

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO.: 0:21-cv-61644-AHS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**MJ CAPITAL FUNDING, LLC,
MJ TAXES AND MORE INC., and
JOHANNA M. GARCIA,**

Defendants.

**PLAINTIFF SECURITIES AND EXCHANGE COMMISSION’S MOTION FOR FINAL
JUDGMENT AGAINST DEFENDANT JOHANNA M. GARCIA**

Plaintiff Securities and Exchange Commission (the “Commission” or “SEC”) respectfully moves the Court for entry of a Final Judgment against Defendant Johanna M. Garcia (“Garcia”) that: (1) imposes permanent injunctive relief and an officer and director bar, which the Court entered in its prior consented-to bifurcated judgment; and (2) orders Garcia to pay disgorgement of \$3,286,798.50, and prejudgment interest thereon of \$840,309.15, but deem those amounts satisfied by the criminal forfeiture order of \$186,312,000 entered against her in a parallel criminal case. In support of this motion, the Commission states:

I. Relevant Procedural History

On August 9, 2021, the Commission filed an emergency action against Garcia and her companies, MJ Capital Funding, LLC (“MJ Capital”), and its affiliate, MJ Taxes and More, Inc. (“MJ Taxes”) (collectively, the “MJ Companies”), alleging violations of the securities offering

registration and antifraud provisions of the federal securities laws¹ for orchestrating a fraudulent securities offering and Ponzi scheme. *See* Complaint, DE 1; *see also* Amended Complaint, DE 130. On August 12, 2021, the Court granted the Commission’s emergency *ex parte* request for an asset freeze over Garcia and the MJ Companies, and the appointment of a receiver over the MJ Companies. *See* DE 5, 16, 17.

On November 15, 2022, the Court entered a consented-to bifurcated judgment against Garcia (the “Judgment”) providing for permanent injunctive relief as to all violations alleged in the Complaint, an officer and director bar, and ordering disgorgement and prejudgment interest thereon in amounts to be determined by the Court upon the Commission’s motion. *See* Judgment, DE 169 at Sections I, II, and III.²

On August 24, 2023, Garcia was indicted on 29 criminal charges, including wire fraud, conspiracy to commit wire fraud, mail fraud, and money laundering, and on July 16, 2024, she pled guilty to one count of conspiracy to commit mail and wire fraud. *United States v. Garcia*, No. 1:23-cr-20350-JEM (S.D. Fla.) (“Criminal Case”). *See* Indictment, DE 1; Minute Entry for Change of Plea Hearing, DE 43. On December 12, 2024, the Court sentenced Garcia to 240 months of imprisonment followed by 3 years of supervised release, and entered a forfeiture order against her for \$186,312,000. *See* Amended Judgment, DE 75.

By this motion, the Commission seeks entry of a final judgment against Garcia imposing permanent injunctive relief as to all violations charged, an officer and director bar, and ordering

¹ *See* Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§ 77e(a), 77e(c), and 77q(a); 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; and, as to Garcia, control person liability under Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a).

² The Court also entered a consented-to bifurcated judgment against the MJ Companies on October 1, 2021. *See* DE 65, 66.

disgorgement and prejudgment interest thereon in the amounts set forth herein, but deemed satisfied by the forfeiture order of \$186,312,000 entered against her in the Criminal Case. This motion will resolve the Commission's remaining claims for monetary relief against Garcia, and will conclude this litigation.³

II. The Facts Alleged in the Amended Complaint Are Accepted As and Deemed True for Purposes of this Motion

Pursuant to Garcia's consent to Judgment (the "Consent"), Garcia agreed that, for purposes of this motion, the allegations of the Amended Complaint shall be accepted as and deemed true by the Court. *See* DE 165-2 at ¶ 5. Garcia also is precluded from arguing that she did not violate the subject provisions of the federal securities laws. *Id.* It is appropriate for the Court to order monetary relief under such framework. *See e.g., SEC v. Mizrahi, et al.*, 2020 WL 6114913, at *2 (C.D. Cal. Oct. 5, 2020) (in ordering monetary relief, the court recognized that "[u]nder the terms of the consent judgment, [defendant] is not allowed to contest the underlying facts alleged in the Complaint, and he has agreed for the purposes of this motion that the Court shall deem the allegations of the Complaint to be true."); *SEC v. Marshall*, 2020 WL 3047470, at *1 n. 4 (D. Nev. June 8, 2020) (in ordering monetary relief, the court noted it had "drawn the background from the complaint allegations, which [it] accepted as true for purposes of this motion" based on defendant's consent to judgment). Thus, for purposes of this motion, the allegations of the Amended Complaint are uncontested and shall be accepted as and deemed true by the Court.

III. The Factual Allegations in the Amended Complaint

The following allegations, which are deemed admitted against Garcia, are most relevant to determining the amount of disgorgement and prejudgment interest thereon to impose against her.

³ Given the substantial forfeiture order entered against Garcia and her sentence to 240 months of imprisonment, the Commission is forgoing its claim for imposition of a civil penalty.

A. The Securities Offering: The MJ Companies, Controlled by Garcia, Raised Investor Funds by Falsely Representing that the Funds Would be Used to Fund MCAs

For over a year, Garcia ran a Ponzi scheme, using the MJ Companies to take in at least \$194.1 million from over 9,000 investors—who had been tricked into thinking they were funding loans to small businesses—when in reality their outsize annualized “returns” of 120% – 180% had been funded with money obtained from new investors. *See* Amended Complaint, DE 130 at ¶ 1.

Garcia controlled the MJ Companies. *Id.* at ¶ 9. She formed MJ Taxes in December 2016, and was its President. *Id.* at ¶ 8. She also formed MJ Capital in June 2020 and was its Manager, an Authorized Member, and President. *Id.* at ¶ 7. MJ Capital purported to be in the business of providing merchant cash advances to businesses located in Florida and throughout the United States. *Id.*

Since at least June 2020, MJ Taxes began soliciting investments, agreeing to pay annual returns of varying amounts, typically 120%, for six-month investments. *Id.* at ¶ 2. Between June 2020 and September 2020, MJ Taxes and investors entered into written agreements, signed by Garcia on behalf of MJ Taxes, called a Loan Agreement. *Id.* at ¶¶ 4, 14. These agreements refer to the investor as “Investor” or “Lender” and MJ Taxes as the “Facilitator” or “Borrower.” *Id.* at ¶ 14.

Beginning in or around October 2020, MJ Capital became the primary investment vehicle for raising funds from investors. *Id.* at ¶ 16. From October 2020 until the Ponzi scheme collapsed in August 2021, MJ Capital entered into written agreements with investors called a Merchant Cash Advance Agreement. *Id.* at ¶¶ 4, 17. These agreements refer to the investor as the “Purchaser,” and MJ Capital agreed that it would use the investor’s money to fund an MCA. *Id.* at ¶ 17. MJ Capital promised an annual return of varying amounts, typically 120%, with MJ Capital guaranteeing

repayment of principal if the merchant defaulted. *Id.* The term of the investment was either 6 months, 9 months, 12 months or 6 months with an option by the investor to extend the term for an additional 6 months. *Id.*

The Loan Agreements and Merchant Cash Advance Agreements (the “Agreements”) are investment contracts. *Id.* at ¶ 31. Investors looked solely to the MJ Companies to produce returns, and the MJ Companies’ ability to do so depended entirely on their ability to either fund profitable MCAs or attract new investors to cover payments to existing investors. *Id.* The Agreements are also notes. *Id.* As investment contracts and/or notes, the Agreements are securities within the meaning of the Securities Act and the Exchange Act. *Id.* These securities have not been registered with the Commission. *Id.* at ¶ 4.

The MJ Companies solicited investors through its own employees, external sales agents, and word-of-mouth. *Id.* at ¶ 26. For example, MJ Capital’s office manager told an undercover Federal Bureau of Investigation agent (“UC”) posing as a prospective investor that MJ Capital would use the UC’s funds to purchase future sales or profits of companies and the UC would make a 10% monthly return. *Id.* at ¶ 28. The office manager also told the UC that an underwriting team determines a merchant’s ability to repay, and MJ Capital has liens on a merchant’s projects as further security. *Id.*

MJ Capital also solicited investors through its website and social media. *Id.* at ¶¶ 15, 19-26. MJ Capital’s website represented that MJ Capital was in the business of funding MCAs and that investor money would be used for this purpose. *Id.* at ¶ 19. MJ Capital represented through social media that it specializes in MCA funding for businesses, and offers “quick approvals,” “fast funding,” “flexible terms” and “help[s] small businesses”. *Id.* at ¶ 26.

