UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10458 / February 16, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18373

In the Matter of

BARRY McKNIGHT SKINNER,

and

DYNAMIC INTELLIGENCE, INC.

Respondents.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), against Barry McKnight Skinner and Dynamic Intelligence, Inc. ("Skinner" and "Dynamic," respectively, or collectively the "Respondents").

II.

In anticipation of the institution of these proceedings, Respondents have submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or in which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings, and Imposing a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondents' Offer, the Commission finds[1] that:

1. Dynamic Intelligence, Inc. ("Dynamic"), a Barbados-based holding company, was one of the largest creditors of and a holder of more than ten percent of the common stock of a company ("Company A"). Dynamic also licensed certain intellectual property to Company A. Company A became a reporting company whose stock traded on the Over-the-Counter Market.

2. Barry Skinner, a Barbados resident, was the President and sole director of Dynamic, pursuant to a "director services" contract between Dynamic and a Barbados-based company that Skinner also controlled. Skinner also was the President, Secretary, and the sole director of Company B, a startup in a similar space as Company A.

3. Company A was founded in 2005, but by April 2012, had failed and owed Dynamic at least $1,476,600 from notes that were convertible into Company A stock. In addition, Skinner was owed past-due amounts for fees due from Dynamic.

4. In part to recover money for Dynamic on its prior loans to Company A and to receive Skinner's unpaid fees, on April 20, 2012, Dynamic entered into agreements with a third-party entity (the "Note Conversion Company"), to convey Company A's convertible notes held by Dynamic to the Note Conversion Company. Skinner signed the agreements on behalf of Dynamic incorrectly certifying that Dynamic was not an affiliate of Company A and that Dynamic did not hold more than 10 percent of Company A's common stock. In reliance on Skinner's certification, Company A's transfer agent removed the restrictive legend from the converted stock. This enabled the Note Conversion Company to sell the restricted stock into the open market to generate proceeds.

5. Dynamic and Skinner should have known that Dynamic's certification to the Note Conversion Company was incorrect. Dynamic and Skinner also should have known that without their certification in the agreements, the transfer agent would not have issued unlegended stock, and the Note Conversion Company would not have been able to sell the stock publicly without registration.

6. From April 2012 through October 2012, the Note Conversion Company converted Company A's debt into approximately 4 billion shares of Company A stock and sold it into the public market for total proceeds of close to $1.4 million. The Note Conversion Company then paid Dynamic at least $125,210 out of the stock sale proceeds, and Dynamic made further payments to various entities, some of which Dynamic and or Skinner controlled. Skinner also used some of these payments to recover his past due fees.

---

[1] The findings herein are made pursuant to Respondents' Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

7. In the fall of 2011, Dynamic transferred certain intellectual property to a third party which subsequently licensed certain intellectual property to Company B. From October 2011 through at least 2015, Company B raised more than $15 million from approximately 250 investors, many of them in the United States, through nine separate private placement rounds. The term sheet given to investors said that investment funds would "be used to engage customers, to fund product development, to fund the acquisition of intellectual property, for working capital purposes, and for other corporate purposes" (the "Use of Proceeds").

8. In his capacity as the sole corporate officer of Company B, Skinner entered into a consulting agreement with a "technology incubator" company (the "Consultant"). Skinner permitted an employee of the Consultant to use a credit card in Skinner's name solely for the use of Company B to cover a variety of expenses, including at least $14,000 of expenses that were non-corporate and that fell outside the Use of Proceeds. Skinner did not question these expenses and authorized the use of Company B's funds to cover them.

9. As Director and President of Company B, Skinner should have known that expenses he approved fell outside of the Use of Proceeds.

10. As a result of the conduct described in paragraphs 4 to 6, above, Skinner and Dynamic violated Section 17(a)(2) of the Securities Act.

11. As a result of the conduct described in paragraphs 7 to 9, above, Skinner violated Section 17(a)(3) of the Securities Act.

Skinner and Dynamic's Remedial Efforts

In determining to accept the Offer, the Commission considered remedial acts promptly undertaken by Respondents and cooperation afforded the Commission staff, including amending appropriate corporate procedures to add an independent director of Company B; retaining a third-party, U.S. based compliance consultant for Company B; obtaining the repayment of the expenses described in paragraphs 8 and 9, above; and obtaining the memorialization and repayment of all outstanding loans that the Consultant owed Company B pursuant to repayment terms acceptable to the compliance consultant and the independent director.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondents' Offer.

Accordingly, it is hereby ORDERED that**:**

A. Pursuant to Section 8A of the Securities Act, Respondents Skinner and Dynamic, respectively, cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3), and Section 17(a)(2).

B. Respondent Dynamic shall, within 30 days of the entry of this Order, pay disgorgement of $125,210 and prejudgment interest of $23,342.44 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600.

C. Respondent Skinner shall, within 30 days of the entry of this Order, pay a civil money penalty in the amount of $25,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

D. Respondent Dynamic shall, within 30 days of the entry of this Order, pay a civil money penalty in the amount of $80,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

E. Payment must be made in one of the following ways:

(1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondents may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Respondent Skinner and Respondent Dynamic as Respondents in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Melissa Hodgman, Division of Enforcement, Securities and Exchange Commission, 100 F St., N.E., Washington, DC 20549-5553.

F. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that in any Related Investor Action, Respondents shall not argue that they are entitled to, nor shall they benefit by, offset or

reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondents by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondents, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondents under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary