

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**v.**

**MICHAEL J. FRENCH, MJF HOLDINGS,  
LLC, and MJF CAPITAL, LLC,**

**Defendants, and**

**208 SEARS STREET, LLC, 211  
CROOKED CEDAR WAY, LLC, 302  
KEITHWOOD DRIVE, LLC, 313  
SLIDING ROCK DRIVE, LLC, 52  
RIVERMONT ROAD, LLC, ALLY'S  
FARM, LLC, and DUGOUT  
ENTERPRISES, LLC,**

**Relief Defendants.**

**Civil Action File No.**

**JURY DEMAND**

**COMPLAINT**

Plaintiff Securities and Exchange Commission (“Commission”) alleges as follows:

## SUMMARY

1. From April 2020 to September 2022, Defendants Michael J. French (“French”) and MJF Holdings, LLC (“MJF Holdings”) sold more than \$20 million in promissory notes to investors throughout the country.

2. French told investors that the high-yield notes – promising 12% returns for a one-year investment – were backed by a low-risk investment program, under which the note proceeds would be loaned to small businesses and/or invested in commercial loans on a fractional basis to produce returns.

3. French also told prospective investors that neither he nor his entities would receive any payment unless and until investors had received their promised returns.

4. In reality, the investment was a sham.

5. French misappropriated at least \$13.2 million of investor proceeds to make Ponzi payments to earlier investors and to pay for his personal expenses. The personal expenses included the purchase of luxury and classic cars, a personal residence for French and a separate residence for his parents, a personal performance coach, a personal trainer, a personal chef, securities and commodities trading accounts, and over \$1 million in payments to TikTok in exchange for “Coins” that he gifted to TikTok creators.

6. French also diverted substantial sums to other entities that he owned and controlled, and paid approximately \$1.3 million in undisclosed compensation to a third party entity that referred individuals to French for prospective investment in MJF Holdings.

7. Defendant MJF Capital, LLC (“MJF Capital”) was the primary entity through which French conducted his operations, and it aided and abetted French’s and MJF Holdings’ offering fraud.

8. 208 Sears Street LLC, 211 Crooked Cedar Way LLC, 302 Keithwood Drive LLC, 313 Sliding Rock Drive LLC, 52 Rivermont Road LLC, Ally’s Farm LLC, and Dugout Enterprises LLC, received proceeds from this scheme and were unjustly enriched thereby.

9. Emergency relief in the form of an asset freeze is appropriate because French has already begun dissipating assets by disposing of assets purchased with investor funds.

10. Beginning around the time that the Commission started investigating his conduct, French has sold several luxury and classic cars purchased with investor funds.

11. Additionally, French has begun the process of selling the properties held by the Relief Defendants and purchased with investor funds.

12. Since December 31, 2022, French has paid \$26,500 to a law firm that describes itself as an “Asset Protection Law Firm.”

13. On February 28, 2023, French was arrested in Fort Myers, Florida and charged with several crimes, including aggravated stalking, intimidation, and tampering with a witness. The witness French is accused of tampering with has information about the allegations set forth in the Commission’s complaint.

14. At the time of his arrest, French was found in possession of numerous forged FBI documents, including one dated February 21, 2023 falsely stating that French had been released from investigation by a number of entities, including the Commission.

15. In connection with the criminal charges asserted against him, French filed an Application for Criminal Indigent Status in which he stated that he had no income and only had \$2,000 in assets.

### **VIOLATIONS**

16. By the conduct described herein, French and MJF Holdings have engaged and, unless restrained and enjoined by this Court, will continue to engage in acts and practices that constitute and will constitute violations of 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)] and Section 10(b) of the Securities Exchange Act of 1934

(“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5].

17. By the conduct described herein, MJF Capital has engaged and, unless restrained and enjoined by this Court, will continue to engage in acts and practices that constitute and will constitute aiding and abetting French and MJF Holdings’ violations of Sections 17(a) of the Securities Act [15 U.S.C. § 77q(a)] and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5].

### **JURISDICTION AND VENUE**

18. The Commission brings this action pursuant to the authority conferred upon it by Sections 20(b) and 20(d) of the Securities Act [15 U.S.C. §§ 77t(b) and 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)].

19. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27(a) of the Exchange Act [15 U.S.C. § 78aa(a)].

