

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

4 TO: Jesse Sahlin
5 Topsy Investment LLC., an Angel Investment Club/Fund

6 **DESIST AND REFRAIN ORDER**
7 **(For violations of Corporations Code sections 25110, 25401, and 25403)**

8 The Commissioner of Financial Protection and Innovation (Commissioner), based on
9 information and belief, finds that:

10 1. The Commissioner regulates the offer and sale of securities in California under the
11 Corporate Securities Law of 1968 (Cal. Corp. Code §§ 25000-25707) (CSL).

12 2. At all relevant times herein, Topsy Investment LLC., an Angel Investment Club/Fund
13 (the Fund) operated as an entity of unknown form in California. At all relevant times herein, Jesse
14 Sahlin (Sahlin) was the Founder of the Fund.

15 3. At all relevant times, Sahlin controlled and induced or provided substantial assistance
16 to the Fund within the meaning of California Corporations Code section 25403(a) and (b) as
17 described below.

18 4. Sahlin and the Fund are collectively referred to as Respondents.

19 5. Beginning in or around September 2018, Respondents offered and/or sold securities in
20 California in the form of a promissory note entitled, "Investor Transaction – [Investor's Name]
21 (member) *Topsy Investments LLC., an Angel Investment Club/Fund*" (Investor Transaction
22 Agreement). The Investor Transaction Agreement stated:

23 This document represents a binding agreement . . . for a transaction in the total amount
24 of \$38,000.00 (USD), for the purpose of investing through Topsy Investments LLC, in
25 the purchase of one (1) "unit" . . . of [legitimate company] This single investment
26 will stand as the Investment Partner's required investment floor amount, in order to
27 participate in the formation of Topsy Investments LLC., of which he ([Investor's Name])
28 will be a "founder", [sic] upon completion of this transaction/investment. It should be
noted that this document stands as a promissory note for the addition of
[Investor's Name], to the Topsy Investments LLC., holding account and entity. The
addition of [Investor's Name] will take place once the three (3) month "opt out" option
has been reached and assessed, with [legitimate company], by Topsy Investments LLC.

1 6. Respondents offered and sold securities to at least one investor residing in California
2 (Investor), in at least one transaction, raising at least \$38,000.

3 7. The Investor Transaction Agreements are securities within the meaning of California
4 Corporations Code section 25019. They were offered or sold in this state in an issuer transaction.

5 8. The Department of Financial Protection and Innovation has not issued a permit or
6 other form of qualification authorizing any person to offer or sell the above-described securities, in
7 this state, nor were the securities exempt from qualification.

8 9. In connection with the offer and sale of the unqualified and non-exempted securities,
9 Respondents made untrue statements of material facts, including but not limited to:

10 a. Respondent Sahlin would use the Investor’s funds to invest in a certain legitimate
11 company. In fact, Respondent Jesse Sahlin never invested the Investor’ funds in
12 the certain legitimate company.

13 b. If Respondent Sahlin did not invest the funds in the certain legitimate company,
14 the Investor may obtain a refund of the total balance of \$38,000 after submitting a
15 formal request via email or certified mail. In fact, upon learning that the
16 Respondent Sahlin did not invest the Investor’s funds in the certain legitimate
17 company, the Investor submitted a formal request for a refund, and Respondent
18 Sahlin never returned the investment.

19 Based on the foregoing findings, the Commissioner is of the opinion that the securities offered
20 or sold by Respondents were subject to qualification under the CSL and have been or are being
21 offered or sold without first being qualified or exempted in violation of Corporations Code section
22 25110.

23 Moreover, the Commissioner is of the opinion that Jesse Sahlin has violated Corporations
24 Code section 25110 by knowingly, directly or indirectly controlling or inducing or providing
25 substantial assistance to the Fund to violate Corporations Code section 25110 within the meaning of
26 Corporations Code section 25403, subdivisions (a) and (b).

27 Pursuant to Corporations Code section 25532, Jesse Sahlin and Topsy Investment LLC are
28 hereby ordered to desist and refrain from the further offer or sale of securities in California, including

1 but not limited to Investor Transaction Agreements for Angel Investment Clubs or Funds, unless and
2 until the qualification requirements of the CSL have been met.

3 In addition, the Commissioner is of the opinion that Jesse Sahlin and Topsy Investment LLC,
4 offered and sold securities in California by means of written or oral communications which included
5 untrue statements of material fact or omitted to state material facts necessary in order to make the
6 statements made, in the light of the circumstances under which they were made, not misleading, in
7 violation of Corporations Code section 25401.

8 Further, the Commissioner is of the opinion that Jesse Sahlin has violated Corporations Code
9 section 25401 by knowingly, directly or indirectly controlling or inducing or providing substantial
10 assistance to the Fund to violate Corporations Code section 25401 within the meaning of
11 Corporations Code section 25403, subdivisions (a) and (b).

12 Pursuant to Corporations Code section 25532, Jesse Sahlin and Topsy Investment LLC are
13 hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security
14 in California, including but not limited to Investor Transaction Agreements for Angel Investment
15 Clubs or Funds, by means of any written or oral communication which includes an untrue statement
16 of a material fact or omits to state a material fact necessary in order to make the statements made, in
17 the light of the circumstances under which they were made, not misleading.

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

20 DATED: April 4, 2025
21 Sacramento, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



22 By: _____
23 MARY ANN SMITH
24 Deputy Commissioner
25 Enforcement Division
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