B. The Reality: The MJ Companies Made Very Few MCAs and Paid Fictitious Returns to Investors, and Garcia and the MJ Companies Misused and Misappropriated Investor Funds

The representations that the MJ Companies were using investor money to fund MCAs and that investors' money was secure were lies. *Id.* at ¶ 32. In fact, the MJ Companies made very few MCAs, they did not file liens in connection with the few MCAs they did make, and investors' ability to receive the promised returns and repayment of principal was dependent on the ability of Garcia and the MJ Companies to continue to raise new investor money and convince existing investors to extend the term of their agreements. *Id.*

From June 1, 2020 through August 31, 2021, the MJ Companies received at least \$194.1 million in investor funds from investors in Florida and several other states. *Id.* at ¶ 33. However, the MJ Companies only made approximately \$872,000 in MCAs, and received approximately \$387,300 in repayment for those MCAs. *Id.* During that same time period, the MJ Companies paid: at least \$56 million to various entities, a substantial portion of which represent payments to sales agents for promoting investments in the MJ Companies, *id.* at ¶ 34, at least \$64 million in purported returns to investors from new investor money, *id.* at ¶ 37, and loans owed by MJ Taxes via transfers to MJ Taxes' bank account, *id.* at ¶ 34.

Garcia and the MJ Companies also misappropriated investor funds through cash withdrawals and credit card purchases. *Id.* at ¶ 35.

C. The Cover-Up: Garcia Made False Statements in Response to Allegations that MJ Capital Is a Ponzi Scheme

Garcia and the MJ Companies attempted to cover up the Ponzi scheme. *Id.* at ¶¶ 39-45. On or about April 10, 2021, an individual published content on a website alleging that MJ Capital was operating a Ponzi scheme. *Id.* at ¶ 39. MJ Capital responded to the allegations by suing the individual who had created the website (and was apparently demanding money from MJ Capital).

Id. at ¶ 41. The complaint alleges, among other things, that MJ Capital is “in the business of providing [MCAs] to businesses located in Florida and throughout the United States” and “does not operate a Ponzi scheme”. *Id.* at ¶ 42.

On July 29, 2021, Garcia filed in the lawsuit a declaration under penalty of perjury stating, among other things, that MJ Capital “funds millions of dollars in merchant capital loans on a monthly basis.” *Id.* at ¶ 43. The statements in the complaint and declaration are false and materially misleading. *Id.* at ¶ 44. Making MCAs was a trivial part of MJ Capital’s business, and investor funds were used for the most part not to fund MCAs but rather to make payments to earlier investors. *Id.*

MJ Capital’s cover-up efforts were successful, and in the months after the appearance of the website accusing MJ Capital of operating a Ponzi scheme, MJ Capital continued to raise ever-increasing amounts of investor money. *Id.* at ¶ 45.

The Ponzi scheme collapsed once the Commission filed its emergency action against Garcia and the MJ Companies to stop the fraud. *Id.* at ¶ 1, n. 1. On August 11, 2021, the Court granted the Commission’s motions for a temporary restraining order and an asset freeze over Garcia and the MJ Companies, and the appointment of a receiver over the MJ Companies. *Id.*

IV. The Court Should Impose Permanent Injunctive Relief Against Garcia

The proposed Final Judgment incorporates the permanent injunctive relief that Garcia consented to [DE 165-2], and which was already entered by the Court [DE 169]. The proposed Final Judgment also complies with the requirements for entry of injunctive relief under Federal Rule of Civil Procedure 65(d), and Eleventh Circuit law under *SEC v. Goble*, 682 F.3d 934, 951-52 (11th Cir. 2012).

Rule 65(d) provides that “[e]very order granting an injunction . . . must: (A) state the reasons why it issued; (B) state its terms specifically; and (C) describe in reasonable detail—and not by referring to the complaint or other document—the act or acts sought to be restrained or required.” *See* Fed. R. Civ. P. 65(d). Eleventh Circuit law likewise requires that judgments for injunctive relief describe in reasonable detail the acts or conduct sought to be restrained. *SEC v. Goble*, 682 F.3d 934, 951-52 (11th Cir. 2012). The *Goble* court, while questioning whether merely reciting the language of a statute in an injunction adequately informs a defendant of the prohibited conduct, also explained that “a broad, but properly drafted injunction, which largely uses the statutory or regulatory language may satisfy the specificity requirement of Rule 65(d) so long as it clearly lets the defendant know what he is ordered to do or not do.” *Id.* at 952.

Here, the proposed Final Judgment states the reason for issuance of a permanent injunction, *i.e.*, the Commission filed a complaint against Garcia and Garcia consented to injunctive relief. It also specifies the terms of the injunction and sufficiently notifies Garcia of the restrained conduct. As to Securities Act Section 5, the proposed Final Judgment, among other things, restrains and enjoins Garcia from using interstate commerce or the mails to “sell”, “carry[] or cause[] to be carried”, or “offer to sell or offer to buy” a security unless a registration statement is in effect for the security. As to Exchange Act Section 10(b) and Securities Act Section 17(a), the proposed Final Judgment, among other things, restrains and enjoins Garcia from

directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor, about: (a) any investment in or offering of securities; (b) the prospects for success of any business, product, or company; (c) any returns on investment; (d) the use of investor funds or investment proceeds; or (e) the misappropriation or misuse of investor funds or investment proceeds.

Additionally, the proposed injunction prohibits conduct tied to the allegations in the Complaint, *see e.g.*, DE 1 at ¶¶ 1-5, 32-38, 43-45, and satisfies the test for assessing permanent injunctive relief, *see Starbucks v. McKinney*, 144 S. Ct. 1570, 1576 (2024) (noting that “[w]hen Congress empowers courts to grant equitable relief, there is a strong presumption that courts will exercise that authority in a manner consistent with traditional principles of equity,” which, with regard to injunctive relief, includes using “the traditional four-part test” set forth in *Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7 (2008)).⁴

Accordingly, the Court should permanently enjoin Garcia from violating the subject federal securities laws. *See SEC v. Ruiz*, 0:22-cv-61609-WPD (S.D. Fla. Nov. 19, 2024) (DE 28) (final judgment with similar injunctive language as to Securities Act Section 17(a) and Exchange Act Section 10(b) and Rule 10b-5 thereunder); *SEC v. Gonzalez*, No. 0:22-cv-61824-WPD (S.D. Fla. Feb. 5, 2024) (same); *SEC v. McLellan*, 2024 WL 3030421, *8 (D. Mass. June 17, 2024) (imposing permanent injunction where “the provisions enjoined may be broad, but they are not complicated: [defendant] may not engage in fraud in the offering or sale of securities.”).

V. Monetary Relief

A. The Court Should Order Disgorgement Against Garcia

The “primary purpose of disgorgement orders is to deter violations of the securities laws by depriving violators of their ill-gotten gains.” *Kokesh v. SEC*, 137 S. Ct. 1635, 1643 (2017). The Court has the authority to order disgorgement “that does not exceed a wrongdoer’s net profits and is awarded for victims.” *Liu v. SEC*, 140 S. Ct. 1936, 1940 (2020). The Commission is entitled to

⁴ *See Winter*, 555 U.S. at 32 (a party seeking a permanent injunction must demonstrate (1) actual success on the merits, (2) irreparable harm will likely result in the absence of the injunction, (3) the balance of the equities tips in favor of the party seeking the injunction, and (4) the injunction is in the public interest).

disgorgement “upon producing a reasonable approximation of a defendant’s ill-gotten gains.” *SEC v. Calvo*, 378 F.3d 1211, 1217 (11th Cir. 2004). “Exactitude is not a requirement.” *SEC v. ETS Payphones, Inc.*, 408 F.3d 727, 735 (11th Cir. 2005). Further, a defendant’s financial situation, or any financial hardship that disgorgement would impose, are not factors to be considered in determining disgorgement. *SEC v. Warren*, 534 F.3d 1368, 1370 (11th Cir. 2008).

