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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

DAVID N. OSEGUEDA, ISHMAIL CALVIN ROSS, aka CALVIN ROSS, ZACHARY R. LOGAN, and JESSICA SNYDER, fka JESSICA GUTIERREZ,

Defendants.

Case No. 2:19-cv-04348

COMPLAINT

Plaintiff Securities and Exchange Commission ("SEC") alleges:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27(a) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e) & 78aa(a).

2. Defendants have, directly or indirectly, made use of the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange in connection with the transactions, acts, practices and courses of business alleged in this complaint.

3. Venue is proper in this district 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) because certain of the transactions, acts, practices, and courses of conduct constituting violations of the federal securities laws occurred within this district. In addition, venue is proper in this district because defendants Osegueda and Ross reside in this district.

SUMMARY

4. This action concerns a fraudulent, $1.9 million pump-and-dump scheme by defendants David N. Osegueda, Ishmail Calvin Ross, Zachary R. Logan, and Jessica Snyder, in the securities of a cannabis and beverage company, Green Cures & Botanical Distribution, Inc. ("GRCU"). Defendants concealed from the public their ownership and control of GRCU, while secretly orchestrating a campaign to inflate GRCU's stock price through disclosures that were false and misleading. They then sold their stock into the market at inflated prices.

5. In February 2014, Osegueda and a partner acquired a public company for the purpose of capitalizing on the hemp and cannabinoid market. They renamed it Green Cures & Botanical Distribution, Inc. Their efforts to generate a profit through GRCU proved unsuccessful, so in June 2015, Osegueda recruited defendant Ross, who had had some prior success distributing a beverage. Ross acquired GRCU's controlling share, and additional GRCU shares, from Osegueda's partner, and purchased portions of promissory notes from Osegueda, which were convertible into GRCU shares. At that point, Osegueda's original partner left the company.

6. Ross kept possession of the control share certificate, but he purportedly transferred his interest to InStep Holdings, LLC, a front company he created and ran

with Snyder. Ross installed two individuals to run InStep Holdings, and named one of them as GRCU's figurehead CEO.

7. Osegueda, Ross, and Snyder then began organizing a promotional campaign to hype GRCU stock, hiring defendant Logan to promote the stock in return for shares.

8. Osegueda, Ross and Logan deposited their shares into their brokerage accounts, making false and misleading statements in their deposit security requests ("DSRs") to induce the brokerage firm to accept the shares. Specifically, Osegueda and Ross claimed that they were neither aware of any promotional campaign nor working in concert with anyone regarding GRCU stock, even though they had already arranged for Logan to promote the stock. Ross's DSR also stated that he was not a GRCU affiliate, even though he controlled it. Logan's DSR falsely disclaimed acting in concert with others regarding GRCU stock.

9. Once the promotional campaign began in March 2016, Osegueda, Ross, and Logan started selling their shares, and Osegueda and Ross retained two more stock promoters. The campaign consisted of thousands of text messages, blast emails, message board and social media posts, and press releases prepared by Logan and Snyder and paid for by Osegueda and Ross. Two of the releases by Snyder contained false and misleading statements that the company was pursuing hemp and cannabinoids, when it was instead phasing them out. Additionally, GRCU's nominal CEO did not see or approve any of the GRCU releases touting the company's hemp and cannabinoid products, despite being quoted in some of them.

10. Defendants' promotional campaign had its intended effect. For example, during the first series of email and text message blasts and social media posts (August 22 to 24, 2016), the stock price increased 50%, from $0.008 to $0.012 per share. During the second series, including the additional press releases (September 27 to November 29, 2016), the stock price increased 113%, from $0.012 to $0.049 per share. During the campaign, Osegueda, Ross, and Logan each sold their GRCU

shares for total proceeds of about $1.91 million.

11. By this conduct, Osegueda, Ross, and Logan violated of Section 5(a), 5(c), and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Defendant Snyder violated Sections 17(a)(1) and (3) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

12. The SEC seeks permanent injunctions against future violations of Sections 5 and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder as to Osegueda, Ross, and Logan; permanent injunctions against future violations of Sections 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder as to Snyder; disgorgement with prejudgment interest as to all Defendants except Snyder; civil penalties, officer and director bars as to all Defendants except Logan; and penny stock bars as to all Defendants.

THE DEFENDANTS

13. **David N. Osegueda**, age 37, resides in Sun Valley, California. He is a licensed California real estate agent.

14. **Ishmail Calvin Ross, aka Calvin Ross**, age 59, resides in Canoga Park, California. He is a beverage marketer and developer.

15. **Zachary R. Logan**, age 37, resides in La Jolla, California. He provides corporate consulting and investor relations and market awareness services to companies, including drafting press releases and research reports touting issuers' stock.

16. **Jessica Snyder, fka Jessica Gutierrez**, age 41, resides in Avondale, Arizona. She held herself out as the chairman of the board of InStep Holdings, LLC, GRCU's controlling shareholder, but there was no such position. She now works in the mortgage department of a bank.

RELATED PARTIES

17. **Green Cures & Botanical Distribution, Inc.** is a Colorado corporation with its principal place of business in Woodland Hills, California. It is a non-reporting company, which claims to sell cannabis products and energy drinks. Its stock is quoted on OTC Link (previously "Pink Sheets") operated by OTC Markets Group, Inc. ("OTC Markets") under the ticker symbol GRCU. It was originally incorporated in 1986 as Petramerica Oil, Inc., until it was acquired and renamed Triton Distribution Systems, Inc. in August 2006, and then acquired and renamed Green Cures & Botanical Distribution, Inc. in February 2014.

18. **InStep Holdings, LLC** is a Delaware limited liability company incorporated in 2015 by Snyder, and based in Oakland, California. It supposedly became the controlling shareholder of GRCU in September 2015.

THE ALLEGATIONS

A. Osegueda Helps Acquire GRCU and Receives Convertible Notes

19. In or around 2014, Osegueda worked in a real estate firm. He and his then boss ("Former CEO") shared an interest in the hemp and cannabinoid market.

20. The Former CEO decided to acquire a public company in which to run a cannabinoid business, and persuaded Osegueda to license Osegueda's natural hemp treatments through the new company's product line.

21. In February 2014, the Former CEO bought a controlling interest in penny stock issuer Triton Distribution Systems, Inc., and changed its name to Green Cures & Botanical Distribution, Inc.

22. Osegueda financed GRCU by paying for its expenses in return for four convertible promissory notes that GRCU could pay back with stock if Osegueda elected to convert the notes, including a December 31, 2014 note for $35,663 and a January 22, 2015 note for $5,319. These notes, if converted, would result in Osegueda receiving about 205 million GRCU shares out of 1.6 billion shares issued and outstanding.

B. Ross Acquires GRCU and Buys Portions of Osegueda's Convertible Notes

23. GRCU's initial efforts to generate revenue and become profitable were unsuccessful.

24. In June 2015, Osegueda located and contacted Ross, after he saw in a supermarket that one of Ross's companies was successfully distributing a beverage.

25. Ross told Osegueda and the Former CEO that he could help them, but that he wanted equity in the company. The Former CEO offered to sell his controlling interest in GRCU to Ross.

26. Ross then brought in Snyder, with whom he had worked for at least five years in his various beverage ventures.

27. Snyder performed due diligence on GRCU for Ross, and worked with the Former CEO to prepare the documentation for Ross's share acquisition.

28. On August 6, 2015, Ross entered into a stock purchase agreement with the Former CEO to pay $45,000 for the single Series A Preferred share in the class, other preferred shares, and 8.25 million shares of restricted GRCU common stock.

29. This agreement gave Ross control of GRCU because the Series A Preferred share gave him the majority of the shareholder vote.

30. Between July 30, 2015, and September 30, 2015, Ross paid Osegueda $15,000 to acquire 15% of Osegueda's convertible promissory notes, and made a $6,000 payment for an additional portion.

31. On September 8, 2015, the Former CEO resigned from GRCU.

C. Ross and Snyder Hire Two Successive CEOs, but Ross Maintains Hidden Control

32. Ross then hired a business colleague to be GRCU's interim CEO, and purportedly transferred his controlling interest to a company that Ross and Snyder created, and Ross ran, InStep Holdings.

33. In fact, Ross maintained possession of the control share stock certificate

and the additional shares that he acquired from the Former CEO.

34. Ross and Snyder discussed in an email that Ross retained possession of the stock certificates, notwithstanding the purported transfer to InStep Holdings.

35. Ross looked for someone to take over ownership of InStep Holdings and consequently control of GRCU, so that he would not be deemed an affiliate when selling GRCU shares.

36. In fall 2015, Ross and Snyder approached a colleague ("Nominee Officer") with whom Ross had worked before to develop spirit brands. Ross informed the Nominee Officer that he could continue to develop beverages through GRCU and that Ross would help him by providing financing and locating new business opportunities. The Nominee Officer agreed to join him by taking over InStep Holdings.

37. The Nominee Officer, however, did not want to be CEO of GRCU, so Ross asked him to locate someone with significant beverage industry experience.

38. On October 5, 2015, Ross hired an individual (the "GRCU CEO") who had 29 years of beverage industry experience. The GRCU CEO also became a principal of InStep Holdings.

39. Despite his title, the GRCU CEO's role was limited to product development.

40. In reality, Snyder, and, to a lesser extent the Nominee Officer, remained responsible for overseeing GRCU's issuance of securities, reviewing its contracts, and preparing GRCU's press releases and periodic submissions to OTC Markets, which are made available to the public on OTC Markets' website (otcmarkets.com).

41. The GRCU submissions to OTC Markets that Snyder prepared, however, falsely described the company's management. The submissions falsely stated that they were identifying all the individuals and entities involved in managing, controlling, or advising GRCU. However, while the submissions identified the GRCU CEO, none of them identified Ross or described his control of the company,

including his share holdings. Before Snyder provided a submission to OTC Markets, she obtained permission from the GRCU CEO to upload it to the OTC Markets website.

42. Snyder's role was documented in a consulting agreement between Snyder and InStep Holdings dated August 10, 2015.

43. During the time period of March 5, 2016 to December 15, 2016, Ross paid Snyder about $30,000 for her work on behalf of GRCU.

