

P. Davis Oliver
James Carlson
Attorneys for the Plaintiff
SECURITIES AND EXCHANGE COMMISSION
100 F. Street, NE
Washington, D.C. 20549
Tel: (202) 551-8920 (Oliver)
Tel: (202) 551-3711 (Carlson)
OliverP@SEC.gov
CarlsonJa@SEC.gov

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**ALBERT GOLUSIN,
PETER JACOBS,
JOHN SCUDERI,**

Defendants.

Civil No. 25-2379

Jury Trial Demanded

COMPLAINT

Plaintiff Securities and Exchange Commission (“SEC”) alleges:

SUMMARY

1. This is a civil securities fraud enforcement action. From approximately January 1, 2017 through at least mid-2022 (the “Relevant Period”), Albert Golusin, Peter Jacobs, and John Scuderi (collectively “Defendants”) schemed to fraudulently sell the stock of American Green, Inc. (“American Green,” the “Company,” and the “Issuer”) to investors in the public United States securities markets.

2. Jacobs and Golusin, individually or through nominee entities under their control, lent money to American Green in exchange for secured convertible debentures, pursuant to which they received millions of American Green shares at a steep discount to the market price. Jacobs and Golusin then misrepresented their control of American Green to American Green's transfer agent, their broker-dealers, and the investing public. They falsely asserted that Jacobs, Golusin, and their nominee entities were not affiliates of American Green in order to remove any trading restrictions and distribute the stock to the public in unregistered, resale transactions.

3. Jacobs and Scuderi, whom Jacobs hired, concurrently generated interest in American Green stock through manipulative trading, promotional campaigns, and false statements to the investing public for the purpose of driving up the stock's price. The Defendants' deceptive promotional campaigns enabled them to artificially generate demand for American Green stock while concealing from prospective purchasers that the shares were being sold, in bulk, by people who controlled the company.

4. The Defendants' pump and dump scheme generated more than \$21 million in net trading proceeds, while retail investors who invested their savings were left with catastrophic losses.

DEFENDANTS

5. Albert Golusin ("Golusin"), age 70, resides in Phoenix, Arizona. From approximately January 2003 through December 2005, Golusin was the chief financial officer ("CFO") of SunnComm Technologies, Inc. and SunnComm International, Inc., predecessor entities of American Green. During the Relevant Period, Golusin continued to serve as the *de facto* CFO of American Green and controlled American Green's finances. Golusin is an active Certified Public Accountant ("CPA") in the State of Arizona.

6. Peter Jacobs (“Jacobs”), age 76, resides in Phoenix, Arizona. From approximately 2000 until he purportedly resigned his positions on February 14, 2011, Jacobs was the President, CEO, and Director of American Green’s predecessor entities: SunnComm, Inc., SunnComm Technologies, Inc., SunnComm International Inc., and The Amergence Group, Inc. As described below, he continued to exercise undisclosed control of American Green during the Relevant Period.

7. John Scuderi (“Scuderi”), age 60, resides in Scottsdale, Arizona. From 2005 to 2009, Scuderi was associated with two different registered broker-dealers and/or investment advisers as a registered representative and senior vice president. He previously held Series 7 and 63 securities licenses. From approximately November 2018 to 2022, Scuderi assisted Jacobs and American Green with, among other things, investor relations and marketing of American Green stock, and held the title of Vice President of Business Development at American Green from approximately November 2018 until at least June 2021.

ISSUER

8. American Green is – and was during the Relevant Period – a non-SEC reporting, microcap public company based in Phoenix, Arizona, and incorporated in Nevada in 1998. American Green has undergone several name changes and changes to its business lines since its inception. In 2014, the company’s name was changed to American Green, Inc., and it changed its domicile from Nevada to Wyoming in 2016. American Green now offers “retailing, branding, and commercial cultivating strategies in conjunction with its ongoing business with various licensed medical marijuana medical and retail dispensaries.” American Green’s common

stock is traded in the United States on OTC Link, whose parent company is OTC Markets Group, Inc. (“OTC Markets”), under ticker symbol ERBB.

9. During the Relevant Period, American Green’s common stock qualified as a penny stock because they did not meet any of the exceptions from the definition of a “penny stock,” pursuant to Section 3(a)(51) of the Exchange Act [15 U.S.C. § 78c(a)(51)] and Rule 3a51-1 thereunder [17 C.F.R. § 240.3a51-1]. Among other things, American Green’s common stock were equity securities: (1) that were not an “NMS [national market system] stock,” as defined in 17 C.F.R. § 242.600(b)(65); (2) traded below five dollars per share during the relevant period; (3) whose issuer had net tangible assets and average revenue below the thresholds of Exchange Act Rule 3a51-1(g) [17 C.F.R. § 240.3a51-1(g)]; and (4) did not meet any of the other exceptions from the definition of “penny stock” contained in Rule 3a51-1 under the Exchange Act [17 C.F.R. § 240.3a51-1].

RELATED ENTITIES

10. 10th Planet Partners Limited Partnership (“10th Planet”) is an Arizona limited partnership formed in 2004. Jacobs exercised control over 10th Planet’s bank and brokerage accounts during the Relevant Period.

11. Information Investments, LLC (“Information Investments”) is an Arizona limited liability company formed in 2010. Golusin exercised control over Information Investments’ bank and brokerage accounts during the Relevant Period.

12. Libra AGI, LLC (“Libra AGI”) was a Wyoming entity incorporated in 2018. Golusin exercised control over Libra AGI’s bank and brokerage accounts during the Relevant Period. Libra AGI was administratively dissolved by Wyoming in June 2019.

13. Libra PJI (“Libra PJI”), LLC was a Wyoming entity incorporated in 2018. Jacobs was the beneficial owner of Libra PJI during the Relevant Period. Libra PJI was administratively dissolved by Wyoming in June 2020.

14. PanPacific International, Inc. (“PanPacific”) was a Nevada entity incorporated by Jacobs in 2010. Jacobs served as its President. Nevada dissolved PanPacific in 2016, but during the Relevant Period, Jacobs continued operating in its name, including by continuing to use a bank account under his control and signatory authority. PanPacific retained and paid stock promoters on behalf of Jacobs and American Green.

15. Sunrise Communications, LLC (“Sunrise Communications”) is an Oregon entity incorporated in 1998. Jacobs exercised control over Sunrise Communications’ bank and brokerage accounts during the Relevant Period.

16. X Finance Limited Partnership (“X Finance”) is an Arizona limited partnership formed in 2001. Golusin exercised control over X Finance’s bank and brokerage accounts during the Relevant Period.

JURISDICTION AND VENUE

17. This Court has jurisdiction over this action pursuant to Sections 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(d) and 77v(a)] and Sections 21(d) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d) and 78aa].

18. This court has personal jurisdiction over Defendants, and venue is proper in this district, because certain of the acts, practices, transactions and course of business alleged in this Complaint occurred within the Eastern District of New York, and were effected, directly or indirectly, by making use of means or instrumentalities of transportation or communication in interstate commerce, or the mails. For example, during the Relevant Period, certain individuals who reside in the Eastern District of New York purchased shares of American Green.

19. In connection with the conduct alleged in this complaint, specifically the sale of unregistered securities, the making and dissemination of fraudulent statements, and the undertaking of fraudulent acts and practices, Defendants, directly and indirectly, singly or in concert with others, made use of the means or instrumentalities of interstate commerce, the means or instruments of transportation or communication in interstate commerce, such as through e-mail and telephone.

BACKGROUND

20. Persons who control companies that have stock that is sold to the public are subject to a variety of legal and regulatory requirements. Such registration requirements, sale restrictions, and disclosure obligations are safeguards designed to regulate how corporate insiders or control persons are transacting in that stock.

21. “Restricted stock” is stock of a company whose shares are traded publicly (also known as an “issuer”) that has been acquired from an issuer, or an affiliate of an issuer, in a private transaction that is not registered with the Commission. *See* Securities Act Rule 144(a)(3). Absent an exemption under the federal securities laws and rules, restricted stock cannot legally be offered or sold to the public unless a securities registration statement has been filed with the Commission (for an offer) or is in effect (for a sale). A registration statement contains important information about an issuer’s business operations, financial condition, results of operations, risk factors, management, and major shareholders. *See* Section 7 of the Securities Act [15 U.S.C. § 77g].

22. “Unrestricted stock” is stock that may legally be offered and sold in the public securities marketplace, including by having previously been subject to a registration statement. Registration statements are transaction specific, however, and apply to each separate offer and sale as detailed in the registration statement. Registration, therefore, does not attach to the

security itself, and registration at one stage for one party does not necessarily suffice to register subsequent offers and sales by the same or different parties. Thus, when a control person buys publicly-traded or otherwise unrestricted shares in a company s/he controls, those shares automatically become subject to the legal restrictions on sales by an affiliate, which strictly limit the quantity of shares that may be sold to the public at any one time absent registration.

Affiliates holding stock quoted on the over-the-counter market cannot sell more than one percent of the issuer's outstanding stock in a three-month period. *See* Securities Act Rule 144(e) [17 C.F.R. § 230.144(e)].

23. An “affiliate” of an issuer is a person or entity that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such issuer (i.e., a control person). *See* Securities Act Rule 144(a)(1) [17 C.F.R. § 230.144(a)(1)]. “Control” means the power to direct management and policies of the company in question. *See* Securities Act Rule 405 [17 C.F.R. § 230.405]. Affiliates include officers, directors and controlling shareholders, as well as any person who is under “common control” with or has common control of the issuer.

24. A “transfer agent” is a company that, among other things, issues and cancels certificates of a company's stock to reflect changes in ownership. Many companies that have publicly traded securities use transfer agents to keep track of the individuals and entities that own their stock. Transfer agents routinely keep track of whether shares are restricted from resale.

25. OTC Markets is a stock quotation service that facilitates public trading of shares in public companies that are not otherwise listed on national securities exchanges (like NASDAQ or the New York Stock Exchange). Public companies that do not have an obligation to file reports with the Commission may choose to file public reports (such as quarterly and

annual statements) on the OTC Markets website for investors to review and consider when making investment decisions. Posting reports on OTC Markets helps enable common stock to be publicly quoted and traded and unrestricted shares to be issued and deposited into brokerage accounts. *See* Exchange Act Rule 15c2-11 [17 C.F.R. § 240.15c2-11].

26. The Financial Regulatory Authority (“FINRA”) is a self-regulatory organization that, among other things, monitors trading on stock markets and regulates brokerage firms doing business with the public. FINRA investigates potential securities violations and, when appropriate, brings formal disciplinary actions against brokerage firms and their associated persons. FINRA’s investigations may also result in referrals to other state or federal agencies.

27. The practice of promoting a stock without disclosing a present or immediate intent to sell the stock violates the antifraud provisions of the securities laws.

28. “Painting the tape” is a deceptive trading technique employed by submitting multiple buy offers on the same day, often at gradually increasing prices and within a short period of time, for the purpose of artificially inflating the share price and creating the appearance of active trading.

29. “Marking the close” is a form of market manipulation that involves attempting to influence the closing price of a security by executing purchase or sale orders at or near the close of normal trading hours. Such activity can artificially inflate or depress the closing price for the security.

FACTS

I. Jacobs and Golusin Exercised Undisclosed Control of American Green

30. Jacobs and Golusin exercised broad control over American Green. Though American Green’s CEO approved and reviewed some decisions, internal communications show

that American Green's key decisions were frequently made following direction from Jacobs and Golusin, and in some cases without the input of the CEO. While they did not hold official titles at American Green during the Relevant Period, Jacobs and Golusin influenced and exerted significant control over American Green's finances, investor relations, corporate actions, share issuances, and hiring decisions, among other operational issues. Jacobs' and Golusin's involvement permeated all aspects of American Green's business.

31. For example, Jacobs: (i) reviewed, revised, and orchestrated the timing of American Green press releases; (ii) made hiring decisions and controlled which individuals had access to American Green e-mail domain names; (iii) ensured that timely payments were made to OTC Markets so that American Green could continue to disseminate information to investors through the OTC Markets website; (iv) instructed American Green on how to expend funds; (v) drafted and revised American Green's corporate disclosures posted on OTC Markets; and (vi) determined who had access to American Green's marijuana grow facility.

32. As for Golusin, he: (i) was a signatory on the American Green bank account until October 2018; (ii) drafted a misleading response to a surveillance inquiry from FINRA on behalf of American Green, *see* Paragraph 48 below; (iii) drafted and revised American Green's corporate disclosures posted on OTC Markets; (iv) facilitated the issuance of ERBB shares, including by instructing the transfer agent and submitting documentation falsely claiming that Jacobs, Golusin, and their associated entities were not affiliates of American Green; and (v) made decisions regarding American Green's business acquisitions.

33. Jacobs played a pivotal role in restructuring American Green's corporate stock. On August 2, 2019, Jacobs wrote to Golusin, Scuderi, American Green's CEO, and others that "[i]t is essential that ERBB files its 500 to 1 restructure as soon as possible...[f]iling soon will

bring the share value into the acceptable range for trading at many brokerage firms....” On September 23, 2019, American Green underwent a 1:500 reverse stock split.

34. Jacobs had access to the CEO’s e-mail account, which he used to e-mail American Green shareholders and others, as well as to review e-mails that the CEO had written. On July 1, 2018, Jacobs scolded the CEO for providing “wrong” information to an investor when the CEO “answered one out of 75 inquiries we got last week” and asked the CEO to “check with me on Confide [an encrypted messaging app] for updates [about the Company].”

35. In a January 23, 2020 e-mail originating from the CEO’s e-mail address but signed by “Peter,” Jacobs sent to an American Green accountant a contract involving “American Green’s most famous employee/consultant in the cannabis sector...we’ll need to get her the first \$1,000 by tomorrow. Sorry for the short notice....”

36. On May 12, 2020, Scuderi wrote to an American Green employee and Jacobs that a press release needed to be posted on American Green’s Twitter account because “peter [Jacobs] spent a lot of money on this.” Jacobs responded, using the CEO’s e-mail address, attaching an additional press release for dissemination on the Twitter account.

37. Jacobs and Golusin routinely made financial decisions and effectuated transactions on behalf of American Green. For example, on November 8, 2018, Jacobs wrote to Golusin that Jacobs would be “out of shares today and need that new issue to help pay for the administrative charges coming up.”

38. On February 12, 2021, Scuderi asked Jacobs if 5 billion shares were added to American Green’s outstanding share number, and Jacobs responded that “Al [Golusin] did add shares lately.”

39. On January 31, 2022, Scuderi sent Jacobs a press release regarding increased revenues for “AI [Golusin] review.” And on May 12, 2022, Golusin wrote to Jacobs that American Green needed approximately \$700,000 from Jacobs’ nominee entity to close on a real estate purchase. After Jacobs wired the funds, Jacobs wrote to an American Green accountant that “AI [Golusin] will let you know when to send funds to the escrow company. Please check with him before sending.”

40. In addition, Golusin and Jacobs exercised control over American Green’s finances and stock trading activity through their extensive lending and stock ownership in American Green. Jacobs frequently referred to himself as American Green’s largest lender and in one e-mail asked Golusin why the company was not generating more cash flow from its grow operations to offset the “amount the company needs from you and I to pay its bills.”

41. In another e-mail on which Golusin was copied, Jacobs remarked that he was “under constant pressure to create a new stock trading market for” American Green. At times, Golusin and Jacobs appear to have coordinated the sale of American Green shares, such as in April 2017 when Jacobs wrote to Golusin “per your suggestion I have refrained from buying any ERBB shares for about 45 days,” and in October 2021 when Jacobs messaged Golusin on two separate occasions “no sales please” and “no sales today please.”

42. Golusin and Jacobs also frequently drafted, reviewed, and/or uploaded American Green’s corporate disclosures filed on OTC Markets’ website for review by the investing public. Though the CEO reviewed the final disclosures, e-mail correspondence between Golusin and Jacobs show their involvement in drafting and revising the disclosures. For example, in May 2021, November 2021, February 2022, and May 2022, Golusin sent Jacobs American Green’s draft annual and quarterly reports and asked him to revise or add what he thought was

appropriate. Golusin had previously written to Jacobs that the OTC Markets filings were “critical to us depositing more stock because of the disclosures (increased in authorized, debentures outstanding, etc.).” Jacobs also uploaded the reports to OTC Markets on several occasions.

II. The Defendants Misrepresented Jacobs’ and Golusin’s Control Over American Green

43. Despite this extensive control, the Defendants took multiple, affirmative steps to hide Jacobs’ and Golusin’s affiliations with the issuer.

44. OTC Markets required American Green to disclose its “Officers, Directors, and Control Persons” every quarter. The purpose of the disclosure, as explained by the OTC Market Pink Basic Disclosure Guidelines, is to “provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.”

45. Beginning in the reporting period ending December 31, 2017, in contravention of this disclosure requirement, American Green’s OTC Markets filings failed to disclose that Jacobs, Golusin, or any of their nominee entities were control persons of American Green. Golusin and Jacobs frequently drafted and/or reviewed these filings including in May 2021, November 2021, February 2022, and May 2022. The filings misleadingly disclosed that American Green’s officers, directors, and control persons were limited to the CEO and one other individual.

46. On the microcap message board Investorshub.com, investors posted comments with their suspicions that Jacobs was an American Green insider and that he or other Company insiders were using American Green as a vehicle to dump shares. Scuderi, using the pseudonym

“100%,” repeatedly posted messages from 2020 to 2022 in response, in which he denied that Jacobs had any involvement with the Company, despite knowing or being reckless in not knowing that his statements were false.

47. Scuderi’s false posting included the following:

- On December 29, 2020, Scuderi wrote: “Peter Jacobs is Just an investor in ERBB. It is PLAIN AND SIMPLE...Does Peter Jacobs have any say in what ERBB does as an investor, HELL NO!” Four days earlier, Scuderi and Jacobs had worked together to edit a script for an American Green promotional video.
- On August 16, 2021, in response to an investor that wrote “PETER JACOBS IS RUNNING THIS SCAM!,” Scuderi responded: “ZERO PROOF...[Jacobs] is the old president of a company that’s it.” Three days earlier, Scuderi and Jacobs had worked together on an American Green press release, after which Jacobs had told Scuderi to “delete this email and empty your trash after doing that.”
- On January 25, 2022, Scuderi wrote: “JACOBS OLD CEO... COME ON! JACOBS IS AT MOST AN INVESTOR SINCE HE WAS INVOLVED WITH THE OLD COMPANY.” Five days earlier, Scuderi had written to Jacobs that he was working with promoters to boost the stock price, including with a promoter that had told Jacobs he could get the stock price up. Jacobs asked Scuderi to delete the e-mail chain. “Then, go to your trash and delete it again from there.” In November 2021, Jacobs forwarded Scuderi e-mail correspondence with a stock promoter noting that “Peter Jacobs, the president of PanPacific International, handles American Green’s awareness programs.”

48. In 2017, FINRA sought information about Jacobs’ and Golusin’s nominee entities and their relationship to American Green, in connection with an inquiry regarding American Green’s purported purchase of the town of Nipton, California. Jacobs and Golusin drafted a false response, which an American Green employee submitted to FINRA on September 14, 2017.

49. The response falsely stated that 10th Planet Partners – Jacobs’ nominee entity – had not provided any funding for American Green’s purchase of Nipton and that a third party had provided all of the funding. In fact, 10th Planet had provided \$1.25 million of the \$2 million

in funding. Jacobs and Golusin knew, or were reckless in not knowing, that their statement denying Jacobs' involvement in funding American Green's municipal purchase was false.

50. Jacobs and Golusin schemed to disguise the fact that they exercised control over American Green because, as they knew, control persons are required to: (a) register stock sales with the SEC pursuant to Section 5 of the Securities Act [15 U.S.C. § 77e]; (b) sell stock pursuant to an applicable exemption from registration; or (c) sell stock pursuant to the conditions set forth in SEC Rule 144 [17 C.F.R. § 240.144], including limitations on the amount of stock a person can legally sell.

51. Such registration requirements and sale restrictions are critical safeguards designed regulate how corporate insiders or control persons are transacting in a company's stock. In addition, the repeated issuance of shares to insiders would have been important information for investors and other market participants to consider when evaluating whether Jacobs and Golusin were engaging in an unregistered distribution of ERBB shares and whether the company was being used as a vehicle to enrich the company's insiders.

III. Jacobs' and Golusin's Scheme to Sell Unregistered American Green Stock

52. Jacobs and Golusin, individually or through nominee entities under their control, lent money to American Green in exchange for secured convertible debentures, which typically paid 10% per year in interest. If the holder of the debenture – Jacobs, Golusin, or a nominee entity – was not repaid within 365 days, the note became convertible into American Green shares. American Green neither repaid the loans nor paid interest on the loans, so Jacobs and Golusin converted the debentures in satisfaction of the debt and accrued interest and received American Green shares.

53. The conversion formula allowed Jacobs and Golusin to acquire American Green shares at a significant discount to the market price: the debenture holder, at his option, could “convert, and sell on the same day,” any part of the unpaid principal amount of the debenture, plus accrued interest, into shares of American Green’s stock at a price per share equal to fifty percent of the lowest closing bid price of the Company’s stock within the one-year immediately preceding the conversion date. Jacobs described this feature of the convertible debentures as a “double your money guarantee.”

54. During the Relevant Period, Jacobs – through his nominee entities 10th Planet, Libra PJI, and Sunrise Communications – loaned American Green over \$2.5 million, and converted the debentures into more than 7 billion shares of American Green stock. Golusin – individually and through his nominee entities Information Investments, Libra AGI, and X Finance – also loaned American Green over \$2.5 million, and converted the debentures into more than 7 billion shares of American Green stock. Jacobs and Golusin, in brokerage accounts in their name and the names of their nominee entities, then resold these shares of American Green stock to the public in unregistered transactions.

55. The Defendants’ scheme generated more than \$21 million in net trading proceeds. Specifically, Jacobs and his nominee entities realized trading profits of over \$11 million, while Golusin and his nominee entities realized trading profits of over \$10 million.

A. Jacobs’ and Golusin’s Extensive Unregistered Resales

56. The shares acquired through the convertible debentures were not registered under the Securities Act and thus could only be deemed unrestricted and sold to the public if they qualified for an exemption under the Securities Act. In addition, as the Defendants knew, affiliates of American Green would be subject to limitations on the volume of stock that they

could sell in any given period. In May 2020, Scuderi wrote to Jacobs that the “SEC definition of affiliate is broad,” and Jacobs acknowledged that affiliates are subject to volume limitations on the amount of stock that they can sell during any three-month period.

57. The number of shares that Jacobs and Golusin sold in unregistered resale transactions constituted significant percentages of American Green’s total outstanding shares.

58. As discussed further below, their resales repeatedly exceeded Securities Act Rule 144’s limitation that an affiliate shall not sell more than one percent of the Company’s outstanding shares during any 90-day period.

B. Jacobs and Golusin Misrepresented Their Affiliate Status

59. Whenever Jacobs and Golusin converted the debentures, American Green was required to submit to its transfer agent documentation with instructions regarding the issuance of shares to Jacobs and Golusin. Golusin typically controlled American Green’s correspondence with the transfer agent, and repeatedly instructed the transfer agent, on behalf of American Green and with the awareness of Jacobs, to issue unrestricted shares to Jacobs and Golusin.

60. With these instructions, Golusin repeatedly submitted attorney opinion letters to American Green’s transfer agent that contained false information supplied by Golusin asserting that Jacobs, Golusin, and their nominee entities were not affiliates of American Green. Based upon Golusin’s submission of the attorney opinion letters containing the false representations, as well as Jacobs’ submission of a false attorney opinion letter on at least one occasion, the transfer agent issued the unrestricted shares.

61. After the shares were issued, Golusin and Jacobs typically deposited the shares into brokerage accounts. The broker-dealers’ procedures for depositing the shares required the submission of stock deposit forms regarding the shares’ origination, including disclosure by

Golusin and Jacobs as to whether either was an “affiliate/control person” of American Green. On more than a dozen occasions, Golusin and Jacobs each falsely responded “no.” In connection with the deposits, Golusin and Jacobs also submitted “144 Seller’s Letters” in which they signed letters falsely affirming that they were not affiliates of the Company.

62. For example, on July 29, 2020, Golusin provided Jacobs with the documents necessary to deposit 68,750,000 ERBB shares into a brokerage account at Broker-Dealer A in the name of Sunrise Communications. Golusin wrote: “PJ: Sign the SDR [securities deposit request form] and 144 letter and send [the B-D] the signed docs.” The request form falsely stated that Sunrise, controlled by Jacobs, was not involved in promoting American Green and that Jacobs was not an affiliate of American Green. After Jacobs signed and submitted the securities deposit request, the broker-dealer accepted the deposit of shares on July 30. Jacobs messaged Golusin on July 31st: “Congratulations! You did it again...Deposit with no questions asked.”

C. The Defendants Engaged in Additional Deceptive Acts to Generate Interest in American Green Stock Before Dumping Their Shares

63. Once the shares were deposited, the Defendants primed the market by generating public interest in the stock while unloading Golusin’s and Jacobs’ shares. The Defendants generated investor demand in several ways, including through: (a) internet promotions, disseminating American Green press releases, and posting favorable information on a popular stock message board; and (b) manipulative trading. Golusin and/or Jacobs then sold their stock into the investor demand without disclosing their financing of the promotions.

1. The Promotional Campaigns and Related Misrepresentations

64. During the Relevant Period, Jacobs, with the knowledge and assistance of Golusin and Scuderi, worked to promote American Green stock and orchestrated numerous promotional campaigns while Golusin and Jacobs were selling shares.

65. In March 2022, for example, Jacobs, through his nominee entity PanPacific, entered into an agreement with a stock promoter, whereby the promoter agreed to generate \$175,000 of liquidity in American Green stock in exchange for \$25,000. Jacobs and Scuderi reviewed the agreement, and Scuderi signed it on behalf of PanPacific.

66. In total, during the Relevant Period, Jacobs, through his nominee entity PanPacific, paid stock promoters at least \$400,000. American Green directly paid at least \$75,000 towards promotional campaigns orchestrated by Jacobs.

67. Jacobs repeatedly forwarded stock promoter invoices to Golusin, in some cases asking to discuss the invoices with him. For example, a March 25, 2020 e-mail from Jacobs to Golusin stated “Contestant #1 for review” and attached a stock promoter’s description of services and pricing. In another e-mail exchange, Jacobs sent stock promoter invoices, totaling \$40,000, to Golusin and asked him to “Please calculate your participation and send your percentage through AG [American Green] to me to PanPacif[i]c when the funds are available.”

68. The aim of these promotional efforts was to generate buying interest in American Green stock so that Jacobs and Golusin could unload their shares at a high profit. For instance, in one January 21, 2022 e-mail exchange, Scuderi wrote to Jacobs that he was working with promoters to boost the stock price, including with a promoter that had told Jacobs he could get the stock price up; in response, Jacobs told Scuderi to delete the e-mail chain and “[t]hen, go to your trash and delete it again from there.”

69. Jacobs communicated with stock promoters and kept Golusin informed about the promotional campaigns and the timing of stock sales. Scuderi occasionally helped Jacobs with promoting the stock. In some cases, Jacobs acknowledged he was seeking to avoid regulatory scrutiny and encouraged others to delete evidence of communications about stock promotions.

70. For example:

- On March 15, 2018, Jacobs wrote to a stock promoter that the “company is extremely loyal to [stock promoter] entities that can be effective without doing anything to attract regulatory attention.”
- On January 6 and January 7, 2020, Jacobs wrote to Golusin and others regarding a stock promoter that had been engaged for a “30 day full-on” plan. After sending the e-mails, Jacobs wrote to one of the recipients: “ps empty your trash.”
- On August 13, 2021, Scuderi wrote to Jacobs that he and Jacobs had put a lot of work into the upcoming American Green press release, with assistance from a promoter. Jacobs asked Scuderi to “delete this email and empty your trash after doing that.”

71. In many cases, the promotional campaigns were timed with Jacobs’ and Golusin’s stock sales.

72. For example, on October 24, 2017, Jacobs wrote to Golusin and others that a stock promoter would be doing a report on American Green. On October 26, 2017, Jacobs, through PanPacific, transferred \$2,500 to the promoter. From October 2017 until March 2018, Jacobs corresponded with the promoter about the report, including by making edits to the report and circulating it to Golusin and others. On March 14, 2018, Jacobs asked the promoter to release the report the next day, and the promoter confirmed that he released it on March 15, 2018 on a penny stock promotion website.

73. The report stated, among other things, that American Green was “well-positioned to benefit from the Green Rush” but failed to disclose that the report was paid for by Jacobs or that Jacobs was selling American Green stock. Jacobs later referred to the report facetiously as an “outside report” (quotation marks in original). After publication of the paid promotional report, from March 15, 2018 until March 29, 2018, an entity controlled by Golusin sold 184 million ERBB shares for gross proceeds of over \$195,000, and an entity controlled by Jacobs sold over 192 million shares of American Green for gross proceeds of over \$206,175.

74. These sales were not exempt from registration under Securities Act Rule 144 because, as affiliates, Golusin and Jacobs could sell no more than 1% of the company's outstanding shares during any three-month period. As reflected in the chart below, Golusin's and Jacobs' sales from January through March 2018 comprised significantly more than 1% of the company's outstanding shares and in fact comprised 3.91% and 4.24%, respectively, of American's Green's outstanding shares:

Selling Party	Dates	Total Shares Sold	Shares Outstanding Per OTC Markets Filing	Total Shares Sold in 90 Day Period vs. Outstanding
Albert Golusin	1/5/2018 to 3/29/2018	747,049,091	19,121,569,077	3.91%
Sunrise Communications (Peter Jacobs' entity)	1/5/2018 to 3/29/2018	811,235,121	19,121,569,077	4.24%

75. The sales also did not qualify for any other applicable exemption from registration.

76. On September 20, 2019, an entity Jacobs controlled hired a stock promoter "to get the word out on ERBB next week," concurrent with the announcement of the 1:500 reverse stock split that Jacobs had advocated to Golusin and the CEO. The promotion included newsletters, SMS blasts, and website traffic generation. According to Jacobs, the goal of the promotion, combined with the reverse split, was to return American Green to the "5 cent + range after the week is up." Jacobs informed Golusin of the upcoming promotion, noting that it would run at the same time that the company issued a news release.

77. The promotional materials disseminated by the promoter from approximately September 23, 2019 until October 2, 2019, made claims that American Green had been “oversold and could be ready for a major bounce higher” that it had “900% upside potential,” and that it was a “potential gem” to look at “before recent events matriculate to a larger audience.” The promotional materials contained materially incomplete or inaccurate disclosures, including that the promotional materials were paid for by a “non-affiliated third party” and that the third party “*may* hold free-trading shares of the company.”

78. From September 23, 2019 until the end of October 2019, an associate of Jacobs sold over 3.8 million shares of American Green for gross proceeds of over \$230,000. In October 2019, the associate wired \$154,794 to Jacobs’ nominee entity 10th Planet Partners pursuant to an agreement to kick back most of the trading profits to Jacobs.

79. On January 27, 2020, Jacobs wrote to a stock promoter: “Good talk, we are now on the same page, this is the marketing we need. Running 2/3 – 2/7.” Jacobs forwarded the e-mail to Golusin and wrote: “This is a big one. Talk to me on the phone about this.” Jacobs attached an invoice directed to American Green for \$22,500, which included “Newsletter and SMS blast” promotions.