The Court should order Garcia to pay disgorgement of \$3,286,798.50, representing the ill-gotten proceeds of her violations of the federal securities laws. This amount is consistent with the Commission’s bank analysis regarding the use of investor funds, as set forth in the accompanying Declaration of former SEC accountant Julia D’Antonio (the “D’Antonio Declaration”), attached hereto as **Exhibit “1”**. It also considers amounts Garcia turned over to the Receiver.

A chart illustrating the bank transactions identified in the D’Antonio Declaration and deductions from Garcia’s disgorgement is below:

Description	Amount
Investor funds deposited to Garcia accounts	\$ 3,405,753.04
Net benefit of transfers to Garcia accounts	\$ \$398,263.97
Personal transactions from the MJ Accounts ⁵	\$ 1,311,513.06
Cash withdrawals from the MJ Accounts	\$ 192,829.37
MJ Capital credit card charges	\$ 25,400.88
Less:	
Recovered funds (provided to Receiver)	\$ (2,046,961.82)
Disgorgement	\$ 3,286,798.50

Garcia has not requested or provided evidence of deductions available under *Liu*. See *Liu*, 140 S. Ct. at 1950 (“a defendant is entitled to a deduction for all marginal costs incurred in producing the revenues that are subject to disgorgement”) citing Restatement (Third) of Restitution

⁵ The term “MJ Accounts” refers to a group of bank and fintech records that received investor funds and were comingled such that appear to have acted as one entity.

and Unjust Enrichment, § 51, Comment h, at 216. At least two circuit courts have held that the defendant bears the burden to provide evidence of legitimate expenses. *United States Commodity Futures Trading Comm’n v. Tayeh*, 848 F.Appx. 827, 830 (11th Cir. 2021) (per curiam); *SEC v. Fowler*, 6 F.4th 255, 267 (2d Cir. 2021).

B. The Court Should Order Prejudgment Interest Against Garcia

The Court has discretion to impose prejudgment interest. *SEC v. Carillo*, 325 F.3d 1268, 1273 (11th Cir. 2003). Requiring payment of interest prevents a defendant from obtaining the benefit of what amounts to an interest free loan procured from illegal activity. *SEC v. Moran*, 944 F. Supp. 286, 295 (S.D.N.Y. 1996). The Commission seeks prejudgment interest in the amount of \$840,309.15, which is calculated from June 2020 (the inception of the fraudulent offering) through October 2024 (the month preceding the entry of the criminal forfeiture order against Garcia) and, per Garcia’s Consent [DE 165-2 at ¶ 5], is based on the tax underpayment rate set forth in 26 U.S.C. § 6621(a)(2). *See SEC v. Huff*, 758 F.Supp.2d 1288, 1363 (S.D. Fla. 2010) (applying the IRS underpayment rate because it reflects what “it would have cost to borrow the money from the government and therefore reasonably approximates one of the benefits the defendant derived from his fraud); *SEC v. Commonwealth Equity Services, LLC*, 2024 WL 1375970, *12 (D. Mass. Mar. 29, 2024) (assessing prejudgment interest to “prevent defendants from receiving the benefit of what would otherwise be an interest-free loan” and holding that “the appropriate basis for calculation is the IRS underpayment rate.”); *see also* Garcia Prejudgment Interest Report, attached hereto as **Exhibit “2”**. The Court should therefore order Garcia to pay \$840,309.15 in prejudgment interest.

C. The Court Should Order Disgorgement and Prejudgment Interest Deemed Satisfied by the Forfeiture Order Entered Against Garcia in the Criminal Case

In the Criminal Case, the Court entered a forfeiture order against Garcia in the amount of \$186,312,000, based on the same conduct at issue in this case. *See* Criminal Case, Preliminary Order of Forfeiture at DE 60 and Amended Judgment at DE 75, attached hereto as **Composite Exhibit “3”**. Because that amount exceeds and includes the amount at issue in this case, the Commission requests that the Court order disgorgement and prejudgment interest against Garcia in the amounts set forth above, and deemed satisfied by the forfeiture order.

VI. CONCLUSION

For the reasons stated above, the Commission respectfully requests that the Court grant this motion and enter the proposed Final Judgment submitted herewith.

CERTIFICATE OF CONFERRAL

Counsel for the SEC attempted to confer with Garcia, *pro se*, regarding the instant motion via e-mail on March 27, 2025. To date, counsel for the SEC has not heard back from Garcia.

Counsel for the SEC conferred with counsel for the Receiver, who does not have an objection to the proposed relief.

Respectfully submitted,

Dated: March 31, 2025

By: /s/ Stephanie N. Moot
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on March 31, 2025, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record via transmission of Notices of Electronic Filing generated by CM/ECF.

/s/ Stephanie N. Moot
Stephanie N. Moot

SERVICE LIST

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EXHIBIT 1

DECLARATION OF JULIA D'ANTONIO

Pursuant to 28 U.S.C. §1746, the undersigned states as follows:

I. INTRODUCTION

1. My name is Julia D'Antonio and I am over 21 years of age. I have personal knowledge of the matters set forth herein.
2. I am an accountant employed by the United States Securities and Exchange Commission ("SEC") in the Division of Enforcement of the Miami Regional Office. I am a Certified Public Accountant ("CPA") in the State of Florida, a Certified Fraud Examiner ("CFE") regulated by the Association of Certified Fraud Examiners, hold a Certificate in Financial Forensics ("CFF") awarded by the Association of International Certified Professional Accountants, and am a Certified Financial Crime Specialist ("CFCS") regulated by the Association of Certified Financial Crime Specialists.
3. All amounts referred to in this Declaration are approximate and have been rounded.

II. RECORDS ANALYZED

4. This Declaration is based on my analysis of bank and other financial records for the period of June 1, 2020 through August 31, 2021¹ ("Analysis Period") including, among other things, account opening documents, signature cards, monthly statements, deposit slips, deposited checks, wire transaction details, and canceled checks for the following 23 bank and fintech accounts:

¹ More than one of the accounts analyzed were open and active for only a portion of the Analysis Period. Those accounts were therefore analyzed for a partial period limited by the accounts' existence.

	Account Holder	Financial Institution	Account Identifier	Authorized Signer(s)
1	MJ Capital Funding, LLC	Chase	x3960	Johanna Michely Garcia Nathalia Burgos
2	MJ Capital Funding, LLC	Wells Fargo	x1239	Johanna M Garcia Nathalia Burgos
3	MJ Enterprise Inc.	Chase	x0571	Johanna Michely Garcia Nathalia Burgos
4	MJ Remodeling Services and More, Inc	Chase	x2672	Johanna Michely Garcia Nathalia Burgos
5	MJ Tax Services & More Inc	Chase	x8072	Johanna Michely Garcia Nathalia Burgos
6	MJ Tax Services & More Inc	Wells Fargo	x9911	Johanna M Garcia Nathalia Burgos
7	Pavel Ruiz MJCF LLC	Citibank	x5412	Pavel R Ruiz
8	Pavel Ruiz MJCF LLC	Citibank	x5105	Pavel R Ruiz
9	Pavel Ruiz MJCF LLC	Venmo	@PavelRuizMJCF	Pavel Ruiz
10	UDM Remodeling, LLC	Citibank	x4931	Pavel R Ruiz Hernandez
11	UDM Remodeling LLC	Wells Fargo	x0244	Pavel R Ruiz Hernandez
12	Johanna Michely Garcia	Chase	x8681	Johanna Michely Garcia
13	Johanna Michely Garcia	Chase	x1397	Johanna Michely Garcia
14	Johanna M Garcia / Javier Garcia	Wells Fargo	x3719	Johanna M Garcia Javier Garcia
15	Johanna M Garcia	Wells Fargo	x3159	Johanna M Garcia
16	Johanna Redondo	Cash App	C fmd5ppm9m	Johanna Redondo ²
17	Johanna Garcia	Venmo	@mjcapitalfunding	Johanna Garcia
18	Pavel Ruiz	Chase	x3486	Pavel Ruiz
19	Pavel Ramon Ruiz Hernandez	Citibank	x2403	Pavel Ramon Ruiz Hernandez
20	Pavel Ramon Ruiz Hernandez	Citibank	x2416	Pavel Ramon Ruiz Hernandez
21	Pavel R Ruiz Hernandez	Wells Fargo	x0330	Pavel R Ruiz Hernandez
22	Pavel Ruiz	Cash App	C gqdxp0mkw	Pavel Ruiz
23	Pavel Ruiz	Venmo	@Pavel-Ruiz-1	Pavel Ruiz

5. While I generally perform financial analysis by grouping accounts by account holder per the signature cards, it was necessary to group all records for the bank and fintech accounts identified in Paragraph 4 (collectively, “MJ Accounts”) because the accounts received investor funds and were commingled such that they appeared to act as one entity.