D. Osegueda and Ross Hire Logan for Stock Promotion

44. In December 2015, Osegueda introduced Ross to Logan, explaining that Logan was a "stock expert" who could help them "market" GRCU.

45. Logan emphasized his ability to prepare press releases, and proposed that his firm, Pacific Equity, would provide stock promotion services for one year in return for 5 million restricted and 5 million "Free-Trading" GRCU shares.

46. Logan provided GRCU two proposed agreements for Pacific Equity's stock promotion services.

47. The first agreement was between Logan's promotional companies – Pacific Equity Alliance LLC and Integrative Business Alliance LLC – and GRCU. It stated that, for one year, Logan's companies would "increase the investment community's awareness of [GRCU's] activities and stimulate the investment community's interest in [GRCU]." In return, Logan's companies would receive five million restricted GRCU shares.

48. Logan signed the first agreement on February 9, 2016.

49. The second agreement, between Logan and Osegueda, was for five million freely-tradable shares, in exchange for Logan's general consulting services for one year.

50. Logan signed the second agreement on February 16, 2016.

51. Logan's brokerage firm did not allow its customers to deposit shares of stock into their brokerage accounts and sell them if the customer was aware of any

current or future promotional activities. The brokerage firm also required its customers to document how they obtained the shares to be deposited.

52. Logan used the two agreements so that he could withhold the agreement describing the promotional activities from the brokerage firm and only submit the agreement with Osegueda for general consulting services.

53. Logan explained the purpose behind the two agreements to Ross and Osegueda in an email he wrote, dated February 11, 2016, stating that the deal structure was designed to facilitate Logan's eventual request to his brokerage firm to deposit his shares.

E. Osegueda, Ross, and Logan Use False and Misleading Documents and Statements to Deposit Their GRCU Shares into Brokerage Accounts

54. From January 15 to October 30, 2016, Osegueda, Ross, and Logan deposited their GRCU stock with a brokerage firm, where each had an account, by submitting DSRs which they signed under oath.

55. Snyder prepared all of the corporate documents required for the deposits, including resolutions and letters stating that GRCU was not a shell company; conversions of the notes; a letter that GRCU was current in its submissions to OTC Markets; and a letter from GRCU's CEO that falsely stated that neither Osegueda, Ross, nor Logan was an affiliate of the company.

56. GRCU's CEO signed the documents on behalf of GRCU.

57. Snyder also prepared Ross's DSRs for his signature, and answered the brokerage firm's questions regarding the DSR forms, copying Ross on several such emails between February 5, 2016 and November 6, 2016.

1. Osegueda's Share Deposits

58. Osegueda converted portions of two of his promissory notes into GRCU stock and, on March 8, 2016 and September 26, 2016, submitted DSRs for a total of 42 million shares out of 834 million shares issued and outstanding.

59. In order to obtain the shares, Osegueda entered into a February 11, 2016 settlement agreement with GRCU, whereby he received 127.6 million shares in return for cancelling his two other convertible promissory notes and extending the licensing agreement that permitted GRCU to use his two cannabinoid products.

60. In each DSR, Osegueda claimed that his anticipated offer and sale of the shares would be exempt from the registration requirement under Section 5 of the Securities Act because he met the requirements of the Rule 144 safe harbor.

61. Osegueda, however, did not own the stock for the required one-year holding period, which would not be met until February 11, 2017.

62. Of the 127.6 million shares that he received, Osegueda transferred 61.3 million GRCU shares to Ross, under a consulting agreement dated January 26, 2015, but not entered into until on or about January 26, 2016, and 5 million GRCU shares to Logan, under Logan's February 9, 2016 consulting agreement.

63. Osegueda made false and misleading statements in the DSRs. The brokerage firm required that all customers seeking to deposit shares represent that they had no knowledge of any current or future GRCU stock promotions.

64. Osegueda's DSRs falsely stated that he had no knowledge of any current or future GRCU stock promotions.

65. Although Osegueda was working with Ross, Logan, Snyder, and (by the September 26 deposit) others on the promotional campaign, he falsely stated that he was not acting in concert with anyone regarding GRCU stock.

66. Osegueda also falsely stated that neither Ross nor Logan provided any services to GRCU, though he was working with them on a promotional campaign.

67. In deciding to accept Osegueda's shares, the brokerage firm also considered GRCU's OTC submissions, which Snyder prepared.

68. These submissions falsely depicted the GRCU CEO's role, and failed to identify Ross or his control of the company.

2. Ross's Share Deposits

69. Ross deposited his GRCU shares in three tranches: 123,636 shares on January 15, 2016, 31.3 million shares on March 7, 2016, and 6.07 million shares on October 30, 2016.

70. Ross understood that the brokerage firm would rely upon his statements in each DSR.

71. In his DSRs, Ross falsely stated that he was not an affiliate of GRCU.

72. In fact, Ross controlled GRCU; he paid GRCU's expenses; negotiated marketing arrangements for GRCU products; instructed Snyder to prepare periodic OTC submissions and press releases; worked on a promotional campaign; held GRCU's control share; and owned 61.3 million shares (out of 664 million shares then outstanding), which Osegueda transferred to him under the February 11, 2016 settlement agreement.