80. Beginning on February 3, 2020, the newsletter blasts were disseminated, generating enthusiasm in ERBB by making claims such as that “ERBB is a unique and overlooked opportunity that could experience increased growth potential.” On February 4, 2020, a separate stock promoter sent Jacobs an invoice for “bid support, some offer support,” and “marketing.” Jacobs wrote to the promoter that he used an encrypted app to communicate. Also on February 4, 2020, American Green issued a press release that had been edited and reviewed in advance by Jacobs and Scuderi.

81. On February 4, 5, and 7, 2020, brokerage accounts in the name of and controlled by Jacobs and Scuderi placed buy orders for small quantities of American Green stock in the last ten minutes of the trading day. Jacobs and Scuderi logged into the brokerage accounts on February 4 and February 5, 2020, from the same IP address.

82. In February 2020, Jacobs and Golusin generated tens of thousands of dollars in trading profits by selling into the demand created by the stock promotions. Jacobs' entity 10th Planet Partners sold over 13 million shares of ERBB for proceeds of over \$60,000. Golusin's entity X Finance sold over 16 million shares of ERBB for proceeds of over \$71,000.

83. These sales were not exempt from registration under Securities Act Rule 144 because, as affiliates, Golusin and Jacobs could sell no more than 1% of the company's outstanding shares during any three-month period. As reflected in the chart below, Golusin's and Jacobs' sales from January through March 2020 comprised significantly more than 1% of the company's outstanding shares and in fact comprised 40.1% and 27.1%, respectively, of American Green's outstanding shares:

Selling Party	Dates	Total Shares Sold	Shares Outstanding Per OTC Markets Filing	Total Shares Sold in 90 Day Period vs. Outstanding
X Finance Limited Partnership (Golusin's entity)	1/2/2020 to 3/31/2020	54,049,723	134,744,610	40.1%
Sunrise Communications (Jacobs' entity)	2/3/2020 to 3/30/2020	37,297,744	134,744,610	27.1%

84. Golusin and Jacobs exceeded Rule 144's 1% threshold for the 90-day period following the majority of the Company's disclosed outstanding share amounts posted on OTC

Markets' from December 31, 2016 until June 30, 2022. The sales did not qualify for any other applicable exemption from registration.

85. In addition, the stock promotions orchestrated by Jacobs, Golusin, and Scuderi contained misleading or inaccurate disclosures that concealed that Jacobs and Golusin were responsible for the promotions.

86. For example, on June 29, 2021, a promoter sent Jacobs a report that the promoter said he could disseminate the next Monday. The report falsely claimed that the promoter had “no association with anyone, or any group, with any plan to acquire, purchase, sell, trade or transfer these shares.” It also falsely stated that the “party responsible for the production of this report owns no common stock and/or warrants in subject Company in any way, shape, or form.” On July 7, 2021, the promoter disseminated the report. Jacobs knew or was reckless in not knowing that the report falsely disavowed any association with him. On July 7 and 8, 2021, Golusin and an entity that was trading in American Green and sharing the majority of its profits with Jacobs sold over 6 million shares of American Green for gross proceeds of over \$29,000.

87. On May 4, 2022, Scuderi posted a link on a popular stock message board to a supposed report by a “third-party research firm.” The report claimed that it “expect[s] strong growth prospects for American Green” and that the “management team has a strong history of commitment to shareholder value.” The report disclosed that the report’s publisher had been compensated \$2,500 by a “third party” and that the “party responsible for the production of this report owns no common stock and/or warrants in the subject Company in any way, shape or form.” Nowhere did the report disclose that Jacobs paid for the report and that, in fact, Jacobs and Golusin were liquidating shares in April and May 2022, at the same time that the report claimed strong growth prospects for American Green. Scuderi himself had been involved in

editing and approving the report and knew or was reckless in not knowing that the report's claim about the party responsible for the report owning no stock was false.

88. On May 30, 2022, Jacobs sent Scuderi an e-mail showing 10th Planet's sales of ERBB for the month of May 2022. He also wrote that he would be moving to an encrypted app "almost exclusively for confidential stuff." In response, Scuderi advised Jacobs to remember to "set each individual person to disappearing messages."

89. On numerous occasions, Jacobs concealed his involvement in promotional campaigns through false and misleading statements to broker-dealers. For example,

- On December 25, 2019, Jacobs wrote to Broker-Dealer A that he was not "currently engaged in public relations, fund raising, or stock promotion for any OTCBB/Pink Sheet Company." Jacobs knew or was reckless in not knowing that this statement was false given that Jacobs was involved heavily in orchestrating promotional campaigns for American Green throughout December 2019 and January 2020.
- On March 3, 2020, Jacobs signed a deposit representation form in connection with 10th Planet Partners depositing shares of ERBB with Broker-Dealer A. In response to the question whether he was "currently promoting...or plan[ning] to promote or engage a third party to promote" the issuer's securities, Jacobs falsely answered "no." However, just the previous day, Jacobs had been corresponding with a stock promoter who had told him "We stay under the radar. Not stock promotion flags etc." Similarly, on March 26, 2020, Jacobs submitted another deposit representation form to Broker-Dealer A in connection with Sunrise Communications, again falsely stating he was not planning to engage a third party to promote the issuer's securities. However, just the previous day, on March 25, 2020, Jacobs through PanPacific wired the promoter \$10,000 in exchange for stock promotion services.
- On January 26, 2021, Jacobs wrote to a stock promoter regarding an outstanding invoice that "PanPacific is hired by 10th Planet to do awareness." On February 15, 2021, Jacobs submitted a stock deposit representation form falsely stating that he was not involved in promoting or engaging a third party to promote American Green's securities in order to deposit shares into a brokerage account in the name of 10th Planet. Jacobs continued to orchestrate promotional activity throughout February 2021.

90. Jacobs knew or was reckless in not knowing that his statements to broker-dealers were false given his involvement in stock promotional campaigns.

91. Scuderi, again using the pseudonym “100%”, disseminated statements on an investor message board to generate additional interest in American Green stock. For example:

- On March 28, 2018, Scuderi wrote, “If I was unhappy with ERBB, I would sell it. But, I love it. I load up at these low levels.”
- On January 16, 2019, Scuderi wrote, “MADE A TON OF MONEY BUYING AND SELLING ERBB.”
- On June 11, 2020, Scuderi wrote, “Basically no risk in a company with massive upside.”
- July 19, 2021, Scuderi wrote on an investor message board that “ERBB has never paid for a promo...erbb does not pay for articles and never will.”
- On July 31, 2022, Scuderi wrote on an investor message board that “AMERICAN GREEN DOES NOT AND NEVER HAS PAID FOR A PROMO.”

92. Scuderi knew or was reckless in not knowing that his statements about his own trading and about American Green never paying for a stock promotion were false because of his involvement in his own trading and in American Green stock promotions.

93. Golusin and Jacobs also concealed American Green’s involvement in orchestrating stock promotion campaigns in the filings made with OTC Markets that Golusin and Jacobs drafted and reviewed. Each of American Green’s periodic filings on OTC Markets listed “none” when asked to disclose an investor relations consultant. Yet both Golusin and Jacobs were aware that statement was false because American Green was retaining service providers to assist with investor relations.

94. For example, on February 4, 2020, Jacobs wrote to Golusin that he had paid two invoices to a stock promoter, the first “in full through AG [American Green] but the second from PanPacific.” He attached the invoices addressed to American Green, totaling \$40,000, which billed for a “marketing program” and “SMS blasts,” among other things. On May 4, 2020, Golusin sent the American Green “quarterly reports ready to be uploaded unless there are some corrections or comments” to Jacobs and the CEO. On or around May 4, 2020, the quarterly

report covering the period from January 1, 2020 through March 31, 2020 was uploaded to the OTC Markets website, and falsely listed “none” in response to whether American Green had retained any investor relations consultants.

2. Jacobs’ and Scuderi’s Manipulative Trading

95. To aid Jacobs’ and Golusin’s sales, Jacobs and Scuderi engaged in numerous instances of manipulative trading activity by “painting-the-tape” and “marking-the-close.”

