

1 STATE OF CALIFORNIA
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
3 DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

4 TO: Granny Moss Products Corp.
5 Laurence Wainer
6 12844 Landale Street
7 Studio City, California 91604

8 DESIST AND REFRAIN ORDER
9 (For violations of sections 25110 and 25401 of the Corporations Code)

10 The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

11 1. The Department of Financial Protection and Innovation (Department) regulates the
12 offer and sale of securities in California under the Corporate Securities Law of 1968 (Corp. Code §
13 25000 *et seq.*) (CSL). Absent a relevant exception, it is unlawful to offer or sell securities in the State
14 of California unless the offer and sale has been qualified under the law. (Corp. Code § 25110).

15 2. At all relevant times, Granny Moss Products Corp. (Granny Moss) is a California
16 corporation formed on or around October 25, 2018 with a last known business address located at
17 12844 Landale Street, Studio City, California 91604.

18 3. At all relevant times, Laurence Wainer (Wainer) was the president, CEO, CFO,
19 Treasurer, Secretary and Director of Granny Moss. Wainer’s last known business address was
20 located at 12844 Landale Street, Studio City, California 91604.

21 4. Granny Moss and Wainer (collectively, the Respondents), using at least one
22 salesperson, solicited investments from investors in multiple states, including but not limited to
23 California, Alabama, New York, Maryland, Georgia, and Colorado.

24 5. The Respondents issued a Private Placement Memorandum (Granny Moss PPM),
25 dated December 20, 2018, that stated, among other things, the following:

26 a. Through the Granny Moss PPM, the Respondents “are offering investors who
27 have a pre-existing relationship with the Company and its management, and are familiar with the
28

1 Company and its operations and business plan, a maximum of 2,500,000 shares (the ‘Shares’) of our
2 common stock . . . We will not utilize placement agents or finders in relation to this offering”

3 b. Granny Moss Products Corp., is a cannabis extraction company that plans to
4 “sell our brand name vape oil products under the name ‘GrannyMoss™’ through legally-licensed
5 cannabis dispensaries in California”

6 c. The net proceeds of the offering “will be used for (i) general corporate
7 purposes including legal and accounting services, (ii) expenses associated with a ‘going public’
8 transaction, (iii) advertising and marketing, (iv) general operating expenses, (iv) and (iii) (sic)
9 miscellaneous fees and expenses, as described herein . . . Estimated Use of Proceeds . . . the proceeds
10 will be applied with the following priority . . . Offering Expenses . . . Operations . . . General
11 Corporate Purposes . . . Legal and Professional Fees”

12 d. The Respondents “believe the extraction technology we plan to use will give
13 us a significant advantage over our competitors, and our patent should prevent others from being able
14 to replicate the services we offer”

15 e. Granny Moss “may accept purchases of Shares only from investors who
16 contacted the Company directly without the assistance of an investment advisor selling agent”

17 6. In or around December 2018, the Respondents, using a sales agent, offered and sold to
18 a California resident 50,000 shares of common stock of Granny Moss for \$2,500.00. On or around
19 February 12, 2019, the Respondents offered and sold to the same California resident an additional
20 50,000 shares of common stock of Granny Moss for \$2,500.00.

21 7. In or around January 2019, the Respondents, using a sales agent, contacted an
22 Alabama resident and offered shares of common stock of Granny Moss. Neither the Respondents nor
23 the sales agent had any pre-existing personal or business relationship with the Alabama resident. On
24 or around January 22, 2019, the Respondents sold 50,000 shares of Granny Moss common stock to
25 the Alabama resident for \$2,500.00. On or around January 30, 2019, the Alabama resident and
26 Wainer, as President on behalf of Granny Moss, executed a Subscription Agreement for the sale of
27 the 50,000 shares of common stock.
28

1 8. The shares of Granny Moss common stock offered and sold by the Respondents were
2 securities and were neither qualified nor exempt from the qualification requirement under the CSL.