73. In each DSR, Snyder included a letter from an attorney which opined that Ross's sale of the GRCU shares would be exempt from the registration requirements of the Securities Act because Ross met the requirements of the Rule 144 safe harbor. Each attorney opinion letter falsely stated that Ross was not an affiliate.

74. The brokerage firm required that all customers seeking to deposit shares represent that they had no knowledge of any current or future GRCU stock promotions.

75. Ross falsely stated that he had no knowledge of any current or future GRCU stock promotions.

76. Although Ross was working with Osegueda and Logan to promote GRCU's stock, he falsely stated that he was not acting in concert with anyone regarding GRCU stock.

77. In deciding to accept Ross's shares, the brokerage firm also reviewed GRCU's OTC submissions, which Snyder prepared, and which falsely depicted the GRCU CEO's role and failed to identify Ross or his control of GRCU.

78. Additionally, in the March 7 and October 30, 2016 DSRs, Ross claimed that his anticipated offer and sale of the shares would be exempt from the registration requirement because he met the requirement of the Rule 144 safe harbor. The required one-year holding period, however, had not even begun because he had not fully paid for the shares.

79. Ross received his shares pursuant to an agreement with Osegueda, whereby Ross would provide consulting services to GRCU for six months.

80. Osegueda and Ross created the agreement, backdating it to January 26, 2015, though it was actually reached and signed on or about January 26, 2016.

81. The agreement gave the appearance that Ross had paid for the shares with his services, when his consulting obligations did not actually end until July 26, 2016, four months before he deposited the shares.

82. In Ross's March 7 and October 30, 2016 DSRs, Snyder included the backdated consulting agreement.

83. Additionally, the attorney opinion letters, which Snyder also included in the March 7 and October 30, 2016 DSRs, falsely stated that Ross had held the GRCU shares for the required one-year holding period.

3. Logan's Share Deposits

84. Logan submitted a DSR on March 9, 2016, for the 5 million freely tradable shares from Osegueda, and another DSR on May 12, 2016, for 3 million shares obtained from Ross pursuant to a stock purchase agreement that Logan negotiated with Ross and Snyder, dated May 10, 2016.

85. The five million shares from Osegueda were part of the 127 million shares that Osegueda received from the February 11, 2016 settlement agreement.

86. Logan obtained the three million shares for the May 12 DSR from Ross pursuant to a May 10, 2016 stock purchase agreement whereby Logan paid Ross $27,000 for the shares.

87. For both DSRs, Logan falsely claimed that he qualified for the Rule 144

safe harbor. He, like Osegueda and Ross, did not meet the one-year holding period requirement as a result of the settlement agreement and because his services were for one year under agreements with Osegueda and GRCU; therefore, he had not fully paid for the shares until the term of the agreement had occurred.

88. Logan also falsely stated that he only had a beneficial interest in 5 million shares, concealing that he also beneficially owned the 5 million restricted shares from GRCU.

89. Additionally, Logan falsely stated that he was not acting in concert with any other person, whereas he was working on the March 2016 stock promotion with Osegueda and Ross.

90. In deciding to accept Logan's shares, the brokerage firm also reviewed GRCU's OTC submissions, which Snyder prepared, and which falsely depicted the GRCU CEO's role and failed to identify Ross or his control of GRCU.

91. The false representations by Osegueda, Ross, and Logan in their DSRs were material. A reasonable investor would find it important to an investment decision whether sellers into the market knew of, and were indeed participating in, a campaign to promote the issuer's stock, and the brokerage firm would not have accepted any of the deposits from anyone who was aware of a promotional campaign.

92. A reasonable investor would also have considered it important to his or her investment decision to know that a person for whom no information was provided was actually running the issuer.

F. The Defendants' Promotional Campaign to Pump Up GRCU's Stock Price and Trading Volume

93. In January and February 2016, Osegueda, Logan, Ross, and Snyder began to organize a promotional campaign that included false and misleading press releases issued without the CEO's knowledge, even though one release contained a quote attributed to him; blast emails and text messages that repeated or contained links to a false and misleading press release; and posts on Twitter and

InvestorsHub.com message boards.

94. The campaign began in March 2016 and continued to the end of November 2016, during which time, Osegueda, Ross and Logan sold stock and received about $857,000, $887,000, and $164,000 in proceeds, respectively.

1. The Press Releases

95. On March 22, 2016, Logan, Osegueda, Ross, and Snyder distributed a press release regarding GRCU drafted by Logan.

96. Osegueda, Ross, and Snyder reviewed the March 22 press release, knowing it would be disseminated to potential investors.

97. Ross, who paid for all of the press releases, delegated authority to Snyder to provide final approval over all of the releases, including the March 22 release.

98. The March 22 press release stated that GRCU had retained Logan's Pacific Equity firm to provide investor relations services, identified Logan and Pacific Equity as contacts, and included a quote from the GRCU CEO that he was "excited [that] our shareholders will have the ability to communicate directly with such a professional firm, in addition to bringing the market exposure we need to take GRCU to the next level."

