

SOAH DOCKET NO. 312-26-14427

TEXAS STATE SECURITIES BOARD,	§	
	§	
<i>Petitioner,</i>	§	
	§	BEFORE THE STATE OFFICE
<i>v.</i>	§	
	§	OF
TEXITCOIN, MINETXC, BLOCKCHAIN	§	
MINT, and ROBERT J. GRAY,	§	ADMINISTRATIVE HEARINGS
	§	
<i>Respondents.</i>	§	
	§	

RESPONDENTS' PROPOSED FINDINGS OF FACT

Respondents TEXITcoin, MineTXC, Blockchain Mint, and Robert J. Gray submit the following proposed findings of fact in support of their Post-Hearing Brief. “Tr. Vol.” refers to the transcript of the hearing on the merits held August 17–20, 2026; “TSSB Ex.” and “RX” refer to hearing exhibits; “Order” refers to Emergency Cease and Desist Order No. ENF-26-CDO-1893; and “Pet’r’s Resp. to Mot. Summ. Disp.” refers to the TSSB’s response to Respondents’ motion for summary disposition. “TSSB Br.” refers to the Brief of the Enforcement Division of the State Securities Board filed October 9, 2026, cited by that brief’s page numbers, and “Tr. Vol. 4” refers to the transcript of August 20, 2026. By proposing these findings, Respondents do not concede that any fact not addressed here has been established.

I. BACKGROUND

A. Procedural History

1. On February 11, 2026, Emergency Cease and Desist Order No. ENF-26-CDO-1893 (the “Order”) was signed and entered against TEXITcoin, MineTXC, Blockchain Mint, and Robert J. Gray (collectively, “Respondents”). *See* Order at 7; *id.* ¶¶ 1–4.

2. The Order was issued without prior notice to Respondents and without a hearing. Tr. Vol. 2 at 10:13–17, 32:6–15.

3. The TSSB’s investigator, Mr. Fuselier, is a financial examiner in the TSSB’s Enforcement Division. He began investigating TEXTcoin in or about March 2025 after hearing a radio advertisement, and the investigation lasted approximately eleven months before the Order issued. Tr. Vol. 2 at 66:3–10, 68:10–12, 121:8–11.

4. During the investigation, Mr. Fuselier never contacted Mr. Gray, never sought to interview him, and never issued a subpoena to him. Tr. Vol. 2 at 125:22–25, 126:13–15.

5. Mr. Fuselier did not subpoena or otherwise seek records from Respondents, before or after the Order issued, although he could have done so. Tr. Vol. 2 at 135:5–14.

6. Mr. Fuselier’s investigation consisted of internet research and watching videos of Mr. Gray. He did not visit any mining facility. Tr. Vol. 2 at 68:16–71:25, 155:6–14.

7. The hearing on the merits was held August 17 through 20, 2026. Tr. Vol. 1 at 3:2.

8. The TSSB did not subpoena Mr. Gray to testify at the hearing. He appeared voluntarily and was examined by the Enforcement Division on the first and second days of the hearing. Tr. Vol. 1 at 142:17–24. In all relevant respects, Mr. Gray testified credibly.

B. Respondents and Related Names

9. Robert J. Gray founded Respondent TEXTcoin, Respondent MineTXC, and Respondent Blockchain Mint. Tr. Vol. 1 at 27:5–28:1.

10. TEXTcoin is a public blockchain. Tr. Vol. 1 at 155:8–17, 162:21–163:1. Its native token is TXC. *Id.*

11. TEXTcoin is not a corporation, limited liability company, or any other type of legally recognized entity. *Id.*

12. TEXTITcoin does not have assets, liabilities, or a balance sheet. Tr. Vol. 1 at 162:21–163:1 (Gray). TEXTITcoin does not have any employees or a principal place of business. Tr. Vol. 1 at 162:13–163:1 (Gray); Tr. Vol. 2 at 129:12–130:3 (Fuselier).

13. A blockchain “is not an entity that’s capable of being sued.” Tr. Vol. 2 at 129:18–130:7 (Fuselier); TSSB Exs. 41–46 (Secretary of State records).

14. MineTXC and Blockchain Mint are names under which Mr. Gray does business. Tr. Vol. 1 at 163:15–164:10, 189:18–190:13; RX 68 (assumed name certificate for Blockchain Mint).

15. MineTXC is not a corporation, limited liability company, or any other type of legally recognized entity. Tr. Vol. 1 at 163:9–10 (Gray); Tr. Vol. 2 at 128:9–129:8 (Fuselier).

16. MineTXC does not have any employees or a principal place of business. Tr. Vol. 1 at 189:24–190:13 (Gray) (back-office workers were not employees of any entity); Tr. Vol. 2 at 23:17–25 (Gray) (1801 West Louisiana Street was a central work location, not a corporate headquarters).

17. MineTXC does not have assets, liabilities, or a balance sheet. Tr. Vol. 1 at 163:11–14.

18. Respondent Blockchain Mint is a legally assumed name for Mr. Gray in Collin County, Texas. RX 68 at 1 (assumed name certificate for Blockchain Mint); Tr. Vol. 1 at 163:15–164:10.

19. Blockchain Mint is not a corporation, limited liability company, or any other type of legally recognized entity. Tr. Vol. 1 at 163:15–18; Tr. Vol. 2 at 128:20–22, 129:6–8 (Fuselier); RX 68 at 1 (assumed name certificate for Blockchain Mint).

20. Blockchain Mint does not have any employees or a principal place of business. Tr. Vol. 1 at 189:24–190:13 (Gray).

21. Blockchain Mint does not have assets, liabilities, or a balance sheet. *See* Tr. Vol. 1 at 163:15–17; Tr. Vol. 2 at 38:13–21 (Gray); RX 68 at 1 (assumed name certificate for Blockchain Mint).

22. Blockchain Mint sells physical cold-storage wallets for TXC and performs back-office work. Tr. Vol. 1 at 88:12–89:2, 163:15–17, 189:18–190:13; TSSB Ex. 18 (Blockchain Mint website).

23. Danager Resources is an assumed name used by Mr. Gray. Tr. Vol. 2 at 27:15–17; *see also* Pet'r's Resp. to Mot. Summ. Disp. at 40.

24. Danager Resources is not a corporation, limited liability company, or any other type of legally recognized entity. *See* Tr. Vol. 2 at 27:15–20.

25. Danager Resources does not have assets, liabilities, or a balance sheet. Tr. Vol. 2 at 27:17–20.

26. Before the Order issued, Mr. Fuselier searched the Texas Secretary of State's records and knew that TEXITcoin, MineTXC, and Blockchain Mint were not legally formed entities. Tr. Vol. 2 at 128:19–129:11.

27. Mr. Fuselier agreed that a blockchain or digital currency cannot offer a mining package for sale and that neither TEXITcoin nor Blockchain Mint offered mining packages for sale. Tr. Vol. 2 at 130:19–131:11, 131:24–132:2 (Fuselier).

C. TXC

28. TXC may be obtained in any of three ways:

- a. Purchasing it on a cryptocurrency exchange. Tr. Vol. 3 at 143:1–6; Tr. Vol. 1 at 167:20–168:9.

- b. Obtaining it directly from a current holder of TXC, such as by transacting for goods or services. Tr. Vol. 3 at 143:1–6; Tr. Vol. 1 at 159:3–160:2.
- c. Mining it through purchase of a mining package. Tr. Vol. 3 at 143:1–6; Tr. Vol. 1 at 172:24–173:7.

29. TXC comes into existence only through mining. Tr. Vol. 1 at 156:21–25; Tr. Vol. 3 at 168:7–19; RX 38 at 20 (Sotak Expert Report).

30. TXC trades on various public cryptocurrency exchanges, none of which Mr. Gray controls or runs. Tr. Vol. 1 at 167:20–168:9.

31. TXC is utilized as currency. Tr. Vol. 1 at 159:3–160:2.

32. MineTXC operates as the exclusive mining partner of the TEXITcoin ecosystem. Mining packages were available for purchase on the MineTXC website from in or about January 2024 to in or about February 2026. Tr. Vol. 1 at 163:4–8; RX 38 ¶ 81.

33. Respondents did not engage or employ sales agents to sell the mining packages. Tr. Vol. 2 at 32:25–32:5.

34. No purchaser was required to recruit anyone or to join the affiliate program. MineTXC’s welcome message told purchasers that “once you’ve made your one-time payment, you’ve done all that’s necessary” and that “everything else from here on out is optional.” TSSB Ex. 1 at TSSB 028 ¶ 1 (cited in TSSB Br. at 44); *see also* TSSB Br. at 45–46 (“the record does not show an ordinary purchaser had to recruit anyone to receive the core daily Mining Package allocation of TXC”); Tr. Vol. 2 at 188:18–23 (Hesse) (not interested in the sales or commissions).

D. RESPONDENTS’ CONDUCT AT THE TIME OF THE ORDER

35. Respondents’ conduct did not threaten immediate harm to the public. Tr. Vol. 2 at 121:8–11, 122:2–6, 136:17–19 (Fuselier); Tr. Vol. 3 at 65:5–8 (Nickel).

36. Respondents' conduct did not threaten irreparable harm to the public. Tr. Vol. 2 at 122:2–6, 127:9–23, 136:17–19 (Fuselier).

37. Respondents did not embezzle or misappropriate any money, and there was no allegation or evidence of missing, dissipated, or unaccounted-for funds. *See* Tr. Vol. 1 at 103:12–15, 103:22–104:9; Tr. Vol. 2 at 28:22–29:1, 122:2–3, 128:6–8.

E. The Mining Packages

38. In exchange for a one-time payment, a mining package entitled a purchaser to a daily pro rata distribution of TXC that was mined by MineTXC's mining operation. Tr. Vol. 1 at 172:24–173:7 (Gray); Tr. Vol. 1 at 45:2–3 (Gray) (TXC "was distributed programmatically every day, sent out by the system directly."); Tr. Vol. 2 at 143:25–144:21 (Fuselier); TSSB Ex. 22 at 1 (MineTXC website). No other economic interest or ownership stake is conferred by purchasing a mining package. Tr. Vol. 1 at 173:3–7 (Gray); Tr. Vol. 2 at 258:21–25 (Hinson); Tr. Vol. 3 at 240:12–23 (Walsh).

39. MineTXC operates a website available at MineTXC.com. The MineTXC website offered mining packages for sale. Tr. Vol. 1 at 168:17–19; Tr. Vol. 2 at 4:3–19; Order ¶¶ 12, 15; TSSB Ex. 22 at 1 (MineTXC website).

40. Mining packages were sold through the MineTXC website. For a brief period in 2024, they could be purchased by credit card through the Blockchain Mint website. Tr. Vol. 1 at 168:17–19; Tr. Vol. 2 at 4:3–19.

41. TEXITcoin did not offer mining packages for sale, and the TEXITcoin.org website did not offer mining packages for sale. Tr. Vol. 2 at 130:16–131:8 (Fuselier).

42. Respondents, through the MineTXC website, offered mining packages on the following terms:

- a. A “Single Plan” was offered for a one-time fee of \$995.00 and received 100 megahash mining power;
 - b. A “Triple Play” was offered for a one-time fee of \$2,985.00 and received 300 megahash mining power; and
 - c. A “Builder Plan” was offered for a one-time fee of \$8,955.00 and received 900 megahash mining power. TSSB Ex. 22 at 1 (MineTXC website); Tr. Vol. 1 at 32:4–21 (Gray); Order ¶ 17.
43. Mr. Gray capped purchases at nine seats. Tr. Vol. 1 at 175:1–176:3.
44. Purchasers did not sign a contract, terms of service, or other agreement. Tr. Vol. 1 at 168:17–169:3.
45. Purchasers received daily TXC distributions, including after the Order issued. RX 38 at 18–19 ¶¶ 75–76 (Sotak Expert Report) (daily distributions on the blockchain; analysis as of July 5, 2026); TSSB Br. at 103 (acknowledging that “daily pro-rata TXC distributions continued on-chain through July 2026”); Tr. Vol. 2 at 272:10–14 (Block) (still receives TXC).
46. Mining package purchasers who earned sufficient hash power were entitled to receive at-home mining hardware that the miner operated themselves. Tr. Vol. 3 at 160:7–12 (Sotak); Tr. Vol. 1 at 183:6–16 (Gray); Tr. Vol. 2 at 51:6–11 (Gray); RX 38 at 17 (Sotak Expert Report).
47. Hundreds of purchasers received at-home mining hardware. Tr. Vol. 3 at 160:7–12 (Sotak); Tr. Vol. 1 at 183:6–16 (Gray); Tr. Vol. 2 at 51:6–11 (Gray); RX 49 (home-miner shipment log); RX 38 at 17 (Sotak Expert Report).

48. Home miners received the exact same product as those who did not take possession of home mining hardware. Tr. Vol. 1 at 187:1–9 (Gray); Tr. Vol. 3 at 161:3–5 (Sotak); RX 38 at 16 (Sotak Expert Report).

49. The purchaser paid the same amount for mining packages regardless of whether the purchaser took possession of a home mining device. Tr. Vol. 4 at 39:3–8 (Walsh); Tr. Vol. 3 at 163:3–13; *id.* at 163:24–164:7 (Sotak).

50. The only difference between the mining packages where a purchaser received a home miner and where a purchaser did not was where it was plugged in. Tr. Vol. 3 at 164:4–7 (Sotak).

51. The TSSB possessed documents prior to the hearing on the Emergency Cease and Desist Order showing that certain purchasers were given, and used, home mining equipment. TSSB Ex. 4. Notwithstanding that information, the TSSB alleged purchasers “never receive any mining hardware or control over mining hardware.” Order ¶ 16.

52. The TSSB later agreed that this allegation was false. Tr. Vol. 2 at 136:23–137:15 (Fuselier). The TSSB did not withdraw the allegation. *Id.* The TSSB now agrees that Finding of Fact 16 of the Order should be modified to remove the statement that purchasers “never” received mining hardware. TSSB Br. at 10, 63, 96.

II. MINING PACKAGES ARE NOT SECURITIES

53. TXC is a commodity. Tr. Vol. 3 at 150:20–151:14 (Sotak); RX 38 at 10 (Sotak Expert Report); Tr. Vol. 1 at 4:17–19.

54. A mining package was the functional equivalent to purchasers of buying TXC. Tr. Vol. 2 at 223:5–19 (Gamero); Tr. Vol. 3 at 90:19–25 (Nickel); Tr. Vol. 2 at 143:25–144:21 (Fuselier).

55. A purchaser of a mining package was only entitled to a future daily pro rata distribution of TXC. Tr. Vol. 1 at 172:24–173:7 (Gray); Tr. Vol. 2 at 258:21–25 (Hinson); Tr. Vol. 3 at 240:12–23 (Walsh).

56. A purchaser of a mining package was not entitled to a share of the enterprise’s profits. Tr. Vol. 1 at 173:3–7 (Gray); Tr. Vol. 2 at 258:21–25 (Hinson); Tr. Vol. 3 at 240:12–23 (Walsh).

57. Purchasers understood the way to profit from a mining package was to sell TXC. Tr. Vol. 2 at 213:2–7, 222:3–5, 223:5–19 (Gamero).

58. The value of the mining packages was dependent on the value of TXC. Tr. Vol. 2 at 213:2–7, 222:3–5 (Gamero).

59. The purchasers who testified understood that they were buying a daily supply of TXC. Tr. Vol. 2 at 188:13–23 (Hesse); Tr. Vol. 2 at 220:17–221:14 (Gamero); Tr. Vol. 2 at 246:10–21 (Hinson); Tr. Vol. 3 at 240:3–11 (Walsh). Mr. Gamero and Mr. Hinson testified that they received that TXC in their wallets. Tr. Vol. 2 at 221:3–10 (Gamero); Tr. Vol. 2 at 246:22–247:4 (Hinson). The TSSB likewise describes “[t]he most immediate economic benefit of a Mining Package” as “a continuing stream of TXC.” TSSB Br. at 32.

1. Disclaimers

60. Respondents disclaimed any reasonable expectation of profits. TSSB Ex. 23 at 1, 10 (TEXTcoin website); TSSB Ex. 18 at 19 (Blockchain Mint website); Tr. Vol. 1 at 206:25–207:12 (Gray); Tr. Vol. 2 at 147:8–148:13 (Fuselier).

61. The TEXTcoin website stated that “Purchasing TEXTcoin is NOT an investment,” told readers to think of TXC “more like gambling or buying a lottery ticket,” and added: “There’s a chance you can win big, but it’s only a chance.” It also warned that “crypto is NOT an investment. It’s VERY risky.” TSSB Ex. 23 at 1, 10 (TEXTcoin website). The TSSB

acknowledges that the same page “warned purchasing TXC was highly speculative and should not be treated as an investment.” TSSB Br. at 33.

62. Before the Order issued, Mr. Fuselier had seen evidence that Mr. Gray “specifically disclaimed any promises or guarantees of profits.” Tr. Vol. 2 at 147:8–148:13 (Fuselier).

63. Phrases such as “seat on the rocket ship” and “go to the Moon” are common terms in the crypto industry. In using such terms, Mr. Gray did not intend to convey that the project was “a sure thing,” and, rather, made it clear that it was incredibly risky. Tr. Vol. 1 at 219:2–20 (Gray).

64. Mr. Gray used terms such as “ROI” and “investment” in the everyday sense, not as securities terms. Tr. Vol. 1 at 220:4–221:21 (Gray).

65. Purchasers of mining packages testified that the mining packages were risky. Tr. Vol. 2 at 249:7–15 (Mr. Hinson knew that buying cryptocurrency was “basically taking a flyer.”); Tr. Vol. 2 at 187:14–17 (Hesse understood there was a risk, as with Bitcoin or Dogecoin); Tr. Vol. 2 at 223:23–224:8, 225:12–17 (Mr. Gamero knew cryptocurrency, including TXC, was risky and subject to large swings in value).

2. Work of Others

66. TEXTcoin is a proof-of-work blockchain. Tr. Vol. 3 at 142:2–5.

67. The mining packages allowed purchasers to mine TXC on the TEXTcoin blockchain. Tr. Vol. 3 at 153:7–15.

68. The mining packages were part of a proof-of-work mining pool. Tr. Vol. 3 at 157:16–158:22; RX 38 at ¶¶ 25, 60–62.

69. MineTXC operated a proof-of-work mining pool. Tr. Vol. 3 at 157:16–158:22; RX 38 at ¶¶ 25, 60–62.

70. Respondents' activities operating the pool were ministerial. Tr. Vol. 3 at 151:15–18, 158:11–22, 230:5–12 (Sotak); RX 38 at 14–15 (Sotak Expert Report); Tr. Vol. 1 at 169:22–170:5 (Gray).

71. The ministerial work of a pool operator includes, *inter alia*, coordinating the miners' computational resources, maintaining the pool's mining hardware and software, overseeing the pool's security measures to protect against theft and cyberattacks, and ensuring that the miners are paid their rewards. RX 38 ¶ 62; 91 Fed. Reg. at 13724.

72. Respondents coordinated the miners' computational resources. RX 38 ¶ 64; Tr. Vol. 3 at 158:11–22, 211:8–212:1 (Sotak).

73. Respondents maintained the pool's mining hardware. RX 38 ¶ 65; Tr. Vol. 3 at 185:5–8, 187:9–12; Tr. Vol. 1 at 45:7–14.

74. Respondents maintained the pool's mining software. RX 38 ¶ 65; Tr. Vol. 3 at 185:20–23; Tr. Vol. 1 at 44:6–14.

75. Respondents oversaw the pool's security measures. RX 38 ¶ 66; Tr. Vol. 2 at 24:4–10; Tr. Vol. 4 at 10:18–24.

76. Respondents ensured miners were paid their rewards. RX 38 ¶ 67; Tr. Vol. 1 at 44:25–45:6, 45:19–22 (Gray); Tr. Vol. 3 at 186:7–12 (Sotak).

77. Mr. Gray described MineTXC's work as the “ministerial functions for just keeping . . . the network online.” Tr. Vol. 1 at 169:22–170:5 (Gray).

78. Placing a machine in service was the same basic thing in every case: “get the miner, take it out of the box, drop it in, plug it in, connect it to the network, . . . set the settings properly, and you're good to go.” Tr. Vol. 1 at 181:11–14 (Gray).

79. Members of the TEXTcoin community helped install mining equipment. Tr. Vol. 1 at 34:12–22 (Gray).

80. MineTXC ordered more hash power (29.9 terahash) than purchasers acquired (23.3 terahash). Tr. Vol. 3 at 196:22–197:2 (Sotak); RX 38 at 19 (Sotak Expert Report).

81. Hosted mining is a common commercial model. Blockware Solutions, a “mining as a service” company that also operates a mining pool, allows people who do not own mining equipment and do not wish to own it to rent machines hosted and monitored and maintained by Blockware and to receive the output. Tr. Vol. 3 at 171:25–173:22, 203:24–204:9 (Sotak).

