BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of, GERALD WALKER, Respondent.	CONSENT ORDER TO CEASE AND DESIST AND REVOKING EXEMPTIONS DFI Case No. S-242028 (EX)

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities ("Division"), having legal authority and jurisdiction to administer and enforce the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 ("Ch. 551") and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

Respondent

1. Gerald Walker ("Walker") is an adult male with a last known address of 3148 Thomas Street, Jacksonville, FL 32254. In 2004, Walker (CRD# 4774349) was briefly employed by PFS Investments, Inc. (CRD# 10111), of Jacksonville, FL, but he never completed any qualification exams to become a securities agent.

Conduct

2. Mind Capital aka Mind Capital OU aka Mind Capital Tech SL ("Mind Capital") is a Spanish and Estonian domiciled company which maintains last known addresses of Calle de Juan de Mariana, 15, 28045 Madrid, Spain and Lõõtsa tn 5-11, 11415 Tallinn, Estonia.

3. Gonzalo Garcia-Pelayo ("GGP") is the president and chief executive officer of Mind Capital. His last known addresses are Calle de Juan de Mariana, 15, 28045 Madrid, Spain and Lõõtsa tn 5-11, 11415 Tallinn, Estonia.

4. Oscar Garcia-Pelayo ("OGP") is the vice-president of Mind Capital. His last known addresses are Calle de Juan de Mariana, 15, 28045 Madrid, Spain and Lõõtsa tn 5-11, 11415 Tallinn, Estonia.

5. Mind Capital, GGP and OGP are referred to herein collectively as "Mind Capital."

6. Mind Capital maintains a website at https://mind.capital which describes how to participate in a cryptocurrency investment program.

7. On its website, Mind Capital offers for sale investments in Mind Capital's crypto/fiat arbitrage trading program, which requires investors to use Bitcoin to purchase Mind Capital's exclusive "internal use" utility token, MCcoin.

8. Mind Capital claims MCcoin is unalterable and is always equal to $1.00.

9. Mind Capital further represents that by using advanced algorithms they are able to analyze "the evolution of the main crypto assets and their sale price in different currencies and find the optimum moments of buying and selling."

10. According to the Mind.Capital website, the crypto/fiat arbitrage trading program is earning between 0.5% and 1.5% in returns daily.

11. Mind Capital through its website further represents that in addition to receiving daily returns between 0.5% and 1.5%, investors can receive additional funds by participating in Mind Capital's referral plan.

12. Under the referral plan, an existing investor may receive up to 8% of the profits earned by a new investor who the existing investor referred to the crypto/fiat arbitrage trading program.

13. Walker, as an agent of Mind Capital, published advertisements on Craigslist which targeted residents of Janesville, Kenosha and Racine in Wisconsin. Similar to the Mind Capital website, the Mind Capital advertisements stated in relevant part:

> Our Company, MindCapital, has developed an Artificial Intelligence that simultaneously buys and sells Securities, Currencies, or Commodities, even Crypto Currencies in different markets in order to take advantage of the differing prices for the same asset. We get paid a percentage of the profits generated.
>
> In MindCapital, the profits are obtained by crypto / fiat arbitration operations and the members participate with a distribution of 65% / 35% of the profits, which means that the member receives 65% of the gross profits and the platform receives 35% for network bonus and platform improvement.
>
> The income reflected on the web platform is GROSS, that is, the net percentage of the members is on average 0.8% per day. It might not seem like a lot, but with the ability to compound your earnings it can grow

> massively.
>
> 1. There is a minimum contribution of $40 USD and a maximum of $100,000 USD.
> 2. Payments of the returns obtained are made daily from Monday to Friday into your own portfolio on the platform.
> 3. These returns are available to be withdrawn to an external wallet when the value exceeds $50 USD, with a maximum of $10,000 USD per day.
> 4. The initial capital can be withdrawn after 90 days of your contribution.
> 5. There is no withdrawal commission, either for performance or for capital. Only Blockchain fees to process transactions when we deposit or withdraw Bitcoin.
>
> MindCapital combines high profitability with high liquidity.
>
> We have been on the platform only a very short time, but we have team members already exceeding profits of in excess of $1,800+ USD DAILY!!!

14. The Craigslist advertisement provided a telephone number and invited potential investors to text "Gerald" for more information.

