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UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

GENESIS MEDIA LLC, a Nevada Limited Liability Company Plaintiff, vs. OWNZONES MEDIA NETWORK, INC, a corporation; DAN GOMAN, an individual; JOSEPH GOMAN, an individual; MARY LAU, an individual; JUDY KIM, an individual; MITCH BERMAN, an individual; JOHN CALKINS, an individual; CRAIG KORNBLAU, an individual and DOES 1 through 50 inclusive, Defendants.	CASE NO. **COMPLAINT FOR:** **1. Violation of 18 U.S.C. §1962(d) by Conspiring to Violate §1962(a)** **2. Violation of 18 U.S.C. §1962(d) by Conspiring to Violate §1962(c)** **3. Violation of 18 U.S.C. §1962(c)** **4. Breach of Implied Contract Restitution-Unjust Enrichment** **DEMAND FOR JURY TRIAL**

Plaintiff Genesis Media LLC, as and for its complaint against Ownzones Media Network, Inc, a corporation; Dan Goman, an individual; Joseph Goman, an individual; Mary Lau, an individual; Judy Kim, an individual; Mitch Berman, an individual; John Calkins, an individual, and Craig Kornblau, an individual alleges as follows:

Nature of Action

1. This is an action arising out of defendants' violations of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C.§§1961-1968. This case emanates from

the defendants systematic pattern to defraud plaintiff out of the money plaintiff placed with defendants as part of a business proposition. The defendants racketeering activities included criminal violations of the wire fraud and mail fraud statutes, and included security law violations found at Sections 20 and 22 of the Securities Act of 1933 and various sections of 15 U.S.C. §§ 21 and 27 of the Securities Exchange Act of 1934. The defendants scheme and pattern of racketeering starts with Ownzones making false and fraudulent oral and written representations inflating revenue projections to induce parties to enter into contracts with Ownzones. In this case Ownzones provided Genesis Media inflated revenue projections to induce Genesis Media into investing $3.1 million with Ownzones. As part of the pattern of racketeering Ownzones provided inflated returns on stock offerings Ownzones made to prospective investors. The Securities and Exchange Commission sued Ownzones, Dan Goman and Joseph Goman for fraud in connection with the sale of securities in violation of federal securities laws. Ownzones continued its pattern of racketeering by submitting over-inflated expense summaries, and embezzling money from Genesis Media by sending fraudulent bank wire transfers to Ownzones' branch office in Romania.

2. Plaintiff seeks compensatory damages in excess of $14 million, plus treble damages under the RICO claims, along with interest, attorney fees, and cost of suit. Plaintiff thus seeks recovery of damages from defendants in excess of $56 million.

Parties

I. Plaintiff

3. Genesis Media LLC is a Nevada limited liability company created by Howard Misle. Genesis Media was formed in March 2017 in anticipation of entering into a joint venture partnership with Ownzones Media. Genesis Media raised slightly over $6 million to be used exclusively to fund a budget to create the 420Tv app.

II. Defendants

4. Ownzones Media Networks, Inc. is an entertainment technology company that claims to provide a technology that allows content providers to make their content available in a standardized format to various digital platforms. Ownzones Media Network is a Nevada

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corporation with its principal office in Beverly Hills, California.

5. Ownzones founder and CEO is Dan Goman who is a resident of Los Angeles, California. He is the founder, sole board member, president, chief executive officer, and largest shareholder of Ownzones Media Network, Inc.

6. Joseph Goman, age 31, is a resident of Phoenix, Arizona. He is Dan Goman's younger brother and was, until May 2018, a paid consultant for OwnZones who presented to current and prospective investors and also performed business development and sales functions. At all times relevant Joseph Goman worked out of Ownzones' Beverly Hills office.

7. Mary Lau is a citizen of Los Angeles, California. At all times she was an employee and financial consultant of Ownzones Media Network. Mary Lau prepared financial projections for Ownzones.

8. Judy Kim is Ownzones Media's in-house counsel. Judy Kim is actively involved in all aspects of Ownzones Media's business including, but not limited to is financial dealings, securities offerings, securities transactions and legal compliance with the securities and corporate laws.

9. Mitch Berman at all times was a high level consultant and advisor to Ownzones Media and a shareholder in Ownzones Media Network, Inc.. Mitch Berman was actively involved in Ownzones' efforts to raise money and procure financing. Mitch Berman intentionally concealed from Alex Nahai and Howard Misle the fact that Ownzones was under investigation by the Securities and Exchange Commission for securities fraud during the time Ownzones Media was negotiating the contract with Genesis Media. Mitch Berman is a citizen of Los Angeles, California.

10. John Calkins is both a high level consultant, employee, and advisor to Ownzones Media as well as a shareholder in the company. John Calkins' role at Ownzones included advising Ownzones on financial matters including procuring financing from investors though stock offerings. John Calkins is a citizen of Los Angeles, California.

11. Craig Kornblau at all times was an employee of Ownzones Media working from its Beverly Hills office. Craig Kornblau has been a strategic advisor to Ownzones since

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December 2017, was involved in fund raising, investor relations, and bringing investors to Ownzones. Since February 2017 Craig Kornblau has been an advisor to Google Ventures and an advisor for Row8 since April 2016 a company owned by John Calkins.

12. Each named defendant either played an active role in the securities fraud or were part of a conspiracy to engage in the securities fraud violations and/or RICO violations.

Jurisdiction and Venue

13. The court has jurisdiction over the subject matter of this action pursuant to 18 U.S.C. §1961 et. seq., 28 U.S.C. §1331, 28 U.S.C. §1337 and 28 U.S.C. §1367.

14. Personal jurisdiction and venue in this District are proper pursuant to 18 U.S.C. §1965 and 28 U.S.C. §1391(b) because: (I) defendants are found in, have agents in, and/or transact business and affairs in, this District, and have minimum contacts with this District; and (ii) a substantial part of the events or omissions giving rise to the claims for relief occurred in this District.

Relevant Time Period

15. Defendants' racketeering conduct began in or about 2011 and continued until at least when Ownzones Media was served with the SEC Complaint on April 2, 2020.

General Allegations

16. Plaintiff Genesis Media LLC is a Nevada limited liability company that was formed in March 2017 for the sole purpose of entering into a joint venture partnership with Ownzones Media Networks, Inc.

17. Effective May 22, 2017 the parties entered into the joint venture partnership agreement called the Strategic Alliance Agreement. A copy of that agreement is attached as Exhibit 1.

18. Before the parties signed the Strategic Alliance Agreement the parties always referred to the money Genesis Media contributed to develop the app as the "budget" and part of a joint venture partnership.

19. About a week before the parties signed the Strategic Alliance Agreement, Ownzones insisted the term "budget"was replaced by the term "service agreement".

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20. Genesis Media later learned that Ownzones Media wanted the Strategic Alliance Agreement to claim it was a "service fee" and not a "budget" so Ownzones Media could falsely represent to its potential investors that Ownzones had $40 million asset on its balance sheet ($4.1 million per year for ten years).

21. In reality the money Genesis Media paid to develop the app did not belong to Ownzones but instead was to be used exclusively to develop the app. As part of its scheme and pattern of racketeering Ownzones was falsely inflating its balance sheet to attract unsuspecting investors.

22. The joint venture was to develop an "app" called 420Tv using streaming digital technology to create a "channel" marketed to people interested in, or curious about, the cannabis lifestyle.

23. Under the Strategic Alliance Agreement Genesis Media, Ownzones Media, and Alex Nahai Consulting would co-own, co-manage, and share profits on the 420Tv project.

24. The agreement required Genesis to fund the budget for the 420Tv app to: (a) to create and/or hire third party content producers to create television shows and a weekly news program on the cannabis industry; (b) licence movies from copyright holders that would pique the interest of people curious about the cannabis lifestyle; (c) budget for technology needed to operate the website and channel; and (d) pay for marketing and public relations. The last page of the Strategic Alliance Agreement sets out the only allowable budget items

25. The parties anticipated the first year budget would be $4.1 million however Ownzones only spent about $1.4 million on the 420Tv app in the first year. The parties anticipated that Genesis would need to fund about $600k in the second year after generating about $800k in anticipated ad sales. Ownzones projected the 420Tv app would generate between $10-$12.5 million in the third year. By Ownzones' projections, Genesis Media would have recouped its total investment and the 420Tv app would be self-sustaining with sufficient yearly revenues to perpetuate the business without any additional infusion of funds needed from Genesis Media.

26. Ownzones represented it could get one million visitors to the 420Tv app and

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website by the third year and Ownzones projected the 420Tv app would generate profits of $10-12.5 million in the third year. The revenue was to come from: (a) monthly subscriptions; (b) advertising revenue; and (c) merchandise sale. The business model was fashioned after other streaming channels like Netflix and Amazon Prime.

27. During the period from March 2017 through May 22, 2017, in order to entice Genesis Media LLC to enter into the joint venture partnership agreement, Dan Goman of Ownzones represented to Howard Misle that, among other things, Ownzones was a highly successful company engaged in producing and creating high quality television channels using streaming digital technology,

28. Dan Goman bragged about the big name and wealthy clients Ownzones landed and how Ownzones possessed decades of experience at companies such as Amazon, HBO, Netflix and Microsoft.

29. Goman repeatedly told Misle that Ownzones was in the process of obtaining investments of $60 million from large corporations like Magnolia Pictures, MGM, Google Ventures, and Sinclair Broadcasting.

30. Goman repeatedly assured Misle that Ownzones had a stellar reputation in the industry and was financially sound.

31. In reliance of these and other representation and financial projections Genesis Media entered into the joint venture partnership agreement. Dan Goman's representations about Ownzones' standing in the industry including the representation of its experience and stellar reputation was a substantial factor in Genesis Media deciding to enter into this joint venture partnership agreement.

32. What Dan Goman did not say was that at the time Ownzones and Genesis were negotiating their contract, Ownzones was struggling financially. In fact, it was recently revealed in the SEC Complaint *infra* that "the company [Ownzones] had never been profitable".

33. On April 14, *2018* about 11 months after the parties signed the joint venture partnership agreement, Dan Goman sent Howard Misle an email stating:

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> As I think you're already aware, ***in the last 12 months*** or so, OWNZONES as a company has been increasingly moving in the direction of being a technology company **only**....
> To that end, I am proposing the following: We would keep doing the technology piece - nothing would change there
> The change would be in terms of content production, marketing and distribution.". [Exhibit 2]

34. At the time the parties were negotiating the joint venture partnership agreement that was signed May 22, 2017, Ownzones was already contemplating discontinuing the content production arm of its company.

35. Eleven months after signing the joint venture partnership agreement, Ownzones repudiated 97% of the entire contract.

36. Genesis later learned that the Securities and Exchange Commission filed a complaint ("SEC Complaint") against Ownzones Media Network, Inc., Dan Goman, and Joseph Goman on April 2, 2020 for violation of Sections 20 and 22 of the Securities Act of 1933 and various sections of 15 U.S.C. §§ 21 and 27 of the Securities Exchange Act of 1934.

37. Genesis Media also learned that the Securities and Exchange Commission had been investigating Ownzones for security fraud violations as far back as March 2017 during the time Ownzones and Genesis Media were negotiating their contract. Dan Goman and Ownzones' consultant defendant Mitch Berman concealed that fact from Howard Misle and Alex Nahai.

38. According to the SEC Complaint Ownzones Media raised roughly $45 million of illicit funds from the sale of unregistered securities through a fraudulent scheme to avoid detection on the number of purchasers. Ownzones and its principals also used fraudulent representations in their offer and sale of securities in violation of the federal securities laws. A copy of that complaint in *Securities & Exchange Commission vs. Ownzones Media Network, Inc., Dan Goman and Joseph Goman* United States District Court number 2:20-cv-03108 is attached as Exhibit 3.

39. On January 12, 2021 a Final Judgment was entered against Ownzones Media Network, Inc. A copy of that final judgment is attached as Exhibit 4.

40. On January 13, 2021 a Final Judgment was entered against Dan Goman. A copy

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of that final judgment is attached as Exhibit 5. Page 5 of that judgment states "the allegations in the complaint were true and admitted by Defendant [Dan Goman]". This was to avoid the possibility that Dan Goman would discharge this judgment in bankruptcy; however this statement is a declaration against interest made by Dan Goman.

41. On March 17, 2021 a Final Judgment was entered against Joseph Goman. A copy of that final judgment is attached as Exhibit 6.

42. The Joseph Goman judgment states"the allegations in the complaint were true and admitted by Defendant [Joseph Goman]".

43. After Howard Misle learned about the SEC Complaint and eventual judgments things started making more sense.

44. The Strategic Alliance Agreement required Genesis to fund a $4.1 million budget to develop the 420Tv app.

45. Genesis funded $3.1 million of the budget by July 2017, about 45 days after signing the contract which by the contract's term was timely. The parties agreed that Genesis could defer funding the last $1 million until Misle saw how the project was progressing.

46. By February 2018, some 217 days later, Dan Goman sent an email to Alex Nahai asking when Howard Misle was coming up with the last $1 million because he had investors coming around who would be "asking questions".

47. Misle learned that Dan Goman wanted this last $1 million, that was supposed to go into the 420Tv project, to put on Ownzones' financial statements to create the false impression that Ownzones appeared to be stronger financially than its accurate financials showed. Goman did this in order to defraud these unsuspecting investors.

48. Had Howard Misle known that Dan Goman of Ownzones was engaging in securities fraud at the time they were negotiating their contract, Genesis Media would never would have entered into this contract.

49. Had Howard Misle known that Dan Goman of Ownzones was not a financially viable company and not capable of performing its contractual obligations, Genesis Media never would have entered into this contract.

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50. On February 2, 2018 Dan Goman wire transferred $99,000 of Genesis Media's money to Ownzones' branch office in Romania.

51. On March 5, 2018 Dan Goman wire transferred $37,000 of Genesis Media's money to Ownzones' branch office in Romania.

52. The budget for the 420Tv project did not allow Ownzones to use any of the $3.1 million it received from Genesis Media for Ownzones' overhead including employee salaries, office rent, or attorney fees. The budget attached to the Strategic Alliance Agreement is specific on the allowed expenditures.

53. As of March 31, 2018 Ownzones only spent $43,895.34 for the technology portion of the 420Tv budget.

54. If Ownzones spent $43,895.34 on technology to any party *other than* Ownzones then Ownzones embezzled $92,104.66.

55. If Ownzones spent the entire $43,895.34 on Ownzones' employees then Ownzones embezzled $136,000 from Genesis Media. Discovery will be needed.

56. In April 2018 Ownzones emailed Genesis Media its 420Tv Expense Summary. On that expense summary Ownzones fraudulently over-inflated an expense item where Ownzones charged Genesis Media $325,000 for Ownzones' attorney fees which were not a budgeted item.

57. In May 2018 Dan Goman told Howard Misle that Ownzones was incapable of performing the Strategic Alliance Agreement and was repudiating 97% of the contract.

58. Misle asked Goman to return the $1.6 million left over from Genesis Media's $3.1 million, to turn over access to the 420Tv domain name, app and website, and all contracts entered into for the project. Dan Goman refused.

59. Genesis Media gave Ownzones Media $3.1 and has nothing to show for that money.

60. Genesis lost $3.1 million, lost profits, and has been unable to make the 420Tv app functional in order to be able to generate any revenue.

61. Genesis Media did not learn that Ownzones Media Network was a criminal

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enterprise until after the SEC complaint was filed on April 2, 2020 and confirmed by judgments against Ownzones Media, Dan Goman, and Joseph Goman.

62. As a direct and proximate result of Ownzones' fraud and deceit Ownzones repudiated the contract and caused Genesis Media damages in the amount of at least $14 million.

Facts Regarding Defendant's Securities Fraud as Part of Its Racketeering Scheme

63. From 2011 through the present, OwnZones Media Network, Inc., its CEO and president Daniel Goman ("Dan Goman"), and its agent and stock salesman Joseph Goman ("Joe Goman") raised roughly $45 million offering and selling an unregistered securities offering to over a thousand investors without any exemption from registration.

64. The company engaged in general solicitation and raised money from numerous unaccredited investors, purporting to avoid selling to too many unaccredited investors by devising a "subinvestment" process whereby subinvestors'" money has been aggregated under supposedly accredited "direct investors." OwnZones raised money through its unregistered offering, taking in millions of dollars just before the SEC Complaint was filed.

65. OwnZones, Dan Goman, and Joe Goman also committed fraud in the course of offering and selling OwnZones stock. Joe Goman, while selling OwnZones stock on behalf of the company, made multiple misstatements to investors that ranged from saying that Venture Capitalist MC and MGM had purchased OwnZones stock for $5 per share to representing that Google had offered to buy OwnZones for $500 million.

66. Joe Goman also made baseless predictions that OwnZones was about to go public and that its IPO price would be many multiples higher than what investors were paying for their shares.

67. OwnZones and Dan Goman made additional statements to investors concerning OwnZones' IPO and the status of discussions with major company investors that were false or misleading. Moreover, Dan Goman, who runs the company's day-to-day operations and has primary responsibility for handling investments in the company, was liable as a control person of OwnZones, and he did not act in good faith because he ignored multiple warning signs

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about Joe's misconduct in connection with his OwnZones fundraising efforts.

68. Defendants' pattern of racketeering started with Ownzones and Goman's false and fraudulent oral and written representations inflating revenue projections made to Genesis Media and continuing with "[Goman's] "fraud in the course of offering and selling OwnZones stock. Joe Goman, while selling OwnZones stock on behalf of the company, made multiple misstatements to investors" as alleged in the SEC Complaint.

69. By this conduct, all of the Defendants violated Sections 5(a), 5(c), and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule l0b-5 thereunder. In addition, Dan Goman is liable under Section 20(a) of the Exchange Act for OwnZones' violations of that Act.

70. Ownzones and Dan Goman also engaged in wire fraud by embezzling over $136,000 from Genesis Media by wiring Genesis Media's money to Ownzones branch office in Romania. Dan Goman wired a fraudulent payment on February 2, 2018 and March 5, 2018.

71. The other defendants aided, abetted and assisted Dan Goman and Joseph Goman and were part of a conspiracy to defraud and violate the RICO statute.

72. Genesis Media brings this action for damages under 18 U.S.C. §1961(a), (c) and (d); the Racketeer Influenced and Corrupt Organization Act (RICO), and the common law.

FIRST CLAIM FOR RELIEF

(Violation of 18 U.S.C. §1962(d) by Conspiring to Violate §1962(a)

Against Each Defendant)

73. Genesis Media realleges and incorporates by reference the allegations contained in the preceding paragraphs as if fully set forth herein.

74. Plaintiff is a "person" under 18 U.S.C. §1961(3) and 1964(c).

75. Each of the defendants is a "person" under 18 U.S.C. §1961(3). 1962(a), and 1962(d).

76. Ownzones Media Network, Inc. and the individual defendants constitute an "enterprise" within the meaning of 18 U.S.C.§1961(4) and §1962(a) which were engaged in activities affecting intestate commerce at all times relevant to this Complaint.

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77. Defendants conspired among themselves within the meaning of 18 U.S.C.§1962(d) to violate 18 U.S.C.§1962(a), that is, defendants conspired among themselves that income would be received, directly or indirectly, from a pattern of activity unlawful under 18 U.S.C.§1961(1)(A) in which defendants participated as principals within the meaning of 18 U.S.C.§§1961(1), 1961(5), and 1962(a), to wit: multiple repeated, and continuous acts of fraudulent inducement including securities fraud, mail fraud and wire fraud.

78. As a result, plaintiff has suffered substantial injury to his business within the meaning of 18 U.S.C.§1964(c), including but not limited to the loss of $3.1 million that was converted by the defendants, lost income of $10 million, attorney fees currently about $500,000, and loss of business opportunity of $500,000.

SECOND CLAIM FOR RELIEF

(Violation of 18 U.S.C. §1962(d) by Conspiring to Violate §1962(c)

Against Each Defendant)

79. Genesis Media realleges and incorporates by reference the allegations contained in the preceding paragraphs as if fully set forth herein.

80. Plaintiff is a "person" under 18 U.S.C. §1961(3) and 1964(c).

81. Each of the defendants is a "person" under 18 U.S.C. §1961(3). 1962(a), and 1962(d).

82. Ownzones Media Network, Inc. and the individual defendants constitute an "enterprise" within the meaning of 18 U.S.C.§1961(4) and 1962(c), which were engaged in activities affecting interstate commerce at all times relevant to this complaint.

83. Each of the defendants were and are associated with the enterprise and conspired within the meaning of 18 U.S.C.§1962(d) to violate 18 U.S.C.§1962(c), that is, the defendants conspired to conduct or participate, directly or indirectly, in the management and operations of the affairs of Ownzones Media Network, Inc in relationship to the Plaintiff through a pattern of activity unlawful under 18 U.S.C.§§1961, §1341 and §1343, to wit: multiple repeated, and continuous acts of fraudulent inducement including securities fraud, mail fraud and wire fraud.

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84. As a result, plaintiff has suffered substantial injury to his business within the meaning of 18 U.S.C.§1964(c), including but not limited to the loss of $3.1 million that was converted by the defendants, lost income of $10 million, attorney fees currently about $500,000, and loss of business opportunity of $500,000.

THIRD CLAIM FOR RELIEF

(Violation of 18 U.S.C. §1962(c) Against Each Defendant)

85. Genesis Media realleges and incorporates by reference the allegations contained in the preceding paragraphs as if fully set forth herein.

86. Plaintiff is a "person" under 18 U.S.C. §1961(3) and 1964(c).

87. Each of the defendants is a "person" under 18 U.S.C. §1961(3). 1962(a), and 1962(d).

88. Ownzones Media Network, Inc. and the individual defendants constitute an "enterprise" within the meaning of 18 U.S.C.§1961(4) and 1962(c), which were engaged in activities affecting interstate commerce at all times relevant to this complaint.

89. Each of the individual defendants were and are associated with the enterprise and have conducted or participated, directly or indirectly, in the management and operation of the affairs of the enterprise in relationship to the plaintiff through a pattern of activity unlawful under 18 U.S.C.§1961(A) to wit: multiple repeated, and continuous acts of fraudulent inducement including securities fraud, mail fraud and wire fraud.

90. Plaintiff has suffered substantial injury to its business or property within the meaning of 18 U.S.C.§1964(c) by reason of the violation of 18 U.S.C.§1962(c) committed by the defendants, including but not limited to the loss of $3.1 million that was converted by the defendants, lost income of $10 million, attorney fees currently about $500,000, and loss of business opportunity of $500,000.

FOURTH CLAIM FOR RELIEF

(Breach of Implied Contract-Restitution-Unjust Enrichment Against Each Defendant)

91. Genesis Media realleges and incorporates by reference the allegations contained

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in the preceding paragraphs as if fully set forth herein.

92. After Genesis Media and Ownzones Media entered into the Strategic Alliance Agreement, Ownzones falsely represented to its potential investors and potential partners that the Genesis-Ownzones contract was a service fee contract where Ownzones would earn $4.1 million per year for ten years.

93. In truth and fact the contract was a joint venture partnership agreement and the money Genesis Media was to contribute to develop the 420Tv app did not belong to Ownzones but was to be used exclusively to create the 420Tv app.

94. Ownzones made that false representation to inflate its balance sheet and financial records in order to convince investors to invest in Ownzones' stock offerings and to entice corporate giants to contract with Ownzones.

95. As a direct result of Ownzones conduct Ownzones was unjustly enriched by $45 million.

PRAYER FOR RELIEF

WHEREFORE, Genesis Media prays for relief and judgment against all defendants as follows:

1. Compensatory and consequential damages to plaintiff's business and property, including but not limited to, $14 million consisting of a loss of $3.1 million that was converted by the defendants, lost income of $10 million, attorney fees currently about $500,000, and loss of business opportunity of $500,000;

2. Threefold the amount of the damages sustained by plaintiffs for defendants violations of 18 U.S.C.§§1961-1968 in the amount of $42 million for a total of $56 million.

3. Exemplary and punitive damages for the defendants' intentional, willful, wanton, outrageous or malicious misconduct, characterized by their evil or rancorous motive, ill will and intent to injure the plaintiff or the defendants' gross negligence evincing a conscious disregard for plaintiff's rights in an amount to be determined at the time of trial.

4. Equitable relief as might be appropriate including, but not limited to permanent injunctions preventing and enjoining defendants, and each of them from:

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a. Enjoining defendants from publishing false and inflated income projections or press releases designed to mislead investors;

b. Enjoining defendants from continuing to unlawfully interfere with plaintiff's business; and

c. Enjoining defendants from continuing to falsely assert that the Genesis-Ownzones contract is a service agreement that will generate $40 million for Ownzones.

5. For restitution of $45 million as plead in Genesis' fourth claim for unjust enrichment.

6. For reasonable attorney fees and costs; and

7. Any other relief the court deems just and proper.

Dated: April 11, 2021

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Robert G. Klein
Attorneys for Plaintiff Genesis Media LLC

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DEMAND FOR JURY TRIAL

Plaintiff Genesis Media demands a jury trial on all issues triable by jury.

Dated: April 11, 2021

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By: _____
Robert G. Klein
Attorneys for Plaintiff Genesis Media LLC

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EXHIBIT 1

STRATEGIC ALLIANCE AGREEMENT

420TV

This Strategic Alliance Agreement ("Agreement") is entered into this May 22, 2017 ("Effective Date"), by and among, Genesis Media, LLC, a Nevada limited liability company ("Genesis"), with a principal address of 2777 Paradise Road, Las Vega, Nevada 89109, Alex Nahai Consulting Services, Inc., a California corporation ("Nahai"), with a principal address of 10717 Wilshire Boulevard, Suite 301, Los Angeles, California 90024, and OWNZONES Media Network, Inc., a Nevada corporation ("OWNZONES"), with a principal address of 20860 N. Tatum Boulevard, Suite 200, Phoenix, Arizona 85050. As used herein, each of Genesis, Nahai and OWNZONES is referred to as a "Party" and collectively, as the "Parties".

RECITALS

A. WHEREAS, the parties have previously entered into a non-binding Memorandum of Understanding dated March 23, 2017 ("MOU") for the purpose of launching and operating a cannabis-focused media and lifestyle business ("Media Business"), where the Media Business will initially be primarily comprised of audio-visual programming delivered "over-the-top" on an on-demand basis via a branded service ("Channel") to consumers on a global scale;

B. WHEREAS, the MOU set forth certain rights and obligations of each of Genesis, Nahai and OWNZONES; and

C. WHEREAS, the parties desire to replace the MOU with this Agreement and to set forth in more detail the rights and obligations of each of Genesis, Nahai and OWNZONES with respect to the Media Business, Channel and Channel Programming (as defined in Section 4. below).

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Appointment; Active Participation by Other Parties. During the Term (as defined in Section 2.1 below):

1.1. Exclusive Appointment: Genesis hereby appoints OWNZONES and OWNZONES accepts such appointment as

1.1.1. Channel Management, Sales and Operations. The exclusive provider of (a) marketing, public relations, sales, licensing and distribution, and channel management services for the Media Business and the Channel, including the day-to-day operations of the Media Business and Channel ("Channel Management Services") and (b) content management and distribution services for the Media Business and the Channel using, among other things, OWNZONES' proprietary platform ("Content and Platform Services", together with the Channel Management Services, collectively, the "Channel Operations Services"). Any Material Business Decision (as defined in Section 3.2 below) regarding the Media Business and Channel will be governed by Section 3.2 below; and

1.1.2. Production and Programming. The primary, exclusive producer of content and programming (including without limitation, audiovisual content and editorial) for the Media Business and the Channel. The Parties may mutually agree that an additional,

third party producer or programming partner ("3rd Party Producer") is necessary or desired for the Media Business and/or the Channel and in such an event, the Parties shall engage such 3rd Party Producer on a works-made-for-hire basis (and on other material commercial terms approved by the Parties) and OWNZONES shall nonetheless manage such 3rd Party Producer. All such services provided by OWNZONES in connection with this Section 1.2 are referred to as the "Production Services" and together with the Channel Operations Services, are collectively referred to as the "Services".

1.2. Participation. In the performance of the Services by OWNZONES, OWNZONES will seek the input and consultation of Genesis and Nahai. Each of Genesis and Nahai agree to remain actively involved in the Media Business and Channel and at the reasonable request of OWNZONES, provide information and support so that OWNZONES may execute its obligations under this Agreement, where such support may be by way of making introductions and referrals and participating in marketing and outreach on behalf of the Media Business and Channel.

2. Term and Renewal.

2.1. Term. The term ("Term") of this Agreement begins on the Effective Date and ends ten (10) years thereafter, unless otherwise earlier terminated in accordance with the terms of this Agreement, including the Termination Right (as defined in Section 5.2.3 below).

2.2. Right of First Negotiation; Last Matching Right.

2.2.1. Unless otherwise agreed, if OWNZONES operates the Media Business within ten percent (10%) of the Year One Service Fee (as defined in Section 5.1) and within ten percent (10%) of each approved Subsequent Annual Fee (as defined in Section 5.2.1) for the Media Business for no less five (5) annual periods during the Term, then OWNZONES will have an exclusive right of first negotiation ("Right of First Negotiation") and last matching right ("Last Matching Right") to extend the Term in which OWNZONES may continue providing exclusive Services as described in this Agreement.

2.2.2. No later than sixty (60) days prior to the end of the Term and no earlier than one hundred twenty (120) days prior to the end of the Term and provided the Performance Milestones have been met, OWNZONES may exercise its Right of First Negotiation by sending written notice to Genesis or Nahai (e-mail sufficient) ("Exercise Notice"). Upon receipt of the Exercise Notice by Genesis or Nahai, the Parties will negotiate in good faith for a period of not less than sixty (60) days (unless otherwise mutually agreed to by the Parties) for the purpose of extending the Term.

2.2.3. If the Parties are unable to agree on terms to extend the Term by the end of such sixty (60) day period (or shorter period as agreed to by the Parties), then Genesis may solicit and pursue proposals from third parties ("Other Service Providers") for the provision of services similar to all or a part of the Services. If Genesis receives a bona fide offer from an Other Service Provider for the provision of services, whether on an exclusive

or non-exclusive basis, similar to all or a part of the Services, which Genesis is prepared to accept ("Third Party Offer"), then Genesis shall disclose the Third Party Offer to OWNZONES and OWNZONES will have the right to match the terms of the Third Party Offer by giving Genesis written notice (e-mail sufficient), within thirty (30) days of the receipt of the terms of the Third Party Offer, that OWNZONES has elected to exercise the Last Matching Right; provided, however, if OWNZONES does not exercise the Last Matching Right, then Genesis may enter into a transaction on the terms of the Third Party Offer with such Other Service Provider; provided, further, however, if (a) the key commercial terms of the Third Party Offer are changed or altered (as a result of further negotiation) with such Other Service Provider, then Genesis shall inform OWNZONES of such changed or altered key commercial terms and OWNZONES will have seven (7) days to exercise the Last Matching Right with respect to such Third Party Offer (as changed or altered) or (b) Genesis does not close a transaction with such Other Service Provider, then the Last Matching Right in favor of OWNZONES will continue to apply with respect to all subsequent Third Party Offers. Notwithstanding the foregoing, OWNZONES' Last Matching Right shall expire one (1) year following expiration of the Term.

3. Media Business Governance; Material Business Decisions.

3.1. Alliance Representatives. For purposes of decision making under this Section 3 and elsewhere in the Agreement, each Party initially appoints the following individual as its representative (each an "Alliance Representative") and the Alliance Representatives as a group (such group, "Alliance Board") will oversee and guide the Services provided by OWNZONES under this Agreement:

Party	Alliance Representative
Genesis Media, LLC	Howard Misle
Alex Nahai Consulting Services, Inc.	Alex Nahai
OWNZONES Media Network, Inc.	Douglas Lee

Each Party will inform the other Parties of any successor Alliance Representative for purposes of this Agreement should the initial Alliance Representative resign or is otherwise replaced or removed by the Party designating such Alliance Representative.

3.2. Material Business Decisions. Subject to Section 4.2, all material business decisions regarding the Media Business and the Channel must be unanimously approved by the Alliance Board; provided, however, if the Alliance Board is unable to reach an agreement on a material business decision fourteen (14) days after good faith discussions among the Alliance Representatives (or a shorter period of time if the circumstances so require), then Genesis (in meaningful consultation with Nahai), will have the final decision-making authority regarding such material business decision.

3.3. Alliance Board. The Alliance Board shall meet in-person or by telephone periodically to discuss the Media Business, Channel and Channel Programming and to provide input, discuss and decide on Material Business Decisions, if any, and other business decisions; provided,

however, such meetings shall take place at least quarterly in order to not delay the operations of the Media Business and Channel.

3.4. Other Decisions; Process; Deemed Approval. Other commercial decisions regarding the Media Business and Channel (other than material business decisions and other than those regarding Channel Programming which is governed by Section 4.1 below) will be subject to the reasonable approval of Genesis and Nahai (such approval not to be unreasonably withheld conditioned or delayed), unless previously approved as part of the Year One Service Fee or any approved Subsequent Annual Fee; provided, however, if OWNZONES notifies Genesis and/or Nahai that such Party's input and approval are requested (e-mail sufficient) and such Party does not respond within three (3) business days, then such Party's approval is deemed provided.

4. Channel Programming and Creative.

4.1. Channel Programming. All content and programming created for the Media Business and Channel, whether produced and/or created by OWNZONES or a 3rd Party Producer is referred to as "Channel Programming". All right, title and interest in and to any Channel Programming resulting from the Production Services provided by OWNZONES and/or any 3rd Party Producer will be owned solely by Genesis and Nahai as set forth in Section 9.1 below. All Channel Programming shall include the following written and logo credits with size and placement to be determined on an equal basis for the following Parties hereto: "Genesis Media", "Alex Nahai", and "OWNZONES". Unless otherwise agreed to by the Parties, all Channel Programming will have the exclusive worldwide premiere on the Channel with an industry standard first window period for exploitation in order to maximize traffic to the Media Business and viewership of the Channel with the goal of maximizing revenue opportunities for the Media Business.

4.2. Channel Creative. Genesis and Nahai shall have meaningful consultation with respect to all creative elements of the Channel, including for example, branding and logo artwork, and Channel Programming; provided, however, OWNZONES will have final decision-making authority regarding such matters.

5. Annual Service Fees; Funding.

5.1. Year One Service Fee. The annual service fee for the Media Business and Channel is US $4,100,000.00 ("Year One Service Fee") and such amount shall be funded by Genesis and paid to OWNZONES in full within forty-five (45) days of the full execution of this Agreement by the Parties. The Parties approve of the Year One Service Fee set forth on Schedule A attached hereto.

5.1.1. Allocation. The Year One Service Fee will be allocated in its entirety to the Services provided by OWNZONES as described in this Agreement.

5.1.2. Channel Programming. OWNZONES will use commercial best efforts to ensure that all the Services hereunder, including, without limitation, the production of nine (9) multi-episodic series for the Channel, are performed adequately, in-full, and in such a

manner in keeping with the goal of maximizing revenue opportunities for the Media Business within the Year One Service Fee.

5.1.3. Third Parties. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN THE EVENT THE PARTIES AGREE TO ENGAGE A THIRD PARTY (INCLUDING A 3RD PARTY PRODUCER) PURSUANT TO THE TERMS HEREOF FOR PRODUCTION, DISTRIBUTION, OR OTHER SERVICES, OWNZONES SHALL REMIT TO SAID THIRD PARTY MUTUALLY AGREED UPON FEES OUT OF THE YEAR ONE SERVICE FEE.

5.1.4. In the event that any party hereto determines that additional funding beyond the Year One Service Fee or Subsequent Annual Fee (as defined in Section 5.2.1 below) may be necessary to fulfill any of the Services, the Parties hereto shall discuss a resolution in good faith, with final approval over any decisions made being in the absolute discretion of Genesis and Nahai.

5.2. Subsequent Year Fees; Termination Right and Wind-Down Period.

5.2.1. Process. The service fees for the remainder of the Term will be mutually agreed to by the Parties and the Parties agree to use reasonable efforts to set a service fee on an annual basis at least sixty (60) days prior to the beginning of each annual period during the Term (each subsequent annual fee is referred to as a "Subsequent Annual Fee" or sequentially as "Year Two Fee", "Year Three Fee", "Year Four Fee" and so on). No later than ninety (90) days prior to the beginning of each annual period, OWNZONES will propose and deliver a reasonably detailed Subsequent Annual Fee proposal for review and approval by Genesis and Nahai. The Parties agree to meet and discuss the proposed Subsequent Annual Fee for the purpose of approving such fee on a timely basis, but in any event no later than thirty (30) days prior to the beginning of each annual period.

5.2.2. Default Service Fee. Subject to the Termination Right in Section 5.2.3, if the Parties are unable to agree on a Subsequent Annual Fee at least thirty (30) days prior to the beginning of the next annual period during the Term, then the Parties agree that the immediately preceding annual period's service fee will be the amount of the Subsequent Annual Fee; provided, however, such amount will be increased by four percent (4%) for purposes of the Subsequent Annual Fee. As an example only, if the Parties are unable to agree on the amount of the Year Two Fee, then the amount of the Year Two Fee will be US$4,264,000.00 (US$4,100,000.00 x 1.04).

5.2.3. Termination Right. Notwithstanding anything to the contrary in this Agreement, for a period of thirty (30) days after the delivery of a Subsequent Annual Fee proposal for the Year Three Fee by OWNZONES, Genesis will have the right, in its sole discretion, to terminate this Agreement ("Termination Right") by written notice to OWNZONES and Nahai. If Genesis elects to exercise the Termination Right, then upon receipt of such written termination notice, OWNZONES will provide a plan to Genesis regarding the winding-down of the operations, including without limitation, contractual obligations, of the Media Business and Channel over a period of not more than five (5)

months ("Wind-Down Period"). During the Wind-Down Period, Genesis agrees to pay the reasonable costs of services provided by OWNZONES to wind-down the Media Business and Channel.

6. Revenue Share; Definitions; Recoupment. The Parties anticipate the following sources of revenue from the Media Business, Channel and Channel Programming: (a) Content Revenue, (b) Merchandising Revenue, (c) Other Revenue and (d) Media Exploitation Revenue (each of the foregoing as defined below). The Parties agree and understand that all such revenue will be received directly by the Media Business and/or the Channel and that as part of the Services provided by OWNZONES, OWNZONES may have access (as permitted by Genesis) to and rights to manage bank accounts, merchant accounts or other financial accounts established for purposes of this Agreement on behalf of and for the benefit of Genesis.

6.1. Definitions: As used in this Agreement, the following capitalized terms will have the meanings set forth next to such term:

"Content Revenue" means all revenues actually received by Genesis (or on behalf of Genesis) generated by the Media Business in direct connection with the Channel (including, without limitation, advertising revenues, subscription revenues, and licensing revenues and fees) and the licensing, syndication and distribution of the Channel Programming (in any territory of the world, in any and all media now known or hereafter devised, using any and all distribution means and using all forms of linear and on-demand exploitation) minus approved third party commissions or revenue share (e.g., app store and other platform splits), returns and allowances, bad debt, customary rebates, shipping and handling, sales taxes, and credit card or similar transaction fees, payment processing fees and foreign exchange fees and license fees or royalties paid for public performance rights and music rights clearances.

"Media Exploitation Revenue" means the so-called "producer's share" of revenues and any other payments actually received by Genesis from a Media Opportunity Buyer (whether or not categorized as a producers share) for a related Media Opportunity.

"Media Opportunity" means an opportunity to repurpose and/or repackage the Channel Programming and/or create derivatives of or new content from the Channel Programming, including without limitation, the creation of new series, spin-offs, feature films, interactive experiences (such as videogames, VR and AR experiences), merchandising and other ancillary products and services minus deductions to be agreed for the cost of sales attributable to the Media Exploitation Revenue

"Media Opportunity Buyer" means one or more third party companies, which may include broadcast networks, cable networks or cable platform operators, over-the-top platforms, digital or other networks, technology or hardware companies or any other financiers or licensees with a bona fide interest in picking up, licensing or financing a Media Opportunity.

"Merchandising Revenue" means all revenue actually received by Genesis (or on behalf of Genesis) and derived by the Media Business from the sale of products, apparel, cannabis, and other merchandise or goods minus approved cost of finished goods (as applicable), cost of materials (as applicable) and supplies, labor and related overhead, returns and allowances, bad debt, customary rebates, shipping and handling, third party commissions and fees, sales taxes, and credit card or similar transaction fees, payment processing fees and foreign exchange fees.

"Other Revenue" means all other revenue actually received by Genesis and generated directly or indirectly by the Media Business (or any subsequently formed entity created or conducting business activities in direct relation thereto, but excluding in all circumstances, the marijuana cultivation businesses of Howard Misle) or the Channel that are not attributable to Content Revenue, Merchandising Revenue or Media Exploitation Revenue.

"Recoupment" means as of the Effective Date, an amount equal to the Year One Service Fee minus the Sponsorship Amount. Any additional funds contributed by Genesis to the continuing operation of the Media Business and Channel in excess of the Year One Service Fee or for purposes of funding all or a part of any Subsequent Annual Fee will be added to the amount of "Recoupment" on an ongoing and continuing basis.

"Sponsorship Amount" means that portion of the Year One Service Fee contributed by Genesis that was derived or originated from third party sponsorship dollars.

6.2. Shopping Provisions. Each Party has the non-exclusive right, in coordination and communication with the other Parties, to find and develop one or more Media Opportunities with Media Exploitation Buyers; provided, however, the Parties agree that OWNZONES and Nahai will jointly lead, coordinate and manage the Media Opportunities. The following terms shall apply with respect to any Media Opportunity with a Media Exploitation Buyer:

6.2.1. No Party may complete its agreement with a Media Exploitation Buyer without the other two Parties having consummated their respective agreements with the Media Exploitation Buyer (subject to Media Exploitation Buyer approval, and provided that no Party shall negotiate in such a way as to frustrate the completion of the other Parties' agreements with the Media Exploitation Buyer);

6.2.2. The Parties shall each serve and be credited as executive producers on the Media Opportunity (or other equivalent credit based on the specific content type or medium being exploited); and

6.2.3. In the event the Media Exploitation Buyer, does not approve of the involvement of OWNZONES or Nahai as executive producers (or other equivalent credit based on the specific content type or medium being exploited) for the Media Opportunity, then the share of Media Exploitation Revenue that would otherwise have been allocable to Nahai and OWNZONES shall be the responsibility of Genesis (and Genesis shall account for and pay to Nahai and OWNZONES their respective share of Media Exploitation Revenue) until such time as Genesis no longer receives Media Exploitation Revenue from the Media Opportunity in any capacity.

6.3. Revenue Share and Recoupment. The Parties agree to share in the Content Revenue, Merchandising Revenue, Other Revenue and Media Exploitation Revenue based on whether Genesis has recouped the Recoupment and each Party is entitled to the percentage revenue share for each category of revenue set forth below:

6.3.1. Content Revenue:

	Prior to Recoupment	After Recoupment
OWNZONES	20%	25%
Nahai	0%	10%
Genesis	All remaining	All remaining

6.3.2. Merchandising Revenue:

	Prior to Recoupment	After Recoupment
OWNZONES	20%	25%
Nahai	0%	10%
Genesis	All remaining	All remaining

6.3.3. Other Revenue:

	Prior to Recoupment	After Recoupment
OWNZONES	20%	25%
Nahai	0%	10%
Genesis	All remaining	All remaining

6.3.4. Media Exploitation Revenue:

	Prior to Recoupment	After Recoupment
OWNZONES	20%	25% (with a floor of 20%)
Nahai	0%	10% (which is not reducible without Nahai's prior written consent)
Genesis	All remaining	All remaining (with a floor of 55%)

6.4. Nahai Recoupment. Notwithstanding anything to the contrary contained herein, Nahai's percentage share of revenue after recoupment described in Section 6.3 above shall apply once solely the Year One Service Fee is recouped by the Media Business and Channel. In the event that the Year One Service Fee has been recouped but additional funds or all or any part of any Subsequent Annual Fee has been contributed by Genesis or any other third party funding source (for example, investors), the Parties agree to share in the Content Revenue, Merchandising Revenue, Other Revenue and Media Exploitation Revenue as follows: (a) Genesis – 75%; (b) OWNZONES – 15%; (c) Nahai – 10%; provided, however, such revenue share percentages will be subject to the requirements of any third party funding source, if any.

6.5. Cross-Collateralization. For purposes of clarity, the Recoupment for purposes of Revenue share from Content Revenues, Merchandising Revenues and Other Revenues is intended to be cross-collateralized (that is, there is not a separate recoupment for each category of such revenues).

6.6. Increased Revenue Share. In the event OWNZONES or Nahai desires to provide funding for an applicable Annual Subsequent Fee, then subject to the approval of the other Parties, the Parties will negotiate in good faith the consideration for such funding, including as examples

only, an increased revenue share for Content Revenue, Merchandising Revenue, Other Revenue and/or Media Exploitation Revenue or equity ownership in the Media Business and/or Channel. The Parties agree that OWNZONES and Nahai will have the first priority rights and opportunities to provide funding towards the applicable Annual Subsequent Fee.

7. Sale of Media Business; Channel.

7.1. Assumption of Agreement; Payout. If the Media Business and/or the Channel is sold, merged or otherwise is involved in a change of control transaction which takes place in one or more transactions ("Company Sale") during or at any time after the Term, only Genesis shall be entitled to the proceeds derived from such Company Sale during or at any time after the Term and only the equity holders of Genesis will be entitled to the proceeds derived from such Company Sale; provided, however, if any such Company Sale occurs during the Term, (a) Genesis will use reasonable efforts to cause any successor company or buyer of the Media Business and/or the Channel to assume this Agreement and OWNZONES' continued provision of the Services described in this Agreement for the duration of the Term, but if such successor company or buyer does not agree to assume this Agreement and OWNZONES' continued provision of such Services, then (b) Genesis or such successor company or buyer will pay OWNZONES the greater of (a) the Average Service Fee or (b) the Expected Revenue Share, concurrently with the closing of such sale transaction. As used in this Section 7, the following capitalized terms have the following meanings:

"Average Service Fee" means the average of the five (5) prior years' annual service fee for the Media Business and Channel (or if there have not been five (5) full years of operations, then the average of all prior years' service fees) multiplied times the number of remaining years left in the Term (pro-rated and rounded up to the nearest whole month) as of the closing of the sale of the Media Business and/or Channel.

"Expected Revenue Share" means the prior average annual Revenue share (derived from Content Revenue, Merchandising Revenue, Other Revenue and Media Exploitation Revenue) earned by OWNZONES under the Agreement (taking into account all prior periods) multiplied times the number of remaining years left in the Term (pro-rated and rounded up to the nearest whole month) as of the closing of the sale of the Media Business and/or Channel.

7.2. Bonus: In addition to any payment, if any, based on the Average Service Fee or Expected Revenue Share and upon the consummation of a proposed Company Sale during the Term (if applicable), the Parties will negotiate in good faith regarding a cash bonus payment to be paid to OWNZONES (no later than the closing of the Company Sale) relating to OWNZONES' performance of Services under the Agreement. If the Parties are unable to agree to the amount of such cash bonus, then the Parties agree and acknowledge that such cash bonus will be equal to an amount that is ten percent (10%) of the gross revenue earned by the Media Business and Channel in the trailing twelve (12) month period immediately preceding the consummation of the Company Sale.

8. Payment; Reporting; and Audit.

8.1. Revenue Reports – Timing; Payment. During the Term, OWNZONES shall provide Genesis and Nahai with monthly statements detailing all incoming revenue (to the extent applicable) (each a "Revenue Report") and shall remit (or retain) the share of Content Revenue, Merchandising Revenue, Other Revenue and Media Exploitation Revenue to the applicable Party on a monthly basis in accordance with the provisions set forth in Section 6.3 no later than thirty (30) days after the calendar month in which such Content Revenue, Merchandising Revenue, Other Revenue or Media Exploitation Revenue is actually received; provided, however, to the extent Media Exploitation Revenue is dependent upon information in the possession of either Genesis or Nahai, each such Party will provide OWNZONES with sufficient information in order to generate the appropriate Revenue Report. Furthermore, OWNZONES will provide updates on estimated revenue performance on a bi-weekly basis in a form to be mutually agreed.

8.2. Revenue Reports – Disputes. Any failure by Genesis or Nahai to give written notice or objection within eighteen (18) months from the date of the Revenue Report to Genesis or Nahai, as the case may be, shall bar any further objections, claims, audit or actions by Genesis or Nahai, as the case may be, with regard to that Revenue Report.

8.3. Audit Rights. During the Term and for a period of one (1) year thereafter, each of Genesis and Nahai may retain, at their respective sole cost and expense and upon no less than thirty (30) days' prior written notice to OWNZONES, a recognized independent auditor (subject to the approval of OWNZONES, such approval not to be unreasonably withheld, conditioned or delayed) to review and audit OWNZONES' relevant records, no more than once per Revenue Report and no more than once per calendar year, to confirm the performance of OWNZONES' payment obligations under this Agreement. Such audits shall occur at times mutually agreed to by OWNZONES and Genesis or Nahai, as the case may be, during regular business hours and at OWNZONES' regular business address. If the audit shows an underpayment to Genesis or Nahai, as applicable, for any period of time, then OWNZONES shall, within thirty (30) days after completion of such audit and after an opportunity to review the detailed results of such audit, pay or credit any undisputed amount of the underpayment to Genesis or Nahai, as the case may be. If the undisputed amount of the underpayment is seven percent (7%) or greater, then in addition to paying such amount, OWNZONES shall be responsible for the reasonable cost of such audit. Notwithstanding anything to the contrary set forth herein, only Genesis or Nahai may exercise an audit right in each calendar year, that is, if Genesis exercises an audit right in a calendar year, then Nahai may not exercise an audit right during the same calendar year, but only exercise an audit right in the subsequent audit year, provided, however, that Genesis and Nahai may together exercise their respective audit rights in the same year so long as said audits are conducted jointly as one.

9. Ownership; Pre-Existing IP

9.1. Ownership. Genesis shall own and retain all right, title and interest in and to the Media Business, Channel and Channel Programming, including any and all intellectual property rights therein (collectively the "Genesis Property"); provided, however, the copyrights in and to the Channel Programming and the trademarks in and to the Channel brands and logos will be owned jointly by Genesis and Nahai. To the extent applicable, Genesis and Nahai shall be deemed to be the "author" of all Channel Programming and all such Genesis Property will constitute "works made for hire" under the U.S. Copyright Act (17 U.S.C. §§ 101 et seq.) and any other applicable

copyright law. OWNZONES hereby waives any and all moral rights (including rights of integrity and attribution) in and to the Genesis Property. To the extent that any Channel Programming does not constitute a work made for hire (for example in jurisdictions where such designation would cause OWNZONES to be categorized as other than as an independent contractor of Genesis), OWNZONES hereby assigns to Genesis and Nahai all right, title and interest that OWNZONES may have or may hereafter acquire in all Channel Programming, including all intellectual property rights therein.

9.2. OWNZONES Pre-Existing IP. Notwithstanding the provisions of Section 9.1, OWNZONES shall retain all right, title, and interest in and to all of its technology, tools, methodologies, and generic business processes, whether pre-existing or independently developed by OWNZONES, and all enhancements, modifications, or improvements thereto made by OWNZONES in connection with this Agreement ("OWNZONES Pre-Existing IP"), all of which are hereby licensed to the Media Business and Channel on a non-exclusive, non-transferable, royalty-free basis to the limited extent they are incorporated into, or required for the use of, the Channel Programming and other deliverables as contemplated by this Agreement.

9.3. Residuals/Items of General Knowledge. OWNZONES will be free to use its general knowledge, skills and experience, and any ideas, concepts, know-how, methodologies, and techniques that are acquired or used in the course of providing the Services for any purpose. In addition, in no event will OWNZONES be precluded from developing for itself, or for others, materials that are competitive with the deliverables provided under this Agreement, irrespective of their similarity to such deliverables, provided this is done without use of the Confidential Information of Genesis, the Media Business or the Channel. Genesis agrees that OWNZONES may aggregate measures of the Media Business, Channel and Channel Programming usage and performance, and may disclose such aggregate measures of usage and performance and reuse all general knowledge, experience, know-how, works and technologies (including ideas, concepts, processes and techniques) acquired during provision of the Services under the Agreement, including general knowledge that OWNZONES could have acquired performing the same or similar services for another client.

9.4. Non-Compete. During the Term, OWNZONES agrees for itself and for its parents, subsidiaries and designees that such parties will not provide services to or create any content directly or indirectly related to cannabis or the cannabis industry other than in connection with this Agreement. If the Term continues for the full ten (10) year period and OWNZONES has provided Services in at least the same scope as provided for the Year One Service Fee throughout the ten (10) year period, then for a period of two (2) years after the Term, OWNZONES agrees for itself and for its parents, subsidiaries and designees that such parties will not provide services to or create any content directly or indirectly related to cannabis or the cannabis industry that competes with the Media Business or Channel as then constituted at the end of the Term; provided the Media Business or Channel continues to operate during such two (2) year period.

10. Genesis User Data; Aggregate Data.

10.1. Genesis User Data. OWNZONES acknowledges and agrees that any information regarding consumers and customers of the Media Business, Channel and Channel Programming that is acquired by OWNZONES in connection with the provision of Services pursuant to this

Agreement, including without limitation, customer information, sales information, and customer lists and updates (including customer names, addresses, e-mail addresses, and telephone numbers) (collectively, "Genesis User Data") will be considered confidential and proprietary information of Genesis and all right, title and interest in such Genesis User Data is owned by Customer. OWNZONES will use such Genesis User Data only as necessary to perform the Services in accordance with this Agreement and will maintain such Genesis User Data in strict confidence in accordance with the provisions of this Agreement, any written guidelines provided by Genesis within sixty (60) days of the Effective Date and terms of use and privacy policy for the Media Business and Channel. Genesis hereby grants OWNZONES a non-exclusive, royalty-free right and license during the Term to access and use the Genesis User Data in accordance with the terms of this Agreement and such guidelines. OWNZONES shall not use the Genesis User Data for any purpose other than the promotion or improvement (for example, personalization, functionality and feature implementation) of the Media Business and Channel without the prior, written approval of Genesis. Any other use of such Genesis User Data (or access to users of the Media Business, Channel or Channel Programming) by OWNZONES outside of such guidelines or terms of use and privacy policy will require the express written approval (e-mail sufficient) of Genesis, subject to the express consent of the applicable users, as may be required.

10.2. Aggregate Data. Genesis agrees that OWNZONES shall have the right during and after the Term to create (a) anonymized compilations and analyses of Genesis User Data that is combined with data from numerous other clients ("Aggregate Data"), and (b) reports, evaluations, benchmarking tests, studies, analyses and other work product from Aggregate Data ("Analyses"). OWNZONES shall have exclusive ownership rights to, and the exclusive right to use and distribute, such Aggregate Data and Analyses for any purpose, including, but not limited to advertising, marketing, and promotion of services to other clients and prospective clients of OWNZONES; provided, however, that OWNZONES shall not distribute Aggregate Data and Analyses in a manner that is identifiable as Genesis User Data, and that any information contained in the Genesis User Data shall not be added to or included within Aggregate Data and/or Analyses without the prior, written approval of Genesis.

11. Confidentiality. Neither party ("Receiving Party") shall disclose to any third party any material provided by any other Party ("Disclosing Party") that is labeled as confidential and/or should reasonably be considered to be confidential, including without limitation, Genesis User Data and the terms of this Agreement ("Confidential Information"). Notwithstanding the foregoing, the Receiving Party may disclose such Confidential Information (a) to its accounting, financial, business and/or legal advisors with a need to know such info, provided that such advisor agrees to maintain the confidentiality of the information in a manner at least as restrictive as set forth herein; or (b) required by government agency or process of law including pursuant to a subpoena or other order by a governmental authority, provided that it notifies the Disclosing Party as soon as practicable prior to disclosure to enable such party to obtain, at its sole expense, a protective order. Confidential Information shall exclude information which (i) was previously known to the Receiving Party without an obligation of confidentiality; (ii) is obtained from a third party which is lawfully in possession of such information and not in violation of any contractual or legal obligation to the Disclosing Party with respect to such information; (iii) is or becomes part of the public domain through no fault of the Receiving Party; (iv) is independently developed by the Receiving Party with reasonable evidence of same; or (v) is explicitly approved for release by written authorization of the Disclosing Party.

12. Representations and Warranties.

12.1. Mutual. Each Party to this Agreement represents and warrants to the other Party as follows: (a) that such Party has the full corporate right, power and authority to enter into this Agreement and to perform the acts required of it hereunder; (b(that the execution of this Agreement by such party, and the performance by such party of its obligations and duties hereunder, does not and will not violate any agreement to which such Party is a party or by which it is otherwise bound; and (iii) that when executed and delivered by such Party, this Agreement will constitute the legal, valid and binding obligation of such Party, enforceable against such party in accordance with its terms.

12.2. OWNZONES. OWNZONES represents and warrants to the other Parties that all Services will be performed in a professional and workmanlike manner.

12.3. WARRANTY DISCLAIMER. OTHER THAN AS SET FOR ABOVE, OWNZONES MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY ERROR, DEFECT, DEFICIENCY OR NONCOMPLIANCE IN ANY SERVICES, DELIVERABLES, OWNZONES PRE-EXISTING IP, OR OTHER ITEMS FURNISHED BY OR ON BEHALF OF OWNZONES UNDER THIS AGREEMENT OR ANY SCHEDULE(S) (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUALITY, ACCURACY, OR NONINFRINGEMENT AND ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE).

13. Termination.

13.1. Termination for Cause. Any Party may terminate this Agreement upon another Party's material breach of this Agreement, provided that (a) the non-breaching party sends written notice to the breaching party describing the breach in reasonable detail, (b) the breaching party does not cure the breach within thirty (30) days following its receipt of such notice (the "Notice Period") or a shorter period if reasonably necessary given the totality of the circumstances, and (c) following the expiration of the Notice Period, the non-breaching party sends a second written notice to the breaching party indicating the non-breaching party's election to terminate this Agreement.

13.2. Effect of Termination. Following any termination or expiration of this Agreement, (a) OWNZONES will have no obligation to perform any Services; (b) each Party will return any Confidential Information or property of the other Party within ten (10) days from the date of such termination (or destroy or delete such Confidential Information upon the request of the appropriate Party, and (c) the terms and conditions of Sections 6.3 (to the extent revenue share payments have not been made), 6.5 (to the extent revenue share payments have not been made), 7 (to the extent such bonus has been earned but not yet paid), 8 (to the extent a payment is outstanding), 9 (Reporting; Audit), 10 (Ownership; Pre-Existing IP), 10.2 (Aggregate Data), 11 (Confidentiality), 12.3 (Warranty Disclaimer), 14.2 (Effect of Termination), 14 (Indemnity),

15 (Limitation of Liability), 16 (Dispute Resolution) and 17 (Miscellaneous) will survive such termination or expiration of this Agreement.

14. Indemnity. Each Party shall indemnify and hold harmless the other Party, its affiliates, successors, assigns, licensees, and their respective owners, directors, officers, employees, agents, and professional advisors, from and against any third party claims, damages, losses, costs, or expenses (including but not limited to actual, reasonable, outside legal fees and enforcement costs) to the extent arising out of any breach of this Agreement by the indemnifying party and as follows:

14.1. Indemnification by OWNZONES. OWNZONES will indemnify and hold harmless Genesis and Nahai, their respective affiliates, successors, assigns, licensees, and their respective owners, directors, officers, employees, agents, and professional advisors, from and against any third party claims, damages, losses, costs, or expenses (including but not limited to actual, reasonable, outside legal fees and enforcement costs) to the extent arising out of the gross negligence or willful misconduct or OWNZONES and/or any claim that the Content and Platform Services (other than third party solutions integrated therein) infringes any intellectual property right of a third party, existing as of the date of delivery of the subject deliverable or the date of the provision of services. The foregoing obligation to indemnify will not apply, however, if the claim of infringement is caused by unique design specifications by Genesis, including, without limitation, any functional specifications for the Media Business or Channel.

14.2. Indemnification by Genesis. Genesis will indemnify and hold harmless OWNZONES and Nahai, their respective affiliates, successors, assigns, licensees, and their respective owners, directors, officers, employees, agents, and professional advisors, from and against any third party claims, damages, losses, costs, or expenses (including but not limited to actual reasonable, outside legal fees and enforcement costs) to the extent arising out of the gross negligence or willful misconduct of Genesis and/or any claim that any information, media, data, assets, or content provided by Genesis infringes any intellectual property rights of a third party or any claim that any information provided by Genesis and used by OWNZONES as part of the Services is false or misleading.

14.3. Indemnification by Nahai. Nahai will indemnify and hold harmless OWNZONES and Genesis, their respective affiliates, successors, assigns, licensees, and their respective owners, directors, officers, employees, agents, and professional advisors, from and against any third party claims, damages, losses, costs, or expenses (including but not limited to actual, reasonable, outside legal fees and enforcement costs) to the extent arising out of the gross negligence or willful misconduct of Nahai and/or any claim that any information, media, data, assets, or content provided by Nahai infringes any intellectual property rights of a third party or any claim that any information provided by Genesis and used by OWNZONES as part of the Services is false or misleading.

14.4. Remedy. If any part of the Content and Platform Services is found to be likely to infringe, OWNZONES will at its expense and option, and in addition to the indemnification obligation described above in Section 14.1, either (a) procure the right for Genesis (and the Media Business and Channel) to continue using it, (b) replace it with a non-infringing equivalent, or (c) modify it to make it non-infringing. The foregoing remedies constitute Customer's sole and exclusive remedies and OWNZONES' entire liability with respect to infringement.

14.5. Notification. To receive the foregoing indemnities, the Party seeking indemnification must promptly notify the other in writing of a claim or suit and provide reasonable cooperation (at the indemnifying Party's expense) and full authority to defend or settle the claim or suit; provided, however, at the election of the Party seeking indemnification, such Party may control such claim or suit upon the consent of the indemnifying Party and in such instance, the indemnifying Party shall provide reasonable cooperation to the Party seeking indemnification. The indemnifying Party shall have no obligation to indemnify the indemnified Party under any settlement made without the indemnifying Party's written consent.