3. Changed TSSB Theory

82. The Order does not allege the token itself and the ownership or transfer rights with the package itself to be a security. *See generally* Order; Tr. Vol. 2 at 145:20–146:4 (Fuselier).

83. The Order contains no allegation concerning the exchange price or liquidity of TXC, and Respondents objected to evidence on that subject for lack of notice. Order ¶¶ 1–33.

III. RESPONDENTS DID NOT ENGAGE IN FRAUD

84. Mr. Gray’s public videos and community calls about TEXTcoin date to 2024. Tr. Vol. 1 at 217:16–20, 224:1–4 (Gray); RX 24 (recording of Aug. 13, 2024 Zoom call).

A. Mulligan Mint Bankruptcy

85. Respondents did not have a duty to disclose that Mr. Gray’s prior company, Mulligan Mint, Inc., filed for bankruptcy in 2013. *See* Tr. Vol. 2 at 122:25–123:7, 123:11–124:6 (Fuselier).

86. Mr. Gray was not under a fiduciary-like, contractual, or other legal duty of disclosure to purchasers. Tr. Vol. 1 at 235:6–12 (Gray).

87. Respondents did not intentionally fail to disclose that Mulligan Mint filed for Chapter 11 bankruptcy in the United States Bankruptcy Court, Northern District of Texas. Tr. Vol.

1 at 145:9–16, 148:14–16 (Gray); Tr. Vol. 2 at 6:8–10, 9:13–19 (Gray); TSSB Ex. 40 (certified Mulligan Mint bankruptcy records).

88. Mr. Gray repeatedly disclosed that Mulligan Mint filed for bankruptcy. Mr. Gray disclosed this fact on a Zoom conference call for miners, without limitation, on the following dates: late 2024, August 19, 2025, and September 2, 2025. Recordings of these Zoom calls were later made publicly available on YouTube. Tr. Vol. 3 at 257:16–258:6 (Walsh); RX 55 (recording of Aug. 19, 2025 Zoom call); Tr. Vol. 2 at 4:23–6:10 (Gray); TSSB Ex. 131 (presentation for Sept. 2, 2025 call); TSSB Ex. 131A (recording of Sept. 2, 2025 call); Tr. Vol. 1 at 128:7–13 (Gray); Tr. Vol. 2 at 7:21–9:12 (Gray); Tr. Vol. 1 at 196:9–15, 200:11–15 (Gray).

89. The TSSB acknowledges that Mr. Gray “did not literally remain silent about Mulligan Mint or the bankruptcy,” that the recorded calls (including RX 26, RX 55, and TSSB Ex. 131) and the Telegram “Philosophy and Character” topic discussed it, and that it “does not dispute that evidence.” TSSB Br. at 71–72, 76–77.

90. In a community call on November 26, 2024 (RX 26), Mr. Gray explained that he left the United States because he “was going through a very terrible sad bankruptcy at the time, and this was all very well-known, very well-documented,” and that “[w]e went through the bankruptcy court.” Tr. Vol. 1 at 126:10–17, 127:2–5, 235:22–236:10 (Gray); *see* TSSB Br. at 71 (acknowledging that RX 26 “included a reference to a bankruptcy”).

91. Mr. Gray discussed Mulligan Mint repeatedly, and set up a dedicated Telegram topic for it, because he “always looked at those experiences as being beneficial to the authenticity that I bring to this project.” Tr. Vol. 2 at 9:4–19 (Gray). He testified that “we had no secrets about my personal history.” Tr. Vol. 1 at 125:2–13 (Gray); *see* TSSB Br. at 69 (citing the same testimony).

92. Mr. Gray answered questions on the calls, including about the Mulligan Mint bankruptcy. Tr. Vol. 3 at 22:3–14 (Block); Tr. Vol. 1 at 235:22–236:7, 238:2–239:23 (Gray).

93. The disclosures shown at the hearing were representative, but not exhaustive, examples. Tr. Vol. 1 at 227:14–18 (Gray).

94. Mr. Gray made additional disclosures regarding the Mulligan Mint bankruptcy on a Telegram channel. The Telegram channel included publicly available bankruptcy court filings. Tr. Vol. 3 at 258:6–18 (Walsh); Tr. Vol. 2 at 8:4–22, 9:13–19 (Gray).

95. Mr. Fuselier personally viewed a Telegram chat group that potential investors could view, and understood that there was “another one where actual miners could view and where that information was made available.” Tr. Vol. 2 at 151:11–22 (Fuselier).

96. Information concerning the Mulligan Mint bankruptcy, and Mr. Gray’s involvement, was available in public court documents on PACER. Tr. Vol. 2 at 118:6–16 (Fuselier); TSSB Ex. 40 (certified Mulligan Mint bankruptcy records); Tr. Vol. 2 at 10:21–25 (Gray).

97. Information concerning the Mulligan Mint bankruptcy, and Mr. Gray’s involvement, was available in local and national newspapers, including in the *Wall Street Journal*, and thus available to prospective purchasers. RX 29 (Wall Street Journal, “Fed Critic Mulligan Mint Files for Bankruptcy”); Tr. Vol. 2 at 10:21–25, 11:2–21 (Gray).

