

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 86887 / September 5, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19421

In the Matter of

BRENDAN POLLITZ

Respondent.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Brendan Pollitz (“Pollitz” or “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, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings, Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that

Respondent

1. **Brendan Pollitz**, age 38, lives in Los Angeles, California. He is the director of operations of Toon Goggles, Inc., an internet-streaming publisher of children's entertainment. From 2016 through at least 2017, Pollitz was identified as the sole director and shareholder of Gemini Group Inc., a now defunct company that engaged unregistered sales representatives who solicited investor capital for projects involving Toon Goggles. Pollitz is not, and has never been registered with the Commission in any capacity.

Other Relevant Entities

2. **Toon Goggles, Inc.**, is a Nevada corporation with its principal place of business in Los Angeles, California. The company offers online streaming children's content.

3. **TG Licensing and Media Group LLC ("TGLMG")**, was a Nevada company, established in 2016. TGLMG was intended to function as the licensing arm for Toon Goggles. TGLMG ceased operations in late 2017, and its Nevada business license expired in August 2018.

4. **Kidz Media Investments LLC ("KMI")**, was a Nevada company that, from 2016 through 2017, funded TGLMG by raising investor capital through a private offering.

5. **Gemini Group, Inc.**, was a Nevada company established in May 2015. Gemini ceased operations in 2017, and its Nevada business license expired in May 2018.

Background

6. Toon Goggles is a media service provider that offers on-demand streaming of cartoons, games, and other children's entertainment. The Toon Goggles application is available on smart phones, tablets, smart televisions, and online through the company's website

7. In August 2016, Pollitz and the rest of Toon Goggle's management team established TGLMG to license and distribute Toon Goggle's digital IP.

8. Toon Goggle's founder (hereinafter, "Founder") decided to use KMI as the funding vehicle for TGLMG's projects, and in turn, to raise investor capital through KMI. Hence, in October 2016, Pollitz, at the direction of Founder, signed and filed a form D with the Commission regarding a KMI private offering.

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

9. From September 2016 through November 2017, KMI raised over \$4 million from more than 100 investors.

10. The KMI-TGLMG private placement memorandum that was distributed to investors identified Gemini Group, Inc. as KMI's manager, and Pollitz as the "sole shareholder and officer/director of Gemini."

11. Founder engaged sales representatives to solicit investors, nationwide, for the KMI-TGLMG private offering. From 2016 through 2017, Gemini paid these representatives commissions equal to a percentage of the capital raised from investors. Founder also paid himself transaction-based compensation.

12. Pollitz and Founder signed the checks, on behalf of Gemini, paying commissions to the unregistered sales representatives. Neither Gemini, Founder, Pollitz, nor any of the sales representatives who solicited investor capital for the KMI-TGLMG private offering were registered as broker-dealers or associated with a registered broker-dealer.

13. For most of the relevant period, Pollitz acted as the conduit for paying commissions to sales representatives who solicited investors for the KMI-TGLMG private offering. Though he was the sole shareholder and officer of Gemini, Pollitz permitted Founder to pay transaction-based compensation to sales representatives and to Founder with investor funds that had been transferred into Gemini's bank account. Moreover, on several occasions, Pollitz himself, at the direction of Founder, paid transaction-based compensation to the sales representatives.

14. Pollitz engaged in the foregoing conduct even though he knew or should have known that Gemini, Founder, and the sales representatives were not registered as broker-dealers or associated with registered broker-dealers, while soliciting investor capital for the KMI-TGLMG offering. Pollitz received \$31,280 from Gemini for engaging in the foregoing conduct.

15. As a result of the conduct described above, Pollitz caused Founder's violations of Section 15(a) of the Exchange Act.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent cease and desist from committing or causing any violations and any future violations of Section 15(a) of the Exchange Act.

B. Respondent shall pay disgorgement of \$31,280.00, prejudgment interest of \$2,837.02 and civil penalties of \$9,472.00, for a total payment of \$43,589.02, to the Securities and

Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600 and to 31 U.S.C. §3717. Payment shall be made in the following installments:

1. \$5,000.00, within 10 days of entry of this Order;
2. \$9,647.26, within 90 days of entry of this Order;
3. \$9,647.26, within 180 days of entry of this Order;
4. \$9,647.26, within 270 days of entry of this Order;
5. \$9,647.26, within 360 days of entry of this Order.

Payments shall be applied first to post order interest, which accrues pursuant to SEC Rule of Practice 600 and pursuant to 31 U.S.C. 3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Brendan Pollitz as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Alka N. Patel, Associate Director, Division of Enforcement, Securities and Exchange Commission, U.S Securities and Exchange Commission, 444 South Flower Street, Suite 900, Los Angeles, CA 90071.

D. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary