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**STATE OF CALIFORNIA**

**BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**

**DEPARTMENT OF BUSINESS OVERSIGHT**

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TO: Global Payout  
1835 Sunset Cliffs Blvd. Suite 202  
San Diego, CA 92107

**DESIST AND REFRAIN ORDER**

**(For violation of section 25110 of the Corporations Code)**

The Commissioner of Business Oversight finds that:

1. Global Payout, Inc., was incorporated in California on July 24, 2009.
2. According to a Statement of Information filed with the Secretary of State on June 19, 2018, David Flores of Las Vegas, Nevada, served as a Chief Financial Officer and Secretary of Global Payout, Inc., and Vanessa Luna of Chula Vista, California served as the Chief Executive Officer of Global Payout, Inc.
3. Global Payout, Inc., dissolved as a California Corporation on July 11, 2018.
4. On October 31, 2018, Global Payout, Inc., again registered as a California Corporation.
5. On November 8, 2018, Global Payout, Inc., filed a Statement of Information which again identified Vanessa Luna of San Diego as Chief Executive Officer and identified David Flores as Secretary and Chief Financial Officer.
6. Global Payout issued “Convertible Promissory Notes” to investors. The “Convertible Promissory Notes” indicated that interest would accrue at 15% per year with no interest being paid during the first year and accumulated interest paid after that as a stock dividend. Additionally, the lender could convert the outstanding stock at the price of two cents a share if the price of the common stock averaged 12 cents (\$0.12) a share for the previous fifteen trading days.

1           7.       In addition, Global Payout would issue ten shares of a restricted common stock per  
2 every dollar invested within 20 days of the receipt of the investment.

3           8.       The Commissioner of Department of Business Oversight initiated an investigation  
4 regarding Global Payout and served a letter to Global Payout requesting documentation on March 5,  
5 2018. The Department of Business Oversight also sent follow up letters to Global Payout as part of  
6 the investigation.

7           9.       Based on her review of the documents produced by Global Payout, Inc. during the  
8 investigation, the Commissioner finds “Convertible Promissory Notes” were sold to fifty-four  
9 investors without any effort to determine if those investors were properly accredited and suitable to  
10 invest in an unregistered security.

11          10.       These “Convertible Promissory Notes” were securities, offered or sold in this state.  
12 The Department of Business Oversight has not issued a permit or other form of qualification  
13 authorizing any person to offer and sell these securities in this state.

14          11.       The burden of establishing any exemption is upon the party that is asserting that  
15 securities are exempt from the registration requirements. (Corporations Code § 25163). The  
16 Department of Business Oversight made multiple requests during her investigation to determine if  
17 there were any exemption to the requirement that these “Convertible Promissory Notes” which could  
18 be convertible to stock was applicable, but no responsive documents were provided.

19               Based on the foregoing, the Commissioner is of the opinion that the promissory notes issued  
20 by Global Payout, Inc., are securities subject to qualification under the Corporate Securities Law of  
21 1968 (Corp. Code, § 25000 et seq.), and were offered without qualification in violation of section  
22 25110 of the Corporations Code.

23               Pursuant to Corporations Code section 25532, Global Payout, Inc., is hereby ordered to desist  
24 and refrain from the further offer or sale in the State of California of securities, unless and until  
25 qualification has been made under the Corporate Securities Law or unless exempt.

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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: December 11, 2018  
Sacramento, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By: \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner