

**STATE OF CALIFORNIA  
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
DEPARTMENT OF BUSINESS OVERSIGHT**

TO: Anthony Todd Johnson, also known as Todd Johnson  
Jeremy Taylor Johnson  
Green Bud Initiatives, LLC  
DHW Marketing  
Smart Initiatives, LLC  
Valley View Enterprises, LLC  
Target Equity, LLC  
GPA Enterprises, LLC  
38625 Calistoga Drive, Suite 200  
Murrieta, California 92563  
And  
43264 Business Park Drive, Suite 105  
Temecula, California 92590

**DESIST AND REFRAIN ORDER**  
(For violations of section 25110 of the Corporations Code)

The Commissioner of Business Oversight (Commissioner) finds that:

1. At all relevant times, Green Bud Initiatives, LLC (Green Bud), a limited liability company formed in California on February 1, 2018, maintained a principal place of business at 38625 Calistoga Drive, Suite 200, Murrieta, California 92563 and a former principal place of business at 43264 Business Park Drive, Suite 105, Temecula, California 92590.
2. At all relevant times, Anthony Todd Johnson, also known as Todd Johnson (Todd Johnson), was the Chief Executive Officer and a control person of Green Bud.
3. At all relevant times, Jeremy Taylor Johnson (Jeremy Johnson), was the Chief Operating Officer and a control person of Green Bud.
4. At all relevant times, DHW Marketing, an entity of unknown form, maintained a principal place of business at 43264 Business Park Drive, Suite 105, Temecula, California 92590. Todd Johnson was the control person of DHW Marketing.

1           5.       At all relevant times, Smart Initiatives, LLC (Smart Initiatives), a limited liability  
2 company formed in California on September 18, 2017, maintained a principal place of business at  
3 43264 Business Park Drive, Suite 105, Temecula, California 92590. Todd Johnson and Jeremy  
4 Johnson were control people of Smart Initiatives.

5           6.       At all relevant times, Valley View Enterprises, LLC (Valley View Enterprises), a  
6 limited liability company formed in California on October 18, 2017, maintained a principal place of  
7 business at 43264 Business Park Drive, Suite 105, Temecula, California 92590. Todd Johnson and  
8 Jeremy Johnson were control people of Valley View Enterprises.

9           7.       At all relevant times, Target Equity, LLC (Target Equity), a limited liability company  
10 formed in California on February 1, 2018, maintained a principal place of business at 43264 Business  
11 Park Drive, Suite 105, Temecula, California 92590. Todd Johnson and Jeremy Johnson were control  
12 people of Target Equity.

13           8.       At all relevant times, GPA Enterprises, LLC (GPA Enterprises), a limited liability  
14 company formed in California on October 18, 2017, maintained a principal place of business at  
15 43264 Business Park Drive, Suite 105, Temecula, California 92590. Todd Johnson and Jeremy  
16 Johnson were control people of GPA Enterprises.

17           9.       Beginning in at least September 2017, Green Bud, Todd Johnson, Jeremy Johnson,  
18 and DHW Marketing offered and sold securities in the State of California to members of the public,  
19 in the form of limited liability company membership units, in Smart Initiatives, Valley View  
20 Enterprises, Target Equity, and GPA Enterprises.

21           10.      The purported purpose of the securities offerings in Smart Initiatives, Valley View  
22 Enterprises, Target Equity, and GPA Enterprises was to raise money from members of the public to  
23 fund the development, construction, and/or purchase of cannabis-related businesses. Specifically, the  
24 purported purpose of the securities offerings in Smart Initiatives, Valley View Enterprises, and Target  
25 Equity was to raise money from members of the public to purchase interests in Zabala Farms of  
26 Salinas, LLC (Zabala Farms), which operated a marijuana cultivation and plant selling business  
27 located at 50 Zabala Road, Salinas, California, 93908. The purported purpose of the securities  
28

1 offering in GPA Enterprises was to raise money from members of the public to operate a cannabis  
2 extraction business under the name C-Quadrant, LLC (C-Quadrant), located at 20800 Spence Road  
3 and 25600 Encinal Road, both in Salinas, California.

4 11. Green Bud, Todd Johnson, Jeremy Johnson, and DHW Marketing represented to  
5 members of the public that investors would receive a return on their principal investment. Investors  
6 would be passive, and others would manage the cannabis-related businesses.

