

ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:)
)
Jessica Walsh; GSE Properties, LLC;)
and 544 South JointVenture;)
)
)
Respondents.)
_____)

known address of GSE is 10517 Ocean Hwy, Unit 4 #345, Pawleys Island, South Carolina 29585. Walsh is the owner, registered agent and sole member of GSE.

4. 544 South is a business entity doing business in the County of Horry, South Carolina. According to a 544 South formation document, the members of 544 South are “Jessica Walsh DBA GSE Properties” and “Mike Tolbert DBA MT3 Properties¹.” In the 544 South formation document, Walsh is listed as the “manager” of 544 South “after consulting with Mike Tolbert.” 544 South is characterized in formation documents as a “contract joint venture.”

JURISDICTION

8. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a).

III. FINDINGS OF FACT

Promissory Note

9. On or about January 16, 2019, Walsh issued a promissory note on behalf of the Respondents to a South Carolina investor (the “Investor”). The promissory note provided, in part, as follows:

PROMISSORY NOTE
\$25,000.00
Pawley’s Island, South Carolina

January 16, 2019

One month after date for value received, promise to pay to the order of [Investor] 50,000.00 Dollars in one installment of \$50,000.00 Dollars of principal and interest. In case said amount is not paid at maturity I promise

¹ MT3, Properties, LLC (“MT3”) MT3 is a business entity organized and existing under the laws of the State of North Carolina. MT3 is located at 8712 Matthews Farme, Charlotte, North Carolina 28277. The members of MT3 are Maria Shianette Tolbert and William Tolbert, II. The registered agent for service of MT3 is Registered Agents, Inc. with the last known address of 4030 Wake Forest Road, Ste 349, Raleigh, North Carolina 27609. William Michael (“Mike”) Tolbert (“Tolbert”) is a citizen and resident of the County of Mecklenburg, North Carolina.

to pay all expenses incurred in collecting same, including attorney's fees for collection and attorney's fees for litigation concerning the said debt.

As collateral security I pledge the interest of GSE Properties LLC in the profits of the 544 South Joint Venture (or any successor LLC) owned with MT3 LLC, that being a one-half interest. In addition a UCC will be filed with the Secretary of State against assets of Cornerstone Sports Marketing

13. In addition, a search of the UCC filings at the Office of the South Carolina Secretary of State reveals no filing related to the Investor and/or Cornerstone (as defined in footnote 2).

14. After several months, in May 2019, Walsh made a partial payment of the principal owed to the Investor. She entered into a number of subsequent agreements promising to return the balance owed plus interest and “penalties.” Finally, the Investor filed suit in the Horry County Court of Common Pleas against Walsh, Tolbert, MT3, and 544 South. Alexander v. Jessica Walsh, et al., Case No. 2019-CP-26-08292 (Dec. 2019). Walsh and her co-defendants failed

meeting with Walsh was going to be scheduled in March of 2020. Walsh never retained the attorney, and Walsh never appeared or produced the subpoenaed records.

18. On November 18, 2020, after confirming that counsel was never retained, the Division served Walsh with a subpoena at multiple addresses, which required her to produce records by December 4, 2020. In subsequent email and telephone calls to the Division, Walsh provided various excuses and employed a variety of evasive tactics in order to avoid compliance with the Division's subpoena. The Division has never received the demanded records.

IV. CONCLUSIONS OF LAW

19. The Respondents offered and sold at least one promissory note, which, pursuant to

misleading; and engaged in practices, or courses of business that operated as a fraud on the Investor.

23. The Respondents' offer and sale of unregistered, non-exempt security and fraudulent conduct in connection with the offer and sale of security in South Carolina, in violation of the Act, provides the basis for the issuance of this Order, pursuant to S.C. Code Ann. § 35-1-604(a)(1).

24. This Order is in the public interest.

V. ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), it is hereby ORDERED that:

- a. The Respondents and every successor, affiliate, control person, agent, servant, and employee of the Respondents, and every entity owned, operated, or indirectly or directly controlled by or on behalf of the Respondents CEASE AND DESIST from transacting business in this State in violation of the Act;
- b. The Respondents shall jointly and severally pay a civil penalty in the amount of twenty-five thousand dollars (\$25,000) this Order becomes effective by operation of law, or, if a Respondent seeks a hearing and a legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000.00 for each violation of the Act and the actual cost of the investigation or proceeding; and
- c. The Respondents shall jointly and severally pay five thousand dollars (\$5,000) for the costs associated with this investigation, or if a Respondent seeks a

hearing and any legal authority resolved this matter, pay the actual costs associated with the investigation and legal proceeding in accordance with S.C. Code Ann. § 35-1-604(e).

IT IS FURTHER ORDERED that, pursuant to S.C. Code Ann. § 35-1-604(a)(2) and (3), any exemption from registration with the Divisi

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By: *[Signature]*

NAIHAN B. WILLIAMS
Assistant Deputy Attorney General