

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 91022 / January 29, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20214

In the Matter of

**GREEN BUD INITIATIVES
LLC,**

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 Green Bud Initiatives LLC (“GBI Marketing” 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 it 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. Green Bud Initiatives LLC ("GBI Marketing") is a California limited liability company with its principal place of business in Temecula, California. GBI was created, managed and controlled by the Anthony Todd Johnson and Jeremy Johnson (collectively, the "Johnsons"). Neither the Johnsons nor GBI Marketing has ever been registered with the Commission in any capacity.

2. On January 28, 2021, a judgment was entered by consent against GBI Marketing permanently enjoining it 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 Rule 10b-5 thereunder, in the civil action entitled *Securities and Exchange Commission v. Smart Initiatives, LLC, et al.*, Civil Action Number 20-cv-01493-MCS-SHK, in the United States District Court for the Central District of California.

3. The Commission's complaint alleged that between September 2017 and February 2019, the Johnsons and GBI Marketing acted as unregistered broker-dealers in soliciting prospective investors to invest in the unregistered securities offerings of Smart Initiatives, LLC ("Smart Initiatives"), Valley View Enterprises LLC ("Valley View), Target Equity LLC ("Target Equity"), Zabala Farms Group LLC ("ZFG"), GPA Enterprises LLC ("GPA") (the "Issuers), Those securities were offered in the form of membership units, for the stated purpose of investing in and developing a newly established and licenced marijuana farm located in Salinas, California and/or C-Quadrant's startup cannibidiol extraction facility, also located in Salinas, California. The complaint alleged that the Johnsons and GBI Marketing raised approximately \$20 million from over 300 investors in connection with the Issuers's and C-Quadrant's securities offerings. In doing so, the complaint alleged the Johnsons misled and deceived investors regarding their compensation and misappropriated at least \$2.7 million of investor funds, contrary to representations regarding the use of proceeds in the Issuers's private placement memoranda. The complaint further alleged, among other things, that in all the offerings – Smart Initiatives, Valley View, Target Equity, ZFG, C-Quadrant and GPA – the Johnsons and GBI Marketing deceived investors and made material misrepresentations and omissions to investors regarding expected returns on investment, promising guaranteed annual returns of 100, 150 or 200 percent, depending on the offering.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b) of the Exchange Act, that Respondent GBI Marketing be, and hereby is, censured.

By the Commission.

Vanessa A. Countryman
Secretary