98. The Mulligan Mint bankruptcy was not material to a reasonable purchaser’s decision to purchase a mining package. Mr. Gamero agreed that Mr. Gray’s personal background did not matter to him at the time he purchased (“It would have, but no, not at the time I purchased.”), and Mr. Walsh continued to purchase mining packages for family members after

learning of the bankruptcy. Tr. Vol. 2 at 228:5–12 (Gamero); Tr. Vol. 3 at 239:20–24, 257:16–258:6 (Walsh).

99. Mr. Nickel, Mr. Hinson, Mr. Block, and Mr. Hesse each first purchased a mining package after Mr. Gray’s late-2024 disclosure of the Mulligan Mint bankruptcy: Mr. Nickel in approximately June 2025, Mr. Hinson in mid-to-late August 2025, Mr. Block on September 13, 2025, and Mr. Hesse around Thanksgiving 2025. Tr. Vol. 3 at 61:11–18 (Nickel); Tr. Vol. 2 at 238:8–11 (Hinson); Tr. Vol. 2 at 267:7–8 (Block); Tr. Vol. 2 at 166:2–5 (Hesse); Tr. Vol. 3 at 257:16–258:6 (Walsh).

100. Mr. Block knew of Mulligan Mint from the community calls. Asked whether Mr. Gray concealed that information, Mr. Block answered: “He didn’t.” Tr. Vol. 2 at 274:21–275:2 (Block); Tr. Vol. 3 at 22:3–14, 41:3–14 (Block).

101. Mr. Gamero has filed for personal bankruptcy and does not disclose it to his consulting clients. Tr. Vol. 2 at 228:25–230:10 (Gamero).

102. Confronted with a 1997 Chapter 7 petition bearing his name and Social Security number, Mr. Block could not recall ever disclosing a bankruptcy to a commercial counterparty. Tr. Vol. 3 at 42:5–10, 43:14–46:21 (Block). That testimony was not credible.

103. Mr. Hesse wrote that he would not join a class action “if my seats can be refunded,” and admitted “using that as an attempt of leverage to get a refund.” Tr. Vol. 2 at 193:24–194:2, 194:20–21 (Hesse).

104. The TSSB was aware of Mr. Gray’s relevant disclosures prior to alleging in the Emergency Cease and Desist Order that he intentionally failed to disclose the Mulligan Mint bankruptcy to purchasers of the mining packages. The TSSB was also aware that the Mulligan Mint bankruptcy was public information prior to filing the Emergency Cease and Desist Order

because of public court documents and newspaper articles that referred to Mr. Gray by name. Tr. Vol. 2 at 118:6–16, 150:17–154:11 (Fuselier); RX 29 (Wall Street Journal article naming Mr. Gray).

B. MineTXC Assets, Liabilities, and Capitalization

105. Respondents did not have a duty to disclose MineTXC’s assets, liabilities, and capitalization. *See* Tr. Vol. 2 at 123:11–124:6 (Fuselier).

106. Respondents did not intentionally fail to disclose MineTXC’s assets, liabilities, and capitalization. Tr. Vol. 1 at 163:11–14 (Gray); Tr. Vol. 2 at 153:2–5 (Fuselier).

107. MineTXC is not a legally recognized entity and does not have assets, liabilities, or a capitalization. Tr. Vol. 1 at 163:9–14 (Gray); Tr. Vol. 2 at 129:6–8 (Fuselier).

108. MineTXC publicly disclosed other information about its activities that approximated its assets, liabilities, and capitalization. TSSB Ex. 22 at 7 (MineTXC website use-of-funds chart); Tr. Vol. 1 at 129:24–130:8, 202:3–13 (Gray); Order ¶ 14; Tr. Vol. 2 at 134:17–135:4 (Fuselier).

109. Charts that showed use of funds and other statistics were included in the MineTXC website. Tr. Vol. 1 at 129:24–130:8 (Gray); TSSB Ex. 22 at 7 (MineTXC website use-of-funds chart).

110. The top of the MineTXC homepage, which purchasers passed before reaching the enrollment form, displayed real-time insights into the network and community, including total miners, total revenue, total commission, seats filled, current hashrate, “Purchased HashPower,” “Sold HashPower,” miners by country, and a “Use of Funds” chart. TSSB Ex. 1 at TSSB 001, 013–014; Tr. Vol. 1 at 129:18–130:8 (Gray); *see* TSSB Br. at 28 & nn.81–82, 61 n.221 (relying on the same statistics).

111. The Order itself recites that the MineTXC website stated that Respondents had raised over \$147 million and paid out approximately \$65 million in commissions, and Mr. Fuselier had no reason to doubt those assertions. Order ¶ 14; Tr. Vol. 2 at 134:17–135:4 (Fuselier).

112. The TSSB was aware that MineTXC was not an entity capable of having assets, liabilities, and capitalization prior to filing the Emergency Cease and Desist Order and that, to the extent it had assets, liabilities, and capitalization, that information was publicly disclosed. Tr. Vol. 2 at 128:20–22, 129:6–8, 153:2–5 (Fuselier); TSSB Exs. 41–46 (Secretary of State records).

113. The TSSB was aware of these disclosures prior to filing the Emergency Cease and Desist Order. Tr. Vol. 2 at 150:17–154:11 (Fuselier).

114. Mr. Fuselier agreed that “to the extent that they actually had assets, liabilities, and capitalization, that information was disclosed.” Tr. Vol. 2 at 153:2–4 (Fuselier).

