

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

4 **TO:** Visque Capital
www.visque.capital
5 support@visque.capital

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

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

10 1. The Department of Financial Protection and Innovation (Department) regulates the
11 offer and sale of securities in California under the Corporate Securities Law of 1968 (Cal. Corp. Code
12 §§ 25000-25707) (CSL).

13 2. At all relevant times, Visque Capital was a business entity of unknown type with an
14 unknown principal place of business. Visque Capital operated the website www.visque.capital.

15 3. Beginning at least as early as 2023, Visque Capital offered and sold securities in the
16 form of investment contracts in California through general solicitations on its website. Visque Capital
17 referred to these investment contracts as “Investment Plans.”

18 4. Visque Capital held itself out as a cryptocurrency trading platform. The purported
19 purpose of the securities offerings was for Visque Capital to use investor funds to engage in
20 cryptocurrency trading, which in turn would generate returns for investors who purchased Investment
21 Plans. Visque Capital claimed that the cryptocurrency trading would be conducted by artificial
22 intelligence (AI) software and a team of professional traders.

23 5. Visque Capital touted the benefits of its purported AI software and suggested that
24 investors could expect high returns and stable passive income due to this technological advantage. Its
25 website stated that the platform used “state-of-the-art AI trading algorithms” which resulted in
26 “sustainable revenue generation” for investors.

1 6. Visque Capital offered investors several different Investment Plans, each of which
2 promised a different fixed daily rate of return, ranging from 2% to 3%. The Investment Plans were
3 publicly available to investors in California via Visque Capital website: www.visque.capital.

4 7. Visque Capital held itself out as having “vast experience” in cryptocurrency trading
5 and that its AI technology produced “consistently impressive returns for our investors.” In reality,
6 Visque Capital’s website was only created on or around March 20, 2023.

7 8. After investors created their accounts on the Visque Capital website, investors could
8 log into their account using their username and password to monitor their purported balance and
9 returns, deposit funds, and request withdrawals.

10 9. Visque Capital facilitated deposits and withdrawals using crypto assets, including
11 Tether (USDT).

12 10. As part of its solicitation efforts, Visque Capital used a multi-level marketing scheme
13 that would reward investors for inducing others to send money to Visque Capital. According to this
14 program, investors would be paid a referral bonus based on the amount of funds deposited by the
15 investors that they recruited. Investors would also be paid additional referral bonuses when the
16 investors that they recruited, in turn, recruited new investors.

17 11. Investors seeking to take advantage of Visque Capital’s referral program created and
18 posted videos to YouTube and posted content on other social media websites to recruit others to
19 invest in Visque Capital.

20 12. In fact, Visque Capital was luring investors into what is known as a High-Yield
21 Investment Program (HYIP). HYIPs are unregistered investments typically run by unlicensed
22 individuals – and are often frauds. The hallmark of an HYIP scam is the promise of high returns on
23 an annual (or even monthly, weekly, or daily) basis at little or no risk to the investor. Another key
24 element of most HYIPs is a referral program, in which the HYIP offers referral commissions or
25 bonuses to investors to recruit new investors. This usually leads to investors sharing information
26 about the HYIP with their friends and family and promoting HYIPs on social media. HYIPs rarely
27 disclose the true identities of the individuals operating the HYIP.
28

1 13. The Investment Plans offered by Visque Capital were securities that were neither
2 qualified nor exempt from the qualification requirement under the CSL. The Department has not
3 issued a permit or other form of qualification authorizing Visque Capital to sell these securities in
4 California.

5 14. In connection with the offer or sale of these securities, Visque Capital made, or caused
6 to be made, untrue statements of material fact and material omissions to investors and potential
7 investors, including but not limited to the following:

- 8 a. failing to disclose that it used investor funds to pay purported profits to other
9 investors, in the manner of a Ponzi scheme;
- 10 b. falsely representing that Visque Capital was owned and operated by another company
11 that, in reality, had no affiliation with Visque Capital;
- 12 c. misrepresenting the expected profits and risk of loss; and
- 13 d. failing to disclose that the offer or sale of Visque Capital's securities was not qualified
14 in California.

15 Based on the foregoing findings, the Commissioner is of the opinion that the securities offered
16 or sold by Visque Capital were subject to qualification under the CSL and have been or are being
17 offered or sold without first being qualified in violation of Corporations Code section 25110.

18 Pursuant to Corporations Code section 25532, Visque Capital is hereby ordered to desist and
19 refrain from the further offer or sale of securities in California, including but not limited to
20 investment contracts known as Investment Plans, unless and until the qualification requirements of
21 the CSL have been met.

22 In addition, the Commissioner is of the opinion that Visque Capital offered or sold securities
23 in California by means of oral or written communications which included untrue statements of
24 material facts or omitted to state material facts necessary in order to make the statements made, in the
25 light of the circumstances under which they were made, not misleading, in violation of Corporations
26 Code section 25401.

27 Pursuant to Corporations Code section 25532, Visque Capital is hereby ordered to desist and
28 refrain from offering or selling or buying or offering to buy any security in California, including but

1 not limited to investment contracts known as Investment Plans, by means of any written or oral
2 communication which includes an untrue statement of a material fact or omits to state a material fact
3 necessary in order to make the statements made, in the light of the circumstances under which they
4 were made, not misleading.

5 Pursuant to Corporations Code section 25403, any person who controls or induces another
6 person to violate a provision of the Corporate Securities Law of 1968, or any person who provides
7 substantial assistance to another person in violation of the Corporate Securities Law of 1968, shall be
8 liable for the violations.

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

11 Dated: April 19, 2023
12 San Diego, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



13 By _____
14 MARY ANN SMITH
15 Deputy Commissioner
16 Enforcement Division
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