

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20297**

**In the Matter of**

**MJ Biotech, Inc. (f/k/a Michael James  
Enterprises, Inc.),**

**Respondent.**

**THE DIVISION OF ENFORCEMENT'S BRIEF**  
**PURSUANT TO THE COMMISSION'S DECEMBER 23, 2024 ORDER**

The Division of Enforcement ("Division") submits this brief pursuant to the Commission's December 23, 2024 Order.

**FACTUAL BACKGROUND AND PROCEDURAL HISTORY**

On May 11, 2021, the Commission issued an Order Instituting Proceedings ("OIP") in which the Division alleged that Respondent MJ Biotech, Inc. (f/k/a Michael James Enterprises, Inc.) had engaged in repeated violations of the Securities and Exchange Act of 1934 (the "Exchange Act") by failing to file periodic reports for over two years. *See* Exchange Act Rel. No. 91850 (May 11, 2021). *See also* Division's May 31, 2024 Motion for Summary Disposition ("MSD") at Declaration of Sandhya Harris, Ex. 6. When Respondent failed to answer, the Commission entered a default judgment deeming the allegations of the OIP to be true and revoking the registration of Respondent's securities. *See* Exchange Act Rel. No. 92880, 2021 WL 4067015 (Sep. 3, 2021).

On January 28, 2022, Respondent filed a motion to set aside the default along with a purportedly curative filing. *See* Respondent’s Motion to Set aside Default and Comprehensive 10-K, attached as Ex. C (the “Curative Filing”). The Commission set aside the default based, in part, on Respondent’s evidence that, shortly after the OIP was issued, its CEO began experiencing serious health issues that prevented her from responding. *See* Exchange Act Rel. No. 97644 (Jun. 2, 2023).

On August 15, 2023, Respondent filed an Answer admitting that, when the OIP issued, Respondent had not filed its required reports for two years. *See* OIP at IIA1 and Answer at IIA1.

On May 31, 2024, the Division filed its MSD explaining why the registration of Respondent’s securities should be revoked for the protection of investors. As to the fourth *Gateway* factor, Respondent’s efforts to cure,<sup>1</sup> the Division submitted evidence that Respondent’s Curative Filing was itself materially deficient, that Respondent had notice of several of the material deficiencies as of February 4, 2022 (when the Division identified them in its opposition to Respondent’s motion to set aside the default judgment), and that Respondent had not amended its Curative Filing to address the material deficiencies. MSD at 7-8.

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<sup>1</sup> The *Gateway* factors are: (1) the seriousness of the issuer’s violations; (2) the isolated or recurrent nature of the violations; (3) the degree of culpability involved; (4) the extent of the issuer’s efforts to remedy its past violations and ensure future compliance; and (5) the credibility of the issuer’s assurances, if any, against future violations. *Gateway International Holdings, Inc.*, Exchange Act Rel. No. 53907, 2006 SEC LEXIS 1288, at \*19-20 (May 31, 2006). Where there is a “recurrent failure to file periodic reports,” the Commission considers the violations “so serious that only a strongly compelling showing with respect to the other factors would be sufficient to avoid revocation.” *Smartag International, Inc.*, Exchange Act Rel. No. 96755, 2023 WL 1066737, at \*3 (Jan. 26, 2023)

On June 20, 2024, Respondent filed a Cross Motion for Summary Disposition, which the Division opposed.

On December 23, 2024, the Commission asked the parties to submit briefs addressing the following issues: (1) whether the filing of the Commission's revocation order resulted in the restriction of Respondent's ability to file reports on EDGAR; (2) whether such access was restored following the Commission's vacatur of the revocation order; and (3) how, if at all, any such restriction (if it existed) impacts this proceeding. *See* Exchange Act Rel. No. 34-102025 (Dec. 23, 2024).