15. LIMITATION OF LIABILITY.

15.1. Force Majeure. No Party will be liable for, or be considered to be in breach of or default under this Agreement on account of, any delay or failure to perform as required by this Agreement as a result of any cause or condition beyond such Party's reasonable control (including, but not limited to: fire, explosion, earthquake, storm, flood, wind, drought and act of God or the elements; court order; act, delay or failure to act by civil, military or other governmental authority; strike, lockout, labor dispute, riot, insurrection, sabotage and war; unavailability of required parts, materials or other items; and act, delay or failure to act by the other party or any third party); provided that such Party uses its commercially reasonable efforts to promptly overcome or mitigate the delay or failure to perform. Any Party whose performance is delayed or prevented by any cause or condition within the purview of this Section 15.1 will promptly notify the other Party thereof, the anticipated duration of the delay or prevention, and the steps being taken to overcome or mitigate the delay or failure to perform. This Section 15.1 will not apply to any monetary obligation of any Party.

15.2. No Consequential Damages. NO PARTY WILL BE LIABLE TO THE OTHER FOR ANY INCIDENTAL, CONSEQUENTIAL, OR INDIRECT DAMAGES OR FOR ANY LOSS OF PROFIT, REVENUE, DATA, BUSINESS OR USE WHETHER IN CONTRACT OR TORT, WHETHER OR NOT THE POSSIBILITY OF SUCH DAMAGES HAS BEEN DISCLOSED OR IS REASONABLY FORESEEABLE; PROVIDED, HOWEVER, THE FOREGOING SHALL NOT APPLY TO THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY PARTY.

15.3. Limitation of Liability. IN NO EVENT SHALL ANY PARTY BE LIABLE TO ANOTHER PARTY HEREUNDER FOR (A) THIRD PARTY SOLUTIONS INTEGRATED WITH OR INTO THE CONTENT AND PLATFORM SERVICES PROVIDED BY OWNZONES, (B) ANY CHANNEL PROGRAMMING ACQUIRED FROM A THIRD PARTY OR NOT PRODUCED DIRECTLY BY OWNZONES ON BEHALF OF THE MEDIA BUSINESS AND CHANNEL OR (C) FOR ANY ACTION OR DECISION MADE BY THE ALLIANCE BOARD REGARDING THE MEDIA BUSINESS AND CHANNEL WHERE SUCH PARTY DID NOT VOTE IN FAVOR OF SUCH ACTION OR SUCH ACTION.

15.4. Independent Allocations of Risk. THE PARTIES AGREE THAT TO THE EXTENT THAT A BREACH IS CAUSED IN WHOLE OR IN PART BY A PARTY, THEN THE RESPECTIVE LOSSES AND DAMAGES SHALL BE APPORTIONED BETWEEN THE PARTIES ON A COMPARATIVE BASIS.

16. Dispute Resolution. If a dispute arises under this Agreement (a "Dispute"), including without limitation any Disputes arising out of any amount due to a Party hereto, then prior to bringing any suit, action or proceeding in connection with such Dispute, a party must first give written notice of the Dispute to the other Party describing the Dispute and requesting it be resolved pursuant to this dispute resolution process (the "Dispute Notice"). If the Parties in the Dispute are unable to resolve the Dispute within thirty (30) days of delivery of the Dispute Notice, then each such Party shall promptly (but no later than five (5) business days thereafter) (a) appoint a designated representative who has sufficient authority to settle the Dispute and who is at a higher management level than the person with direct responsibility for the administration of this Agreement, if applicable (the "Designated Representative"), and (b) notify the other Party in writing of the name and contact information of such Designated Representative. The Designated Representatives shall then meets as often as they deem necessary in their reasonable, judgment in order to discuss the Dispute and negotiate in good faith to resolve the Dispute. The Designated Representatives shall mutually determine the format for such discussions and negotiations, provided that all reasonable requests for relevant information relating the Dispute made by one Party to the other Party shall be honored. If the Parties in the Dispute are unable to resolve the Dispute within thirty (30) days after the appointment of the Designated Representatives, then either Party may proceed with any other available remedy.

17. Miscellaneous.

17.1. Non-Solicitation. During the Term and for a period of one (1) year thereafter, neither Party will, whether directly or indirectly on its own account or in conjunction with or on behalf of any other person or entity, solicit the employment or services of the employees or independent contractors of the other Party or hire the employees or independent contractors of the other Party, to the extent such individuals were introduced to such Party as a result of the Services performed by OWNZONES, provided that this provision shall not apply to individuals who respond to general ads placed by a party which were not specifically targeted to such individuals.

17.2. Notices. All notices, authorizations, and requests in connection with this Agreement will be deemed given: (a) three (3) days after they are deposited in the U.S. mails, postage prepaid, certified or registered, return receipt requested; (b) one (1) days after they are sent by air express courier, charges prepaid; or (c) on the day of transmittal if sent by facsimile, e-mail or by other means of accepted electronic communication, in each case to the address set forth below or to such other address as the Party to receive the notice or request so designates by written notice to the other Parties.

If to Genesis:

Genesis Media, LLC
2777 Paradise Road
Las Vega, Nevada 89109
Attention: Howard Misle, Managing Member
Facsimile: [_____]
E-mail: hmisle@aol.com
Phone Number: [_____]

If to Nahai:

Alex Nahai Consulting Services, Inc.
10717 Wilshire Boulevard, Suite 301
Los Angeles, California 90024
Attention: Alex Nahai
Facsimile: [_____]
E-mail: alex.nahai@gmail.com
Phone Number: [_____]

If to OWNZONES:

OWNZONES Media Network, Inc.
20860 N. Tatum Boulevard, Suite 200
Phoenix, Arizona 85050
Attention: Dan Goman
Facsimile: N/A
E-mail: dgoman@ownzones.com
Phone Number: (855) 466-9696

With copy to, but receipt of which will not constitute notice to OWNZONES:

Foundation Law Group, LLP
445 S. Figueroa Street, Suite 3100
Los Angeles, California 90071
Attention: Terry K. Quan, Esq.

17.3. Relationship of Parties. OWNZONES is an independent contractor for Genesis in connection with the Services and deliverables it provides under this Agreement, and nothing in this Agreement is intended to create or shall be construed as creating an employer-employee relationship or a partnership, agency, joint venture, or franchise. OWNZONES acknowledges that it is not authorized to make any contract, agreement or warranty on behalf of Genesis, the Media Business, or the Channel (unless otherwise explicitly agreed to by Genesis). Under no circumstance will one Party's employees be construed to be employees of the other Party, nor will one Party's employees be entitled to participate in the profit sharing, pension or other plans established for the benefit of the other Party's employees.

17.4. Governing Law; Attorneys' Fees. This Agreement will be interpreted, construed and enforced in all respects in accordance with the laws of the State of California, without reference to its choice of law principles to the contrary. No Party will commence or prosecute any action, suit, proceeding or claim arising out of or related to this Agreement other than in the state or federal courts located in Los Angeles County, State of California. Each party hereby irrevocably consents to the jurisdiction and venue of such courts in connection with any such action, suit, proceeding or claim. In any suit, arbitration, mediation or other action to enforce any right or remedy under this Agreement or to interpret any provision of this Agreement, the prevailing

party will be entitled to recover its costs, including reasonable attorneys' fees, including without limitation, costs and fees incurred on appeal or in a bankruptcy or similar action.

17.5. Waiver. No waiver of any term, condition or obligation of this Agreement will be valid unless made in writing and signed by the Party to which such performance is due. No failure or delay by any Party at any time to enforce one or more of the terms, conditions or obligations of this Agreement will (a) constitute waiver of such term, condition or obligation, (b) preclude such Party from requiring performance by the other Party at any later time, or (c) be deemed to be a waiver of any other subsequent term, condition or obligation, whether of like or different nature.

17.6. Assignment. This Agreement may not be assigned by any Party without the prior written consent of the other Parties; except, that any Party may assign this Agreement without consent to (a) any entity that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with such Party, or (b) any purchaser of all or substantially all of such Party's assets or equity or to any successor by way of merger, consolidation or similar transaction. Subject to the foregoing, this Agreement will inure to and bind all successors, assigns, receivers and trustees of the respective parties hereto.

17.7. Export Compliance. Notwithstanding any other provision of this Agreement: (a) each Party shall retain responsibility for its compliance with all applicable export control laws and economic sanctions programs relating to its respective business, facilities, and the provision of services to third parties; and (b) OWNZONES shall not be required by the terms of this Agreement to be directly or indirectly involved in the provision of goods, software, services and/or technical data that may be prohibited by applicable export control or economic sanctions programs if performed by OWNZONES.

17.8. Severability. This Agreement will be enforced to the fullest extent permitted by applicable law. If any provision of this Agreement is held to be invalid or unenforceable to any extent, then the remainder of this Agreement will have full force and effect and such provision will be interpreted, construed or reformed to the extent reasonably required to render the same valid, enforceable and consistent with the original intent underlying such provision.

17.9. Publicity. Any press release announcing the existence of this Agreement must be approved by all Parties.

17.10. Entire Agreement. This Agreement and the Schedule(s) executed pursuant hereto contain the entire agreement between the Parties with respect to the subject matter hereof and supersedes all oral understandings, representations, prior discussions and preliminary agreements, including the MOU. Except as otherwise expressly stated herein, this Agreement and any Schedules hereto may be amended only in writing signed by all Parties.

17.11. Counterparts. These Terms may be executed in one or more counterparts, each of which shall be an original, but taken together constituting one and the same instrument. Execution of a facsimile (e.g., .pdf or electronic signature) copy shall have the same force and effect as execution of an original, and a facsimile signature shall be deemed an original and valid signature.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the Effective Date first above written.

GENESIS MEDIA, LLC

By: _____
Name: Howard Misle
Its: Managing Member

ALEX NAHAI CONSULTING SERVICES, INC.

By: _____
Name: Alex Nahai
Its: CEO

OWNZONES MEDIA NETWORK, INC.

DocuSigned by:
By: Dan Goman
F9E1FE8803F5496...
Name: Dan Goman
Its: CEO

SCHEDULE A

YEAR ONE SERVICE FEE

		Year 1
Service Fee		
	Production	$2,205,000
	Technology & Development	$1,148,000
	Marketing	$507,000
	Channel Management (Sales/BD, Programming, Marketing)	$240,000
	*	
	Total Service Fee	**$4,100,000**

EXHIBIT 2

Robert Klein

From: Dan Goman <dgoman@ownzones.com>
Sent: Saturday, April 14, 2018 1:44 PM
To: hmisle@aol.com
Cc: Alex Nahai; Mitch Berman; neal@vipsincity.com
Subject: For Discussion

Hi Howard,

I tried to reach you today to run something by you since I couldn't get in touch with you, I'm sending you an e-mail just to get the conversation going.

As I think you're already aware, in the last 12 months or so, OWNZONES as a company has been increasingly moving in the direction of being a technology company *only*. This trend has greatly accelerated in the last 3 months or so – to the point where we have now started seeking buyers for all content assets and (with the exception of 420TV) we have completely ceased all content production.

So for OWNZONES, in terms of the content business, this only leaves us with 420TV and I am wondering if this is an opportunity for us to find a different structure for our relationship that would work better for both sides. To that end, I am proposing the following:

- We would keep doing the technology piece – nothing would change there
- The change would be in terms of content production, marketing and distribution. Specifically, I am wondering if you would be open to taking all current staff and employing them directly – perhaps under the 420TV LLC entity or Genesis.

Under this structure:

- You would control the budget 100%, no need to pre-pay OWNZONES anything anymore and rates would remain the same
- OWNZONES would just invoice you for the tech stuff
- As we are moving offices within the next 30-60 days (our lease is up), perhaps you guys can simply take our current office and use it to house the staff members
- You would have 100% dedicated staff that would only be working on 420TV

I don't want you to think that we are simply wanting to dump 420TV – that is NOT the case. I am just thinking that given our current company direction, the fact that 420TV would be our only content business – perhaps my proposed structure would work best for all of us. Of course, we would still have the special relationship that we have today, we would assist every step of the way and we would work just as hard to make this successful. I really believe we should change the structure now as the content side will increasingly NOT be a core competency for us.

Can you please let me know your thoughts on this proposal?

Thank you!

-Dan

EXHIBIT 3

LYNN M. DEAN (Cal. Bar No. 205562)
Email: deanl@sec.gov
CHRISTOPHER A. NOWLIN (Cal. Bar No. 268030)
Email: nowlinc@sec.gov

Attorneys for Plaintiff
Securities and Exchange Commission
Michele Wein Layne, Regional Director
Alka Patel, Associate Regional Director
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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, vs. OWNZONES MEDIA NETWORK, INC., DANIEL GOMAN and JOSEPH GOMAN, Defendants.	Case No. **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 defendant Daniel Goman resides in this district and defendant OwnZones Media Network, Inc. has its principal place of business here.

SUMMARY

4. From 2011 through the present, OwnZones Media Network, Inc., its CEO and president Daniel Goman ("Dan Goman"), and its agent and stock salesman Joseph Goman ("Joe Goman") raised roughly $45 million offering and selling an unregistered securities offering to over a thousand investors without any exemption from registration. The company engaged in general solicitation and raised money from numerous unaccredited investors, purporting to avoid selling to too many unaccredited investors by devising a "subinvestment" process whereby "subinvestors'" money has been aggregated under supposedly accredited "direct investors." OwnZones is continuing to raise money through its unregistered offering, taking in millions of dollars in recent months.

5. OwnZones, Dan Goman, and Joe Goman also committed fraud in the course of offering and selling OwnZones stock. Joe Goman, while selling OwnZones stock on behalf of the company, made multiple misstatements to investors that ranged from saying that Venture Capitalist MC and MGM had purchased OwnZones stock for $5 per share to representing that Google had offered to buy OwnZones for $500 million. Joe Goman also made baseless predictions that OwnZones was about to go public and that its IPO price would be many multiples higher than what investors

were paying for their shares. OwnZones and Dan Goman made additional statements to investors concerning OwnZones' IPO and the status of discussions with major company investors that were false or misleading. Moreover, Dan Goman, who runs the company's day-to-day operations and has primary responsibility for handling investments in the company, is liable as a control person of OwnZones, and he did not act in good faith because he ignored multiple warning signs about Joe's misconduct in connection with his OwnZones fundraising efforts.

6. By this conduct, all of the Defendants violated Sections 5(a), 5(c), and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. In addition, Dan Goman is liable under Section 20(a) of the Exchange Act for OwnZones' violations of that Act.

7. 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; disgorgement with prejudgment interest; and civil penalties as to all Defendants.

THE DEFENDANTS

8. OwnZones Media Network, Inc. is a Nevada corporation based in Beverly Hills, California. OwnZones is an entertainment technology company that claims to provide a technology that allows content providers to make their content available in a standardized format to various digital platforms. OwnZones has not registered any offerings or securities with the SEC.

9. Daniel Goman, age 43, is a resident of Los Angeles, California. He is the founder, sole board member, president, chief executive officer, and largest shareholder of OwnZones Media Network, Inc.

10. Joseph Goman, age 31, is a resident of Phoenix, Arizona. He is Dan Goman's younger brother and was, until May 2018, a paid consultant for OwnZones who presented to current and prospective investors and also performed business development and sales functions.

THE ALLEGATIONS

A. Overview of OwnZones and Dan Goman's Role

11. OwnZones is an entertainment-technology company based in Beverly Hills. The company has developed a cloud-based technology that supposedly allows content providers to more efficiently and cheaply make available their content packages in a standardized format to various digital platforms.

12. OwnZones has provided services for various well-known companies, including Magnolia Pictures (Venture Capitalist MC's film company), MGM Entertainment, and Sinclair Broadcasting. The company has never been profitable.

13. Dan Goman, OwnZones' founder, chief executive officer, president, and largest shareholder, runs OwnZones' day-to-day operations.

14. Dan Goman has ultimate authority over and responsibility for OwnZones' interactions with investors and prospective investors, and he has final authority for determining whether to accept someone's investment in OwnZones.

15. Dan Goman is the sole signatory on OwnZones' bank account that receives both investor money and revenue from OwnZones' business, and he has the sole authority to disburse money out of the account.

16. As CEO, Dan Goman has exclusive authority to decide if OwnZones will take on major investments or be acquired or bought, as well as sole authority to sell off significant company assets.