96. Beginning in 2017, Jacobs began using accounts at Broker-Dealers B, C, and D to place successive buy limit orders in American Green. For example, as reflected in the chart below, on September 29, 2017, Jacobs placed five successive buy limit orders at Broker-Dealer B, gradually increasing the price of the limit order from \$.0016 to \$.0017 over the course of the five orders.

Order Date	Order Time	Ticker	Quantity	Buy Limit Price
9/29/2017	3:55:34 p.m.	ERBB	2,000,000	\$.0016
9/29/2017	3:57:21 p.m.	ERBB	1,000,000	\$.0016
9/29/2017	3:58:01 p.m.	ERBB	1,000,000	\$.0016
9/29/2017	3:58:39 p.m.	ERBB	1,000,000	\$.0017
9/29/2017	3:59:13 p.m.	ERBB	500,000	\$.0017

97. Also on September 29, 2017, Jacobs through Sunrise Communications sold 7,000,000 shares of ERBB through an account at Broker-Dealer A for total proceeds of \$10,500.

98. On October 16, 2017, Broker-Dealer B informed Jacobs that it was exercising its discretion to end its relationship with Jacobs.

99. Beginning in December 2017, Jacobs also began placing successive buy limit orders at the end of the trading day at Broker-Dealer C. For example, Jacobs placed such orders on December 7, 13, 14, and 15, 2017.

100. Broker-Dealer C detected Jacobs' activity and informed him by letter on December 19, 2017, to cease submitting orders which have the appearance of attempting to manipulate the price of a stock. The letter included the following chart of such trades:

Trade Date	Execution Time	Execution Quantity	Symbol	Market / Limit	Limit Price	Prior Trade	Executed Price(s)
12/15/2017	15:59:30	100,000	ERBB	Limit	\$0.0013	\$0.0013	\$0.0013
12/15/2017	15:59:02	50,000	ERBB	Limit	\$0.0013	\$0.0012	\$0.0012
12/14/2017	15:58:58	50,000	ERBB	Limit	\$0.0013	\$0.0012	\$0.0013
12/14/2017	15:57:45	50,000	ERBB	Limit	\$0.0013	\$0.0012	\$0.0013
12/13/2017	15:58:45	100,000	ERBB	Limit	\$0.0013	\$0.0013	\$0.0013
12/13/2017	15:56:31	100,000	ERBB	Limit	\$0.0013	\$0.0012	\$0.0013
12/07/2017	15:55:50	250,000	ERBB	Limit	\$0.0013	\$0.0011	\$0.0013
12/07/2017	15:55:14	500,000	ERBB	Limit	\$0.0013	\$0.0011	\$0.0013
12/07/2017	15:53:50	240,000	ERBB	Limit	\$0.0012	\$0.0012	\$0.0012
12/07/2017	15:53:43	10,000	ERBB	Limit	\$0.0012	\$0.0012	\$0.0012
12/07/2017	15:53:04	500,000	ERBB	Limit	\$0.0012	\$0.0012	\$0.0012
12/07/2017	15:52:23	490,000	ERBB	Limit	\$0.0012	\$0.0012	\$0.0012
12/07/2017	15:52:19	10,000	ERBB	Limit	\$0.0012	\$0.0012	\$0.0012
12/07/2017	15:51:28	250,000	ERBB	Limit	\$0.0012	\$0.0012	\$0.0012
12/07/2017	15:50:34	250,000	ERBB	Limit	\$0.0012	\$0.0012	\$0.0012
12/07/2017	15:49:57	250,000	ERBB	Limit	\$0.0012	\$0.0011	\$0.0012

101. During the same time period that Jacobs placed successive buy orders at the end of the trading day at Broker-Dealer C, he also sold millions of ERBB shares out of a brokerage account at Broker-Dealer A. From December 7, 2017, through December 15, 2017, Jacobs through Sunrise Communications sold 129,000,000 ERBB shares for gross proceeds of \$129,800.

102. On January 8, 2018, Broker-Dealer C informed Jacobs that it was closing his account. On February 7, 2018, Jacobs asked Broker-Dealer C for reconsideration in an e-mail, stating that “My dad, who taught me to trade, told me that the best price for a stock during the day often comes at the end of the trading day.”

103. Jacobs also used an account at Broker-Dealer D to place successive buy orders at the end of the trading day beginning in February 2017. Jacobs had previously opened the account at Broker-Dealer D in July 2016.

104. By August 13, 2018, Broker-Dealer D detected Jacobs’ activity and requested an explanation for his May, June, and July 2018 trades. The letter included a chart of the trading that raised concerns about “marking the close.”

Exchange	Account ID	Account Title	Trade Date	Symbol	TRADE TIME	EXECUTION QUANTITY	EXECUTION PRICE	CLOSING PRICE OF STOCK
CITDLPNK	U1846354	Peter H Jacobs	20180726	ERBB	155953	100000	0.0009	0.0009
CITDLPNK	U1846354	Peter H Jacobs	20180725	ERBB	155952	100000	0.0009	0.0009
CITDLPNK	U1846354	Peter H Jacobs	20180720	ERBB	155951	100000	0.001	0.0009
CITDLPNK	U1846354	Peter H Jacobs	20180718	ERBB	155949	100000	0.001	0.001
CITDLPNK	U1846354	Peter H Jacobs	20180716	ERBB	155954	100000	0.001	0.001
CITDLPNK	U1846354	Peter H Jacobs	20180713	ERBB	155952	100000	0.001	0.001
CITDLPNK	U1846354	Peter H Jacobs	20180712	ERBB	155949	100000	0.001	0.001
CITDLPNK	U1846354	Peter H Jacobs	20180710	ERBB	155954	100000	0.001	0.001
ARCAEDGE	U1846354	Peter H Jacobs	20180706	ERBB	155952	100000	0.001	0.001
CITDLPNK	U1846354	Peter H Jacobs	20180705	ERBB	155952	100000	0.001	0.001
CITDLPNK	U1846354	Peter H Jacobs	20180702	ERBB	155922	100000	0.001	0.001
CITDLPNK	U1846354	Peter H Jacobs	20180627	ERBB	155946	100	0.00095	0.00095
CITDLPNK	U1846354	Peter H Jacobs	20180606	ERBB	155956	100000	0.0011	0.0011
CITDLPNK	U1846354	Peter H Jacobs	20180605	ERBB	155956	100000	0.0011	0.0011
CITDLPNK	U1846354	Peter H Jacobs	20180530	ERBB	155957	100000	0.0011	0.0011
CITDLPNK	U1846354	Peter H Jacobs	20180529	ERBB	155955	100000	0.0011	0.0011
CITDLPNK	U1846354	Peter H Jacobs	20180518	ERBB	155956	100000	0.0012	0.0012
CITDLPNK	U1846354	Peter H Jacobs	20180515	ERBB	155955	100000	0.0012	0.0012
CITDLPNK	U1846354	Peter H Jacobs	20180514	ERBB	155956	100000	0.0012	0.0012
CITDLPNK	U1846354	Peter H Jacobs	20180509	ERBB	155955	100000	0.0012	0.0012

105. Jacobs responded that he had no intention of marking the close and that he trades at the “beginning or end of the day because [his] Dad told [him] that’s when [he] can get the best price for the day.” Broker-Dealer D did not close Jacobs’ account in part because it had “trouble finding direct connections between Mr. Jacobs and ERBB.” Unbeknownst to Broker-Dealer D, however, around this same period, in August 2018 Jacobs, in fact, reviewed and edited American Green promotional materials, controlled access to the American Green e-mail address domains, and corresponded about American Green invoices and payments.

106. In May, June, and July 2018, while Jacobs was marking the close in an account at Broker-Dealer D, simultaneously Jacobs, through Libra PJI, sold 234,675,000 ERBB shares for total proceeds of \$220,305.49 at Broker-Dealer F.

107. In March 2018, Jacobs opened an account at Broker-Dealer E. He began using the account to trade in ERBB in September 2019, including by placing successive buy limit orders. Jacobs gave Scuderi access to his trading account at Broker-Dealer E and allowed Scuderi to place manipulative trades in the account.

