

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 90950 / January 19, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20207

In the Matter of

RICHARD PORTILLO AND
CIS MARKETING, LLC,

Respondents.

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 Richard Portillo (“Portillo”) and CIS Marketing LLC (“CIS Marketing” and collectively “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have 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 them and the subject matter of these proceedings and the findings contained in paragraph III.2 below, which are admitted, Respondents consent to the entry of this Order Instituting 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. Portillo, age 46, resides in Carmel Valley, California. At all relevant times he was a managing member of RJ Holdings Group, LLC ("RJ Holdings"), a California limited liability company with its principal place of business in Temecula, California, and CIS Marketing, LLC, a California limited liability company with its principal place of business in Carmel Valley, California. Neither Portillo, RJ Holdings, nor CIS Marketing has ever been registered with the Commission in any capacity.

2. On January 14, 2021, a judgment was entered by consent against Portillo and CSI Marketing permanently enjoining each of them 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 in or about February 2018, Portillo created CIS Marketing to solicit prospective investors to invest in the unregistered securities offering of his then newly-created entity RJ Holdings, and to continue to solicit investors to invest in the unregistered securities offerings of Smart Initiatives, LLC ("Smart Initiatives"), Valley View Enterprises, LLC ("Valley View"), and Target Equity LLC ("Target Equity"), each of which were controlled and managed by codefendants Anthony Todd Johnson and Jeremy Johnson, for the stated purpose of investing in a newly established and licensed marijuana farm located in Salinas, California and/or for developing C-Quadrant LLC ("C-Quadrant"), a startup cannabidiol ("CBD") extraction facility also located in Salinas, California, which was controlled and managed by the Johnsons and co-defendant Michael Gregory. The complaint alleges that Portillo, both directly and through CIS Marketing, received transaction-based compensation, in the form of a ten percent commission (five percent cash and five percent equity) on the Smart Initiatives, Valley View and Target Equity securities he and CIS Marketing sold for the Johnsons' issuers. The complaint further alleges that between January 2018 and February 2019, Portillo and CIS Marketing raised approximately \$2.8 million from approximately 52 investors located in multiple states to invest in C-Quadrant's CBD extraction facility. In connection with RJ Holdings' offering, the complaint alleges that Portillo and CIS Marketing made a number of material misrepresentations and omissions to investors, including that: investors were guaranteed 100% returns; that Portillo and CIS Marketing had expertise in the cannabis-related investments, while failing to disclose Potillo's extensive criminal history; and that Portillo and his comanager had each contributed \$25,000 to RJ Holdings, which was not true.

IV.

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

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

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Portillo 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

barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by Respondent Portillo 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, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) 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.

Vanessa A. Countryman
Secretary