17. Per a 2013 board resolution executed by Dan Goman as the sole member and director of OwnZones' board of directors, OwnZones pays the "critical expenses" for Dan Goman and his family, which include their day-to-day living expenses.

B. OwnZones' Unregistered Offering to Retail Investors

18. OwnZones started the offering which it has referred to as its "Series A" round of funding in July 2011, offering its stock at $0.25 per share.

19. The Series A offering was ongoing from 2011 through at least February 2020.

20. In total, OwnZones' Series A offering has raised at least $45 million from hundreds of investors since July 2011.

21. OwnZones never registered its offering with the SEC.

22. OwnZones claimed in a Form D it filed with the SEC in April 2014 that it was relying on an exemption under Securities Act Regulation D, Rule 506(b).

23. As of April 29, 2019, the company had raised at least $39,049,603.78 during its Series A offering from over 1,000 investors. Of that amount, over $33,809,988 was raised since the beginning of 2014.

24. Dozens of investors, some of whom had invested previously in OwnZones, have again invested in OwnZones in the last 12 months. Some of the recent deposits into OwnZones' account are for hundreds of thousands of dollars and, given OwnZones' method of selling stock in the past, (see Section E, *infra*), likely consist of money aggregated from a number of individuals investing under a single individual's name.

25. OwnZones raised $420,000 from investors in January 2020, the last full month for which the SEC has bank records.

C. OwnZones' Purported Series B Raise

26. OwnZones made some unsuccessful attempts to raise money from institutional investors, some of whom have contractual business relationships with OwnZones. It deceived other investors by misrepresenting the status of these fundraising efforts.

27. OwnZones referred to its attempts to attract institutional investors as its "Series B" or "Series B raise." While OwnZones had preliminary discussions with a number of large, well-known companies, including companies with ties to Venture Capitalist MC, as well as MGM, Sinclair Broadcasting, and Google Ventures, those discussions never progressed to discussing critical terms of investment such as price per share and never resulted in an offer to invest.

28. OwnZones frequently referred to the Series B raise in its emailed

investor updates and presentations, suggesting that it was near closing a Series B offering and that the offering would allow it to "hit its IPO." As of the end of September 2019, none of the major companies identified by OwnZones in its investor communications as being likely investors in the company had invested or offered to invest in OwnZones in Series B.

D. OwnZones' Solicitations of Series A Investors

29. Between 2011 and the beginning of 2016, Dan Goman was the principal person responsible for raising money for OwnZones and interfacing with investors.

30. Dan Goman's efforts to solicit investors for OwnZones generally consisted of "networking and meeting with a lot of people."

31. Approximately 80% of the capital raised by OwnZones came from Romanians or the Romanian-American community.

32. In early 2016, Dan Goman began to engage others to assist in soliciting OwnZones investors.

33. In early 2016, Dan Goman gave his brother Joe Goman the task of presenting information about OwnZones to existing and prospective investors.

34. Joe Goman was authorized to, and did, present to existing and potential investors.

35. From March 2016 up until at least mid-2017, Joe Goman made a series of live presentations to groups of prospective investors, many of whom were acquaintances of existing investors or acquaintances of acquaintances.

36. Joe Goman raised at least $6 million from hundreds of people, many of whom had not previously invested in OwnZones.

37. From summer 2016 until November 2017, Individual F worked in OwnZones investor relations and communicated with investors from the company's investor relations email account. Individual B replaced her in approximately November 2017. Individual B continues to work at OwnZones. Individual F, and later Individual B, would field investor inquiries, handle investor documentation

issues, and send out investor updates authored by Dan Goman.

38. OwnZones used a "Series A Common Stock Subscription Agreement" that included a section titled "investor qualifications," where prospective investors were asked to check off whether they had a particular minimum net worth or made a specified minimum annual income.

39. Dan Goman was aware that to qualify for an exemption from registration, OwnZones could raise money from a maximum of 35 unaccredited investors.

40. Joe Goman was aware that OwnZones could have only 35 unaccredited investors to qualify for an exemption from registration, and discussed that limit with Dan Goman when Joe Goman started presenting to investors in early 2016.

41. OwnZones relied soley on prospective investors' representations in the subscription agreements and did not collect information from the investors to verify their net worth and income information, nor did it collect information related to the investors' sophistication.

42. OwnZones did not provide investors with audited or unaudited financial statements.

43. OwnZones' April 2014 Form D indicated that as of that date, it had 34 unaccredited investors.

44. The company's internal capitalization tables indicate that it had at least 35 unaccredited investors by early 2014.

45. Nearly all the hundreds of investors listed in OwnZones' internal capitalization tables are labeled as "accredited."

E. OwnZones' Use of Subinvestors and Inaccurate Designations of Investors' Accreditation

46. The capitalization tables maintained by OwnZones about whether its investors are accredited are inaccurate, because the company in reality has far more than 35 unaccredited investors.

47. In addition to the 35 unaccredited investors shown on OwnZones' internal capitalization table, OwnZones has hundreds of "subinvestors," whose funds were aggregated under several OwnZones' investors whom OwnZones referred to as "direct investors."

48. In addition, many of the "direct investors" identified in OwnZones' internal capitalization table as "accredited" are in fact unaccredited investors.

1. Subinvestors

49. From at least February 2016 to late 2018, OwnZones aggregated hundreds of individuals' investments by categorizing them as "subinvestors" under the names of other direct investors in OwnZones' internal capitalization table.

50. The direct investor and each subinvestor under his or her account would enter into a form "Stock Purchase Agreement" or "subinvestment agreement," which set out that the direct investor would purchase OwnZones stock on behalf of the subinvestor, with the subinvestor's money, and hold that stock in the direct investor's name until OwnZones either conducted an initial public offering or achieved some other liquidation event, at which point the stock would be transferred to the subinvestor.

51. The subinvestment agreements stated that the direct investor had spoken with Dan Goman about the transaction and that Dan had said this was an acceptable way for the subinvestor to buy pre-IPO stock in the company without meeting a minimum purchase amount.

52. OwnZones provided the direct investor with a subscription agreement and stock certificate with OwnZones in the direct investor's name for a total sum of whatever he and the subinvestors under him had invested.

53. The subinvestors had no direct agreement with OwnZones.

54. Although the subinvestors had no direct agreement with OwnZones, they generally made their checks payable to OwnZones or wired or deposited their money directly into the company's bank account.

55. OwnZones did not request any information from subinvestors regarding their net worth, income, or sophistication, nor did it ask the direct investors to request such information from the subinvestors or provide the direct investors any restrictions on who could be subinvestors.

56. Dan Goman and others at OwnZones were aware of and encouraged subinvestment as a means of investing in OwnZones.

57. For example, in February 2016, Dan Goman emailed the subinvestment agreement to Joe Goman, who used it to raise millions of dollars from hundreds of subinvestors from March 2016 to at least the end of 2017.

58. Joe Goman understood the purposes of subinvestment as being twofold—first, to keep the number of direct investors down, and second, to allow people who were unaccredited to invest.

59. In or around March 2016, Dan Goman told Investor D, a direct investor with over 50 subinvestors under her account, that the subinvestment agreement came from OwnZones and that she should use it to sign up subinvestors.

60. At various points between June and October 2016, Dan Goman described the subinvestment process to company investor relations representative Individual F and provided her with the subinvestment agreement and various communications detailing the mechanics of the subinvestment process.

61. Dan Goman also on various occasions directly approved requests for people to invest as subinvestors.

62. Up until at least mid-2018, OwnZones' investor relations representatives routinely corresponded with direct investors about the subinvestment process, often exchanging spreadsheet summaries of the subinvestors under particular direct investors, and even in some cases directly sending the subinvestment agreement to direct investors for them to use.

63. At OwnZones' invitation, many subinvestors attended a series of company presentations in late 2016 and early 2017 where Dan Goman made

presentations to existing investors (referred to by OwnZones as "road shows").

64. Between March 2016 and the end of 2017, OwnZones raised millions of dollars from hundreds of subinvestors.

65. None of the subinvestors is reflected on OwnZones' capitalization tables as investors in the company. Instead, they are grouped under different direct investors, some of whom have dozens of subinvestors and hundreds of thousands dollars in subinvestor money under their accounts.

66. OwnZones has collected no information from the subinvestors to establish their accreditation status.

67. OwnZones' incomplete records of subinvestors make it impracticable to determine the identities, or accreditation status, of all of OwnZones' shareholders.

2. Unaccredited Investors Listed as Accredited

68. Certain direct investors designated in OwnZones' records as accredited are actually unaccredited.

69. At least seven investors represented to OwnZones in their subscription agreements that they did not satisfy any of the standards to qualify as accredited investors.

70. However, those same investors are identified as accredited in the subscription agreements and internal company capitalization tables.

71. At least one direct investor, Investor D, who is listed in OwnZones records as "accredited" and who has at least 65 subinvestors under her account, is not accredited.

72. Joe Goman told Investor D she should indicate she was accredited on her purchase agreement, which she did.

F. Joe Goman's Role at OwnZones

73. Joe Goman began working for OwnZones in early 2016.

74. When he was hired, Joe Goman did not have prior experience raising funds for investments.

75. Joe Goman worked for OwnZones until May 2018.

76. At various times during his work for OwnZones, Joe Goman's responsibilities included raising money, interacting with investors, and performing business development and product sales functions.

77. In or about late 2015 or early 2016, Joe and Dan Goman discussed having Joe present to investors for purposes of raising additional money. Dan Goman approved Joe doing so.

78. In or about March 2016, Dan Goman spoke to Investor D, an investor whose network of friends Joe Goman presented to, that Joe would be handling the raising of funds for OwnZones.

79. In February 2016, Dan Goman emailed Joe Goman a form subinvestment agreement. Joe understood that he was to use the subinvestment agreement to sign up investors.

80. In March 2016, Dan Goman emailed Joe Goman a power point presentation for Joe to use to present to investors. Upon information and belief, Dan Goman approved the content of the power point presentation.

81. While he was making presentations to investors, Joe Goman had access to OwnZones' password-protected DropBox account that contained a number of other documents describing OwnZones' business, which Joe used in his presentations to investors. Dan Goman was aware that Joe Goman had access to the Dropbox account.

82. OwnZones compensated Joe Goman by reimbursing him for his expenses incurred in traveling to present to investors, and also by providing him a salary tied to time he spent on investor matters and business development efforts.

83. Joe received Dan Goman's approval before traveling to present to investors.

84. Typically, after each trip, Joe Goman would meet with Dan Goman and update him about the trip, and Dan would approve of Joe's compensation payment.

85. Joe, who was formally retained as a consultant, received his first check from OwnZones in March 2016. Throughout 2016 and 2017, while he was actively raising money for OwnZones, he generally received checks each month that totaled anywhere between $3,000 and $5,000. In total, Joe Goman received at least $89,000 in compensation and expense reimbursement from OwnZones for his work.

86. At some point in early 2016, OwnZones, with Dan Goman's approval, provided Joe Goman with an OwnZones email address.

87. Joe used this OwnZones email address to communicate with OwnZones investors.

88. On March 23, 2016, Individual F, OwnZones investor relations employee, forwarded Joe a business card template with the job title, "Joe Goman, OwnZones Consultant." The business card contained OwnZones' logo and website, as well as the company's Phoenix physical address and office phone number.

89. Joe Goman used this template to create business cards that he passed out at presentations to investors.

90. Individual F saw Joe Goman make at least one presentation to prospective investors in OwnZones' Phoenix office.

91. Joe Goman made sales presentations to investors in OwnZones' Beverly Hills office in June 2016. Joe also accepted checks in the Beverly Hills' office on a different date from at least one investor.

92. Joe provided investors with documentation reflecting his apparent and actual authority to sell stock for OwnZones, including an "OwnZones Investment Opportunity Agenda" that prominently displayed the OwnZones logo, phone number, and email address and described Joe as an "OwnZones Consultant/Financial Planner."

93. Throughout 2016 and 2017, Individual F, OwnZones' investor relations employee, routinely referred existing and prospective investors with questions to Joe Goman, referring to him in one case as "our representative."

94. In 2016 and 2017, Individual F also often consulted Joe Goman as a source of information when investors asked her questions about OwnZones.

G. Joe Goman's Presentations and Statements to Investors

95. In early 2016, Joe Goman began presenting to existing and prospective OwnZones investors. He made numerous false statements during his presentations, some of which were captured on video recordings.

96. Through his presentations and conversations with investors, Joe Goman raised millions of dollars, which OwnZones accepted, from multiple networks of investors.

97. In two separate written communications, one dated December 4, 2018 and another dated February 25, 2019, Joe Goman claimed that he had raised up to $12 million for OwnZones.

1. Joe Goman's March 2016 statements to investors

98. In March 2016, Joe Goman traveled to Southern California to present to Investor D, an OwnZones investor, and her friends and associates.

99. Dan Goman knew of this trip and authorized it.

100. Investors in attendance at the March 2016 presentation in Southern California believed that Joe Goman had authority to sell stock on behalf of OwnZones. Investor D was personally told by both Dan Goman and Joe Goman that Joe had such authority.

101. On March 26, 2016, Joe Goman sent Investor D an email describing OwnZones as the "financial opportunity of a lifetime." Joe's email also stated that OwnZones had received "buyout offers" from two major companies, elaborating that "[a] buyout offer means the risk to investors is essentially zero." The email stated that OwnZones was only months away from going public and compared it to other major technology companies that had seen huge increases in stock prices when they went public, making their early investors "millionaires many times over."

102. On March 28, 2016, Investor D sent out her own email to friends with

the subject line "Exclusive Investment Opportunity." In this email, Investor D pasted the content that Joe Goman had provided On March 26, 2016 and also included additional information. The email stated that OwnZones was "about to go public" and had received "many fruitful offers from major companies such as MGM, Time Warner and Google, all wanting to buy our company." The email also described this as the "very last opportunity to invest in OwnZones before it goes public," indicating that "[a]ll money would need to be available this week" because "[t]his is a very time sensitive opportunity." The email indicated that Dan Goman was sitting down with the heads of MGM and Google the next day, noting that time was of the essence to invest. Investor D obtained the information in this email from Joe Goman, who was aware she would be providing it to prospective investors.

103. Joe Goman presented to various prospective investors at Investor D's residence in the days after Investor D sent her March 28 email about the investment. At these presentations, Joe Goman again reiterated that OwnZones was about to go public.

104. Joe Goman's representations to investors during these early presentations were false. OwnZones had not received buyout or investment offers from any major companies as of March 2016, let alone from MGM, Time Warner, or Google. As of March 2016, OwnZones was not planning to go public within only a few months and had not taken any significant steps towards that process. Dan Goman was also not about to sit down with the heads of MGM and Google to discuss those companies investing in OwnZones, and the investment was not about to close.

2. Joe Goman's May 2016 presentation to investors

105. In May 2016, Joe Goman traveled to Washington State to present information regarding OwnZones to a group of investors at the home of one of his sisters.

106. Dan Goman was aware that Joe was traveling to make this presentation.

107. The May 2016 presentation was videotaped at Joe's direction, and Joe

afterwards sent the video to a direct investor in Sonora, California who had a network of dozens of subinvestors under his account.

108. Joe Goman's May 2016 presentation to investors was authorized by OwnZones.

109. Another OwnZones employee joined Joe's presentation via video conference from OwnZones' Phoenix office, spoke about OwnZones' technology, and provided a virtual tour of the Phoenix office for those investors in attendance at Joe's presentation.

110. During the May 2016 investor presentation in Washington, Joe Goman made false statements that certain famous individuals and companies had invested in OwnZones. For instance, Joe said, "We're selling shares right now to Venture Capitalist MC and MGM and they want to come in with significant amounts of money. And we're selling shares to them at $5." Joe Goman emphasized to his audience the importance of his false claims regarding the investment offers from major companies, saying, "So automatically, if you just want to put it like that, the minimum it could possibly enter in at is $5, so every 25 cents will get turned into $5. So at this point of the game, there's no risk involved. It's not a risk that you guys are taking. It's a blessing that we are giving."

