheca is not a real Company with a real product. This is completely untrue. As set forth herein and in the supporting affidavit, all of the content on Apotheca's website was entirely accurate, and all products were available. Although at times the information presented is based on work in progress or work to be processed based on the Company's business plan.

17. In para. 3, the SEC lays out an allegation that the Company has not responded to enquiries regarding an S-1 filing that was made. In this regard, the Company retained Cutler Law Group on October 15, 2018 to file the Form S-1 to register shares of First Fire for resale. The last comment we have received from SEC was dated April 4, 2019 requesting updated financials among other requests for clarifications. The Company decided to wait until completion of their

year-end financials which was filed on June 15th 2019 to file the response to the Commission. FirstFire decided to withdraw from the registration soon after and the Company instructed Mr. Cutler accordingly. We have not been able to contact Mr. Cutler after the request was made. The Company itself has never had any contact from the SEC or FinCen.

18. The allegations contained in paragraph 4 of the affidavit are completely untrue, and if the Commission staff did any internet searches, they would have indeed yielded correct information. What is very present is the fact that none of the Commission staff ever communicated with the Company in any fashion to ascertain the truth of what was being announced.

15. On October 30, 2018, the Company signed a plan of purchase agreement to acquire Nano Creaciones S.A. P.I. DE D.V. A Copy of the signed agreement is attached as Exhibit A. Nano Creaciones is a Mexican company and its offices are in Mexico and their patents are also registered in Mexico (only). Copy of their patent(s) are also attached. Their web site is readily ascertainable can reach their website at; <https://nanogasa.com/en/index.php>. A simple Google search immediately yields that web site as well as <https://nanocreaciones.com/nano-gasa>.

16. Nowhere was there any misrepresentation of patents or assets. The Company's information was solely based on evidence provided by Nano Creaciones to close the purchase agreement. The discussion fell apart after our inability to communicate with relevant investors to fund the purchase agreement.

17. In Paragraph 5, the Agent cites references to OTCMarkets listing and plans that were announced. The Company has filed an application with OTC Markets to up list to OTCQB in November 2018. The Company received a confirmation back on January 4, 2019 that the initial application was denied for unclear reasons. After many discussions with OTC Markets, the Company decided to refile the application soon thereafter within the six months waiting time. The

Company was planning on refiling by the end of July which was terminated due to the suspension imposed by the Commission.

18. In Paragraph 6 of the Affidavit, it refers to Apotheca Earth's website and products which have been active since 2016. We take no responsibility for any error on behalf of anyone in reaching the website. Attached documentations (Exhibit B) as to the existence of the Company and its products (including DAVA). Although we have discontinued the Dava brand and focused on Promed brand instead, forwarding the apothecaeearth.com domain to the new site; <https://promedcbd.com/>.

Also see the twitter feed; <https://twitter.com/ApothecaEarth> in which shows the date of inception. It is fairly obvious that there was no real diligence done by the Commission in this regard.

19. In paragraph 7, the Agent alleges that Apotheca web site did not work and implies it did not exist. This is completely false, and it is very apparent that the Agent, or whoever was looking did not do any diligence in this regard. Again, the Company can take no responsibility for any error on behalf of anyone in failing to reach the website. The site has been active for many months and can be reached at <https://promedcbd.com/>. The company sells most of its products wholesale and private label, initially needing no website.

20. In the release of April 1, 2019, the Company announced that the "Company expects substantial revenue potential from ProMED subsidiary with close to \$500K in preorders so far". These substantial backorders were temporary withdrawn by two customers, one wanting to order substantial amount of CBD isolate from the company and the other requesting to order substantial number of tinctures and vape juices for their 30 plus vape shops. Both fell through due to lack of timely inventory and terms. The Company is still in discussions with a CBD Vape company to carry the Company's brand.