20. In connection with the transactions, acts, practices, and courses of business described in this Complaint, Defendants, directly and indirectly, have made use of the means or instrumentalities of interstate commerce, of the mails,

and/or of the means and instruments of transportation or communication in interstate commerce.

21. Venue is proper in this district as all defendants have consented to venue in this district.

## FACTS

### A. Defendants

22. **Michael J. French**, age 40, is a resident of Pendleton, South Carolina. French is the sole member of MJF Holdings and MJF Capital, and also directly or indirectly owns and/or controls many other entities, including: Dugout Enterprises, LLC; 208 Sears Street LLC; 211 Crooked Cedar Way LLC; 302 Keithwood Drive LLC; 313 Sliding Rock Drive LLC; 52 Rivermont Road LLC; and Ally's Farm LLC. French does not hold any professional licenses, has no prior disciplinary history with the Commission, and has never been associated with any Commission registered broker-dealer or investment adviser.

23. **MJF Holdings, LLC** is a Nevada limited liability company headquartered in Pendleton, South Carolina, which is wholly owned and controlled by French. MJF Holdings is the entity through which French conducted his offering fraud. MJF Holdings purported to pool investor funds in order to extend credit to small businesses and/or invest in commercial loans, and issued

promissory notes to investors that promised annual returns of 12%. MJF Holdings has never been registered with the Commission in any capacity and has no known disciplinary history with the Commission.

24. **MJF Capital, LLC** is a South Carolina limited liability company headquartered in Pendleton, South Carolina, which is wholly owned and controlled by French. MJF Capital is the primary entity through which French conducted business. For example, most of French's employees were on MJF Capital's payroll and were paid with investor funds that had been transferred from MJF Holdings to MJF Capital. French touted MJF Capital as a successful business and told investors that MJF Holdings was a division of MJF Capital. MJF Capital has never been registered with the Commission in any capacity and has no known disciplinary history with the Commission.

**B. Relief Defendants**

25. **Dugout Enterprises LLC ("Dugout")** is a South Carolina limited liability company controlled by French. Fifty percent of the company is owned by French, and fifty percent is owned by his mother. Dugout has never been registered with the Commission in any capacity and has no known disciplinary history with the Commission.

26. **208 Sears Street LLC** is a South Carolina limited liability company controlled by French. The company was formed by French to purchase the property located at 208 Sears Street, Anderson, South Carolina, which was purchased with investor funds. It has never been registered with the Commission in any capacity and has no known disciplinary history with the Commission.

27. **211 Crooked Cedar Way LLC** is a South Carolina limited liability company wholly owned by Dugout and controlled by French. The company was formed by French to purchase the property located at 211 Crooked Cedar Way, Pendleton, South Carolina, which was purchased with investor funds. It has never been registered with the Commission in any capacity and has no known disciplinary history with the Commission.

28. **302 Keithwood Drive LLC** is a South Carolina limited liability company controlled by French. The company was formed by French to purchase the property located at 302 Keithwood Drive, Anderson, South Carolina, which was purchased with investor funds. It has never been registered with the Commission in any capacity and has no known disciplinary history with the Commission.

29. **313 Sliding Rock Drive LLC** is a South Carolina limited liability company wholly owned by Dugout and controlled by French. The company was



formed by French to purchase the property located at 313 Sliding Rock Drive, Pendleton, South Carolina, which was purchased with investor funds. It has never been registered with the Commission in any capacity and has no known disciplinary history with the Commission.

30. **52 Rivermont Road LLC** is a South Carolina limited liability company wholly owned by Dugout and controlled by French. The company was formed by French to purchase the property located at 52 Rivermont Road, Cleveland, South Carolina, which was purchased with investor funds. It has never been registered with the Commission in any capacity and has no known disciplinary history with the Commission.

31. **Ally's Farm LLC** is a South Carolina limited liability company controlled by French, which ostensibly may be owned by French's minor child. The company was formed by French to purchase the property located at 351 Welborn Drive, Pendleton, South Carolina, which was purchased with investor funds. It has never been registered with the Commission in any capacity and has no known disciplinary history with the Commission.

C. **Other Relevant Entity**

32. **The education company** is a Nevada limited liability company headquartered in Las Vegas, Nevada. The education company describes itself as a

financial education company whose clients include individuals with self-directed IRA accounts. The education company referred and/or recommended investments in MJF Holdings to its clients in exchange for referral fees from MJF Holdings.

