

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA**

CASE NO.:

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Plaintiff,	:	
	:	
v.	:	
	:	
STEVEN L. BRICKNER,	:	
	:	
Defendant.	:	

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff Securities and Exchange Commission alleges:

I. INTRODUCTION

1. From August 2015 through March 2019, Defendant Steven Brickner, through companies he controlled, raised approximately \$5.5 million from more than 60 investors through purported investments in marijuana-related companies.

2. Brickner falsely represented to prospective investors that he would use their money to purchase the assets of a Colorado-licensed marijuana dispensary network that operated under the tradename High Country Healing, and to conduct public offerings generating significant profits for investors. However, Brickner misappropriated approximately \$3 million of investor money to fund his lavish lifestyle, and further misrepresented to investors how he would use their proceeds and his purportedly successful prior business experience.

3. By engaging in this conduct, Brickner violated Section 17(a) of the Securities

Act of 1933 (“Securities Act”), 15 U.S.C. § 77q(a), and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5, 17 C.F.R. § 240.10b-5. Unless enjoined, Brickner is reasonably likely to continue to violate the federal securities laws.

II. DEFENDANT AND RELATED ENTITIES

A. Defendant

4. Brickner, 48, resides in Lithia, Florida. At all relevant times, Brickner was the principal of FirstCanna Pharmaceuticals LLC, FirstCanna Financial LLC, FirstCanna Insurance LLC (collectively “the FirstCanna Group”), and High Country Healing Co. LLC (“High Country”).

B. Related Entities

5. FirstCanna Pharmaceuticals LLC is a Delaware limited liability company formed by Brickner in March 2017 with its principal place of business in Lithia, Florida.

6. FirstCanna Financial LLC is a Delaware limited liability company formed by Brickner in January 2017 with its principal place of business in Lithia, Florida.

7. FirstCanna Insurance LLC is a Delaware limited liability company formed by Brickner in January 2017 with its principal place of business in Lithia, Florida.

8. High Country is a Colorado limited liability company formed by Brickner in September 2016 with its principal place of business in Silverthorne, Colorado. High Country is now defunct and its corporate status was administratively dissolved in March 2018.

III. JURISDICTION AND VENUE

9. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1),

and 22(a) of the Securities Act , 15 U.S.C. §§ 77t(b), 77t(d)(1), and 77v(a), and Sections 21(d) and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d) and 78aa.

10. This Court has personal jurisdiction over Brickner, and venue is proper in the Middle District of Florida, because Brickner resides in this district and because many of the acts and transactions constituting violations of the Securities Act and Exchange Act occurred in this district.

11. In connection with the conduct alleged in this Complaint, Brickner, directly and indirectly, made use of the means and instrumentalities of interstate commerce, the means and instruments of transportation and communication in interstate commerce, and the mails.

IV. DEFENDANT'S ACTS IN VIOLATION OF THE SECURITIES LAWS

A. The Securities Transactions

12. According to Brickner's publicly available website and LinkedIn profile, prior to 2015 Brickner founded and ran a series of venture capital, finance, and other commercial companies in the Tampa, Florida area.

13. In 2015, Brickner began soliciting money from investors, representing that he would use the money to fund the purchase of a Colorado-licensed marijuana dispensary network. Brickner incorporated High Country in September 2016 in Colorado, more than a year after he first began raising funds from investors. Brickner told investors High Country would enter into a reverse merger with an over-the-counter publicly traded company and that the new company would contain all the Colorado-licensed marijuana dispensary network assets he claimed to own or agreed to purchase. Brickner promoted the investments personally and through word of mouth from other investors.

14. In late 2017, Brickner ceased his High Country offering and began soliciting investors to purchase shares of the FirstCanna Group entities. Brickner made the same representations to the FirstCanna Group investors as he did to High Country investors regarding conducting a reverse merger with an over-the-counter publicly traded company that would contain all the Colorado-licensed marijuana dispensary network assets he purported to own. Brickner moved almost all existing High Country investments into FirstCanna Pharmaceuticals, and then solicited and sold interests in the FirstCanna Group entities to additional investors through 2019. Brickner ultimately raised approximately \$5.5 million from more than 60 investors located in several states.