111. Joe's statements about Venture Capitalist MC and MGM were false. While OwnZones had engaged in some preliminary investment discussions with MGM and a representative of Venture Capitalist MC, neither had ever made any actual offers to invest in OwnZones at any particular price per share, nor had they actually invested.

112. Joe Goman also falsely stated during this presentation that Warner Brothers had offered to invest in OwnZones and that OwnZones was not sure if it was going to accept the offer.

113. Joe Goman also falsely stated during this presentation that OwnZones was going to go public by the end of 2016, stating that he personally believed it could

occur sooner than that. Joe Goman pressured investors, stating that OwnZones would be closing the investment opportunity within weeks to adhere to its target to hit its IPO at the end of 2016.

114. In fact, OwnZones did not have a plan in May of 2016 to complete its IPO by the end of that year, and OwnZones has never taken substantial steps towards an IPO, such as hiring an investment banker, or hiring counsel to prepare a registration statement.

3. Joe Goman's June 2016 presentation in OwnZones' Beverly Hills office

115. In June 2016, Joe Goman gave another presentation in OwnZones' Beverly Hills office to OwnZones investors associated with Investor D. This presentation was also recorded with Joe's knowledge, and the video recording was made available to investors not in attendance. During the presentation, Joe Goman made multiple false and misleading statements.

116. At the June 2016 presentation, Joe Goman stated that Google had offered to "buy out" OwnZones for $500 million but OwnZones did not accept the offer.

117. This statement was false, as Google has never offered to invest any amount in OwnZones.

118. Joe Goman also spent a significant part of the June 2016 presentation describing how Sinclair Broadcasting was on the verge of merging with or making a significant investment in OwnZones. Joe stated that Sinclair had told OwnZones that "[t]he only way we'll sign this contract [related to Sinclair's use of OwnZones product] with you, OwnZones, is if you merge with us or we invest $50 million plus in your company," leading Joe to say, "[s]o it's either a merger or an immense investment, which in turn gives them [Sinclair] a, you know, a significant percentage."

119. At the presentation, Joe Goman projected that the resulting stock price

from any deal between OwnZones and Sinclair would be over $30 per share, describing that as a "10,000 odd percent return or something like that" and commenting that "it's just a ridiculous return." Joe projected that the stock price after a merger between Sinclair and OwnZones could be higher than $80 per share.

120. Joe Goman's statements were false, as Sinclair never made an offer to invest any amount in OwnZones at any price per share. While OwnZones was at some point engaged in general investment discussions with Sinclair, those discussions never progressed to identifying a specific price per share, nor did the two companies discuss a potential merger. Joe Goman therefore had no basis for his projections of expected stock prices resulting from such a merger or investment.

121. At the June 2016 presentation, Joe Goman also stated that OwnZones' stock was already worth $2 per share because it was being sold at that price, leading him to say that "there is no risk at this point" and that the stock was worth seven times the price at which it was being offered.

122. Joe Goman's statement that the stock was being sold for $2 per share was false. No one had purchased or offered to purchase OwnZones stock for $2 per share and Joe had no factual basis for saying that they had or that there was no risk to the investment.

123. Joe Goman represented to investors at the June 2016 presentation that OwnZones was on the verge of commencing its IPO, saying "you're talking about getting in right before either a merger or IPO." These statements were not true. OwnZones was not about to undergo an IPO (or merge with anyone) as of June 2016.

124. Joe Goman's false statements at the June 2016 presentation about an imminent IPO or merger were intended to and did convey a misleading sense of urgency to invest. Joe told investors that if they wanted to be sure to get a chance to invest they needed to give him a check that very evening because Dan Goman was meeting with Sinclair the next day, which could mean the end of the opportunity. This purported urgency was based on false premises— although Dan Goman did

meet with Sinclair around this time to discuss the two companies' business relationship, OwnZones was not about to merge with Sinclair or receive an investment from it.

4. Joe Goman routinely made misrepresentations to investors

125. The misstatements in paragraphs 98 to 124 above were part of a recurring pattern of Joe Goman providing false information to investors.

126. For example, after his June 2016 presentation, Joe approved a draft email from direct Investor C to friends whom she intended to invite to invest as subinvestors. In that email, Investor C passed on the false information that Joe had provided, stating that "[t]he company is planning to go public within the next few months and would open at a minimum of $10, but probably much higher." These statements were false.

127. In addition to false statements about an IPO, Joe also falsely told Investor D and her associates that Venture Capitalist MC had wanted to buy OwnZones, had been rejected, and then had invested 20% in the company. None of these statements were true.

128. Joe Goman made similar misstatements in 2017, including to a large network of Montana investors. Joe told Investor B, a Montana investor with dozens of subinvestors under her account, that Venture Capitalist MC had invested $5 million in OwnZones and wanted to invest more but was denied by OwnZones. Joe Goman also told Investor B that Google had offered to invest in OwnZones but that OwnZones rejected the offer.

129. Joe Goman further represented to Investor B that certain investors were paying $6 per share for the same OwnZones shares that were being offered for $0.25 per share to Investor B and her friends, leading her to repeat this statement to others. Additionally, Joe represented that when OwnZones went public, the likely price range would be between $10 and $40 per share, emphasizing the specific figure of $25 per share as a likely price.

5. Joe Goman's misstatements were material

130. Investors considered information regarding the status of OwnZones' efforts to raise money from major companies to be very important.

131. Joe Goman described the investments by well-known companies as possible buyouts of OwnZones or immediate precursor transactions to an IPO, either of which would allow the investors to realize the astronomical profits Joe was promising, lending even more importance to the claims of investments by major companies, and the statements about an IPO being imminent.

132. Investors considered the IPO timing as the most important piece of information informing their investment decision, and both Joe Goman and Dan Goman knew that it was the issue investors asked OwnZones' representatives about most frequently

6. Dan Goman's knowledge of Joe Goman raising money

133. Dan Goman was aware, throughout 2016 and 2017, that Joe Goman was making presentations to potential investors and raising millions of dollars.

134. Many investors gave their investment checks directly to Joe Goman. In some cases, Joe Goman deposited the checks into OwnZones' bank account himself, but in other cases, he delivered the checks to Dan Goman or Individual F.

135. Individual F orally told Dan Goman that Joe Goman brought her investor documentation.

136. Dan Goman emailed Joe Goman on May 13 and June 30, 2016 asking him to follow up on investor checks that had bounced.

137. From at least late 2016 through 2017, Joe Goman updated Dan Goman every few weeks by email or in person regarding his efforts to raise money for OwnZones:

a. On October 25, 2016, Joe Goman emailed Dan Goman that he has checks for Dan that he will provide when he next sees him;

b. On December 31, 2016, Joe Goman texted Dan Goman a copy of

a deposit slip for $100,000 and says "More on the way."

c. On March 2, 2017, Joe Goman emailed Dan Goman an update about the status of fundraising and more money coming in;

d. On March 19, 2017, Joe Goman emailed Dan Goman with a status update regarding fundraising;

e. On May 4, 2017, Joe Goman emailed Dan Goman about money coming in and a $300,000 fundraising target;

f. On July 31, 2017, Dan Goman emailed Joe Goman in response to Joe's inquiries and fundraising update;

g. On August 4, 2017, Joe Goman emailed Dan Goman to update him on fundraising activity;

h. On August 16, 2017, Joe Goman emailed Dan Goman to update him on funds coming in;

i. On September 17, 2017, Joe Goman emailed Dan Goman regarding potential hedge fund investment;

j. On October 18, 2017, Joe updated Dan Goman about a potential new investor;

k. On November 4, 2017, Joe Goman updated Dan Goman about incoming money.

138. In these update emails, Joe Goman provided projections regarding how much money he expected to raise, sometimes referring to target amounts, and informed Dan that he either already had deposited checks into OwnZones' bank account or planned to do so soon.

139. Dan Goman typically responded to Joe Goman's updates by expressing his appreciation, but he also gave him talking points and advice on what to say to investors. For example, in one July 31, 2017 email exchange, Joe Goman asked Dan Goman for more information regarding the state of OwnZones' business because Joe said it was getting difficult to continue to raise funds without clarity as to the status

of the company's Series B offering , noting that the timelines he gave investors kept getting pushed back.

140. In response to Joe Goman's July 31, 2017 email, Dan Goman claimed that the delay in closing Series B was because "a ton of new companies reached out to us to offer investments," and "we decided to consider all offers prior to making the final decision on who we will include in our Series B final list of investors." Dan further claimed, "[w]e have more than 20+ companies/investment firms that are now wanting to invest and we are considering all offers." Dan Goman also said that Goldman Sachs and Bain Capital asked to be considered but that they wanted to buy out the whole $20 million round themselves. Dan also told Joe Goman that "it looks like we are about 60-90 days out from Series B closing – that means cash in bank."

141. Dan Goman's claims to Joe Goman were false. No company had offered to invest in OwnZones as of July 2017. Although OwnZones may have engaged in some preliminary talks with Goldman and Bain, neither had expressed an intention to invest, let alone to invest $20 million.

7. Warning Signs about Joe Goman

142. Dan Goman was Joe Goman's primary supervisor at OwnZones.

143. Dan provided Joe with some initial direction and then would meet with him in Ownzones' Phoenix office about once a month.

144. Despite having the authority to do so, Dan did not limit or restrain Joe's stock selling activities.

145. In January 2017, direct Investor C informed Dan Goman by email that Joe Goman had given out "a lot of misinformation regarding the IPO," including that Joe had said in March 2016 that OwnZones would be going public soon.

146. Investor C also forwarded Dan her January 31, 2017 email exchange with Joe where Joe made multiple false statements, including that a former SEC commissioner was consulting on OwnZones' IPO.

147. In the January 2017 email Investor C forwarded to Dan Goman, Joe

Goman had implied certain well-known entities (MGM, entities related to Venture Capitalist MC, Sinclair, and Liberty Global) had actually already invested in OwnZones. Joe Goman also wrote that the Series B raise would close by the end of the first quarter of 2017, representing that the Series B investors wanted OwnZones to hit its IPO soon and were working with underwriting banks.

148. Dan Goman's email response to Investor C included an apology, acknowledging that "[t]he investor side for us was always a little challenging as the focus was on the [business development and technology] mainly."

149. In February and March 2017, Investor C again emailed Dan Goman to say she had "egg on [her] face" with friends she convinced to invest back in July 2016, explaining that she "encouraged them to invest based on information given at the meetings Joe [Goman] held, telling us the company would be going public soon (back in March of 2016)."

150. In August 2017, Investor C emailed Dan Goman again saying that Joe had provided "a lot of misinformation" in his presentations. She also noted that Joe had highlighted information about partnering with various entities. Dan Goman responded, "Also - in terms of the info that was shared with the investors - to be fair, all of the stuff that Joe mentioned was actually true, but he was off on the timing. We are working with MGM, Sinclair, etc."

151. Joe Goman continued to raise money for OwnZones until the end of 2017, and Dan Goman was aware he was doing so.

152. At the end of 2017, Dan Goman transitioned Joe Goman out of raising money and into business development.

153. At some point in mid-2018, OwnZones terminated its relationship with Joe Goman.

154. Joe received a payment from OwnZones on May 22, 2018 and used his OwnZones email account until at least June 14, 2018.

H. Other False and Misleading Statements by OwnZones and Dan Goman

155. Other OwnZones representatives, including Dan Goman, made misrepresentations to investors, repeatedly telling them that major companies were about to invest in OwnZones and that the company would soon go public. These statements were highly misleading.

156. For example, in October 2016, OwnZones investor relations representative Individual F told Investor D by email that OwnZones estimated it would go public by the end of that year. Individual F obtained this information from Joe Goman.

157. In addition, in a series of investor presentations in December 2016 and January 2017, Dan Goman presented a PowerPoint that stated that OwnZones was in the "diligence phase" with "4 major powerhouse investors," noting that the company's plan was to proceed to IPO soon after Series B closing "with Series B investors driving the IPO."

158. Existing OwnZones' investors invested additional money after hearing the statements in paragraphs 156 and 157.

159. These statements were false; OwnZones was not in a due diligence phase with four investors at the time.

160. At one late 2016 roadshow presentation in Southern California, Dan Goman assured a room full of investors that "you'll all be millionaires" when responding to their questions about the value of their shares when OwnZones went public.

161. Existing OwnZones' investors invested additional money after hearing the statements in paragraph 160.

162. On June 28, 2017, in response to Individual F informing Dan Goman of inquiries from Investor D and her investors, Dan directed Individual F to call Investor D and to "have her explain to her investors that we are in the final stages of series b and THEN we are going to iPO. [sic] Just like we told them at the meetings."

163. Individual F passed this information on to Investor D, telling her that Series B was estimated to close by August or October 2017 at the latest.

164. After receiving these statements, Investor D purchased additional shares on behalf of her subinvestors.

165. These statements were false; OwnZones was not in the final stage of a Series B financing at this time.

166. OwnZones' August 2017 investor update, distributed to investors by email and authored by Dan Goman, stated that OwnZones had "more than 20 large investment firms, companies and individuals that want a chance to invest in OWNZONES," explaining that "[t]he list now includes some of the biggest companies in the world, including Amazon, Goldman Sachs, Microsoft, Time Warner – and this is in addition to the original companies we discussed last year (all original investors are still in the running, especially Venture Capitalist MC)."

167. These statements were false; the entities listed by Dan Goman had not expressed the intention of investing in OwnZones.

168. Existing OwnZones investors who received the August 2017 investor update subsequently invested additional money in OwnZones.

169. A March 2018 OwnZones investor update, distributed to investors by email, and authored by Dan Goman, stated that "the company is now in very advanced stages of investment discussions with approximately 6 major entities (more details coming shortly)."

170. This statement was false; OwnZones was not in advanced discussions with any other entities.

171. Existing OwnZones investors who received the March 2018 investor update subsequently invested additional money in OwnZones.

I. OwnZones' Lulling of Existing Investors

172. In a March 17, 2017 email to Investor C, Dan Goman stated, "[t]he Series B close is in process now, I hope to be able to announce it no later than mid

Q2." He continued, "The IPO happens soon after, but we do not have an exact date."

173. Dan Goman's March 17, 2017 email to Investor C was false; OwnZones was not in the process of closing a Series B financing at that time.

174. In April 2017, Individual F texted Dan Goman that investors were inquiring into whether Venture Capitalist MC was still planning to invest in OwnZones per statements made at one of the road shows. Dan responded, "yes," which led Individual F to tell an investor who had asked that everything mentioned at the road show was still moving forward, including OwnZones' relationship with Venture Capitalist MC.

175. This was false. In reality, a representative of Venture Capitalist MC's companies had told Dan Goman that if OwnZones demonstrated improved performance in the future such that the representative thought Venture Capitalist MC would be interested, the representative would take the OwnZones concept to Venture Capitalist MC for his consideration. No entity related to Venture Capitalist MC has ever invested or offered to invest in OwnZones.

176. In a series of emails in October and November 2017, OwnZones' investor relations representative Individual B represented to investors that Series B was about to close. For instance, he told one investor that "Series B is in the final stages of being completed" and another that "[w]e are right at the end of Series B, just buttoning up the last of it," emphasizing that "it's closer then [sic] ever." He told another investor in November 2017 that Series B would be closing by the end of that year.

177. Dan Goman gave Individual B the information regarding the status of the Series B offering that Individual B provided to investors.

178. These statements were false; OwnZones had not raised money in a Series B offering, and the offering was not going to close by year-end.

179. In May 2018, Individual B represented to an investor by email that OwnZones hoped to have the Series B offering wrapped up by the summer, and in

reference to the price per share being paid by Series B investors said, "I can tell you this, they are paying way more than what series A investors did."