**D. French's Sale of Promissory Notes**

33. MJF Capital and MJF Holdings are two of several entities owned and/or controlled by French.

34. French does not appear to have received any financial or investment education from any credentialed university or institution, nor does he appear to have any experience working with any company in the financial or investment industry.

35. French attempted to create a financial-guru persona on TikTok through videos posted under the username @moneyjustflows.

36. French has engaged in a number of business ventures, including real estate and e-commerce, several of which have required the influx of cash from MJF Holdings' sale of promissory notes to maintain operations.

37. In mid-2019, French began using MJF Capital to sell promissory notes to investors.

38. In total, MJF Capital sold approximately \$160,000 in promissory notes to five investors. The last MJF Capital promissory note was sold by French in August 2019.

39. One of MJF Capital's investors was the owner of the education company, an "investor education" business in Nevada that, among other things, assists its clients with establishing self-directed IRAs through which they can invest in alternative investments.

40. In April 2020, French incorporated MJF Holdings, and began selling promissory notes issued by it.

41. Between April 2020 and September 2022, MJF Holdings sold more than \$20 million in unsecured promissory notes to over 400 investors.

42. The MJF Holdings notes had terms of just over one year and promised returns of 12%, with interest to be paid quarterly and the final interest payment and principal due in a lump sum at the end of the term. MJF Holdings had the power to unilaterally extend a note's term by three months.

43. Investors paid money in exchange for the MJF Holdings promissory notes, but they had no role in the investment activity of MJF Holdings, and they expected profits to be derived solely from the efforts of French and MJF Holdings.

44. The money individuals invested in the promissory notes were pooled in MJF Holdings' bank account, which was owned and controlled by French.

45. The vast majority of MJF Holdings' investors were clients of the education company who were referred to MJF Holdings by employees of the education company, and invested in MJF Holdings' notes through self-directed IRAs.

46. For most investments made by clients of the education company, MJF Holdings paid the education company referral fees equal to 6-7% of the amount invested, amounting to over \$1,300,000.

47. MJF Holdings did not disclose these referral payments to investors.

48. No registration statement was filed with the Commission in connection with the offering of promissory notes by MJF Holdings.

49. Instead, French filed a Form D with the Commission stating that MJF Holdings' offering was exempt from registration pursuant to Rule 506(b) of Regulation D of the Securities Act.

50. The safe harbor provisions of Rule 506(b) of Regulation D of the Securities Act only apply if securities are not sold to more than 35 unaccredited investors and if all unaccredited investors receive the information required by Rule 502(b) of Regulation D.

51. French and MJF Holdings did not know or verify the financial circumstances of the investors to which they sold securities.

52. Many of these investors to which French and MJF Holdings sold securities were unaccredited.

53. French and MJF Holdings did not provide the unaccredited investors with the information required by Rule 502(b) of Regulation D.

54. Throughout the course of the MJF Holdings note offering and thereafter, French did not lend investor money to third-parties to generate income. Instead, French diverted investor funds to make Ponzi payments to earlier investors, to prop up other entities under his control and to pay his personal expenses.

**E. French's Misrepresentations and Misappropriation of Investor Funds**

55. At the start of MJF Holdings' note offering, French communicated directly with prospective investors, most of whom were identified by the education company, by telephone and did not provide any written offering materials.

56. French described the investment opportunity as a one-year investment that would yield a 12% return.

57. French represented to prospective investors that their funds would be used to provide loans to small businesses.

58. French assured investors that the promissory notes were a safe investment because he had industry experience, including underwriting the loans in which investor funds would be invested.

59. French also represented that he and his entities would get paid only after investors received their promised 12% returns.

60. French further told investors that MJF Capital and/or MJF Holdings had a four year net return of 24%, and that MJF Holdings was a Division of MJF Capital.

61. Once French convinced investors to participate in the note offering, he provided them the promissory note and issued wiring instructions to bank accounts controlled by him.

62. MJF Holdings did not ask if, let alone take any steps to verify that, investors were accredited.

63. French's general description of the investment opportunity remained the same throughout the offering period – i.e., that MJF Holdings would make small business loans or invest in such loans, investors would receive 12% returns, and French and his entities would benefit only if MJF Holdings' loans achieved returns in excess of the 12% guaranteed to investors.

64. French did, however, make some changes to his specific representations.

65. For example, French told investors that MJF Holdings' business model had changed in response to, and to better profit as a result of, the Covid-pandemic.

66. Specifically, French told prospective investors and existing investors from whom he was seeking additional investments that MJF Holdings was making loans to and investing in essential businesses, like hospitals, elder care, commercial construction, transportation, and grocery stores, and that it avoided "leisure businesses."

67. As MJF Holdings sold more notes, French hired employees, some of whom helped with investor solicitations and relations.

68. French also developed written promotional materials describing the offering, which he sometimes directed employees to send to prospective or existing investors.

69. In October 2021, French began using a promotional video to market the notes, a link to which he sent, or instructed his employees to send, to prospective investors.

70. The video included many of the same representations that French previously had made orally during phone calls. Specifically, among other representations, the video claimed that:

- MJF Holdings was a “division” of MJF Capital.
- MJF Capital was in the business of “underwriting commercial loans on a fractional basis.”
- MJF Capital “underwrites for 70 different lenders and reviews over 1,000 loans per week,” and invests in the loans that meet its criteria.
- “MJF Holdings ensures that we are not comingling company funds with investor funds.”
- “We do not charge you any fees whatsoever. ***The only way we get paid is if we perform at a rate higher than what we are paying our investors*** because we believe in fee free investing.
- “MJF Holdings is a professional underwriting company.”
- MJF Capital invests its own money along with MJF Holdings’ investor money and “we are more strict with investor money versus our own money.”
- MJF Holdings had strict underwriting criteria and “use[s] algorithms per industry to tell us what particular businesses are likely to succeed or fail.”
- “We deploy small amounts into a lot of loans rather than large amounts into a single loan.”
- “We guarantee the investors a fixed rate of return and ***the only way we make our money is if we earn on top of that fixed rate, which gives us an extra layer of responsibility to your funds.***”
- “We use a mutual fund mentality to diversify our risk within the commercial lending space.”
- “***We only make money if we earn at a rate above the 12% fixed interest rate.***”

(emphasis added).



71. After creating the video, French still personally pitched the investment opportunity to many prospective investors, but he also enlisted one of his employees, who used a script from the video, to make sales calls.

72. French was solely responsible for creating the substantive content of all promotional materials, including the video and the script, used by him and his employees to make sales calls.

73. French's representations concerning MJF Holdings' promissory note offering were false, and the entire offering was a sham.

74. Instead of acting according to his representations to investors that their funds would be used to make small business loans, French diverted investor funds to make Ponzi payments to earlier investors, to make personal purchases for himself and his family, and to prop up his other businesses.

75. French and MJF Holdings engaged in a multi-year course of conduct designed to deceive investors and to use the investment proceeds in an undisclosed manner.

76. French, individually and on behalf of the MJF Holdings, made repeated misrepresentations concerning the use of investor money and the existence of his companies' commercial loan investment program.

77. French knew that his representations about MJF Holdings' and MJF Capital's business operations were false.

78. As owner of both MJF Holdings and MJF Capital, French knew that MJF Holdings was not a division of MJF Capital.

79. French also knew that neither MJF Capital nor MJF Holdings were engaged in the business of underwriting commercial loans on a fractional basis or making small business loans, let alone reviewing over 1,000 loans per week or conducting a sophisticated underwriting process.

80. Additionally, French lied when he repeatedly represented to prospective investors their money would be deployed into a small business lending or fractional-loan investing program and that MJF Holdings would get paid only if it earned returns in excess of the 12% return promised to investors.

81. Instead of lending the funds to small businesses, French paid \$1.3 million to the education company for referring investors, and used at least \$7.3 million to make Ponzi payments to earlier investors.

82. French also misappropriated millions of dollars for his personal benefit and to prop-up his other business entities.

83. French purchased six properties with approximately \$1.5 million in investor funds.

84. These properties are held by six separate entities controlled by French: 208 Sears Street LLC; 211 Crooked Cedar Way LLC; 302 Keithwood Drive LLC; 313 Sliding Rock Drive LLC; 52 Rivermont Road LLC; and Ally's Farm LLC.

85. Dugout Enterprises, LLC, the nominal owner of several of these entities, is controlled by French and owned fifty percent by French and fifty percent by his mother.

86. French spent over \$650,000 to purchase and/or customize luxury and classic automobiles, including a 1969 Chevrolet Chevelle, 1965 Lincoln Continental, 2021 Ford F450, 2021 Mercedes GLE AMG, and 2021 Audi Q8.

87. French transferred investor funds to securities, crypto-asset, and commodities trading accounts, and paid for hundreds of thousands of dollars in other personal expenses.

88. French used multiple personal and business bank accounts and credit cards in connection with his fraudulent scheme.

89. French used investor funds to pay over \$1 million to TikTok in exchange for "Coins," which he gifted to TikTok content creators.

**F. MJF Capital's Role in the Fraudulent Scheme**

90. MJF Capital, through French, provided substantial assistance to French and MJF Holdings' fraudulent scheme.

91. French and MJF Holdings touted to investors that MJF Capital was a successful business with years of experience and a successful track record in investing in commercial loans, which was false.

92. French transferred at least \$12 million to MJF Capital and other entities owned and controlled by him, which he used to prop up those business and/or to pay employees. Included among these employees were French's personal chef, personal trainer, personal performance coach, parents, and minor child.

93. French's personal chef, personal trainer, personal performance coach, parents and minor child were not in any way involved in MJF Capital's or MJF Holdings' purported businesses of small business lending or fractional investing in commercial loans.

**G. French's Recent Conduct**

94. In mid-2022, MJF Holdings began defaulting on its interest and principal obligations under the notes.

95. French initially told investors a variety of lies in an attempt to placate them and also unsuccessfully solicited investments from new and existing investors.

96. When these attempts failed, MJF Holdings stopped soliciting investments, ceased all principal and interest payments, and cut off communications with investors.

97. Since the fall of 2022, French has taken a number of steps to dissipate investment proceeds.

98. French has sold most of the luxury cars he purchased using investor funds.

99. French has taken steps to sell the real properties purchased using investor funds, but titled in the name of the Relief Defendants.

100. French has transferred investor funds to new bank and investment accounts.

101. On February 28, 2023, French was arrested by the Fort Myers, Florida police department and charged with several crimes, including aggravated stalking, intimidation by threat to kill or inflict bodily harm on another, tampering with a witness/information, and forgery.

102. The stalking, intimidation, and witness tampering charges all relate to a TikTok influencer who received TikTok coins from French that were purchased with investor funds. This individual is a witness to French's fraudulent conduct.

103. The forgery charge relates to French's alleged forgery of FBI documents. Included in the forged documents is a document falsely stating that several entities, including the Commission, have released French from investigation.

**COUNT I**  
**(French and MJF Holdings)**

**Violations of Sections 5(a) and 5(c) of the Securities Act**  
**[15 U.S.C. §§ 77e(a) and 77e(c)]**

104. Paragraphs 1 through 103 are hereby realleged and are incorporated herein by reference.

105. Defendants French and MJF Holdings offered and sold securities, including promissory notes.

106. Defendants French and MJF Holdings used interstate transportation, communication or mails in connection with the offer and sale of securities.

107. At the time of the offer and sale of securities, no registration statement was in effect as to the securities offered and sold.

108. By reason of the foregoing, Defendants French and MJF Holdings have violated and, unless enjoined, will continue to violate Section 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

**COUNT II**  
**(French and MJF Holdings)**

**Violations of Section 17(a)(1) of the Securities Act**  
**[15 U.S.C. § 77q(a)(1)]**

109. The Commission realleges paragraphs 1 through 103 above.

110. From April 2020 to September 2022, Defendants French and MJF Holdings in the offer and sale of the securities described herein, by the use of means and instruments of transportation and communication in interstate commerce and by use of the mails, directly and indirectly, employed devices, schemes and artifices to defraud purchasers of such securities, all as more particularly described above.

111. Defendants French and MJF Holdings knowingly, intentionally, and/or recklessly engaged in the aforementioned devices, schemes and artifices to defraud.

112. While engaging in the course of conduct described above, Defendants French and MJF Holdings acted with scienter, that is, with an intent to deceive, manipulate or defraud or with a severe reckless disregard for the truth.