99. The March 22 press release also described GRCU as "a cannabis and industrial hemp products innovator" and announced that the company had updated its hemp-related website and was processing orders from customers across the U.S.

100. The March 22 press release was false and misleading. GRCU never put any hemp or cannabis products on the market from the time that the GRCU CEO joined the company through 2016. The only product that GRCU manufactured in 2016 was a beverage, an energy shot.

101. The GRCU CEO never saw, reviewed, nor approved the March 22 press release, nor the purported quote attributed to him in it.

102. The GRCU CEO never approved of any releases having to do with hemp

or cannabis-related products, and in fact was taking steps to phase out the hemp and cannabinoid business from GRCU.

103. Osegueda, Ross, and Snyder subsequently had additional press releases issued about GRCU's purported hemp and cannabis-related activities.

104. Osegueda and Ross hired a media company to edit both company-specific releases (which included the GRCU ticker) and industry releases (which did not). They also paid for GRCU to be included in the media company's general hemp and cannabis press releases, which provided updates on issuers and legalization efforts.

105. Ross worked with the media company to time GRCU releases to the media company's releases and other promotional efforts (discussed below), so that the press releases would have maximum impact.

106. To make it appear to the media company that GRCU was approving the press releases, Snyder falsely portrayed herself as the chairwoman of InStep Holdings, which supposedly controlled GRCU. She also provided approval for press release distribution when the media company asked for it.

107. Snyder, however, instructed that the GRCU CEO's name be used rather than hers, even though he did not see the releases, was not otherwise notified of them, and was opposed to pursuing the hemp/cannabis industries.

108. On August 23, 2016, GRCU issued a press release, which stated that the company had signed a lease for a 20-acre parcel of California farmland that was part of a future cannabis cultivation project.

109. Snyder drafted the release and approved it for release, purportedly as InStep Holding's chairwoman, knowing it would be disseminated to potential investors.

110. The press release was false. GRCU never leased the parcel, and the GRCU CEO never saw or approved the release.

111. The same day, the media company issued a press release updating

readers about recent hemp and cannabis developments and included the news about GRCU's purported lease.

112. Osegueda, Ross, and Snyder continued to issue hemp-related press releases from August through November 2016, which were timed to coincide with the media company's press releases regarding hemp and cannabis developments.

113. These misrepresentations were material. A reasonable investor would consider important to an investment decision whether a company was selling its products and consequently generating revenue, or whether it had entered into a 20-acre lease to be used eventually for cannabis cultivation. Likewise, a reasonable investor would consider it important that purported statements by the head of the company were not his and that others were speaking for him without his knowledge.

2. The Blast Messages and Social Media Posts

114. In August 2016, and in addition to having previously hired Logan, Osegueda and Ross also retained two stock promoters ("Promoter 2" and "Promoter 3") to send blast emails, text messages, and Twitter, Facebook and message board posts, touting GRCU.

115. Osegueda and Ross asked Promoter 2 to use multiple names in the promotions, to give the appearance that many people and firms believed that GRCU was a good investment.

116. For example, for the InvestorsHub.com message board, Promoter 2 hired seven individuals to post messages under various usernames.

117. For the blast emails and text messages, Osegueda and Ross selected the names Stock Goodies, Wall Street Surfers, and Penny Stock Mobsters for the promoter to use.

118. Osegueda and Ross also made specific suggestions to Promoter 2 about what forums to post on.

119. Additionally, they gave Promoter 2 the name of an unrelated LLC to list as the third party payer in his disclosures, to hide their involvement.

120. Osegueda and Ross provided Promoter 2 with a schedule for the touts, to coincide with GRCU and media company press releases. Many of the text messages and mass emails contained links to GRCU press releases.

121. From August 22 to 24, 2016, Promoter 2 distributed touts about GRCU, including approximately 80,320 emails, 4,565 text messages, 25 Facebook posts, and 633 posts on InvestorsHub.com.

122. The touts alerted recipients and viewers to watch GRCU stock, reposted GRCU's hemp/cannabinoid press releases, including the false and misleading August 23 release, and reported the percentage gains in the stock price.

123. For example, blast text messages stated:

Date	Time	Text
8/22/2016	5:03 p.m.	Tuesdays New Stock Goodie Is GRCU. Hemp infused products. [providing link to press releases]
8/23/2016	9:05 a.m.	New Stock Goodie GRCU Has Breaking News! Announcing 20 Acre Land Deal! [and providing link to press release]
8/23/2016	11:27 a.m.	GRCU Reversing Position to Hitting Highs of Over 16% in Early Trading! Keep Watching!
8/23/2016	4:10 p.m.	Stock Goodie GRCU Closing Up Green on Strong Volume & Hitting High of Over 42%. Congrats Traders $$$$.
8/24/2016	4:21 p.m.	Yesterday's Stock Goodie GRCU on the Run Again Hitting Over 48% at HOD & Giving Us Over 68% for 2 Days!

124. From September 27 to October 5, 2016, Osegueda and Ross ran another campaign through Promoter 2 to promote GRCU stock, which included approximately 8,268 blast emails, 468 text messages, 812 message board posts, and 9 press releases.

125. From October 17 to October 25, 2016, Promoter 3 posted messages touting GRCU's stock price increases ("up 200% in 20 days"), reposting the hemp/cannabinoid press releases, providing links to GRCU's stock charts (which showed increasing stock prices and share volume), and speaking of the stock in

glowing terms ("Current traders killing it with green").

126. The blast email and text message content was similar to those in August 2016. For example on October 3, 2016, the blast text message from Promoter 2 said "Da Boss Sez Keep An Eye Out Tonight For Our New Case For Tuesday's Tradin.' Sweet Breakout Chart!" On October 4, another blast text said "Don't Miss Today's New Breakout Case GRCU. How High Can She Go?"

127. The misrepresentations in these promotions regarding hemp products and the purported 20 acre lease were material. A reasonable investor would consider important to an investment decision whether a company was selling its products and consequently generating revenue, or whether it had entered into a 20-acre lease to be used eventually for cannabis cultivation. Likewise, a reasonable investor would consider it important that purported statements by the head of the company were not his and that others were speaking for him without his knowledge.

128. In addition, investors would want to know that the promoters were being paid by company insiders preparing to dump their shares.

G. The Dramatic Increase in GRCU's Stock Price and Trading Volume as Defendants Osegueda, Ross and Logan Dump Their Shares

129. The market reaction to defendants' promotional campaign was dramatic. Average daily trading volume increased from about 204,000 shares per day in the ten days before the beginning of the first campaign, to about 2.17 million during the entirety of the campaign, a 967% increase.

130. During the first email set of and text message blasts and social media posts (August 22 to 24, 2016), the stock price increased 50%, from $0.008 to $0.012 per share.

131. During the second set of promotions and the additional press releases (September 27 to November 29, 2016), the stock price increased 113%, from $0.012 to $0.049 per share.

132. During the promotional campaign, defendants Osegueda, Ross and

Logan sold their shares for proceeds of about $1.91 million:

(a) From April 13 to November 29, 2016, Osegueda sold 42 million shares for proceeds of about $857,000.

(b) From March 29 to November 14, 2016, Ross sold about 36.8 million shares for about $887,000. He also sent a portion of his trading proceeds to GRCU and paid its expenses totaling about $72,000.

(c) From March 16 to September 16, 2016, Logan sold 11.7 million shares, for proceeds of about $164,000.

133. For her services throughout the scheme, Snyder received about $30,000 from Ross.

134. Osegueda, Ross, Snyder, and Logan acted with scienter. Each of them knew that they were acting in concert to promote GRCU's stock so that Osegueda, Ross, and Logan could sell their shares.

135. Through Logan's email to Osegueda and Ross, all three knew that Logan prepared the two agreements regarding Logan's stock promotion services, which were designed to deceive the brokerage firms when Logan deposited his stock.

136. All four defendants also knew that they had not consulted the GRCU CEO regarding the hemp-related press releases that they prepared and issued, and had not cleared his purported quotes with him.

137. Snyder also knew that she masqueraded as the head of GRCU's holding company, InStep Holdings, to give the appearance to the media company and in the press releases that InStep was the GRCU's control shareholder.

138. Snyder further knew of Ross's control but did not include that in Ross's DSRs or the company's OTC submissions.

139. Osegueda, Ross, Snyder, and Logan also acted negligently by failing to exercise reasonable care that the documents they created and disseminated accurately represented who controlled the company and correctly described its business activities, and that the public statements they released to the public were approved by

the company's only officer and director.

H. Registration Violations: Sections 5(a) and 5(c) of the Securities Act

140. The offers and sales of GRCU securities by Osegueda, Ross, and Logan were not registered with the SEC, and the exemption from registration that they each claimed in their DSRs – Section 4(a)(1) of the Securities Act using the Rule 144 safe harbor – did not apply.

141. Section 4(a)(1) exempts "transactions by any person other than an issuer, underwriter, or dealer." An underwriter is defined to include anyone who purchased a security from "an issuer with a view to" later "distribut[e]" the security to others, or anyone who "offers or sells" securities "for an issuer" in connection with the distribution of those securities.

142. Osegueda was an underwriter; he acquired shares from GRCU with a view towards distribution. His offers to sell GRCU shares were made in open market over-the-counter transactions.

143. Ross is an underwriter; he sold shares for an issuer, GRCU, in connection with a distribution through OTC Link, because he sent proceeds from his sales to GRCU and paid its expenses.

144. Logan privately acquired shares from Ross through his consulting agreement. Because he controlled GRCU, Ross was an issuer. Logan promptly began to sell his shares through OTC Link, so he obtained the shares with a view towards distribution.

145. Osegueda, Ross, and Logan all began selling shares before the one-year holding period required by Rule 144 had run; Ross and Logan sold their shares before this holding period had even begun.

FIRST CLAIM FOR RELIEF

Fraud in Connection with the Purchase or Sale of Securities

Violations of Section 10(b) of the Exchange Act and Rule 10b-5

(Against All Defendants)

146. The SEC realleges and incorporates by reference paragraphs 1 through 145 above.

147. In their DSRs, which they each signed under oath, Osegueda, Ross, and Logan falsely claimed that they were not acting in concert with anyone regarding GRCU stock and were not aware of any promotional campaign despite their substantial steps to orchestrate one. Logan also falsely claimed that he only owned 5 million GRCU shares that he deposited, even though he beneficially owned 5 million restricted shares that he received through his companies for promotional services. Ross also stated falsely that he was not an affiliate of GRCU, which includes those who control the issuer.