21. In paragraph 8, the Agent alleges the CEO of Apotheca, was essentially imply that PC Sundareswaran did not have over thirty years' experience in the pharmaceutical industry or even existed. It is obvious with a mere topical search of the internet, finding listings and bio information on Mr. Sundareswaran is readily ascertainable. Mr. Sundareswaran is a retired Pharmaceutical executive with no LinkedIn or need of one. He has worked for largest pharma companies in the world including Eli Lilly and Abbotts lab for the past decades. Such a search yields a number of entries that show the qualifications of Mr. Sundareswaran. See <https://biography.omicsonline.org/united-states-of-america/biothera-pharmaceuticals/pc-sundareswaran-92322> and <https://www.bloomberg.com/profile/person/20925913>

22. In paragraph 9, the Agent takes aim at Mr. Sam Talari in an attempt to cast suspicion on him for being involved in the Company. Mr. Talari, the former CEO of Apotheca is the current sole owner of Hemp Sciences Corp. Hemp Sciences Corp (HSC), a division of Nuvus Corp, is a cannabis technology provider for growing, harvesting, processing and manufacturing of hemp related products including CBD. With years in development and millions in R&D expense, HSC uses sophisticated grow technologies and processing using control environment architecture, IoT, big data, sophisticated sensor technologies and blockchain to navigate through growing, harvesting, processing and manufacturing life cycle of hemp related products. Company has been providing Controlled Environment Automation for nearly 4 years now. Since the suspension by SEC, the transaction has been cancelled.

23. In paragraph 9 the allegation that Mr. Talari has been referred to the Commission on numerous times by FINRA, the paucity of any details to this allegation speaks volumes. Given no detail in regard to such an allegation, the allegation is spurious and unsupported by any facts, and must be disregarded as such.

23. In paragraph 10 the Agent again wants to cast suspicion on an individual,

being the Chief Technology Officer John Verghese, where they make unsupported allegations of wrongdoing by innuendo. The Agent makes the allegation that Mr. Verghese has been cited referred to the Commission on numerous times by FINRA, the paucity of any details to this allegation speaks volumes. Given no detail in regard to such an allegation, the allegation is spurious and unsupported by any facts, and must be disregarded as such.

24. In paragraph 11, the Agent attempts to allege and link the Company to wrongdoing by implying, with absolutely no details to support such innuendo, that Apotheca's Auditor, Borgers CPA, and the legal counsel M. Richard Cutler are somehow tied to numerous FINRA Fraud Surveillance reports. The Company had no prior information on numerous FINRA Fraud Surveillance reports on Borgers CPA and legal counsel M. Richard Cutler. The Company can take no responsibility for such references. The Company believes Borgers CPA and legal counsel M. Richard Cutler have done a proper job as hired for by the Company.

25. In paragraph 12, there is an allegation that FINRA received tips from two investors from an entity called Equity Traders, making cold calls to purchase Apotheca shares. The Company have no relations or information on Equity Traders or who they are. As noted in the previous correspondence, the Company completed its merger with Cannabis Leaf only in August 2018. Since that point and date, the Company has made no investor calls either directly or indirectly through any call centers or "boiler rooms" to any investors in the United States or abroad and neither the Company hired and paid for such. Although we find such action by unrelated companies or individuals repulsive and against the law, we take no responsibilities to such actions by aforementioned companies or individuals. No where is there any allegation whatsoever that the Company in any way was linked to Equity Traders.

26. The Commission in paragraph 13, sites some entity named Equity Traders, and infers some nefarious activity. Again, the Company has no relations with or have any

information on Equity Traders or who they are. As noted in the previous correspondence, the Company completed its merger with Cannabis Leaf only in August 2018. Since that point and date, the Company has made no investor calls either directly or indirectly through any call centers or “boiler rooms” to any investors in the United States or abroad and neither the Company hired and paid for such. Although we find such action by unrelated companies or individuals repulsive and against the law, we take no responsibilities to such actions by aforementioned companies or individuals.

27. The Agent in paragraph 14, cites sales of stock being made, but makes absolutely no connection by way of any cited fact to Apotheca, to any director, officer or otherwise linked to the Company. This is a spurious and completely conclusory claim with no link between these alleged sales and the Company or anyone involved. This is a completely unsubstantiated inference of nefarious activity written in some attempt to imply wrongdoing with no nexus whatever to the Company. The Company cannot be held liable for such outsider actions by aforementioned companies or individuals.