² According to the Cash App records analyzed, the Identity Verification Name is “Johanna Redondo” which is known to be Johanna Garcia’s maiden name.

6. The accounts numbered 1 – 6 in Paragraph 4 are collectively referred to as the “MJ Entity Accounts”, which is a subset of the MJ Accounts including the corporate bank accounts over which Johanna Garcia (“Garcia”) maintained signatory authority.
7. The accounts numbered 12 – 17 in Paragraph 4 are collectively referred to as the “Garcia Accounts,” which is a subset of the MJ Accounts including personal bank and fintech accounts over which Garcia maintained signatory authority or the equivalent.
8. In addition to the analysis of the MJ Accounts, this Declaration is based upon open-source research performed on over 1,960 entities, primarily registered in the state of Florida. I conducted searches on the Florida Division of Corporations’ website, “Sunbiz”, as well as other Secretary of State’s websites to identify relationships between individuals and entities seen within the bank records.
9. According to Sunbiz, MJ Capital Funding, LLC (“MJ Capital”) was organized on June 10, 2020 and identified Garcia as President on the Articles of Organization.
10. According to Sunbiz, MJ Remodeling Services and More, Inc was incorporated on October 2, 2019 and identified Garcia as President, Registered Agent, and Incorporator on the Articles of Incorporation.
11. According to Sunbiz, MJ Enterprise Inc. was incorporated originally as MJ Check Cashing N’ Loans Inc. on September 25, 2019 and identified Garcia as President and Registered Agent on the Articles of Incorporation. Articles of Amendment to the Articles of Incorporation were filed on November 20, 2020 changing the name to MJ Enterprise Inc. and signed by Garcia as the President.
12. According to Sunbiz, MJ Taxes and More Inc (“MJ Taxes”) was incorporated originally as MJ Tax Services & More Inc on December 9, 2016 and identified Garcia

as President, Registered Agent, and Incorporator on the Articles of Incorporation. Articles of Amendment to the Articles of Incorporation were filed on March 9, 2020 changing the name to MJ Taxes and More Inc and signed by Garcia as President.

13. Additionally, this Declaration is based on my analysis of American Express business platinum credit card account ending 04-01006 in the name of MJ Capital (the “American Express Account”) including activity of the ten authorized cardholders. Garcia was an authorized cardholder with authority over card ending 04-01097 during the Analysis Period³.

14. Additionally, this Declaration is based on my review of certain documents filed with the Court by Bernice Lee of Kozyak Tropin & Throckmorton, P.A., the Court-appointed Receiver (the “Receiver”) over MJ Capital, MJ Taxes, UDM Remodeling, LLC, and Pavel Ruiz MJCF LLC (collectively “Receivership Entities”), including but not limited to Interim Reports.

15. Finally, this Declaration is based on my review of certain documents, including but not limited to email communications, produced to the SEC by the Receiver.

III. SUMMARY OF FINANCIAL ANALYSIS FINDINGS

16. My analysis of the MJ Accounts identified total deposits of \$197.8 million during the Analysis Period, excluding transfers between the accounts of \$42.4 million.

17. The deposits described in Paragraph 16 include \$194.7 million in deposits from investors, possible investors, and sales agents that solicited investors, collectively “Investor Funds.”

³ Analysis Period limited to the account opening date of December 11, 2020 through August 31, 2021.

18. Of the \$194.7 million identified as Investor Funds, my analysis revealed that \$3,405,753 was deposited directly to the Garcia Accounts for investment in MJ Capital. To determine if Garcia transferred the Investor Funds from the Garcia Accounts to the MJ Entity Accounts, my analysis included a review of the transfer activity between those accounts.
19. Based on my review, there were 780 transfers between the Garcia Accounts and the MJ Entity Accounts during the Analysis Period. My review of the transfer activity revealed that the Garcia Accounts did not transfer the Investor Funds of \$3,405,753 noted in Paragraph 18 to the MJ Entity Accounts. Furthermore, my review of the transfer activity revealed that the Garcia Accounts received an additional net benefit of \$398,264 from the MJ Entity Accounts due to the transfers as summarized below:

Direction of Money Movement	# of Transfers	Total Amount
TO Garcia Accounts FROM MJ Entity Accounts	378	\$ 14,970,182.80
FROM Garcia Accounts TO MJ Entity Accounts	402	(14,571,918.83)
Net Benefit to the Garcia Accounts:		<u>\$ 398,263.97</u>

20. My analysis of the MJ Accounts also included an analysis of how the Investor Funds of \$194.7 million as noted in Paragraph 17 were spent. The analysis revealed that Garcia spent about \$1,311,513 on apparent personal transactions funded by the Investor Funds in the MJ Accounts, for example:
- \$831,105 for personal investments in private companies and crypto.com.
 - \$212,052 to make payments on personal credit cards including payments to American Express, Citibank, Discover Card, Fortiva MC, FPB Credit Card, GenesisFS Card, and Total Card.

- c. \$145,030 to make payments for various automobiles, for example:
 - i. \$55,030 paid to various automobile financing companies including GM Financial, Equity Auto Finance, and Ally;
 - ii. \$53,000 to Bayview Cadillac for purchase of a Cadillac Escalade; and
 - iii. \$37,000 paid to TopTrucksMotors, LLC via four checks with one check including a memo of “*Payment 2018 Maserati to Marcio Oliveira Vin #JX284365”.
- d. \$33,165 in insurance payments, for example:
 - i. \$21,147 in payments with reference to “Johanna Garcia” or “Javier Garcia⁴” to Ambetter Health Insurance, Primerica Life Insurance, Nationwide, and Prog Select Ins; and
 - ii. \$8,903 in payments to Primerica Life Insurance and J&J Insurance with reference to MJ Capital or MJ Taxes.
- e. \$30,368 on travel, entertainment, and recreation, for example:
 - i. \$17,500 paid to love of art by nk, a Miami based company specializing in events and wedding planning;
 - ii. \$3,463 to Ticketmaster;
 - iii. \$3,186 for a stay in Orlando at the Embassy Suites;
 - iv. \$1,742 to Club Champion, a custom golf club fitting company; and
 - v. \$1,200 for limousine services.
- f. \$18,770 on apparel purchases at various vendors, including Coach, Fendi, and Louis Vuitton.

⁴ Javier Garcia was known to be the husband of Garcia at the time the insurance payments were made.

g. \$17,044 for restaurants and dining including nearly \$7,500 at Shooters Waterfront in Fort Lauderdale, FL.

h. \$13,066 in retail purchases, for example:

i. \$3,594 in payments to Home Depot;

ii. \$3,490 in payments to Best Buy with reference to “Carlos Santos”⁵ in the transaction details;

iii. \$2,386 in transactions at Arona Home Essentials; and

iv. \$3,596 at various retail stores including Amazon, CVS/Pharmacy, Dick’s Sporting Goods, Dollar Tree, Target, and Wal-Mart.

i. \$10,914 on apparent health and personal care transactions including \$5,800 to Millenium Laser Eye Centers in Sunrise, FL.

21. Additionally, I identified about \$192,829 withdrawn as cash from the MJ Accounts during the Analysis Period.

22. My analysis of the Garcia card on the American Express Account identified that the transactions on card ending 04-01097 totaled \$25,400.88. Payments for the card’s activity were made using Investor Funds from the MJ Accounts. Activity on Garcia’s card funded by Investor Funds includes, for example:

a. \$10,054 on promotional items including \$9,263 of purchases at Cre8Tive Factor Inc, and

b. \$7,662 on travel including flights for herself and 13 others to JFK in New York.

