

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

TO: GlobalAid Club a/k/a Global Aid Club
www.globalaid.club

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

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

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

2. At all relevant times, GlobalAid Club a/k/a Global Aid Club a/k/a GlobalAid.Club (GlobalAid Club) is and was a business entity of unknown type with an unknown principal place of business. GlobalAid Club operated the website www.globalaid.club, as well as social media accounts on YouTube (<https://www.youtube.com/@GlobalaidclubOfficial>) and Telegram (<https://t.me/GlobalAidOfficial>).

3. Beginning at least as early as October 2023, GlobalAid Club offered and sold securities in the form of investment contracts in California through general solicitations on its website. GlobalAid Club referred to these investment contracts as “Packages.”

4. GlobalAid Club raised over \$2 million worth of crypto assets through the sale of its Packages.

5. GlobalAid Club held itself out as a “Community Building Project” that aimed to expand globally with “aggressive marketing strategies and innovative technologies.” GlobalAid Club represented that investors who purchased Packages would earn investment returns but did not provide details about how GlobalAid Club generated its purported revenue.

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1 6. In reality, GlobalAid Club was a fraudulent pyramid and Ponzi scheme, in which a
2 significant portion of the funds that GlobalAid Club received from investors was used to pay other
3 investors.

4 7. GlobalAid Club offered its Packages for \$50 and represented that investors would be
5 paid daily returns for a specific number of days. GlobalAid Club organized its investment return
6 structure into 15 different tiers or “ranks,” in which the amount and duration of returns that an
7 investor earned were based on the number of subsequent investors recruited into GlobalAid Club.
8 This ranged from the “Beginner” tier which promised \$1.50 daily for 40 days (\$60 total) to the
9 “Avenger” tier which promised \$750 daily for 250 days (\$187,500), all on the purchase of a single
10 \$50 Package. According to GlobalAid Club’s marketing materials, investors could turn a \$50 deposit
11 into \$300,000 without personally recruiting any other investors. GlobalAid promised to boost the
12 earnings of investors that actively recruited other investors. GlobalAid claimed that its structure could
13 support the payment of investment returns to at least 500 million investors. The Packages were
14 publicly available to investors in California via GlobalAid Club’s website: www.globalaid.club.

15 8. After investors created their accounts on the GlobalAid Club website, investors could
16 log into their account using their username and password to monitor their purported balance and
17 returns, deposit funds, and request withdrawals.

18 9. GlobalAid Club further enticed investors to purchase Packages by offering vacation
19 discounts to investors that purchased a certain number of Packages.

20 10. As part of its solicitation efforts, GlobalAid Club used a pyramid scheme structure that
21 would reward investors for inducing others to send money to GlobalAid Club.

22 11. Investors seeking to take advantage of GlobalAid Club’s referral program created and
23 posted videos to YouTube and posted content on other social media websites to recruit others to
24 invest in GlobalAid Club.

25 12. GlobalAid Club facilitated investor deposits and withdrawals using a series of smart
26 contracts that it created on the BNB Chain, including the following:

- 27 a. 0x02813f0b6474FAb0770e9c3cBB57D9C6F6F89C65
- 28 b. 0xf378B5Bcff1C7853c83e0d4eC2ea8fbb91A60e99

- 1 c. 0x6563B46fa87E8d744cd8fba30D7d15fA783bE67e
- 2 d. 0x26F451031f6F84a044DD0e7f3d57E9B07ea888B5
- 3 e. 0x951b4299E6d57c79355A4005B98581F26Cf9485f

4 13. In or around October 2023, less than a month after it began operating, GlobalAid Club
5 stopped paying investors their promised returns.

6 14. The Packages offered by GlobalAid Club were securities that were neither qualified
7 nor exempt from the qualification requirement under the CSL. The Department has not issued a
8 permit or other form of qualification authorizing GlobalAid Club to sell these securities in California.

9 15. In connection with the offer or sale of these securities, GlobalAid Club made, or
10 caused to be made, untrue statements of material fact and material omissions to investors and
11 potential investors, including but not limited to the following:

- 12 a. failing to disclose that GlobalAid Club used investor funds to pay purported profits to
13 other investors, in the manner of a Ponzi scheme;
- 14 b. falsely representing that investors would be paid daily returns for 40-250 days; and
- 15 c. falsely representing that GlobalAid Club’s structure could support the payment of
16 investment returns to at least 500 million investors.

17 Based on the foregoing findings, the Commissioner is of the opinion that the securities offered
18 or sold by GlobalAid Club a/k/a Global Aid Club a/k/a GlobalAid.Club were subject to qualification
19 under the CSL and have been or are being offered or sold without first being qualified in violation of
20 Corporations Code section 25110.

21 Pursuant to Corporations Code section 25532, GlobalAid Club a/k/a Global Aid Club a/k/a
22 GlobalAid.Club is hereby ordered to desist and refrain from the further offer or sale of securities in
23 California, including but not limited to investment contracts known as Packages, unless and until the
24 qualification requirements of the CSL have been met.

25 In addition, the Commissioner is of the opinion that GlobalAid Club a/k/a Global Aid Club
26 a/k/a GlobalAid.Club offered or sold securities in California by means of oral or written
27 communications which included untrue statements of material facts or omitted to state material facts
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1 necessary in order to make the statements made, in the light of the circumstances under which they
2 were made, not misleading, in violation of Corporations Code section 25401.

3 Pursuant to Corporations Code section 25532, GlobalAid Club a/k/a Global Aid Club a/k/a
4 GlobalAid.Club is hereby ordered to desist and refrain from offering or selling or buying or offering
5 to buy any security in California, including but not limited to investment contracts known as
6 Packages, by means of any written or oral communication which includes an untrue statement of a
7 material fact or omits to state a material fact necessary in order to make the statements made, in the
8 light of the circumstances under which they were made, not misleading.

9 Any person who with knowledge directly or indirectly controls and induces another person to
10 violate any provision of the CSL, or knowingly provides substantial assistance to another person to
11 violate any provision of the CSL, is deemed to be in violation of that provision to the same extent as
12 the other person. Cal. Corp. Code § 25403(a) and (b).

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

15 Dated: October 14, 2024
16 San Diego, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



17 By _____
18 MARY ANN SMITH
19 Deputy Commissioner
20 Enforcement Division
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