28. The Agent in paragraph 15, further cites sales of stock being made in some amounts by an entity called Tendall Capital Markets Ltd. (“Tendall”), but makes absolutely no connection by way of any cited fact to Apotheca, to any director, officer or otherwise linked to the Company. While this is cited as a large sale, it seems done with the implication that somehow the Company or someone related was involved. Doing so the Agent makes no connection to Apotheca. This is another spurious and completely conclusory claim with no link between these alleged sales and the Company or anyone involved. This is a completely unsubstantiated inference of nefarious activity written in some attempt to imply wrongdoing with no nexus whatever to the Company. The Company cannot be held liable for such outsider actions by aforementioned companies or individuals. We have no relations with or have any information on

Tendall Capital Markets Ltd or who they are. The Company is not and cannot be held liable for the actions of outsiders. Nor should the shareholders be held responsible for such outside actions. If anything the Commission needs to take action against these entities, not the Company.

29. The Agent in paragraph 16, further cites an individual named Knox in an attempt to libel the Company, regarding some microcap fraud. Yet the Agent sites no connection to the Company, nor to any director, officer or otherwise linked to the Company. While this is cited as a fraud by this Knox person, there are present no facts which link the Company in any way to such activity. There simply does not exist any such facts. The Company has no knowledge of who he is, or any of the activity alleged. This is yet another completely unsubstantiated inference of nefarious activity written in some attempt to imply wrongdoing with no nexus whatever to the Company. The Company cannot be held liable for such outsider actions by aforementioned companies or individuals. The Company is not and cannot be held liable for the actions of outsiders. Nor should the shareholders be held responsible for such outside actions. If anything the Commission needs to take action against these entities, not the Company.

30. The Agent in paragraph 17, now attempts to make some form of conclusory allegation that some other two entities sole a large amount of Apotheca stock between September and December 2018 which have been "cited in numerous FINRA Fraud Surveillance reports" for trading OTC issuer stocks involved in market manipulation schemes. In so doing the Agent makes absolutely no citation of fact which in any way links the Company, nor director, officer or otherwise to the Company. This is a citation of matters with no facts present. Such spurious and unsubstantiated allegations, wholly conclusory, must be excluded from the calculus of facts that can be measured to ascertain any reason why the Commission would impose a trade halt, which affects the Company, which is very real, as well as the shareholders of the Company. Such an

allegation should be removed from consideration of the grounds the Commission had to impose such trade halt. This shows an attempt to make the trade halt occur, and later create a reason to impose it which has nothing to do with the Company.

31. In paragraph 18, the Agent cites some allegation against the entity FirstFire Global which did an investment loan to the Company. The Company was not aware of any such “numerous FINRA Fraud Surveillance reports to the Commission for involvement in suspicious financing agreements with OTC issuers”. The Agent cites no facts which show that the Company was in any way involved in any alleged wrongdoing by the FirstFire entity. This is a further attempt to prejudice the Company, while citing no facts which support such an allegation of link. Such a spurious allegation should be disregarded in the calculus of grounds that existed to impose the trading halt.

32. In paragraph 19, the Agent cites the trading volume in Apotheca stock. Yet in no way does the citation of trading tie to the Company. It is again an inference of wrong-doing without factual support by the Agent in an attempt to infer wrong-doing by the Company or those involved. As we know such evidence does not exist, and did not exist at the time of the imposition of the trading halt.

33. The Company had never received any calls, voicemails, mails, emails or correspondence from FINRA through any information listed on our website or filings with the Commission and in our OTC Markets Profile. The Company has investigated and searched tirelessly to locate any communications by FINRA to any of their telephone numbers and emails but have located no such communications attempted by FINRA or its agents.

34. Any topical attempt at due diligence by the Commission would have easily yielded a response from this Company. As shown below the listed addresses and contacts from the EDGAR filing as well as the OTCMarkets listings more than cover such contacts which

could have been made, and were not done by the Commission.