⁵ According to emails produced by the Receiver, the application approval for a “My Best Buy Visa Card” in the name of Carlos Santos was emailed to Garcia at jgarcia@mjtaxesandmore.com. There were additional emails regarding the account including statements, minimum payments due, online order confirmations and pick up status all sent to Garcia’s MJ Taxes email address.

23. In total, as shown in the table below, my analysis revealed that Garcia received \$5,333,760.32 from the MJ Accounts through receipt of Investor Funds to the Garcia Accounts, transactions for personal benefit from the MJ Accounts, withdrawing cash from the MJ Accounts, and use of her card on the American Express Account.

Description	Amount
(¶ 18) Investor Funds deposited to Garcia Accounts	+ \$ 3,405,753.04
(¶ 19) Net benefit of transfers to Garcia Accounts	+ 398,263.97
(¶ 20) Personal transactions from the MJ Accounts	+ 1,311,513.06
(¶ 21) Cash withdrawn from MJ Accounts	+ 192,829.37
(¶ 22) American Express Account activity	+ 25,400.88
Total received:	= <u>\$5,333,760.32</u>

IV. RECOVERED FUNDS

24. According to the Receiver's Fifth Interim Report filed on October 26, 2022 the Receiver and her professionals recovered \$3,036,964.47 from individuals and entities who were involved with, and received substantial funds from the Receivership Entities between July 1, 2022 and September 30, 2022.

25. My review of a supplemental summary detailing the recovered funds revealed that \$2,046,961.82 of the total recovered was from the Garcia Accounts as summarized in the following table:

Date	Description	Amount
07/06/2022	Wells Fargo Cashier's check for accounts ending 3719 and 3159 ⁶	\$ 11,650.77
07/14/2022	Venmo check for account [REDACTED] 8298	35,000.00
08/03/2022	Per consent judgment surrendered and turned over balance of Chase account ending 8681	1,500,153.53
08/03/2022	Per consent judgment surrendered and turned over balance of Chase account ending 1397	500,157.52
	Total recovered:	<u>\$ 2,046,961.82</u>

⁶ Per the supplemental summary, the cashier's check from Wells Fargo was for \$79,111.05 and included the balance of the MJ Taxes account ending 9911 of \$67,460.28 and the Garcia Accounts ending 3719 and 3159.

V. DISGORGEMENT CALCULATION

26. In total, my analysis revealed that Garcia received \$5,333,760.32 through various sources as summarized in Paragraph 23.

27. In total, my analysis revealed that \$2,046,961.82 has been recovered from Garcia as summarized in Paragraph 25.

28. Garcia's disgorgement calculation considered total received less total recovered for a calculated disgorgement of \$3,286,798.50 as summarized below:

Description	Amount
(¶ 23) Total received	\$ 5,333,760.32
(¶ 25) Total recovered -	2,046,961.82
	<u>= \$ 3,286,798.50</u>

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 17th day of October, 2024 in Miami, Florida



Julia D'Antonio, CPA/CFF, CFE, CFCS

EXHIBIT 2



U.S. Securities and Exchange Commission Prejudgment Interest Report

Johanna Garcia

Quarter Range	Annual Rate	Period Rate	Quarter Interest	Principal+Interest
Violation Amount				\$3,286,798.50
07/01/2020-09/30/2020	3.00%	0.75%	\$24,785.69	\$3,311,584.19
10/01/2020-12/31/2020	3.00%	0.75%	\$24,972.60	\$3,336,556.79
01/01/2021-03/31/2021	3.00%	0.74%	\$24,681.38	\$3,361,238.17
04/01/2021-06/30/2021	3.00%	0.75%	\$25,140.22	\$3,386,378.39
07/01/2021-09/30/2021	3.00%	0.76%	\$25,606.59	\$3,411,984.98
10/01/2021-12/31/2021	3.00%	0.76%	\$25,800.22	\$3,437,785.20
01/01/2022-03/31/2022	3.00%	0.74%	\$25,430.19	\$3,463,215.39
04/01/2022-06/30/2022	4.00%	1%	\$34,537.27	\$3,497,752.66
07/01/2022-09/30/2022	5.00%	1.26%	\$44,081.27	\$3,541,833.93
10/01/2022-12/31/2022	6.00%	1.51%	\$53,564.17	\$3,595,398.10
01/01/2023-03/31/2023	7.00%	1.73%	\$62,057.56	\$3,657,455.66
04/01/2023-06/30/2023	7.00%	1.75%	\$63,830.12	\$3,721,285.78
07/01/2023-09/30/2023	7.00%	1.76%	\$65,657.75	\$3,786,943.53
10/01/2023-12/31/2023	8.00%	2.02%	\$76,361.38	\$3,863,304.91
01/01/2024-03/31/2024	8.00%	1.99%	\$76,843.88	\$3,940,148.79
04/01/2024-06/30/2024	8.00%	1.99%	\$78,372.36	\$4,018,521.15
07/01/2024-09/30/2024	8.00%	2.01%	\$80,809.61	\$4,099,330.76
10/01/2024-10/31/2024	8.00%	0.68%	\$27,776.89	\$4,127,107.65
Prejudgment Violation Range			Quarter Interest Total	Prejudgment Total
07/01/2020-10/31/2024			\$840,309.15	\$4,127,107.65

COMPOSITE EXHIBIT 3

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

Case Number: 23-CR-20350-MARTINEZ

UNITED STATES OF AMERICA

v.

JOHANNA MICHELY GARCIA,

Defendant.

PRELIMINARY ORDER OF FORFEITURE

THIS MATTER is before the Court upon motion of the United States for entry of a Preliminary Order of Forfeiture (“Motion”) against Defendant Johanna Michely Garcia (the “Defendant”) [ECF No. 59]. The Court has considered the Motion, is otherwise advised in the premises, and finds as follows:

On August 24, 2023, a federal grand jury returned an Indictment charging the Defendant in Count 1 with Conspiracy to Commit Wire Fraud and Mail Fraud in violation of 18 U.S.C. § 1349, among other counts. *Indictment*, ECF No. 1. The Indictment also contained forfeiture allegations, which alleged that upon conviction of a violation of 18 U.S.C. § 1349, “the [D]efendant shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to such offense, pursuant to Title 18, United States Code, Section 981(a)(1)(C).” *Id.* at p.14 ¶ 2.

On July 16, 2024, the Court accepted the Defendant’s guilty plea to Count 1 of the Indictment. *Minute Entry*, ECF No. 43; *Plea Agreement*, ECF No. 46 ¶ 1. As part of the guilty plea, the Defendant agreed to “a forfeiture money judgment in a sum that will be determined,

which sum represents the value of the property subject to forfeiture.” ECF No. 46 ¶ 11..

In support of the guilty plea, the Defendant executed a Factual Proffer, and the Court found that there was a factual basis to support the Defendant’s conviction. *See* Factual Proffer, ECF No. 45. The Factual Proffer also provided a basis for the forfeiture of property. *See id.* The attached Declaration of CPA D’Antonio further supports the requested forfeiture money judgment amount. *See* Ex. A.

As set forth in the factual proffer, ECF No. 45, from at least as early as October 2020, and continuing through on or about August 12, 2021, in Miami-Dade and Broward Counties, in the Southern District of Florida, and elsewhere, Defendant participated and conspired with others, in a large-scale fraud scheme, to commit mail and wire fraud, in violation of Title 18, United States Code, Sections 1349, 1342, and 1341. *Id.* at 1. During this time period, Defendant was manager, president, and chief executive officer of MJ Capital as well as its related entities, including MJ Taxes and More, and MJ Enterprise Inc. *Id.* She was signatory of all MJ Capital entity bank accounts, and she controlled the receipt and disbursement of much of the money raised during the fraud scheme. *Id.*

MJ Capital purportedly engaged in the business of providing merchant cash advances to businesses in Florida and throughout the United States in exchange for agreed-upon periodic payments over a specified period of time. *Id.* at 2. MJ Capital promoted its Merchant Cash Advance (“MCA”) Agreements as a short-term, high-cost, alternative financing solution for small and medium-sized businesses that needed fast up-front funding. *Id.* Defendant and her co-conspirators, directly and indirectly, fraudulently solicited money from investors purportedly to fund MCAs by falsely promising significant returns. *Id.*

While there were certain business loans made, it was the purpose of the conspiracy for

Defendant and her co-conspirators to unlawfully enrich themselves by soliciting investor funds through materially false and fraudulent representations and promises concerning, among other things, the true nature of the investment, the existence of actual loans, the use of investor funds, and the source of investor payments, all so Defendant and her co-conspirators could use investors' funds for their own personal benefit and that of others, and to make payments to existing investors using new investor funds. *Id.* at 1–2.