3 9. Further, the Respondents offered and sold securities in the State of California by
4 means of written or oral communications that included an untrue statement of a material fact or
5 omitted to state a material fact necessary to make the statements made, in light of the circumstances
6 under which the statements were made, not misleading, including, but not limited to the following:

7 a. The Granny Moss PPM stated that Granny Moss was offering investors who
8 had a pre-existing relationship with the company and its management, when in fact Granny Moss,
9 through its sales agent, offered and sold shares of Granny Moss common stock to at least one
10 Alabama resident with no pre-existing relationship with Granny Moss or its management;

11 b. The Granny Moss PPM stated that it would not utilize placement agents or
12 finders in relation to the offering, when in fact it utilized and compensated at least one sales agent, to
13 offer and sell shares of common stock in Granny Moss to at least two investors;

14 c. The Granny Moss PPM, which was dated December 20, 2018, stated that it
15 planned to sell brand name vape oil products under the name ‘GrannyMoss™’ through legally-
16 licensed cannabis dispensaries in California, but omitted to state that on November 1, 2018, it had
17 only filed a Trademark application that was later abandoned on or around February 13, 2020, and
18 never approved;

19 d. The Granny Moss PPM stated that the net proceeds of the offering would be
20 used in the following order of priority: offering expenses, operations, general corporate purposes, and
21 legal and professional fees, but omitted to state that the net proceeds were placed in a bank account
22 controlled by Wainer and spent on personal living expenses, payments to at least one sales agent,
23 frequent cash withdrawals, and rental payments for an unrelated company owned by Wainer;

24 e. The Granny Moss PPM stated that the extraction technology it planned to use
25 will give it a significant advantage over its competitors, and its “patent should prevent others from
26 being able to replicate the services” it offers, when in fact Granny Moss never had any patent;

27 ///

28 ///

1 f. The Granny Moss PPM stated that it “may accept purchases of Shares only
2 from investors who contacted the Company directly without the assistance of an investment advisor
3 selling agent,” when in fact in or around January 2019, the Respondents, through a sales agent,
4 offered and sold 50,000 shares of Granny Moss common stock by cold calling at least one Alabama
5 resident who had no pre-existing business or personal relationship with the Respondents.

6 Based on the foregoing, the Commissioner is of the opinion that the securities offered and
7 sold by Granny Moss Products Corp. and Laurence Wainer were securities subject to qualification
8 under the CSL and such offers have not been qualified or exempted, in violation of Corporations
9 Code section 25110.

10 Pursuant to Corporations Code section 25532, Granny Moss Products Corp. and Laurence
11 Wainer, and their managers, officers, directors, agents, or employees, are hereby ordered to desist and
12 refrain from the further offer or sale in the State of California of securities, including, but not limited
13 to, shares of Granny Moss common stock, unless and until qualification has been made or unless
14 exempt.

15 Further, based on the foregoing, the Commissioner is of the opinion that the securities offered
16 and sold, or caused to be offered or sold, by Granny Moss Products Corp. and Laurence Wainer were
17 offered and sold, or caused to be offered or sold, in this state by means of written or oral
18 communications that included untrue statements of material fact or omitted to state material facts
19 necessary in order to make the statements made, not misleading, in violation of Corporations Code
20 section 25401.

21 Pursuant to Corporations Code section 25532, Granny Moss Products Corp. and Laurence
22 Wainer, and their managers, officers, directors, agents, or employees, are hereby ordered to desist and
23 refrain from offering or selling any security in the State of California by means of any written or oral
24 communication which includes an untrue statement of a material fact or omits to state a material fact
25 necessary in order to make the statements made, in the light of the circumstances under which they
26 were made, not misleading.

27 ///

28 ///

1
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

This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

Dated: November 10, 2020
Los Angeles, California

MANUEL P. ALVAREZ
Commissioner of Financial Protection and Innovation

By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division