148. Snyder drafted, reviewed, and authorized the release of two GRCU press releases that contained materially misleading statements about the company's purported efforts in the hemp and cannabis markets. Osegueda and Ross assisted in disseminating these releases. Contrary to the March 22 release, GRCU was not processing orders for its hemp products and was actually phasing out hemp and cannabis. The press release also included a quote from the GRCU CEO that he never made, in a press release that the GRCU CEO never knew about or authorized. Contrary to the August 23 press release, GRCU had not entered into a 20-acre lease to be used eventually for cannabis cultivation.

149. Defendants also engaged in deceptive conduct, in addition to their false and misleading statements. To disguise his control and affiliate status, Ross convinced the Nominee Officer to takeover InStep Holdings (and thus GRCU) and hired the GRCU CEO. Osegueda and Ross created and signed a backdated consulting agreement to give the impression that Ross had paid for his shares, and

held them, for longer than he had. Ross then provided the agreement to his brokerage firm as part of his DSRs, which gave the false impression that he paid for the shares through consulting work and subsequently held them for the requisite holding period. Logan created two agreements to separate the stock promotion arrangement from his partial compensation of five million "freely tradable" shares. He then provided only the general consulting agreement to his broker to hide his participation in an upcoming GRCU promotion. Additionally, Snyder took repeated deceptive steps regarding the DSRs such as preparing and uploading false and misleading GRCU submissions to OTC Markets; preparing false and misleading letters, and obtaining the GRCU CEO's signature on them, that neither Osegueda, Ross, or Logan were affiliates; Snyder also prepared and submitted Ross's DSRs, which contained false and misleading statements, including the letters signed by the GRCU CEO, and the backdated consulting agreement.

150. Osegueda, Ross, and Snyder also created and implemented a promotional campaign to stimulate trading in GRCU stock. Osegueda and Ross retained a promoter and to cover up their involvement used the name of an unrelated LLC as the entity that paid for the message board posts and blast emails and text messages; Snyder covered up Ross's actual control of the company by falsely claiming to the media company that she was InStep Holding's chairperson and therefore had authority to authorize press releases for distribution.

151. By engaging in the conduct described above, Defendants, and each of them, directly or indirectly, in connection with the purchase or sale of a security, and by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit

upon other persons.

152. By engaging in the conduct described above, Defendants each violated, and unless restrained and 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.

SECOND CLAIM FOR RELIEF

Fraud in the Offer or Sale of Securities

Violations of Sections 17(a)(1) and (3) of the Securities Act

(Against All Defendants)

153. The SEC realleges and incorporates by reference paragraphs 1 through 145 above.

154. Osegueda, Ross, Snyder and Logan engaged in a deceptive scheme. To disguise his control and affiliate status, Ross convinced his business colleague to nominally take over InStep Holdings (and thus GRCU), and hired the GRCU CEO. These steps gave the false impression that Ross was neither a control person or an affiliate and facilitated the broker's acceptance of his DSR and his subsequent stock sales during the promotion. Osegueda and Ross created and signed a backdated consulting agreement to give the impression that Ross had paid for his shares, and held them, for longer than he had. Ross then provided the agreement to the brokerage firm as part of his DSR, which falsely gave the impression that he paid for the shares through consulting work and held them for the requisite holding period.

155. Logan created two agreements to separate the stock promotion arrangement from his partial compensation of five million "freely tradable" shares. He then provided only the general consulting agreement to his broker to hide his participation in an upcoming GRCU promotion when documenting how he received the shares in addition to the statements that he made in his signed DSR. Additionally, Snyder took repeated deceptive steps regarding the DSRs such as preparing and uploading false and misleading GRCU submissions to OTC Markets and preparing false and misleading letters stating that neither Osegueda, Ross, or Logan were

affiliates. Snyder also prepared and submitted Ross's false DSRs and the backdated consulting agreement.

156. Osegueda, Ross, and Snyder also created and implemented a promotional campaign to stimulate trading in GRCU stock. Osegueda and Ross retained a promoter and to cover up their involvement used the name of an unrelated LLC as the entity that paid for the message board posts and blast emails and text messages. Snyder covered up Ross's actual control of the company by falsely claiming to the media company that she was InStep Holding's chairperson and therefore had authority to authorize press releases for distribution.

157. By engaging in the conduct described above, Defendants, and each of them, directly or indirectly, in the offer or sale of securities, and by the use of means or instruments of transportation or communication in interstate commerce or by use of the mails directly or indirectly: (a) employed devices, schemes, or artifices to defraud; and (b) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

158. By engaging in the conduct described above, Defendants each violated, and unless restrained and enjoined will continue to violate, Sections 17(a)(1) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(1) and 77q(a)(3).