180. Prior to the May 2018 email, Dan Goman had orally told Individual B that Series B investors would be paying more than Series A investors had paid.

J. Defendants Violated the Antifraud Provisions

1. Defendants made false and misleading statements

181. As set forth above, Joe Goman made multiple false and misleading statements to OwnZones investors. These included, among other things, statements that well-known companies such as entities related to Venture Capitalist MC, MGM, Sinclair, and Google had offered to invest in OwnZones or had already invested and paid substantially higher prices than the $0.25 per share price that OwnZones was offering to its retail investors. These individuals and companies had not in fact actually invested or offered to invest in OwnZones. Moreover, throughout 2016 Joe Goman claimed in multiple presentations to investors that OwnZones was on the verge of going public, but this was also not true, as OwnZones never had a plan to go public within months and had not taken any steps necessary to do so. Joe also falsely claimed that purported investment offers from well-known companies eliminated all risk from an investment in OwnZones.

182. Also as set forth above, Dan Goman, directly and through other OwnZones representatives to whom he provided false information, also made false and misleading statements to investors. Dan and other OwnZones representatives repeatedly told investors that OwnZones was about to close its Series B investment round by getting investments from major companies, which would then lead to the company going public shortly thereafter. In reality, OwnZones never received any actual investment offers from these major companies that it highlighted, and the talks never even progressed to the point of discussing critical specific terms such as prices per share.

183. Joe Goman orally made his false statements to various investors in

presentations and conversations.

184. Dan Goman made the statements in OwnZones' emailed investor updates because he personally authored them, and had ultimate authority over whether the updates were issued. Dan Goman also personally made oral false and misleading statements to investors.

185. The false statements made by OwnZones' representatives Joe Goman, Dan Goman, Individual F and Individual B are attributable to OwnZones.

186. Joe Goman's false statements helped him raise millions of dollars for OwnZones, and he received money as a result because he was paid and reimbursed by OwnZones for his efforts in communicating with investors.

187. OwnZones likewise received money by means of the false representations, from investors who received those representations and subsequently invested in OwnZones.

188. Dan Goman received money raised through the false statements attributable to himself, Joe Goman, and OwnZones because OwnZones has paid his day-to-day living expenses out of offering proceeds.

2. Defendants' statements were material

189. Defendants' misrepresentations were material because they made it appear that OwnZones stock was already worth substantially more than $0.25 per share, substantially reducing the risk of the investment.

190. Investors also considered information regarding the timing of OwnZones' IPO to be important, as it bore directly on whether and when they could expect to realize the high returns being touted by Defendants.

3. Defendants acted with scienter

191. Joe Goman knew, or was reckless or negligent in not knowing, that his representations regarding major companies actually investing or offering to invest in OwnZones, and the immediacy of the company's putative IPO, were false and misleading.

192. Dan Goman knew, or was reckless or negligent in not knowing, that his representations regarding major companies actually investing or offering to invest in OwnZones, and the immediacy of the company's putative IPO, were false and misleading. Dan knew that Venture Capitalist MC had not committed to invest in OwnZones, that OwnZones was not in the final stages of Series B, and that major companies were not actually offering to invest in OwnZones. Dan Goman also knew, or was reckless or negligent in not knowing, that his representations to Individual F and Individual B would be repeated to investors. Individual F and Individual B were charged with interacting with investors and Dan Goman knew they sought information from him for that purpose.

K. Dan Goman Control Person Violation

193. Dan Goman is a control person of OwnZones. As CEO, president, and largest shareholder, Dan runs the day-to-day affairs of the company. He has sole authority to decide whether the company will accept major investments, be acquired or bought out, or sell off significant assets.

194. Dan Goman has always supervised OwnZones' investor relations efforts, and he has ultimate authority to determine whether the company accepts new investments. Dan is the sole signatory on OwnZones' bank account into which all investor money and revenue from operations goes, with the exclusive ability to withdraw money from that account. Dan has also been primarily responsible for determining how investor money is spent.

195. Dan Goman was Joe Goman's sole supervisor of Joe's responsibilities with respect to OwnZones investors. The training that Dan Goman provided Joe Goman, and his subsequent supervision of Joe, were minimal. Dan Goman met only infrequently with Joe as Joe presented to hundreds of investors and raised millions of dollars for the company.

196. Dan Goman also received multiple complaints from Investor C that included details about how Joe Goman had misrepresented information to investors

about the status of OwnZones' IPO and the state of negotiations with prospective major company investors. In response, Dan Goman continued to allow Joe to raise money from investors, and told Investor C that everything Joe had said was true in substance, if not in timing.

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

197. OwnZones offered and sold securities, raising at least $45 million from over a thousand investors throughout the U.S. from 2011 continuing up to today.

198. The offering of securities by OwnZones was never registered with the SEC, and the securities were offered and sold through interstate commerce.

199. OwnZones' Series A offering is not exempt from registration.

200. OwnZones' manner of raising money constituted general solicitation. Many of the investors, including those to whom Joe made group presentations, had no preexisting relationship with OwnZones and were often simply acquaintances of acquaintances of other investors.

201. OwnZones took no steps to verify whether investors were accredited and ultimately sold its stock to more than 35 unaccredited investors.

202. OwnZones investors were not furnished with financial statements or an audited balance sheet or equivalent.

203. OwnZones, as the issuer of the securities, directly offered and sold securities.

204. Dan Goman directly and indirectly offered and sold securities because he was a necessary participant and substantial factor in the offering as he was responsible for OwnZones' capital raising operations and the supervision of all OwnZones representatives involved in raising money. Among other things, Dan had ultimate authority for accepting investments in OwnZones and determining to whom stock would be issued. Dan Goman was also the sole signatory on the bank account that took in investor money.

205. Joe Goman directly presented to hundreds of current and potential

investors as part of an effort to offer and sell OwnZones stock. Joe was a necessary participant and substantial factor in OwnZones' unregistered offering because through his presentations to investors he raised millions of dollars.

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)

206. The SEC realleges and incorporates by reference paragraphs 1 through 205 above.

207. Defendants made multiple false and misleading statements to OwnZones investors. These included statements that well-known companies such as entities related to Venture Capitalist MC, MGM, Sinclair, and Google had offered to invest in OwnZones or had already invested and paid substantially higher prices than the $0.25 per share price that OwnZones was offering to its retail investors. These individuals and companies had not in fact actually invested or offered to invest in OwnZones. Joe Goman also claimed in multiple presentations to investors in 2016 that OwnZones was on the verge of going public. This statement was not true, as OwnZones never had a plan to go public within months and had not taken any steps necessary to do so. Joe also falsely claimed that purported investment offers from well-known companies eliminated all risk from an investment in OwnZones.

208. Dan Goman, and other OwnZones representatives relying on information provided by Dan Goman, made false and misleading statements to investors that OwnZones was about to close its Series B investment round by getting investments from major companies, which would then lead to the company going public shortly thereafter. These statements were false.

209. 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.

210. 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) of the Securities Act

(Against All Defendants)

211. The SEC realleges and incorporates by reference paragraphs 1 through 205 above.

212. Defendants made multiple false and misleading statements to OwnZones investors. Among other things, these included statements that well-known companies such as entities related to Venture Capitalist MC, MGM, Sinclair, and Google had offered to invest in OwnZones or had already invested and paid substantially higher prices than the $0.25 per share price that OwnZones was offering to its retail investors. These individuals and companies had not in fact actually invested or offered to invest in OwnZones. Joe Goman also claimed in multiple presentations to investors in 2016 that OwnZones was on the verge of going public. This statement was not true, as OwnZones never had a plan to go public within months and had not taken any steps necessary to do so. Joe also falsely claimed that purported investment offers from well-known companies eliminated all risk from an investment in OwnZones.

213. Dan Goman, and other OwnZones representatives relying on information

provided by Dan Goman, made false and misleading statements to investors that OwnZones was about to close its Series B investment round by getting investments from major companies, which would then lead to the company going public shortly thereafter. These statements were false.

214. 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; (b) made 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; and (c) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

215. By engaging in the conduct described above, Defendants each 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

Unregistered Offer and Sale of Securities

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

(Against All Defendants)

216. The SEC realleges and incorporates by reference paragraphs 1 through 205 above.

217. Defendants' offers and sales of OwnZones stock were not registered with the SEC and the securities were offered and sold through interstate commerce. No exemption applies to Defendants' offers and sales of OwnZones stock.

218. OwnZones, as the issuer of the securities, directly offered and sold securities through a general solicitation, raising around $45 million from hundreds of investors throughout the U.S. from 2011 to the present. OwnZones took no steps to

verify whether investors are accredited, and has raised money from more than 35 unaccredited investors. OwnZones investors were not furnished with financial statements or an audited balance sheet or equivalent.

219. Dan Goman is liable under Section 5 of the Securities Act because he directly solicited investors and was a necessary participant and substantial factor in the offering. Among other things, he was responsible for OwnZones' capital raising operations and the supervision of all OwnZones representatives involved in raising money. Dan had ultimate authority for accepting investments in OwnZones and determining to whom stock would be issued. Dan Goman was the sole signatory on the bank account that took in investor money.

220. Joe Goman is liable under Section 5 of the Securities Act because he directly presented to hundreds of current and potential investors as part of an effort to offer and sell OwnZones stock and he raised millions of dollars through his presentations to investors. Because of his role in OwnZones' capital raising, he was also a necessary participant and substantial factor in the offering.

221. By engaging in the conduct described above, Defendants, 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.

222. By engaging in the conduct described above, Defendants 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).

FOURTH CLAIM FOR RELIEF

Control Person Liability

Section 20(a) of the Exchange Act

(Against Defendant Dan Goman)

223. The SEC realleges and incorporates by reference paragraphs 1 through 205 above.

224. OwnZones, by engaging in the conduct described above, violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5(a-c) thereunder [17 C.F.R. § 240.10b-5], by making multiple false and misleading statements to OwnZones investors.

225. Defendant Dan Goman, by engaging in the conduct described above, is, or was at the time the acts and conduct set forth herein were committed, directly or indirectly, a person who controlled and exercised actual power over Defendant OwnZones.

226. By engaging in the conduct described above, under Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)], Defendant Dan Goman is jointly and severally liable with, and to the same extent as, Defendant OwnZones for its violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5(a-c) thereunder [17 C.F.R. § 240.10b-5].

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) 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 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)].

IV.

Issue a judgment, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently enjoining Dan Goman and his 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 20(a) of the Exchange Act [15 U.S.C. § 78t(a)].

V.

Order Defendants 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.

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.

VIII.

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

Dated: April 2, 2020

/s/ Lynn M. Dean

Lynn M. Dean
Christopher A. Nowlin
Attorney for Plaintiff
Securities and Exchange Commission

EXHIBIT 4

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

OWNZONES MEDIA NETWORK, INC., DANIEL GOMAN and JOSEPH GOMAN,

Defendants.

Case No. 2:20-cv-03108-MCS-JPR

FINAL JUDGMENT AS TO OWNZONES MEDIA NETWORK, INC.

The Securities and Exchange Commission having filed a Complaint and Defendant OWNZONES Media Network, Inc. ("Defendant") having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

(a) to employ any device, scheme, or artifice to defraud;

(b) to make any untrue statement of a material fact or to omit 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) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

(a) to employ any device, scheme, or artifice to defraud;

(b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

(a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use

or medium of any prospectus or otherwise;

(b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or

(c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of $1,500,000, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of $339,010.99, and a civil penalty in the amount of $175,000 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)]. Defendant shall satisfy this obligation by paying $2,014,010.99 to the Securities and Exchange Commission within 30 days after entry of this Final Judgment.

Defendant may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm. Defendant may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; OWNZONES Media Network, Inc. as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Defendant shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendant.

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by using all collection procedures authorized by law, including, but not limited to, moving for civil contempt at any time after 30 days following entry of this Final Judgment.

The Commission may enforce the Court's judgment for penalties by the use of all collection procedures authorized by law, including the Federal Debt Collection Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for civil contempt for the violation of any Court orders issued in this action. Defendant shall pay post judgment interest on any amounts due after 30 days of the entry of this Final Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds, together with any interest and income earned thereon (collectively, the "Fund"), pending further order of the Court.

The Commission may propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The Court shall retain jurisdiction over the administration of any distribution of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that it is entitled to, nor shall it further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

VII.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

IT IS SO ORDERED.

Dated: January 13, 2021

Mark C. Scarsi

MARK C. SCARSI
UNITED STATES DISTRICT JUDGE

EXHIBIT 5

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

OWNZONES MEDIA NETWORK, INC., DANIEL GOMAN and JOSEPH GOMAN,

Defendants.

Case No. 2:20-cv-03108-MCS-JPR

FINAL JUDGMENT AS TO DANIEL GOMAN

The Securities and Exchange Commission having filed a Complaint and Defendant Daniel Goman ("Defendant") having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in Section VI); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

(a) to employ any device, scheme, or artifice to defraud;

(b) to make any untrue statement of a material fact or to omit 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) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

(a) to employ any device, scheme, or artifice to defraud;

(b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

(a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;

(b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or

(c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for a civil penalty in the amount of $320,000 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)]. Defendant shall satisfy this obligation by paying $320,000 to the Securities and Exchange Commission within 30 days after entry of this Final Judgment.

Defendant may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at

http://www.sec.gov/about/offices/ofm.htm. Defendant may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; Daniel Goman as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Defendant shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendant.

The Commission may enforce the Court's judgment for penalties by the use of all collection procedures authorized by law, including the Federal Debt Collection Procedures Act, 28 U.S.C. § 3001 *et seq.,* and moving for civil contempt for the violation of any Court orders issued in this action. Defendant shall pay post judgment interest on any amounts due after 30 days of the entry of this Final Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds, together with any interest and income earned thereon (collectively, the "Fund"), pending further order of the Court.

The Commission may propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The Court shall retain jurisdiction over the administration of any distribution of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as

penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under this Final Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this

proceeding, is a debt for the violation by Defendant of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

VIII.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

IT IS SO ORDERED.

Dated: January 13, 2021

Mark C. Scarsi

MARK C. SCARSI
UNITED STATES DISTRICT JUDGE

EXHIBIT 6

JS-6

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

OWNZONES MEDIA NETWORK, INC., DANIEL GOMAN and JOSEPH GOMAN,

Defendants.

Case No. 2:20-cv-03108-MCS-JPR

FINAL JUDGMENT AS TO JOSEPH GOMAN

Judge: Hon. Mark C. Scarsi

The Securities and Exchange Commission having filed a Complaint and Defendant Joseph Goman having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph VI); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

(a) to employ any device, scheme, or artifice to defraud;

(b) to make any untrue statement of a material fact or to omit 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) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

(a) to employ any device, scheme, or artifice to defraud;

(b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

(a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;

(b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or

(c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for a civil penalty in the amount of $160,000 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)]. Defendant shall satisfy this obligation by paying $160,000 to the Securities and Exchange Commission within 30 days after entry of this Final Judgment.

Defendant may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at

http://www.sec.gov/about/offices/ofm.htm. Defendant may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; Joseph Goman as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Defendant shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendant.

The Commission may enforce the Court's judgment for penalties by the use of all collection procedures authorized by law, including the Federal Debt Collection Procedures Act, 28 U.S.C. § 3001 *et seq.,* and moving for civil contempt for the violation of any Court orders issued in this action. Defendant shall pay post judgment interest on any amounts due after 30 days of the entry of this Final Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds, together with any interest and income earned thereon (collectively, the "Fund"), pending further order of the Court.

The Commission may propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The Court shall retain jurisdiction over the administration of any distribution of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as

penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under this Final Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this

proceeding, is a debt for the violation by Defendant of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

VIII.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated: March 16, 2021

Mark C. Scarsi

HON. MARK C. SCARSI
UNITED STATES DISTRICT JUDGE