Defendant and her co-conspirators recruited individuals to solicit investors to invest in MJ Capital's investment offerings at various locations in Miami-Dade and Broward Counties, in the Southern District of Florida. *Id.* As part of the effort to raise additional investor funds, Defendant and her co-conspirators incentivized these individuals by offering and paying commissions. *Id.* Defendant, her co-conspirators, and others, on behalf of MJ Capital, provided and entered into written investment agreements with investors. *Id.* These investment agreements made materially false and fraudulent statements and representations to investors, mainly concerning the use of investor funds and the source of investor returns. *Id.* Based on these false and fraudulent representations to investors, Defendant and others received MJ Capital investor funds in cash and through deposits via check and electronic bank transfers, often involving interstate wire communications and mailings, into various accounts, including Defendant's personal accounts, and accounts in the name of MJ Capital, MJ Taxes, MJ Enterprise. *Id.* at 2–3.

Notwithstanding Defendant and her co-conspirator's false and fraudulent representations to investors regarding the nature of the MJ Capital investment, the finances, operation, and profitability of MJ Capital, and the use of investor funds, MJ Capital only funded a relatively small number of MCAs and failed to earn the profits it needed to pay the

investor returns and principal promised investors. *Id.* at 3. As a result, Defendant and her co-conspirators paid investor returns by paying existing investors using new investor funds. *Id.*

Defendant and her co-conspirators misappropriated millions of dollars of investor funds to pay for, among other things, personal expenses and investments. *Id.* Defendant and her co-conspirators never informed MJ Capital investors that they diverted investor funds for their own personal use and benefit and to pay investor returns. *Id.* Instead, Defendant and her co-conspirators falsely and fraudulently represented to investors that investment funds were being used to fund MCA loans. *Id.*

The FBI and SEC effectively shut down MJ Capital in or around the fall of 2021. *Id.* Thereafter, Defendant and other co-conspirators began operating a new venture utilizing New Beginning Global Funding LLC, New Beginning Capital Funding LLC, Lion Heart Capital Group L.L.C., GMR Remodeling LLC, and Group Management LLC. *Id.* Although not listed on the Florida Division of Corporations records in any capacity, Defendant and others worked to raise approximately \$3.2-\$4 million from at least twenty individuals. *Id.* Defendant and others directly met with investors, collected cash from investors, and gave investors instructions on where to send money for several of the entities. *Id.* Defendant and her co-conspirators told investors that their money would be used to fund general contractors who worked on commercial and residential properties through merchant cash advance loans. *Id.* In truth, bank records show that there was little to no merchant cash advance activity, and the money raised was used to pay off previous investors. *Id.* at 3–4.

As to the forfeiture money judgment amount, CPA D’Antonio examined financial records for the period of October 1, 2020, through August 12, 2021¹¹ (“Analysis Period”), including, among other things, account opening documents, signature cards, statements,

deposit slips, deposited checks, wire transaction details, and canceled checks for the following 12 bank and fintech accounts:

	Institution	Account Identifier	Account Name	Authorized Signer(s)
1	Chase	██████3960	MJ Capital Funding, LLC	Johanna Michely Garcia Nathalia Burgos
2	Wells Fargo	██████1239	MJ Capital Funding, LLC	Johanna M Garcia Nathalia Burgos
3	Chase	██████0571	MJ Enterprise Inc.	Johanna Michely Garcia Nathalia Burgos
4	Chase	██████2672	MJ Remodeling Services and More, Inc	Johanna Michely Garcia Nathalia Burgos
5	Chase	██████8072	MJ Tax Services & More Inc	Johanna Michely Garcia Nathalia Burgos
6	Wells Fargo	██████9911	MJ Tax Services & More Inc	Johanna M Garcia Nathalia Burgos
7	Chase	██████8681	Johanna Michely Garcia	Johanna Michely Garcia
8	Chase	██████1397	Johanna Michely Garcia	Johanna Michely Garcia
9	Wells Fargo	██████3719	Johanna M Garcia / Javier Garcia	Johanna M Garcia Javier Garcia
10	Wells Fargo	██████3159	Johanna M Garcia	Johanna M Garcia
11	Cash App	C_fmd5ppm9m	Johanna Redondo ¹	Johanna Redondo
12	Venmo	@mjcapitalfunding	Johanna Garcia	Johanna Garcia

Ex. A ¶ 7.

These accounts, collectively the “MJ Accounts,” are accounts over which Defendant had signatory authority and were grouped for analysis because they received investor funds and were commingled such that they appeared to act as one entity. Ex. A ¶ 8. In addition to

¹ According to the Cash App records analyzed, the Identity Verification Name is “Johanna Redondo,” which is known to be Defendant’s maiden name. Ex. A at n. 1.

the analysis of the MJ Accounts, CPA D'Antonio's Declaration is based upon opensource research performed on over 1,960 entities, primarily registered in the State of Florida. Ex. A ¶ 9. CPA D'Antonio conducted searches on the Florida Division of Corporations' website, "Sunbiz", as well as other Secretary of State's websites to identify relationships between individuals and entities identified in the bank records. *Id.*

According to Sunbiz, MJ Capital was organized on June 10, 2020, and identified Defendant as President on the Articles of Organization. Ex. A ¶ 10. According to Sunbiz, MJ Enterprise Inc. was incorporated originally as MJ Check Cashing N' Loans Inc. on September 25, 2019, and identified Defendant as President and Registered Agent on the Articles of Incorporation. Ex. A ¶ 11. Articles of Amendment to the Articles of Incorporation were filed on November 20, 2020, changing the name to MJ Enterprise Inc. and signed by Defendant as President. *Id.*

According to Sunbiz, MJ Remodeling Services and More, Inc. was incorporated on October 2, 2019, and identified Defendant as President, Registered Agent, and Incorporator on the Articles of Incorporation. Ex. A ¶ 12. According to Sunbiz, MJ Taxes and More Inc was incorporated originally as MJ Tax Services & More Inc on December 9, 2016, and identified Defendant as President, Registered Agent, and Incorporator on the Articles of Incorporation. Ex. A ¶ 13. Articles of Amendment to the Articles of Incorporation were filed on March 9, 2020, changing the name to MJ Taxes and More Inc and signed by Defendant as President. *Id.*

Additionally, CPA D'Antonio's Declaration is based on her review of certain documents filed with the Court by the Receiver in the related SEC action,² including but not

² See *Securities And Exchange Commission V. MJ Capital Funding, LLC et al.*, No. 21-61644-CIV-

limited to Interim Reports, and certain documents and information produced by the Receiver.
Ex. A ¶ 14.

During the Analysis Period, CPA D'Antonio's review of the MJ Accounts identified total deposits of \$187,663,000, excluding transfers between the accounts of \$37,995,000. Ex. A ¶ 15. CPA D'Antonio reviewed various sources of evidence, including the memos on more than 4,700 deposit transactions, thousands of MJ Capital investment agreements, internal spreadsheets used to print checks, and various sales agents' tracking spreadsheets, to determine that of the total deposits, \$184,933,000 were deposits from individuals and entities identified to be investors, possible investors, and sales agents that solicited investors, collectively referred to as "Investor Deposits." Ex. A ¶ 16.

In addition, according to page four of the Receiver's First Interim Report filed with the Court on October 29, 2021, the Receiver secured and recovered \$1,379,000² in cash from various offices at MJ Capital's and MJ Taxes' shared office space in Pompano Beach (the "Premises"). Ex. A ¶ 17; *see* Receiver's First Interim Report, No. 21-61644-CIV-Singhal, ECF No. 94 at 4. Total proceeds from investors of \$186,312,000 were calculated by adding the cash recovered from the Premises to the Investor Deposits in the MJ Accounts. Ex. A ¶ 18.

Accordingly, based on the foregoing, the evidence in the record, and for good cause shown, the Motion is **GRANTED**, and it is hereby **ORDERED** that:

1. Pursuant to 18 U.S.C. § 981(a)(1)(C) and Rule 32.2 of the Federal Rules of Criminal Procedure, a forfeiture money judgment in the amount of \$186,312,000 is entered against the Defendant.

Singhal (S.D. Fla.).

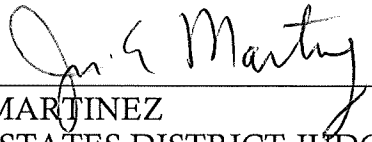
2. The United States is authorized to conduct any discovery that might be necessary to identify, locate, or dispose of forfeited property, and to resolve any third-party petition, pursuant to Rule 32.2(b)(3), (c)(1)(B) of the Federal Rules of Criminal Procedure and 21 U.S.C. § 853(m).

3. Pursuant to Rule 32.2(b)(4) of the Federal Rules of Criminal Procedure, this Order is final as to the Defendant.

4. The Court shall retain jurisdiction in this matter for the purpose of enforcing this Order, and pursuant to Rule 32.2(e)(1) of the Federal Rules of Criminal Procedure, shall amend this Order, or enter other orders as necessary, to forfeit additional specific property when identified.

It is further **ORDERED** that upon adjudication of all third-party interests, if any, the Court will enter a final order of forfeiture as to the property in which all interests will be addressed. Upon notice from the United States that no claims have been filed within 60 days of the first day of publication or within 30 days of receipt of notice, whichever is earlier, then, pursuant to Rule 32.2(c)(2) of the Federal Rules of Criminal Procedure and 21 U.S.C. § 853(n)(7), this Order shall become a Final Order of Forfeiture and any duly authorized law enforcement agency shall dispose of the property in accordance with applicable law.

DONE AND ORDERED at Chambers in Miami, Florida, this 1 day of November 2024.



JOSE E. MARTINEZ
UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

UNITED STATES OF AMERICA

v.

JOHANNA MICHELY GARCIA

§ AMENDED JUDGMENT IN A CRIMINAL CASE

§

§

§ Case Number: 1:23-CR-20350-MARTINEZ

§ USM Number: 74739-510

§

§ Counsel for Defendant: Kathleen Elena Handlin Taylor

§ Counsel for United States: Roger Cruz

Date of Original Judgment: 12/3/2024

Reason for Amendment: Preliminary Order of Forfeiture Incorporated

THE DEFENDANT:

<input checked="" type="checkbox"/>	pleaded guilty to the count.	Count 1 of the Indictment
<input type="checkbox"/>	pleaded guilty to count(s) before a U.S. Magistrate Judge, which was accepted by the court.	
<input type="checkbox"/>	pleaded nolo contendere to count(s) which was accepted by the court	
<input type="checkbox"/>	was found guilty on count(s) after a plea of not guilty	

The defendant is adjudicated guilty of this offense:

Title & Section / Nature of Offense

18 U.S.C. § 1349 / Conspiracy To Commit Wire Fraud and Mail Fraud

Offense Ended

08/12/2021

Count

1

The defendant is sentenced as provided in pages 2 through 7 of this Amended Judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

☐ The defendant has been found not guilty on count(s)

☒ Counts 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, and 29 of the Indictment are dismissed on the motion of the United States.

It is ordered that the defendant must notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this Amended Judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States Attorney of material changes in economic circumstances.

December 12, 2024

Date of Imposition of Amended Judgment

Signature of Judge

JOSE E. MARTINEZ
UNITED STATES DISTRICT JUDGE

Name and Title of Judge

Date

12 December 2024

DEFENDANT: JOHANNA MICHELY GARCIA
CASE NUMBER: 1:23-CR-20350-MARTINEZ

IMPRISONMENT

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total term of:

240 Months.

☒ The court makes the following recommendations to the Bureau of Prisons:

Defendant be designated to a federal facility located in the Southern District of Florida commensurate with her background and the offense of which she stands convicted.

Defendant be screened for possible substance abuse and placed in an appropriate treatment program.

Defendant be screened for possible placement in the Female Integrated Treatment (FIT) program.

☒ The defendant is remanded to the custody of the United States Marshal.

☐ The defendant shall surrender to the United States Marshal for this district:

☐ at ☐ a.m. ☐ p.m. on

☐ as notified by the United States Marshal.

☐ The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:

☐ before 2 p.m. on

☐ as notified by the United States Marshal.

☐ as notified by the Probation or Pretrial Services Office.

RETURN

I have executed this Amended Judgment as follows:

Defendant delivered on _____ to

at _____, with a certified copy of this Amended Judgment.

UNITED STATES MARSHAL

By
DEPUTY UNITED STATES MARSHAL

DEFENDANT: JOHANNA MICHELY GARCIA
CASE NUMBER: 1:23-CR-20350-MARTINEZ

SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of: **Three Years.**

MANDATORY CONDITIONS

1. You must not commit another federal, state or local crime.
2. You must not unlawfully possess a controlled substance.
3. You must refrain from any unlawful use of a controlled substance. You must submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the court.
☐ The above drug testing condition is suspended, based on the court's determination that you pose a low risk of future substance abuse. *(check if applicable)*
4. ☐ You must make restitution in accordance with 18 U.S.C. §§ 3663 and 3663A or any other statute authorizing a sentence of restitution. *(check if applicable)*
5. ☒ You must cooperate in the collection of DNA as directed by the probation officer. *(check if applicable)*
6. ☐ You must comply with the requirements of the Sex Offender Registration and Notification Act (34 U.S.C. § 20901, et seq.) as directed by the probation officer, the Bureau of Prisons, or any state sex offender registration agency in which you reside, work, are a student, or were convicted of a qualifying offense. *(check if applicable)*
7. ☐ You must participate in an approved program for domestic violence. *(check if applicable)*

You must comply with the standard conditions that have been adopted by this court as well as with any additional conditions on the attached page.

DEFENDANT: JOHANNA MICHELY GARCIA
CASE NUMBER: 1:23-CR-20350-MARTINEZ

STANDARD CONDITIONS OF SUPERVISION

As part of your supervised release, you must comply with the following standard conditions of supervision. These conditions are imposed because they establish the basic expectations for your behavior while on supervision and identify the minimum tools needed by probation officers to keep informed, report to the court about, and bring about improvements in your conduct and condition.

1. You must report to the probation office in the federal judicial district where you are authorized to reside within 72 hours of your release from imprisonment, unless the probation officer instructs you to report to a different probation office or within a different time frame.
2. After initially reporting to the probation office, you will receive instructions from the court or the probation officer about how and when you must report to the probation officer, and you must report to the probation officer as instructed.
3. You must not knowingly leave the federal judicial district where you are authorized to reside without first getting permission from the court or the probation officer.
4. You must answer truthfully the questions asked by your probation officer.
5. You must live at a place approved by the probation officer. If you plan to change where you live or anything about your living arrangements (such as the people you live with), you must notify the probation officer at least 10 days before the change. If notifying the probation officer in advance is not possible due to unanticipated circumstances, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
6. You must allow the probation officer to visit you at any time at your home or elsewhere, and you must permit the probation officer to take any items prohibited by the conditions of your supervision that he or she observes in plain view.
7. You must work full time (at least 30 hours per week) at a lawful type of employment, unless the probation officer excuses you from doing so. If you do not have full-time employment you must try to find full-time employment, unless the probation officer excuses you from doing so. If you plan to change where you work or anything about your work (such as your position or your job responsibilities), you must notify the probation officer at least 10 days before the change. If notifying the probation officer at least 10 days in advance is not possible due to unanticipated circumstances, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
8. You must not communicate or interact with someone you know is engaged in criminal activity. If you know someone has been convicted of a felony, you must not knowingly communicate or interact with that person without first getting the permission of the probation officer.
9. If you are arrested or questioned by a law enforcement officer, you must notify the probation officer within 72 hours.
10. You must not own, possess, or have access to a firearm, ammunition, destructive device, or dangerous weapon (i.e., anything that was designed, or was modified for, the specific purpose of causing bodily injury or death to another person such as nunchakus or tasers).
11. You must not act or make any agreement with a law enforcement agency to act as a confidential human source or informant without first getting the permission of the court.
12. If the probation officer determines that you pose a risk to another person (including an organization), the probation officer may require you to notify the person about the risk and you must comply with that instruction. The probation officer may contact the person and confirm that you have notified the person about the risk.
13. You must follow the instructions of the probation officer related to the conditions of supervision.