## **ARGUMENT**

### **I. The Commission's Revocation Order Did Not Prevent Respondent From Filing Reports On EDGAR.**

EDGAR does not prevent an issuer from submitting filings in the system after the issuer's registration is revoked. A search of the EDGAR system does not reflect any filings made by Respondent in EDGAR after August 18, 2021, when Respondent filed a Form 8-K announcing the engagement of new auditors. *See* Declaration of Raman Sarna, Branch Chief in the EDGAR Business Office, at ¶¶3-4.

### **II. Respondent's EDGAR Filing Status Does Not Impact This Proceeding.**

Respondent's EDGAR status has not prejudiced Respondent's ability to demonstrate its efforts to cure the delinquencies upon which the OIP is based. As noted above, the Commission's revocation order did not prevent Respondent from submitting curative filings on EDGAR. Moreover, the Respondent did submit the Curative Filing to the Commission by way of an exhibit filed in this proceeding. *See* Respondent's Motion to Set aside Default and Comprehensive 10-K, attached as Ex. C. Although the Division contends that the Curative Filing is materially deficient, Respondent's EDGAR status did

not prevent Respondent from placing it before the Commission; nor does Respondent's EDGAR status prevent the Commission from considering it.

### CONCLUSION

As set forth in the Division's Motion for Summary Disposition, the facts are undisputed. Respondent engaged in repeated filing failures over a two-year period, failures that constitute serious and recurrent Exchange Act violations. Respondent's violations were committed with a high degree of culpability; it adopted no concrete measures to ensure future reporting compliance; and it gave no credible assurances against future violations. Respondent's Curative Filing is materially deficient and, even if it was not, it is too late. Respondent's delinquencies were lengthy, and it only attempted to cure them after the OIP issued. On these facts, the Commission has repeatedly held, "Revocation is necessary to deter issuers from disregarding their obligations to present accurate and timely information to the investing public until spurred by the institution of proceedings." *Advanced Life Sciences*, Exchange Act Rel. No. 81253, 2017 WL 3214455 at \*5 (Jul. 28, 2017).

Dated: January 10, 2024

/s/ Samantha M. Williams

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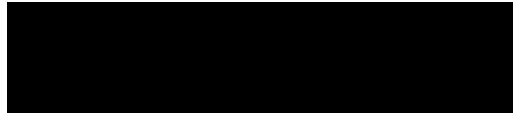
**CERTIFICATE OF SERVICE**

I hereby certify that I caused true copies of the Division of Enforcement's brief pursuant to the Commission's December 23, 2024 Order, and the Declaration of Raman Sarna to be served on the following on January 10, 2024, in the manner indicated below:

BY EMAIL SERVICE

MJ Biotech, Inc.  
c/o Wolfgang Heimerl  
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*Counsel for Respondent*

A solid black rectangular box used to redact the signature of Samantha M. Williams.

Samantha M. Williams

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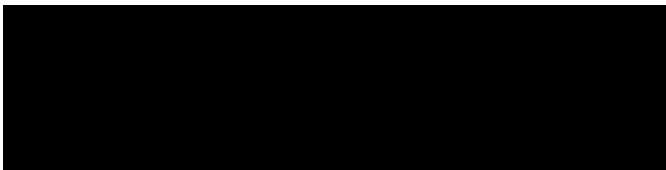
**DECLARATION OF RAMAN SARNA**

**Raman Sarna**, pursuant to 28 U.S.C. § 1746, declares:

1. I am a Branch Chief in the EDGAR Business Office of the U.S. Securities and Exchange Commission (the “Commission”), and I have personal knowledge of the matters set forth herein.
2. My primary responsibilities include the technical operations of the Commission’s Electronic Data Gathering, Analysis, and Retrieval system (“EDGAR”).
3. EDGAR does not prevent an issuer from submitting filings on the system after the issuer’s registration is revoked.
4. I searched the EDGAR system and did not find any filings made by MJ Biotech, CIK (EDGAR account number) 0001543272, during the period August 19, 2021 through January 7, 2025.

I declare under penalty of perjury that the foregoing is true and correct.

Executed: January 8, 2025



Raman Sarna