108. For example, on January 20, 2022, Scuderi wrote to Jacobs that “No one came through for us and I am not happy. I reached out to the [stock promoters] and ... told [them] that I could not buy more stock and help him today I already bought 500 worth. And of course you told me he said he could get to 41 42.” Upon receiving the e-mail, Jacobs asked Scuderi to “delete this response, along with your email. Then, go to your trash and delete it again from there.” That same day, an individual believed to be Scuderi used Jacobs’ account at Broker-Dealer D to purchase ERBB shares in the amount of \$487.50, using three successive limit orders. The stock was trading at “39” ten thousandths of a cent at the time of the purchases.

109. On May 16, 17, and 18, 2022, Jacobs' account at Broker-Dealer E placed successive buy orders at the very end of the trading day.

Date	Time	Order Quantity	Buy Limit Order Share Price
5/16/2022	3:58:55 p.m.	25000	\$0.0031
5/16/2022	3:59:53 p.m.	30000	\$0.0032
5/17/2022	3:56:43 p.m.	50000	\$0.0031
5/17/2022	3:57:58 p.m.	50000	\$0.0031
5/18/2022	3:53:47 p.m.	20000	\$0.003
5/18/2022	3:54:39 p.m.	10000	\$0.0029

110. On May 18, 2022, Scuderi wrote to another individual that the “promo guy has asked for more posts than normal today. We r not getting buy volume we expected yet.” He later wrote that it was a “rock fight regarding stock price today.” Later that week, on May 20, 2022, Scuderi wrote to a stock promoter regarding clicks on a press release and assistance “fighting the bashers” on an investor message board. Scuderi also wrote: “Wish we had a better week, We pulled out all the stops and could not do it. Really one of the few times we could not get movement. We will get them next time. Thanks for the effort.”

111. Scuderi also used trading accounts in his own name to place manipulative trades in ERBB. In August 2018, Scuderi opened an account at Broker-Dealer B. Scuderi concealed his employment with American Green on his account application, despite Jacobs having named Scuderi in an e-mail as “American Green’s product manager” in May 2018 and Scuderi’s assisting American Green with its CBD and hemp oil products from at least May through August 2018. Scuderi used this account at Broker-Dealer B, including by logging into the account from an IP address registered to PanPacific, to mark-the-close in ERBB from August 2018 through

December 2019.

112. Scuderi again concealed his employment with American Green on November 19, 2019, when he told Broker-Dealer B on a recorded phone call that he had “no employer right now.” That same day, Scuderi, in his capacity as “Vice President of Business Development” for American Green, using a “john@americangreen.com” e-mail address, corresponded with Jacobs and a counterparty in preparation for an American Green press release to be issued the following week.

113. On October 3, 2018, Scuderi opened a brokerage account at Broker-Dealer D. Scuderi again concealed his employment at American Green in his account opening paperwork.

114. On April 13, 2020, Broker-Dealer D warned Scuderi about trading activity in his account that appeared to constitute marking the close.

115. On May 29, 2020, Scuderi placed 11 orders in the last 30 minutes of the trading day in his account at Broker-Dealer D, raising the trading price by a fraction of a penny just before closing.

116. On July 28, 2020, Broker-Dealer D again warned Scuderi about trading activity in his account that appeared to constitute marking the close.

117. Despite Broker-Dealer D’s two previous warnings, on December 14, 2020, Scuderi placed four orders within the last ten minutes of the trading day in his account at Broker-Dealer D. For three of his trades, Scuderi paid \$0.0038 per share even though the stock traded at a bid of \$0.0036 just prior to the trades. Scuderi’s last trade of the day set the closing price.

118. On February 4, 2021, and March 2, 2021, Broker-Dealer D again warned Scuderi about marking the close.

119. In March 2021, Broker-Dealer D closed Scuderi’s account.

FIRST CLAIM FOR RELIEF

**Violations of Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder
(All Defendants)**

120. Paragraphs 1 through 119 above are re-alleged and incorporated by reference as if fully set forth herein.

121. By engaging in the conduct described above, Defendants Golusin, Jacobs, and Scuderi, directly or indirectly, in connection with the purchase or sale of securities, by use of means or instrumentalities of interstate commerce, or of the mails:

- a. Employed devices, schemes, or artifices to defraud;
- b. Made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and
- c. Engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons, including purchasers of securities.

122. By reason of the foregoing, Defendants Golusin, Jacobs, and Scuderi 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

**Violations of Section 17(a) of the Securities Act
(All Defendants)**

123. Paragraphs 1 through 119 above are re-alleged and incorporated by reference as if fully set forth herein.

124. By engaging in the conduct described above, Defendants Golusin, Jacobs, and Scuderi, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails:

- a. employed devices, schemes, or artifices to defraud;
- b. obtained money or property by means of untrue statements of 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; and
- c. engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon purchasers.

125. By reason of the foregoing, Defendants Golusin, Jacobs, and Scuderi violated, and unless restrained and enjoined will continue to violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

THIRD CLAIM FOR RELIEF

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

126. Paragraphs 1 through 119 above are re-alleged and incorporated by reference as if fully set forth herein.

127. By reason of the conduct described above, Golusin and Jacobs, directly or indirectly: (a) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell, through the use or medium of a prospectus or otherwise, American Green securities as to which no registration statement has been in effect and

for which no exemption from registration has been available; and/or (b) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell, through the use or medium of a prospectus or otherwise, American Green securities as to which no registration statement has been filed and for which no exemption from registration has been available.

128. As a result, Golusin and Jacobs violated Securities Act Sections 5(a) and 5(c) [15 U.S.C. §§ 77e(a) and (c)] and will continue to violate those sections unless enjoined.

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 Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] 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 Golusin and Jacobs, as well as their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with

them who receive actual notice of the injunction by personal service or otherwise, and each of them, from violating Section 5(a) and 5(c) of the Securities Act [15 U.S.C. § 77e(a) and (c)];

IV.

Order Defendants to disgorge all funds received from their illegal conduct, together with prejudgment interest thereon, pursuant to Section 21(d)(3), (5), and (7) of the Exchange Act [15 U.S.C. § 78u(d)(3), (5) and (7)].

V.

Order Defendants to pay civil penalties pursuant to 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)].

VI.

Enter an order barring Defendants from participating in any offering of a penny stock, pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)].

VII.

Enter an order barring Defendants Jacobs and Golusin from serving as an officer or director of a public company pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)].

VIII.

Enter an order permanently restraining and enjoining Defendants Golusin, Jacobs, and Scuderi, pursuant to Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and/or Sections 21(d)(1) and (5) of the Exchange Act [15 U.S.C. §§ 78u(d)(1) and (5)], from directly or indirectly, including, but not limited to, through any entity owned or controlled by each of them, participating in the issuance, purchase, offer, or sale of any security, provided however, that such

injunction shall not prevent each of them from purchasing or selling securities for each of their own personal accounts;

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; and

X.

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

JURY DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff demands that this case be tried to a jury.