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|---|--|
| OTC Markets 10901 Roosevelt Blvd Suite 1000c Saint Petersburg, FL 33716 www.apothecabiosciences.com (727) 228-3994 <u>info@apothecabio.com</u> | EDGAR FILINGS 10901 Roosevelt Blvd, Suite 1000c Saint Petersburg, Florida 33716 (Address of principal executive offices) (727) 228-3994, (720) 370-3554 Registrant's telephone number |
|---|--|

MEMORANDUM OF LAW

The SEC's factual findings to determine such a trade halt must be reviewed as presented by the evidence presented in the affidavit if it is supported by substantial evidence. 15 U.S.C. § 78y(a)(4) (1996); Alderman v. SEC, 104 F.3d 285, 288 (9th Cir. 1997). This review mandates that the examination of the evidence with a "deferential eye." Id. at 288 (citations omitted). If, after this weighing, we determine that the evidence is open to more than one interpretation, then a court or reviewer are required to uphold the SEC's finding. Id. "Substantial evidence constitutes `more than a mere scintilla. It means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.'" Eichler v. SEC, 757 F.2d 1066, 1069 (9th Cir. 1985) (quoting Consol. Edison Co. v. Nat'l Labor Relations Bd., 305 U.S. 197, 229, 59 S.Ct. 206, 83 L.Ed. 126 (1938)).

The actions of the Commission are completely without relation of facts that are tied to the Company. The allegations of the Agent contained in the affidavit are merely speculative in nature in the areas where she attempts to tie the Company to the individual

named Knox, the entity of Equity Traders, and the other allegations of wrongdoing are unsupported by actual facts tied to the Company.

In doing so, the SEC's factual findings are "conclusive" only if they are "supported by substantial evidence." 15 U.S.C. § 78y(a)(4). Substantial evidence means "relevant evidence as a reasonable mind might accept as adequate to support a conclusion." *Pierce v. Underwood*, 487 U.S. 5. No such facts exist here. The Agent did not cite actual links and conclusions of the Company to any action which can be held against the Company. Further, in light of our precedent warning that "claim-processing rules . . . requiring that the parties take certain procedural steps at certain specified times generally should not be deemed jurisdictional," *Avila-Santoyo v. U.S. Att'y Gen.*, 713 F.3d 1357, 1360 (11th Cir. 2013) (en banc) (per curiam) (quotations omitted), we conclude these requirements are not jurisdictional. 552, 565, 108 S. Ct. 2541, 2550 (1988) (quotation omitted).

The SEC's legal conclusions must be reviewed de novo. *Orkin v. SEC*, 31 F.3d 1056, 1063 (11th Cir. 1994). The findings must be overturned if will "the SEC's decision to impose a particular sanction only upon finding a gross abuse of discretion." *Id.* at 1066. There are no supporting facts existing which can allow the unwarranted conclusions, speculations and other citations of fact the Agent used herein.

CONCLUSION

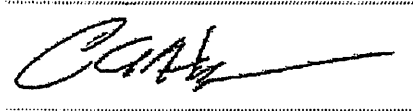
The action of the Commission staff in imposing the trading halt was unsupported by any degree of substantial evidence. As to the existence and reality of the Company, the Commission cites only the representations that it did a couple of phone calls and what is represented to be merely a topical internet search. Yet what is without doubt is that they did not do anything to actually contact the Company to verify all the was represented. Further, the representations of

conclusory allegations involving other parties unrelated to the Company are not backed by any evidence, let alone substantial evidence to make the Company, or anyone related to the Company responsible for what is alleged to have been activity outside of the Company. Neither the Company nor its numerous shareholders should be held accountable for actions of outsiders.

Due to the lack of substantial evidence, the trading halt should be vacated, or some other remedy that places the Company in the standing it was in before the trading halt.

Done this 6th day of August, 2019.

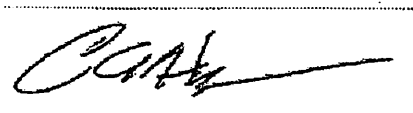
Respectfully submitted,



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Attorney for Petitioner

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on August 14, 2019, the undersigned counsel did cause to be file with the Commission, with service upon the Commissioner, at the address of 100 F. Street, N.E. Washington, D.C. 20549 via UPS Next Day Air Delivery under tracking number _____.



Craig A. Huffman, Esquire