

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

**UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,**

Plaintiff,

**Case No. 21-cv-12193
Hon.**

v.

JURY TRIAL DEMANDED

**ROBERT SAMUEL SHUMAKE, JR.,
WILLARD L. JACKSON,
NICOLE T. BIRCH,
420 REAL ESTATE, LLC,
VICENT PETRESCU
aka VINCENT PETRESCU, and
TRUCROWD, INC. dba FUNDANNA,**

Defendants.

_____ /

COMPLAINT

Plaintiff, the United States Securities and Exchange Commission (“SEC”),
alleges as follows:

SUMMARY OF ACTION

1. The SEC brings this action to remedy two fraudulent crowdfunding offerings conducted by Defendants Robert Samuel Shumake. Jr. (“Shumake”), Willard L. Jackson (“Jackson”), and Nicole T. Birch (“Birch”).

2. The issuers of the securities that were fraudulently sold to members of the public were Defendant 420 Real Estate, LLC (“420 Real Estate”) and a now defunct company named Transatlantic Real Estate, LLC (“Transatlantic Real Estate”).

3. Transatlantic Real Estate and 420 Real Estate raised funds through offerings on a crowdfunding platform hosted by Defendant TruCrowd, Inc. (“TruCrowd”). TruCrowd’s CEO, Defendant Vicent Petrescu, aka Vincent Petrescu (“Petrescu”), was responsible for selecting which issuers could use TruCrowd’s platform to conduct crowdfunding offerings. Under the SEC’s crowdfunding regulations, Petrescu and TruCrowd served as gatekeepers and, as such, were responsible for taking measures to reduce the risk of fraud.

4. Shumake and Birch offered and sold securities of Transatlantic Real Estate from September 2018 through May 2019. Shumake and Jackson offered and sold securities of 420 Real Estate from May 2019 through June 2020.

5. Shumake was the driving force behind the both offerings, but he kept his participation secret in order to hide a past criminal conviction arising from a mortgage fraud scheme. Shumake convinced Birch to act as the chief executive officer and sole member of Transatlantic Real Estate and convinced Jackson to act in the same roles for 420 Real Estate.

6. Shumake, along with Birch and Jackson, marketed both offerings as opportunities for investors to share in bountiful profits from the cannabis industry, by acquiring real estate and leasing it to companies engaged in the business of growing cannabis.

7. Shumake, Birch, and Jackson made multiple false and misleading representations and omissions to investors in connection with the crowdfunding offerings. Among other things, they concealed Shumake's past criminal history and his leading role in both offerings. And to make matters worse, they diverted hundreds of thousands of dollars from the offering proceeds for their personal benefit. None of the money raised in either offering was used to acquire or improve cannabis real estate. None of the investors in either crowdfunding offering has received any return on their investment, and few investors have recovered any of the funds they invested.

JURISDICTION AND VENUE

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

9. Venue is proper in this judicial 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 many of the acts, transactions and courses of business constituting the violations alleged in this Complaint occurred within the jurisdiction of this district.

10. In connection with the conduct alleged in this Complaint, the Defendants, directly and indirectly, have made use of the mails and/or means or instrumentalities of transportation or communication in interstate commerce.

DEFENDANTS

11. **Robert S. Shumake**, age 53, resides in Bloomfield Hills. In December 2017, Shumake pled guilty to two misdemeanor violations of the Michigan Credit Services Protection Act, and on behalf of his business, to two felony counts of obtaining money by false pretense, for improperly taking upfront fees for mortgage audit services that he promised, but failed to deliver (*People v. Shumake, et al.*, Mich. 46th Jud. Dist. (Feb. 15, 2017)). The presiding court sentenced Shumake to a probationary period of 18 months, during which time Shumake was forbidden to work in a position where he could have “direct control over, or access to, another person’s money.” Shumake ignored the terms of his probation sentence. Before his probation ended in May 2019, he conducted the Transatlantic Real Estate offering with Birch and set in motion the 420 Real Estate offering with Jackson. Shumake owns and controls Shumoja Media Group, LLC

(“Shumoja”), a purported marketing services company, which received money in connection with the crowdfunding offerings.

12. **Willard L. Jackson**, age 57, resides in Houston, Texas. Jackson serves as the CEO and the sole director of 420 Real Estate. Jackson previously served as a director of Bangi, Inc., described below. Jackson also held ownership interests in WLJ Group, LLC and Ebony Media Holdings, LLC, (collectively, the “Jackson Entities”). Jackson facilitated the payment of money from the 420 Real Estate offering to the Jackson Entities.

13. **Nicole T. Birch**, age 46, resides in Gainesville, Georgia. Birch is a licensed attorney in Georgia and has her own law practice, H.B. Associates P.C. (“H.B. Associates”). Birch has served as CEO and sole director of both Transatlantic Real Estate and Bangi, Inc. Birch facilitated the payment of money from the Transatlantic Real Estate offering to herself and to H.B. Associates.

14. **420 Real Estate, LLC** is a Texas limited liability company formed in April 2019 with its principal place of business in Houston, Texas. 420 Real Estate purports to be a real estate company that specializes in the acquisition and leasing of properties that support the hemp industry. 420 Real Estate is owned by Willard Jackson. 420 Real Estate raised \$888,180 through a crowdfunding offering between May 2019 and June 2020 (“420 Real Estate offering”).

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