DATED: April 29, 2025

Respectfully submitted,

/s/ P. Davis Oliver
P. Davis Oliver
James Carlson

Attorneys for the Plaintiff

SECURITIES AND EXCHANGE COMMISSION
100 F. Street, NE
Washington, D.C. 20549
Telephone: (202) 551-8920

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

SECURITIES AND EXCHANGE COMMISSION

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

P. Davis Oliver and James Carlson, SEC, 100 F. St. NE
Washington, DC 20549 (202) 551-8920 (Oliver); (202)
551-3711 (Carlson)

DEFENDANTS

Albert Golusin, Peter Jacobs, John Scuderi

County of Residence of First Listed Defendant Maricopa County
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF
THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

For Golusin: Milena Dolukhanyan, Gartenberg, Gelfand,
Dolukhanyan LLP, 15303 Ventura Blvd, Suite 900,
Sherman Oaks, CA 91403

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☒ 1 U.S. Government Plaintiff ☐ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | ☐ 1 | ☐ 1 | Incorporated or Principal Place of Business In This State | ☐ 4 | ☐ 4 |
| Citizen of Another State | ☐ 2 | ☐ 2 | Incorporated and Principal Place of Business In Another State | ☐ 5 | ☐ 5 |
| Citizen or Subject of a Foreign Country | ☐ 3 | ☐ 3 | Foreign Nation | ☐ 6 | ☐ 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
☐ 110 Insurance ☐ 120 Marine ☐ 130 Miller Act ☐ 140 Negotiable Instrument ☐ 150 Recovery of Overpayment & Enforcement of Judgment ☐ 151 Medicare Act ☐ 152 Recovery of Defaulted Student Loans (Excludes Veterans) ☐ 153 Recovery of Overpayment of Veteran's Benefits ☐ 160 Stockholders' Suits ☐ 190 Other Contract ☐ 195 Contract Product Liability ☐ 196 Franchise	PERSONAL INJURY ☐ 310 Airplane ☐ 315 Airplane Product Liability ☐ 320 Assault, Libel & Slander ☐ 330 Federal Employers' Liability ☐ 340 Marine ☐ 345 Marine Product Liability ☐ 350 Motor Vehicle ☐ 355 Motor Vehicle Product Liability ☐ 360 Other Personal Injury ☐ 362 Personal Injury - Medical Malpractice PERSONAL INJURY ☐ 365 Personal Injury - Product Liability ☐ 367 Health Care/Pharmaceutical Personal Injury Product Liability ☐ 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY ☐ 370 Other Fraud ☐ 371 Truth in Lending ☐ 380 Other Personal Property Damage ☐ 385 Property Damage Product Liability	☐ 625 Drug Related Seizure of Property 21 USC 881 ☐ 690 Other LABOR ☐ 710 Fair Labor Standards Act ☐ 720 Labor/Management Relations ☐ 740 Railway Labor Act ☐ 751 Family and Medical Leave Act ☐ 790 Other Labor Litigation ☐ 791 Employee Retirement Income Security Act IMMIGRATION ☐ 462 Naturalization Application ☐ 465 Other Immigration Actions	☐ 422 Appeal 28 USC 158 ☐ 423 Withdrawal 28 USC 157 INTELLECTUAL PROPERTY RIGHTS ☐ 820 Copyrights ☐ 830 Patent ☐ 835 Patent - Abbreviated New Drug Application ☐ 840 Trademark ☐ 880 Defend Trade Secrets Act of 2016 SOCIAL SECURITY ☐ 861 HIA (1395ff) ☐ 862 Black Lung (923) ☐ 863 DIWC/DIWW (405(g)) ☐ 864 SSID Title XVI ☐ 865 RSI (405(g)) FEDERAL TAX SUITS ☐ 870 Taxes (U.S. Plaintiff or Defendant) ☐ 871 IRS—Third Party 26 USC 7609	☐ 375 False Claims Act ☐ 376 Qui Tam (31 USC 3729(a)) ☐ 400 State Reapportionment ☐ 410 Antitrust ☐ 430 Banks and Banking ☐ 450 Commerce ☐ 460 Deportation ☐ 470 Racketeer Influenced and Corrupt Organizations ☐ 480 Consumer Credit (15 USC 1681 or 1692) ☐ 485 Telephone Consumer Protection Act ☐ 490 Cable/Sat TV ☒ 850 Securities/Commodities/Exchange ☐ 890 Other Statutory Actions ☐ 891 Agricultural Acts ☐ 893 Environmental Matters ☐ 895 Freedom of Information Act ☐ 896 Arbitration ☐ 899 Administrative Procedure Act/Review or Appeal of Agency Decision ☐ 950 Constitutionality of State Statutes
REAL PROPERTY ☐ 210 Land Condemnation ☐ 220 Foreclosure ☐ 230 Rent Lease & Ejectment ☐ 240 Torts to Land ☐ 245 Tort Product Liability ☐ 290 All Other Real Property	CIVIL RIGHTS ☐ 440 Other Civil Rights ☐ 441 Voting ☐ 442 Employment ☐ 443 Housing/Accommodations ☐ 445 Amer. w/Disabilities - Employment ☐ 446 Amer. w/Disabilities - Other ☐ 448 Education PRISONER PETITIONS Habeas Corpus: ☐ 463 Alien Detainee ☐ 510 Motions to Vacate Sentence ☐ 530 General ☐ 535 Death Penalty Other: ☐ 540 Mandamus & Other ☐ 550 Civil Rights ☐ 555 Prison Condition ☐ 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from Another District (specify) ☐ 6 Multidistrict Litigation - Transfer ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
Securities Act of 1933; Securities Act of 1934

Brief description of cause:

SEC enforcement action alleging violations of the anti-fraud and registration provisions of the federal securities laws.

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

04/29/25

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE

CERTIFICATION OF ARBITRATION ELIGIBILITY

Local Arbitration Rule 83.7 provides that with certain exceptions, actions seeking money damages only in an amount not in excess of \$150,000, exclusive of interest and costs, are eligible for compulsory arbitration. The amount of damages is presumed to be below the threshold amount unless a certification to the contrary is filed.

Case is Eligible for Arbitration ☐

I, **P. Davis Oliver**, counsel for **SEC**, do hereby certify that the above captioned civil action is ineligible for compulsory arbitration for the following reason(s):

- ☒ monetary damages sought are in excess of \$150,000.00 exclusive of interest and costs,
- ☒ the complaint seeks injunctive relief, or
- ☐ the matter is otherwise ineligible for the following reason:

DISCLOSURE STATEMENT - FEDERAL RULES CIVIL PROCEDURE 7.1

Identify any parent corporation and any publicly held corporation that owns 10% or more of its stocks. Add an additional page if needed.

None

RELATED CASE STATEMENT (Section VIII on the Front of this Form)

Please list all cases that are arguably related pursuant to Division of Business Rule 3 in Section VIII on the front of this form. Rule 3(a) provides that "A civil case is "related" to another civil case for purposes of this guideline when, because of the similarity of facts and legal issues or because the cases arise from the same transactions or events, a substantial saving of judicial resources is likely to result from assigning both cases to the same judge and magistrate judge." Rule 3(a) provides that "A civil case shall not be deemed "related" to another civil case merely because the civil case involves identical legal issues, or the same parties." Rule 3 further provides that "Presumptively, and subject to the power of a judge to determine otherwise pursuant to paragraph (b), civil cases shall not be deemed to be "related" unless both cases are still pending before the court."

None

NEW YORK EASTERN DISTRICT DIVISION OF BUSINESS RULE 1(d)(3)

If you answer "Yes" to any of the questions below, this case will be designated as a Central Islip case and you must select Office Code 2.

1. Is the action being removed from a state court that is located in Nassau or Suffolk County? ☐ Yes ☒ No
2. Is the action—not involving real property—being brought against United States, its officers or its employees AND the majority of the plaintiffs reside in Nassau or Suffolk County? ☐ Yes ☒ No
3. If you answered "No" to all parts of Questions 1 and 2:
 - a. Did a substantial part of the events or omissions giving rise to claim or claims occur in Nassau or Suffolk County? ☐ Yes ☒ No
 - b. Do the majority of defendants reside in Nassau or Suffolk County? ☐ Yes ☒ No
 - c. Is a substantial amount of any property at issue located in Nassau or Suffolk County? ☐ Yes ☒ No
4. If this is a Fair Debt Collection Practice Act case, was the offending communication received in either Nassau or Suffolk County? ☐ Yes ☒ No

(Note, a natural person is considered to reside in the county in which that person is domiciled; an entity is considered a resident of the county that is either its principal place of business or headquarters, of if there is no such county in the Eastern District, the county within the District with which it has the most significant contacts).

BAR ADMISSION

I am currently admitted in the Eastern District of New York and currently a member in good standing of the bar of this court.

☒ Yes ☐ No

Are you currently the subject of any disciplinary action (s) in this or any other state or federal court?

☐ Yes (If yes, please explain) ☒ No

I certify the accuracy of all information provided above.

Signature: 