115. The TSSB acknowledges that “[t]he record does not support an absolute finding Respondent disclosed no financial information,” that the website contained charts showing use of funds and other statistics, and that the final Order “should recognize those disclosures” and “avoid the imprecise proposition that MineTXC failed to disclose a corporate balance sheet it did not have.” TSSB Br. at 86–87.

C. Danager Resources

116. MineTXC permitted purchasers to pay for mining packages in several ways, including by paper check. Order ¶ 19; Tr. Vol. 2 at 27:10–14 (Gray).

117. Purchasers who wished to pay by check were directed to make the check payable to Danager Resources. Order ¶ 19; Tr. Vol. 2 at 27:10–14, 27:25–28:5 (Gray).

118. Mr. Gray legally registered Danager Resources as an assumed name in Collin County, Texas. Tr. Vol. 2 at 27:15–16 (Gray); Pet’r’s Resp. to Mot. Summ. Disp. at 40 (TSSB’s response to Respondents’ motion for summary disposition).

119. A small percentage of purchasers made payment by check. Tr. Vol. 2 at 28:11–17 (Gray); Tr. Vol. 2 at 139:13–20 (Fuselier).

120. As an assumed name for Mr. Gray, Danager Resources did not have assets, liabilities, or capitalization. Tr. Vol. 2 at 27:17–20 (Gray).

121. As an assumed name for Mr. Gray, the identity, business repute, and experience of the owners or principals of Danager Resources were disclosed. Tr. Vol. 1 at 134:23–25; Tr. Vol. 2 at 27:15–17 (Gray).

122. The assets, liabilities, and capitalization of Danager Resources were not material to the decision of any purchaser of a mining package. Tr. Vol. 2 at 28:6–10 (Gray); Tr. Vol. 2 at 139:13–20 (Fuselier); Tr. Vol. 2 at 246:1–9 (Hinson).

123. As an assumed name for Mr. Gray, the identity, business repute, and experience of the owners or principals of Danager Resources were not material to the decision of any purchaser of a mining package who paid by check. Tr. Vol. 2 at 28:6–10 (Gray); Tr. Vol. 2 at 139:13–20 (Fuselier).

124. Mr. Gray did not intentionally conceal or fail to disclose his connection to Danager Resources. He told people that they could send checks made out to Danager Resources, and he did not intentionally fail to disclose his connection to it. Tr. Vol. 2 at 27:21–28:5 (Gray).

125. Mr. Gray did not recall anyone ever asking him about Danager Resources, and no purchaser Mr. Fuselier interviewed paid by check. Tr. Vol. 2 at 28:6–10 (Gray); Tr. Vol. 2 at 139:13–20 (Fuselier).

126. Checks payable to Danager Resources accounted for, at most, somewhere between approximately \$3 and \$10 million of approximately \$147 million in mining package sales. Tr. Vol. 2 at 28:11–17 (Gray); Order ¶ 14.

D. MineTXC Operations And Staff

127. Mr. Gray disclosed the identity and qualifications of the people responsible for the mines on the community calls, and he disclosed when he fired them. Tr. Vol. 2 at 26:5–13 (Gray).

128. Mr. Gray never intentionally failed to disclose information about the people responsible for the mining operations. Tr. Vol. 2 at 26:14–17 (Gray).

129. Mr. Gray disclosed hardware setbacks as they occurred. On June 10, 2025, he told the community that “four of the five L7s are offline right now.” RX 15 (recording of June 10, 2025 community call); Tr. Vol. 2 at 14:24–15:17 (Gray).

130. On an August 19, 2025 call, Mr. Gray read aloud a member’s question, “what is the hardware replacement plan?,” and answered it. RX 55 (recording of Aug. 19, 2025 Zoom call); Tr. Vol. 2 at 16:1–17:5 (Gray).

131. Before the Order issued, Mr. Fuselier knew that Mr. Gray had disclosed the hardware failures and the mine premises. Tr. Vol. 2 at 150:17–154:11 (Fuselier).

132. Mr. Nickel was told that he could schedule a tour of the mine, but he never did. Tr. Vol. 3 at 67:10–15 (Nickel).

133. The TSSB acknowledges that Mr. Gray “disclosed certain financial metrics, some personnel information, operational problems, mining-site information, and security measures,” and that the final Order should “eliminate or narrow any absolute statement those matters were never disclosed.” TSSB Br. at 90; *see also id.* at 85–89, 98.

134. Mr. Gamero agreed that he “didn’t care how the mines were kept running, just that they stayed running.” Tr. Vol. 2 at 231:5–7 (Gamero). He also did not care about the name on the bank account that deposited checks for mining packages or about the registration status of the program with the government. Tr. Vol. 2 at 230:15–18, 231:8–10 (Gamero).

E. Registration Of TEXITcoin, MineTXC, Blockchain Mint, and Danager Resources

135. The Blockchain Mint website disclosed that its principals “are not registered brokers, analysts, investment advisors.” TSSB Ex. 18 at 19 (Blockchain Mint website).

136. The registration status of TEXITcoin, MineTXC, and Blockchain Mint was a matter of public record: Mr. Fuselier determined it by searching the Texas Secretary of State’s records, and the assumed name certificate for Blockchain Mint is on file with the Collin County Clerk. Tr. Vol. 2 at 128:20–22 (Fuselier); TSSB Exs. 41–46 (Secretary of State records); RX 68 at 1 (assumed name certificate for Blockchain Mint).

137. Mr. Gray did not believe he was selling securities. Tr. Vol. 1 at 143:20–23 (Gray); Tr. Vol. 2 at 30:19–31:1 (Gray).

138. Mr. Gray did not know that the TSSB existed until recently, and he did not tell affiliates that registration might be required because he did not believe the mining packages were securities. Tr. Vol. 1 at 118:25–119:20 (Gray); Tr. Vol. 2 at 30:19–31:5 (Gray).

139. Mr. Block testified that the registration of the other cryptocurrencies he bought on another person’s recommendation “wasn’t something [he] was researching,” and that he still has not checked it. Tr. Vol. 3 at 9:3–10:1 (Block).

140. Mr. Hesse assumed from TEXITcoin’s “promotional graphics” that it was affiliated with the State of Texas. Tr. Vol. 2 at 176:19–177:10 (Hesse).

F. Materially Misleading And Deceptive Practices And The Offer Of The Mining Packages

141. The MineTXC website explained the commission program, setting out “some important basics to understand so that you can make the most of our commission program.” TSSB Ex. 22 at 5 (MineTXC website).

142. The MineTXC website disclosed that approximately \$65 million had been paid out in commissions. Order ¶ 14; Tr. Vol. 2 at 134:17–135:4 (Fuselier).

143. Mr. Fuselier conceded that there is no allegation that Mr. Gray “affirmatively lied or made a false statement,” or that he instructed anyone else to lie to purchasers. Tr. Vol. 2 at 122:25–123:7 (Fuselier).

144. Mr. Gamero, a TSSB witness, attributed the lack of further adoption of TXC to the Order itself: “there was not going to be anymore adoption because of the cease and desist order.” Tr. Vol. 2 at 233:22–234:5 (Gamero).

G. Respondents Did Not Intentionally Conceal Any Material Information

145. Respondents did not intentionally conceal or fail to disclose the Mulligan Mint bankruptcy. Tr. Vol. 2 at 5:23–6:10, 8:5–9:19, 150:17–151:10; Tr. Vol. 1 at 239:7–23.

146. Respondents did not intentionally conceal or fail to disclose information about MineTXC’s assets, liabilities, and capitalization. Tr. Vol. 2 at 26:18–27:5, 38:13–21, 152:17–153:5; Tr. Vol. 1 at 103:12–21.

147. Respondents did not intentionally conceal or fail to disclose information about Danager Resources’ assets, liabilities, and capitalization. Tr. Vol. 2 at 27:15–24.

148. Respondents did not intentionally conceal or fail to disclose the identity, business repute, and experience of Danager Resources’ principal. Tr. Vol. 2 at 27:15–24.

149. Respondents did not intentionally fail to disclose or conceal Danager Resources’ relationship to Respondents. Tr. Vol. 2 at 27:11–17, 28:1–5; Tr. Vol. 1 at 137:6–9.

150. Respondents did not intentionally conceal or fail to disclose Danager Resources’ control of purchaser funds, where the funds would be held, or its custodial safeguards. Tr. Vol. 1 at 137:6–9, 202:3–13; Tr. Vol. 2 at 28:22–29:17.

151. Respondents did not intentionally conceal or fail to disclose the identity, business repute, or qualifications of the persons managing the mining farms. Tr. Vol. 2 at 26:5–17, 156:3–13.

152. Respondents did not intentionally conceal or fail to disclose their strategy or procedures for overcoming hardware failures, power outages, or network disconnections. Tr. Vol. 2 at 15:10–16:2, 16:20–17:5, 153:6–25.

153. Respondents did not intentionally conceal or fail to disclose information about the security of the mining premises. Tr. Vol. 2 at 24:4–25:19, 154:1–11; Tr. Vol. 4 at 10:18–24.

154. Respondents did not intentionally conceal or fail to disclose that TEXITcoin, MineTXC, Blockchain Mint, and Danager Resources were not registered with the Texas Secretary of State. Tr. Vol. 2 at 29:18–30:11; Tr. Vol. 1 at 165:13–166:4.

CONCLUSIONS OF LAW

155. The mining packages are not securities as that term is defined in Section 4001.068 of the Texas Securities Act.

156. Respondents have not engaged in fraud by intentionally failing to disclose a material fact in connection with the sale of mining packages.

157. Respondents have not engaged in fraud by making materially misleading statements in connection with the offer and sale of securities.

158. The TSSB's fraud claims are frivolous and without a basis in fact or law.

159. At the time the Order was issued, there was no basis to conclude that Respondents' conduct, acts, and practices threatened either immediate or irreparable public harm.

160. As a result, there was no basis for the TSSB to proceed via emergency cease-and-desist order in this matter.

161. Because the mining packages are not securities and Respondents did not engage in fraud in connection with the offer and sale of securities, and for the independent reason that no evidence was offered to support the requested relief, there is no basis for the TSSB's requested refund/rescission remedy.

DATED: October 23, 2026

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CERTIFICATE OF SERVICE

I certify that on October 23, 2026, a true and correct copy of the foregoing was served on the following parties via email:

Jeramy Heintz, Director - Legal, Enforcement Division, Texas State Securities Board.

Justin Bontrager, Attorney, General Counsel Division, Texas State Securities Board.

Kristen McCourt, Attorney, Enforcement Division, Texas State Securities Board.

/s/ *Avi Perry*
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