7 12. The securities in Smart Initiatives, Valley View Enterprises, Target Equity, and GPA  
8 Enterprises were offered or sold in this state in issuer transactions. The Department of Business  
9 Oversight has not issued a permit or other form of qualification authorizing any person to offer or sell  
10 these securities in this state.

11 13. Green Bud, Todd Johnson, Jeremy Johnson, and DHW Marketing offered and sold  
12 securities to members of the public through general solicitations, in the form of telephone cold-calls  
13 and an investor recruitment network.

14 14. Green Bud, Todd Johnson, Jeremy Johnson, and DHW Marketing had no substantive,  
15 pre-existing business or personal relationship with some of the members of the public who were  
16 offered and sold securities in Smart Initiatives, Valley View Enterprises, Target Equity, or GPA  
17 Enterprises.

18 15. Green Bud, Todd Johnson, Jeremy Johnson, and DHW Marketing sold securities to  
19 members of the public who were not “accredited investors,” as defined in Regulation D, Rule 501,  
20 subdivision (a). In some offerings, securities were sold to more than 35 non-accredited investors.

21 16. Green Bud, Todd Johnson, Jeremy Johnson, and DHW Marketing did not provide  
22 audited financial statements for Smart Initiatives, Valley View Enterprises, Target Equity, Zabala  
23 Farms, GPA Enterprises, and C-Quadrant to members of the public, including non-accredited  
24 investors, who were offered and sold securities.

25 17. Offering documents, such as private placement memoranda, for the securities  
26 offerings in Smart Initiatives, Valley View Enterprises, Target Equity, and GPA Enterprises represent  
27 that the securities had not been registered, or qualified, under federal securities law or the Corporate  
28

1 Securities Law of 1968 (Corp. Code, § 25000 et seq.) (CSL), and were being offered in reliance on  
2 exemptions to the registration and qualification requirements, specifically, exemptions found at  
3 Regulation D, Rule 506, under federal law, and comparable exemptions found in the CSL.

4 18. However, the exemptions found at Regulation D, Rule 506, and the comparable  
5 exemptions under the CSL are not available to the securities offerings in Smart Initiatives, Valley  
6 View Enterprises, Target Equity, and GPA Enterprises as a result of the conduct and omissions set  
7 forth in paragraphs 13, 14, 15, and 16, above.

8 Based upon the foregoing findings, the Commissioner is of the opinion that the limited  
9 liability company membership units offered and sold by Green Bud Initiatives, LLC, Anthony Todd  
10 Johnson, also known as Todd Johnson, Jeremy Taylor Johnson, DHW Marketing, Smart Initiatives  
11 LLC, Valley View Enterprises, LLC, Target Equity, LLC, and GPA Enterprises, LLC are securities  
12 subject to qualification under the Corporate Securities Law of 1968 and are being or have been  
13 offered or sold without first being qualified in violation of Corporations Code section 25110.  
14 Pursuant to section 25532 of the Corporate Securities Law of 1968, Green Bud Initiatives, LLC,  
15 Anthony Todd Johnson, also known as Todd Johnson, Jeremy Taylor Johnson, DHW Marketing,  
16 Smart Initiatives LLC, Valley View Enterprises, LLC, Target Equity, LLC, and GPA Enterprises,  
17 LLC are hereby ordered to desist and refrain from the further offer or sale in the State of California of  
18 securities, including but not limited to limited liability company membership units, unless and until  
19 qualification has been made under the law or unless exempt.

20 Pursuant to section 25403 of the Corporate Securities Law of 1968, any person who controls  
21 or induces another person to violate a provision of the Corporate Securities Law of 1968, or any  
22 person who provides substantial assistance to another person in violation of the Corporate Securities

23 ///  
24 ///  
25 ///  
26 ///  
27 ///

28

1 Law of 1968 shall be liable for the violation.

2 This Order is necessary, in the public interest, for the protection of investors and consistent  
3 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

4 Dated: February 4, 2019  
5 Sacramento, California

JAN LYNN OWEN  
Commissioner of Business Oversight

6  
7 By \_\_\_\_\_  
8 MARY ANN SMITH  
9 Deputy Commissioner  
10 Enforcement Division  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28