15. In most cases, investors signed agreements titled “Simple Agreement for Future Equity” or “SAFE” agreements with Brickner, High Country, and/or the FirstCanna Group entities, which stated that the investment was for a “preferred shares of ... capital stock.” Brickner told investors in both the High Country and FirstCanna Group entities that his company had an agreement in place with a network of Colorado-licensed marijuana dispensaries that operated under the tradename High Country Healing to purchase their assets, and had an exclusive agreement to use the High Country name and trademarked logo nationwide.

16. Investors relied on Brickner to invest their funds with no expectation that they would be required to participate in efforts to generate returns. Investors sent funds via check or wire transfer into bank accounts Brickner controlled, where he pooled the funds with other investor proceeds, regardless of which entities the investors chose to invest in.

B. The Misrepresentations

17. Both orally and in writing, Brickner made material misrepresentations to investors and prospective investors regarding the High Country and FirstCanna Group businesses and the use of investor funds. These misrepresentations were all designed to give investors the impression that he would use investor funds to invest in the companies and the marijuana industry, and to conduct public offerings:

a. Brickner orally told investors that he would use their investments to purchase the assets of a Colorado-licensed marijuana dispensary network and to pay costs associated with the reverse merger of those assets into an existing publicly traded company.

b. Brickner provided multiple investors with sales materials stating High Country had “mergers and acquisitions in progress,” was “on track to becoming the largest cannabis operation in the United States by the fourth quarter of 2017,” was “currently engaged in the placement of an IPO, which is planned for the 2nd or 3rd quarter in 2017” and that “IPO projections/valuations are at a \$2.6(billion) offering... that is a conversion ratio of 2500:1 for our cannabis investors.”

c. Offering materials Brickner made available to investors proposed expenses for FirstCanna Financial of \$402,000 for software development, technology, and product design. Similarly, Brickner provided a document to investors in FirstCanna Insurance showing total proposed start-up costs of \$215,000 to be spent on an actuarial study, finding an insurance carrier, organization and licensing, capitalization, and ongoing operation costs.

18. Contrary to his representations to investors, Brickner did not use investor funds on building the companies, buying marijuana dispensary assets, or costs related to public

offerings. Of the \$5.5 million in investor funds deposited into Brickner's various bank accounts, Brickner misappropriated more than half to pay for his lavish lifestyle and on personal expenses, including approximately:

- \$1.2 million to purchase classic and luxury cars, such as a 2013 Bentley, 2017 Corvette, 2017 Camaro, 1969 Camaro, two 1968 Camaros, a 1965 Corvette, two 1963 Corvettes, a 1957 Chevy, a 1970 Mach 1 Mustang, and on various other car-related expenses;
- \$580,000 on a loan to himself to pay off his mortgage;
- \$465,000 to purchase thousands of cryptocurrency coins;
- \$335,000 spent at an adult entertainment establishment in Tampa; and,
- \$286,000 in ATM and cash withdrawals.

19. Brickner also represented he had years of experience as a successful investor and entrepreneur. Brickner provided potential investors links to his website and publicly available LinkedIn profile, and the LinkedIn profile states that he has "over 20 years' experience owning and operating multiple and diverse companies in a variety of markets, which include start-ups and established companies."

20. Brickner's representations about being a successful investor and entrepreneur were misleading because they failed to disclose the fact that he filed for bankruptcy in February 2016. In his bankruptcy filings, Brickner claimed to be employed as a consultant with income in 2015 of \$44,541, and estimated his 2016 income would be \$89,082. Additional filings by Brickner stated he did not file a tax return in 2014 "because he had no taxable income" that year. The omitted information about Brickner's bankruptcy filings caused his claims to

investors that he was a highly successful venture capitalist to be misleading.

21. In oral investor solicitations, and in emails and offering materials, Brickner made baseless and contradictory price projections in conjunction with his misrepresentations about the timing of a purported reverse merger involving High Country, and later FirstCanna Pharmaceuticals. Brickner also told investors their investments would multiply in value several times over. He made baseless claims that a merger between High Country or FirstCanna Pharmaceuticals and the publicly traded company would be followed shortly by a large stock split that would make investors millions of dollars. In reality, Brickner did not own the assets necessary to carry out any kind of merger with the public company; nor did he ever file any of the necessary documents with any regulatory organization to conduct such a merger or other business combination.