113. By reason of the foregoing, Defendants French and MJF Holdings directly and indirectly, have violated and, unless enjoined, will continue to violate Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

**COUNT III**  
**(French and MJF Holdings)**

**Violations of Section 17(a)(2) and (a)(3) of the Securities Act  
[15 U.S.C. § 77q(a)(2) and (a)(3)]**

114. Paragraphs 1 through 103 are hereby realleged and are incorporated by reference.

115. From April 2020 to September 2022, Defendants French and MJF Holdings, in the offer and sale of securities described herein, by use of means and instruments of transportation and communication in interstate commerce and by use of the mails, directly and indirectly:

- a. obtained money and property by means of untrue statements of material fact and omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and
- b. engaged in transactions, practices and courses of business which would and did operate as a fraud and deceit upon the purchasers of such securities, all as more particularly described above.

116. Defendants French and MJF Holdings, directly and indirectly, have violated and, unless enjoined, will continue to violate Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].



**COUNT IV**  
**(French and MJF Holdings)**

**Violations of Section 10(b) and Rule 10b-5 of the Exchange Act**  
**[15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5]**

117. The Commission realleges paragraphs 1 through 103 above.

118. From April 2020 to September 2022, Defendants French and MJF Holdings, in connection with the purchase and sale of securities described herein, by the use of the means and instrumentalities of interstate commerce and by use of the mails, directly and indirectly:

- a. employed devices, schemes, and artifices to defraud;
- b. made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and
- c. engaged in acts, practices, and courses of business which would and did operate as a fraud and deceit upon the purchasers of such securities,

all as more particularly described above.

119. Defendants French and MJF Holdings knowingly, intentionally, and/or recklessly engaged in the aforementioned devices, schemes and artifices to defraud, made untrue statements of material facts and omitted to state material facts, and

engaged in fraudulent acts, practices and courses of business. In engaging in such conduct, Defendants French and MJF Holdings acted with scienter, that is, with an intent to deceive, manipulate or defraud or with a severe reckless disregard for the truth.

120. By reason of the foregoing, Defendants French and MJF Holdings, directly and indirectly, have violated and, unless enjoined, will continue to violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

**COUNT V**  
**(MJF Capital)**

**Aiding and Abetting Violations of Section 17(a) of the Securities Act and  
Section 10(b) of the Exchange Act and Rule 10b-5 thereunder**

121. Paragraphs 1 through 103 are hereby re-alleged and are incorporated herein by reference.

122. From April 2020 to September 2022, Defendant MJF Capital knowingly or recklessly provided substantial assistance to Defendants French and MJF Holdings' violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and therefore is liable as an aider and abettor.

123. Unless restrained and enjoined, Defendant MJF Capital will continue to aid and abet French and MJF Holdings' violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

### **PRAYER FOR RELIEF**

WHEREFORE, the Commission respectfully prays for:

#### **I.**

Permanent injunctions enjoining Defendants French, MJF Holdings and their officers, agents, servants, employees, and attorneys from violating, directly or indirectly, Sections 5(a), 5(c) and 17(a) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)], and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

#### **II.**

A permanent injunction enjoining Defendant MJF Capital and its officers, agents, servants, employees, and attorneys from violating, directly or indirectly, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

**III.**

A permanent injunction enjoining Defendant French from directly or indirectly participating in the issuance, purchase, offer, or sale of any security, provided that such injunction shall not prevent Defendant French from purchasing or selling securities listed on a national securities exchange for his own personal account.

**IV.**

An order requiring an accounting by Defendants and Relief Defendants of the use of proceeds of the fraudulent conduct described in this Complaint and the disgorgement by Defendants and Relief Defendants of all ill-gotten gains or unjust enrichment with prejudgment interest, to effect the remedial purposes of the federal securities laws.

**V.**

An order expediting discovery into Defendants and Relief Defendants' use of proceeds of the fraudulent conduct described in this Complaint.

**VI.**

An order pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] imposing civil penalties against Defendants.

**VII.**

An order freezing the assets of Defendants and Relief Defendants pending further order of the Court.

**VIII.**

An order preventing Defendants and Relief Defendants from destroying or concealing documents or other evidence until further order of this Court.

**IX.**

Such other and further relief as this Court may deem just, equitable, and appropriate in connection with the enforcement of the federal securities laws and for the protection of investors.

**JURY TRIAL DEMAND**

The Commission hereby demands a trial by jury as to all issues that may be so tried.

Respectfully submitted this 3rd day of April, 2023,

/s/ M. Graham Loomis

M. Graham Loomis

Regional Trial Counsel

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