15. On August 10, 2020, via telephone Walker solicited an investment in Mind Capital from a Wisconsin resident who had seen the Craigslist advertisement for the investment program. According to Walker, Mind Capital has software which links to cryptocurrency platforms, looking for differences in pricing. The Mind Capital software buys from a platform at the lowest price and sells on another platform at the highest price. Walker said Mind Capital also trades in the forex market by conducting arbitrage trades, where they also buy low and sell high.

16. Walker further represented that Mind Capital needs Bitcoin to buy and sell on the market. First, investors buy Bitcoin and transfer it to Mind Capital. Then Mind Capital converts the Bitcoin received from investors to MCcoins valued at $1.00 each. Walker encouraged the Wisconsin investor to purchase his Bitcoin using the Cash App platform because he could transfer it out instantly to Mind Capital. Walker also recommended the Wisconsin investor start with an initial purchase of $40.00 so that he could familiarize himself with the features of the Mind Capital "back office."

17. Walker also informed the Wisconsin resident that he could earn a commission from the earnings of other Mind Capital investors that the Wisconsin resident refers to the program. As explained by Walker, Mind Capital splits the daily profits by distributing 65% to the investor and 35% to Mind Capital. An investor who earns commissions from referrals is paid from Mind Capital's 35% share of the profits. As the value of the referred investor's account grows, the commission paid to the referring investor grows too.

18. On or about January 13, 2020, the Comision Nacional del Mercado de Valores, which is the National Securities Market Commission of Spain, issued a public

warning that Mind Capital was not authorized to provide investment services per Article 140 and 141 of the Securities Markets Law of Spain.

19. On July 16, 2020, the Texas State Securities Board issued an Emergency Cease and Desist Order against Mind Capital, GGP, OGP and others for offering unregistered securities, for offering securities in the state of Texas without being registered as broker-dealers, and for engaging in fraud in connection with the offer for sale of securities.

20. The crypto/fiat arbitrage trading program has never been registered as a security in Wisconsin nor is it exempt from registration or a federal covered security.

21. Walker has never been registered with the Division in any capacity.

B. Conclusions of Law

Legal Authority and Jurisdiction

22. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Wis. Stats. Ch. 551 and the rules and orders promulgated thereunder.

23. Pursuant to Wis. Stat. § 551.102(28), Mind Capital's crypto/fiat arbitrage trading program meets the definition of a security.

24. Pursuant to Wis. Stat. § 551.301, it is unlawful for a person to offer or sell a security in this state unless the security is registered in this state, or is a federal covered security or is exempt from registration under Ch. 551.

25. Mind Capital is a broker-dealer pursuant to Wis. Stat. § 551.102(4).

26. Pursuant to Wis. Stat. § 551.102(2), an "agent" means an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities.

27. Walker transacted business in Wisconsin as an agent of a broker-dealer through the conduct alleged in paragraphs 13-17.

28. Pursuant to Wis. Stat. § 551.402(1) and § DFI-Sec. 1.02(5), Wis. Admin. Code, it is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this chapter as an agent or is exempt from registration as an agent under Wis. Stat. § 551.402(2).

Violations

29. Through the conduct described above, Walker violated Wis. Stat. § 551.402(1) when he transacted business in this state as an agent of a broker-dealer without being registered or exempt from registration under Ch. 551.

30. Through the conduct described above, Walker violated Wis. Stat. § 551.301 by offering to sell unregistered securities in this state that were not exempt from registration and were not federal covered securities.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to wit Wis. Stat. § 551.604, to issue the following orders and notices:

A. Consent Orders issued pursuant to Wis. Stat. § 551.604(2)

(a) IT IS ORDERED summarily that RESPONDENT, his agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of the RESPONDENT, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as federal covered securities, federal exempt securities or are registered under Ch. 551 or successor statute, pursuant to Wis. Stat. §§ 551.604(1)(a) and (2).

(b) IT IS FURTHER ORDERED summarily that all exemptions from registration set forth at Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by the RESPONDENT, his agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of the RESPONDENT, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(b) and (2).

(c) IT IS FURTHER ORDERED summarily that all exemptions from registration set forth in Wis. Stat. §§ 551.201 and 551.202 that may otherwise apply to a specific security, transaction or offer of or by the RESPONDENT, his agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of the RESPONDENT, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(c) and (2).

(d) IT IS FURTHER ORDERED summarily that RESPONDENT, his successors, affiliates, controlling persons, officers, agents, servants, employees and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of

the RESPONDENT, are prohibited from violating Wis. Stat. § 551.501 or successor statute.

(e) IT IS FURTHER ORDERED summarily that RESPONDENT, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of the RESPONDENT, are prohibited from violating Ch. 551 or successor statute that might otherwise apply to any offer or sale of a security of or by RESPONDENT.

(f) PLEASE TAKE NOTICE that the orders of the Administrator are effective as of the issuance of this order, pursuant to Wis. Stat. § 551.604(2).

B. Service of Order

(g) IT IS FURTHER ORDERED that this order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Admin. Code § DFI-Sec. 8.06. This order shall also be served upon the office of the administrator pursuant to Wis. Stat. § 551.611.

(h) PLEASE TAKE NOTICE that if service is by certified mail, the date of the service of this order is the date it is placed in the mail. If service is by personal service, the date of the service of this order is the date personal service is completed.

C. Notifications

(i) PLEASE TAKE FURTHER NOTICE failure to provide a copy of this Order to prospective investors may be a material misrepresentation in violation of Ch. 551 and this Order.

(j) PLEASE TAKE FURTHER NOTICE that this Order consented to by Respondent restricts Respondent from transacting securities business in the State of Wisconsin pursuant to the terms of the orders issued pursuant to Wis. Stat. § 551.604(2).

(k) PLEASE TAKE NOTICE that the orders of the Administrator are effective as of the issuance of this order, pursuant to Wis. Stat. § 551.604(2).

(l) PLEASE TAKE FURTHER NOTICE that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

EXECUTED at Madison, Wisconsin this 30th day of November, 2020.



Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
4822 Madison Yards Way
North Tower, 4th Floor
Madison, Wisconsin 53705

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of,	WAIVER AND CONSENT TO ORDER
GERALD WALKER,	
Respondent.	DFI Case No. S-242028 (EX)

The undersigned Respondent, GERALD WALKER, individually, having decided not to contest the issuance of the attached Consent Order, hereby waives his right to a hearing with respect to this matter, including waiving findings of fact and conclusions of law as may otherwise be required for the Order, and hereby consents to the issuance of the Consent Order. Respondent reserves all defenses for any proceedings not covered by the attached Order.

Respondent hereby acknowledges that, in exchange for Respondent's voluntary consent and agreement to cease and desist from further violations of Ch. 551, and other conditions as described in the attached Consent Order, the Division agrees to forgo further legal action, and to resolve this matter by issuance of the attached Consent Order. However, if Respondent fails to comply with any term or condition of the Consent Order, the Division reserves all rights under applicable law to enforce the Consent Order.

The undersigned Respondent understands and agrees that the attached Consent Order shall prohibit Respondent from transacting any securities business in the State of Wisconsin except as allowed and described by the terms of the Consent Order.

The undersigned Respondent understands the Consent Order, when signed by the Administrator of the Division of Securities, is effective on the date issued and that a willful violation of an Order signed by the Administrator is a criminal offense pursuant to Wis. Stat. § 551.508.

GERALD WALKER

State of Florida)

County of Duval)

Subscribed before me this
17th day of November, 2020.

Notary Public

My commission is permanent/expires 7-17-2023

JEFFREY TERRY
Commission # GG 356033
Expires July 17, 2023
Bonded Thru Troy Fain Insurance 800-385-7019

State of Wisconsin

Department of Financial Institutions

Tony Evers, **Governor** Kathy Blumenfeld, **Secretary**

AFFIDAVIT OF SERVICE
AND COMPLIANCE WITH WIS. STAT. § 551.611

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail upon Gerald Walker at his last known address of 3148 Thomas Street, Jacksonville, FL 32254:

   i. A copy of the Consent Order to Cease and Desist and Revoking Exemptions, Waiver and Consent to Order; DFI Case No. S-242028 (EX); and

   ii. A copy of this Affidavit of Service.

3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi
KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 2nd day of December, 2020.

Deidre D. Taylor
Notary Public, State of Wisconsin
My commission expires February 14, 2021.

(Notary Seal) NOTARY PUBLIC DEIDRE D. TAYLOR STATE OF WISCONSIN