U.S. Probation Office Use Only

A U.S. probation officer has instructed me on the conditions specified by the court and has provided me with a written copy of this Amended Judgment containing these conditions. I understand additional information regarding these conditions is available at www.flsp.uscourts.gov.

Defendant's Signature _____

Date _____

DEFENDANT: JOHANNA MICHELY GARCIA
CASE NUMBER: 1:23-CR-20350-MARTINEZ

SPECIAL CONDITIONS OF SUPERVISION

Association Restriction: The defendant is prohibited from associating with Pavel Ruiz Hernandez and Christian Jose Gonzalez while on supervised release.

Financial Disclosure Requirement: The defendant shall provide complete access to financial information, including disclosure of all business and personal finances, to the U.S. Probation Officer.

No New Debt Restriction: The defendant shall not apply for, solicit or incur any further debt, included but not limited to loans, lines of credit or credit card charges, either as a principal or cosigner, as an individual or through any corporate entity, without first obtaining permission from the United States Probation Officer.

Permissible Search: The defendant shall submit to a search of her person or property conducted in a reasonable manner and at a reasonable time by the U.S. Probation Officer.

Related Concern Restriction: The defendant shall not own, operate, act as a consultant, be employed in, or participate in any manner, in any related concern during the period of supervision.

Self-Employment Restriction: The defendant shall obtain prior written approval from the Court before entering into any self-employment.

Substance Abuse Treatment: The defendant shall participate in an approved treatment program for drug and/or alcohol abuse and abide by all supplemental conditions of treatment. Participation may include inpatient/outpatient treatment. The defendant will contribute to the costs of services rendered (co-payment) based on ability to pay or availability of third-party payment.

Unpaid Restitution, Fines, or Special Assessments: If the defendant has any unpaid amount of restitution, fines, or special assessments, the defendant shall notify the probation officer of any material change in the defendant's economic circumstances that might affect the defendant's ability to pay.

DEFENDANT: JOHANNA MICHELY GARCIA
CASE NUMBER: 1:23-CR-20350-MARTINEZ

CRIMINAL MONETARY PENALTIES

The defendant must pay the total criminal monetary penalties under the schedule of payments page.

	<u>Assessment</u>	<u>Restitution</u>	<u>Fine</u>	<u>AVAA Assessment*</u>	<u>JVTA Assessment**</u>
TOTALS	\$100.00	To Be Determined	\$0.00		

- ☒ The determination of restitution is deferred until Monday, March 3, 2025, at 1:30 p.m. A *Second Amended Judgment in a Criminal Case (AO245C)* will be entered after such determination.
- ☐ The defendant must make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

- ☐ Restitution amount ordered pursuant to plea agreement \$
- ☐ The defendant must pay interest on restitution and a fine of more than \$2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the Amended Judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on the schedule of payments page may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).
- ☐ The court determined that the defendant does not have the ability to pay interest and it is ordered that:
- | | | |
|---|-------------------------------|--|
| <input type="checkbox"/> the interest requirement is waived for the | <input type="checkbox"/> fine | <input type="checkbox"/> restitution |
| <input type="checkbox"/> the interest requirement for the | <input type="checkbox"/> fine | <input type="checkbox"/> restitution is modified as follows: |

Restitution with Imprisonment - It is further ordered that the defendant shall pay restitution in the amount of **To Be Determined**. During the period of incarceration, payment shall be made as follows: (1) if the defendant earns wages in a Federal Prison Industries (UNICOR) job, then the defendant must pay 50% of wages earned toward the financial obligations imposed by this Amended Judgment in a Criminal Case; (2) if the defendant does not work in a UNICOR job, then the defendant must pay a minimum of \$25.00 per quarter toward the financial obligations imposed in this order. Upon release of incarceration, the defendant shall pay restitution at the rate of 10% of monthly gross earnings, until such time as the court may alter that payment schedule in the interests of justice. The U.S. Bureau of Prisons, U.S. Probation Office and U.S. Attorney's Office shall monitor the payment of restitution and report to the court any material change in the defendant's ability to pay. These payments do not preclude the government from using other assets or income of the defendant to satisfy the restitution obligations.

* Amy, Vicky, and Andy Child Pornography Victim Assistance Act of 2018, 18 U.S.C. §2259.

** Justice for Victims of Trafficking Act of 2015, 18 U.S.C. §3014.

*** Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT: JOHANNA MICHELY GARCIA
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SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties is due as follows:

A ☒ Lump sum payment of \$100.00 due immediately.

It is ordered that the Defendant shall pay to the United States a special assessment of \$100.00 for Count 1, which shall be due immediately. Said special assessment shall be paid to the Clerk, U.S. District Court. Payment is to be addressed to:

U.S. CLERK'S OFFICE
ATTN: FINANCIAL SECTION
400 NORTH MIAMI AVENUE, ROOM 8N09
MIAMI, FLORIDA 33128-7716

Unless the court has expressly ordered otherwise, if this Amended Judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

☐ Joint and Several
See above for Defendant and Co-Defendant Names and Case Numbers (*including defendant number*), Total Amount, Joint and Several Amount, and corresponding payee, if appropriate.

☒ The defendant shall forfeit the defendant's interest in the following property to the United States:
Forfeiture ordered, as per the *Preliminary Order of Forfeiture* [ECF No. 60] filed on November 1, 2024.

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) AVAA assessment, (5) fine principal, (6) fine interest, (7) community restitution, (8) JVTa assessment, (9) penalties, and (10) costs, including cost of prosecution and court costs.

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO.: 0:21-cv-61644-AHS

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
)
v.)
)
MJ CAPITAL FUNDING, LLC,)
MJ TAXES AND MORE INC., and)
JOHANNA M. GARCIA,)
)
Defendants.)
_____)

FINAL JUDGMENT AS TO DEFENDANT JOHANNA M. GARCIA

Plaintiff Securities and Exchange Commission (the “Commission”) commenced this action by filing its Complaint against Defendant Johanna M. Garcia (“Defendant”). This Court previously entered Judgment, by consent, against Defendant which entered injunctive relief, an officer and director bar, and other relief, but left unresolved the issues of disgorgement and prejudgment interest [DE 169] (the “Judgment”). The Court finds that good cause exists to award the Commission disgorgement and prejudgment interest in the amounts set forth in Paragraph III below. The Court enters Paragraphs I, II, IV, and V of this Final Judgment based on the Consent signed by Garcia [DE 165-2] in which Garcia, without admitting or denying the allegations of the Complaint (except as to jurisdiction), agreed to, among others, the matters set forth in these paragraphs.

I.

PERMANENT INJUNCTIVE RELIEF

A.

Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder

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,

by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor, about:

- (a) any investment in or offering of securities;
- (b) the prospects for success of any business, product, or company;
- (c) any returns on investment;

(d) the use of investor funds or investment proceeds; or

(e) the misappropriation or misuse of investor funds or investment proceeds.

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).

B.

Section 17(a) of the Securities Act of 1933 ("Securities Act")

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,

by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or

in writing, any false or misleading statement in any communication with any investor or prospective investor, about:

- (a) any investment in or offering of securities;
- (b) the prospects for success of any business, product, or company;
- (c) any returns on investment;
- (d) the use of investor funds or investment proceeds; or
- (e) the misappropriation or misuse of investor funds or investment proceeds.

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).

C.

Section 5 of the Securities Act

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).

II.

OFFICER AND DIRECTOR BAR

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], and Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)], Defendant is prohibited from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

III.

DISGORGEMENT AND PREJUDGMENT INTEREST

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$3,286,798.50 representing net profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$840,309.15, for a total of \$4,127,107.65. This amount is deemed satisfied by the forfeiture order entered against Defendant in the criminal case of *United States v. Johanna Michely Garcia*, No. 1:23-cr-20350-JEM (S.D. Fla.).

IV.

INCORPORATION OF CONSENT

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent [DE 165-2] 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.

V.

RETENTION OF JURISDICTION

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.

DONE AND ORDERED in Chambers, Fort Lauderdale, Florida, this ____ day of _____ 2025.

UNITED STATES DISTRICT JUDGE