V. CLAIMS FOR RELIEF

Count 1 – Violation of Section 17(a)(1) of the Securities Act

22. The Commission realleges and incorporates by reference Paragraphs 1 through 21 of this Complaint.

23. Brickner, from August 2015 through March 2019, in the offer or sale of securities by use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, knowingly or recklessly employed devices, schemes, or artifices to defraud.

24. By reason of the foregoing Brickner violated, and unless enjoined, is reasonably likely to continue to violate, Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

Count 2 – Violation of Section 17(a)(2) of the Securities Act

25. The Commission realleges and incorporates by reference Paragraphs 1 through 21 of this Complaint.

26. Brickner, from August 2015 through March 2019, in the offer or sale of securities by use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, negligently obtained money or property by means of untrue statements of material facts or omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

27. By reason of the foregoing Brickner violated, and unless enjoined, is reasonably likely to continue to violate, Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2).

Count 3 – Violation of Section 17(a)(3) of the Securities Act

28. The Commission realleges and incorporates by reference Paragraphs 1 through 21 of this Complaint.

29. Brickner, from August 2015 through March 2019, in the offer or sale of securities by use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, negligently engaged in transactions, practices, or courses of business which have operated, are now operating or will operate as a fraud or deceit upon the purchasers.

30. By reason of the foregoing Brickner violated, and unless enjoined, is reasonably likely to continue to violate, Section 17(a)(3) of the Securities Act, 15 U.S.C. § 77q(a)(3).

Count 4 – Violation of Section 10(b) and Rule 10b-5(a) of the Exchange Act

31. The Commission realleges and incorporates by reference Paragraphs 1 through 21 of this Complaint.

32. Brickner, from August 2015 through March 2019, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, knowingly or recklessly employed devices, schemes or artifices to defraud in connection with the purchase or sale of any security.

33. By reason of the foregoing Brickner violated, and unless enjoined, is reasonably likely to continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5(a), 17 C.F.R. § 240.10b-5(a).

Count 5 – Violation of Section 10(b) and Rule 10b-5(b) of the Exchange Act

34. The Commission realleges and incorporates by reference Paragraphs 1 through 21 of this Complaint.

35. Brickner, from August 2015 through March 2019, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, knowingly or recklessly made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in connection with the purchase or sale of any security.

36. By reason of the foregoing Brickner violated, and unless enjoined, is reasonably likely to continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5(b), 17 C.F.R. § 240.10b-5(b).

Count 6 – Violation of Section 10(b) and Rule 10b-5(c) of the Exchange Act

37. The Commission realleges and incorporates by reference Paragraphs 1 through 21 of this Complaint.

38. Brickner, from August 2015 through March 2019, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, knowingly or recklessly engaged in acts, practices, and courses of business which have operated, are now operating or will operate as a fraud upon any person in connection with the purchase or sale of any security.

39. By reason of the foregoing Brickner violated, and unless enjoined, is reasonably likely to continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5(c), 17 C.F.R. § 240.10b-5(c).

VI. RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests the Court find that Brickner committed the violations of the federal securities laws alleged in this Complaint and:

A. Permanent Injunction

Issue a Permanent Injunction, enjoining Brickner, his agents, servants, employees, attorneys, and representatives, and all persons in active concert or participation with them, and each of them, from violating Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), and Section 10(b) and Rule 10b-5 of the Exchange Act, 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5.

B. Disgorgement and Prejudgment Interest

Issue an Order directing Brickner to disgorge all ill-gotten gains, including

prejudgment interest, resulting from the acts and/or courses of conduct alleged in this Complaint.

C. Civil Penalty

Issue an Order directing Brickner to pay a civil money penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d) and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d).

D. Further Relief

Grant such other and further relief as may be necessary and appropriate.

E. Retention of Jurisdiction

Retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that it may enter, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

April 21, 2020

Respectfully submitted,

By: s/Robert Levenson

Robert K. Levenson
Senior Trial Counsel
Florida Bar No. 0089771
Direct Dial: (305) 982-6341
Fax: (305) 536-4154
Email: levensonr@sec.gov

Paul Hopker
Senior Counsel
Direct Dial: (305) 982-6319
Fax: (305) 536-4154
hopker@sec.gov

Attorneys for Plaintiff
Securities and Exchange Commission
801 Brickell Avenue, Suite 1950
Miami, FL 33131
(305) 982-6300