THIRD CLAIM FOR RELIEF

Fraud in the Offer or Sale of Securities

Violations of Section 17(a)(2) of the Securities Act

(against Defendants Osegueda, Ross, and Logan)

159. The SEC realleges and incorporates by reference paragraphs 1 through 145 above.

160. Osegueda, Ross, and Logan obtained money by means of materially false and misleading statements in connection with and in the offer or sale of GRCU stock. By means of their statements, they obtained trading proceeds from their stock sales. In their DSRs, which they each signed under oath, Osegueda, Ross, and Logan

falsely claimed that they were not acting in concert with anyone regarding GRCU stock and were not aware of any promotional campaign despite their substantial steps to orchestrate one. Logan also falsely claimed that he only owned 5 million GRCU shares that he deposited, even though he beneficially owned 5 million restricted shares that he received through his companies for promotional services. Ross also stated falsely that he was not an affiliate of GRCU, which includes those who control the issuer under Rule 144(a)(1).

161. Osegueda and Ross also helped to disseminate two GRCU press releases that contained materially misleading statements about the company's purported efforts in the hemp and cannabis markets. Contrary to the March 22 release, GRCU was not processing orders for its hemp products and was actually phasing out hemp and cannabis. The press release also included a quote from the GRCU CEO that he never made, in a press release that the GRCU CEO never knew about or authorized. Contrary to the August 23 press release, GRCU had not entered into a 20-acre lease to be used eventually for cannabis cultivation.

162. By engaging in the conduct described above, Osegueda, Ross, and Logan, and each of them, directly or indirectly, in the offer or sale of securities, and by the use of means or instruments of transportation or communication in interstate commerce or by use of the mails directly or indirectly: obtained money or property by means of untrue statements of a material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

163. By engaging in the conduct described above, Osegueda, Ross, and Logan each violated, and unless restrained and enjoined will continue to violate, Section 17(a)(2) and of the Securities Act, 15 U.S.C. §§ 77q(a)(2).

FOURTH CLAIM FOR RELIEF

Unregistered Offer and Sale of Securities

Violations of Sections 5(a) and 5(c) of the Securities Act

(Against Osegueda, Ross, and Logan)

164. The SEC realleges and incorporates by reference paragraphs 1 through 145 above.

165. Osegueda's, Ross's, and Logan's offers and sales of GRCU stock were not registered with the SEC.

166. No exemption applied to Osegueda's, Ross's, or Logan's offers and sales of GRCU stock. They each acted as underwriters with respect to their sales of GRCU's stock. Osegueda and Logan acquired shares from an issuer with a view toward distributing them. Ross offered and sold the shares for GRCU by paying for GRCU expenses with some of the trading proceeds. Osegueda, Ross, and Logan sold their shares in open market over-the-counter transactions, which constitute invitations or solicitations to the general public. No safe harbor under Rule 144 applies, because Osegueda, Ross, and Logan all began selling shares before the one-year holding period required by Rule 144 had run.

167. By engaging in the conduct described above, Defendants Osegueda, Ross, and Logan, and each of them, directly or indirectly, singly and in concert with others, has made use of the means or instruments of transportation or communication in interstate commerce, or of the mails, to offer to sell or to sell securities, or carried or caused to be carried through the mails or in interstate commerce, by means or instruments of transportation, securities for the purpose of sale or for delivery after sale, when no registration statement had been filed or was in effect as to such securities, and when no exemption from registration was applicable.

168. By engaging in the conduct described above, Osegueda, Ross, and Logan have each violated, and unless restrained and enjoined, will continue to violate, Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) & 77e(c).

PRAYER FOR RELIEF

WHEREFORE, the SEC respectfully requests that the Court:

I.

Issue findings of fact and conclusions of law that Defendants committed the alleged violations.

II.

Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently enjoining Defendants, and their officers, agents, servants, employees and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the judgment by personal service or otherwise, and each of them, from violating Sections 17(a)(1) and 17(a)(3) of the Securities Act [15 U.S.C. §§77q(a)(1) & 77q(a)(3)], 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.

Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently enjoining Defendants Osegueda, Ross, and Logan, and their officers, agents, servants, employees and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the judgment by personal service or otherwise, and each of them, from violating Section 17(a)(2) of the Securities Act [15 U.S.C. §77q(a)(2)].

IV.

Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently enjoining Defendants Osegueda, Ross, and Logan, and their officers, agents, servants, employees and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the judgment by personal service or otherwise, and each of them, from violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c)].

V.

Order Osegueda, Ross, and Logan to disgorge all funds received from their illegal conduct, together with prejudgment interest thereon.

VI.

Order Defendants to pay civil penalties under 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)].

VII.

Bar Defendants Osegueda, Ross, and Snyder from serving as officers or directors of any public company, under Section 20(e) of the Securities Act and Section 21(d)(2) of the Exchange Act.

VIII.

Bar Defendants 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 under Section 20(g) of the Securities Act and Section 21(d)(6) of the Exchange Act.

IX.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

X.

Grant such other and further relief as this Court may determine to be just and necessary.

Dated: May 20, 2019

/s/ Lynn M. Dean
Lynn M. Dean
Roberto A. Tercero
Attorney for Plaintiff
Securities and Exchange Commission