

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 80345 / March 30, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17893

In the Matter of

VINCENT MEHDIZADEH,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Vincent Mehdizadeh (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in paragraph III(2) below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that

1. Respondent is the founder of Notis Global, Inc. (fka Medbox, Inc.) (“Medbox”), and at various times, held the positions of senior consultant, senior strategist, senior advisor, acting principal financial officer, chairman of the board and chief operating officer of the company. Respondent is 38 years old and resides in Pacific Palisades, California.

2. On March 22, 2017, a final judgment was entered by consent against Respondent, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 15(a) of the Exchange Act and Rules 10b-5 and 13b2-2 thereunder, and from aiding and abetting future violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-11 and 13a-13 thereunder, in the civil action entitled, Securities and Exchange Commission v. Mehdizadeh, et al., Civil Action Number 2:17-cv-01905-SVW-SK in the United States District Court for the Central District of California.

3. The Commission’s complaint alleged that Respondent engaged in a fraudulent scheme to inflate Medbox’s 2012, 2013, and first quarter 2014 revenues through improper transactions with a related entity that he formed, funded, and controlled. At the same time, Respondent caused Medbox to issue numerous press releases touting the company’s record revenue numbers. Meanwhile, Respondent sold hundreds of thousands of Medbox shares, reaping millions of dollars in profits. Following a December 2014 change in its management, Medbox announced that its financials could no longer be relied upon and then restated its financials for the periods ended December 31, 2012, December 31, 2013, and the first three quarters of 2014. That restatement reversed the majority of the revenue associated with Respondent’s fraudulent scheme, and materially reduced Medbox’s reported revenue in the relevant period. The complaint also alleged that Respondent sold unregistered securities, and acted as an unregistered broker.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Mehdizadeh’s Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Mehdizadeh be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary