

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Securities Act of Washington by:

5 REACH Genetics Inc. f/k/a Doyen Elements
6 Inc.,
Geoffrey Thompson,

7 Respondents.

Order No. S-18-2484-20-FO02

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER TO
CEASE AND DESIST, TO IMPOSE FINES, AND TO
CHARGE COSTS AS TO

8 **THE STATE OF WASHINGTON TO:**

Geoffrey Thompson

9
10 On September 10, 2020, the Securities Administrator of the state of Washington issued Statement
11 of Charges and Notice of Intent to Enter Order to Cease and Desist, to Impose Fines, and to Charge Costs,
12 Order No. S-18-2484-20-SC01 (“Statement of Charges”). The Statement of Charges, together with a Notice
13 of Opportunity for Hearing (“Notice”) and an Application for Adjudicative Hearing (“Application”), were
14 served on Respondent Geoffrey Thompson, on January 20, 2021. The Notice advised Respondent Geoffrey
15 Thompson that the Application must be received within twenty days from the date of service. Respondent
16 Geoffrey Thompson failed to request an administrative hearing within twenty days of service.

17 The Securities Administrator therefore adopts as final the following Findings of Fact and
18 Conclusions of Law as set forth in the Statement of Charges and enters a final order against Respondent
19 Geoffrey Thompson to cease and desist from violations of the Securities Act, and to impose the fine and
20 costs sought in the Statement of Charges.

21 **FINDINGS OF FACT**

22 Respondents

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1. REACH Genetics Inc. f/k/a Doyen Elements Inc. (hereinafter, "REACH Genetics" or "Doyen Elements") is a Nevada Corporation formed on October 21, 2015. REACH Genetics is registered as a foreign corporation in Colorado with its principal place of business located in Boulder Colorado. During the time relevant to this Statement of Charges, Doyen Elements was in the business of providing ancillary services to the legal cannabis industry including real estate leasing, management consulting, regulatory and compliance services, industrial equipment leasing, and working capital.

2. Geoffrey Thompson ("Thompson") resided in Colorado during the time relevant to this Statement of Charges. Thompson was the Chairman and Chief Executive Officer of Doyen Elements from October 21, 2015 until November 3, 2017.

Nature of the Conduct

Overview

3. From October 24, 2017 to November 2, 2017, Doyen Elements and Thompson raised \$2,100 from three Washington State investors through the sale of Doyen Elements commons stock. Doyen Elements and Thompson failed to disclose to these investors material information in connection with this stock offering. Thompson, in his capacity as CEO of Doyen Elements, signed subscription agreements with these Washington State investors.

Conduct

4. On September 6, 2017, Doyen Elements began offering 7,000,000 of its common stock at \$7.00 per share to both accredited and non-accredited investors. Doyen Elements conducted this offering pursuant to Regulation A - Tier 2, an exemption from registration for public offerings.

5. Doyen Elements offered this stock through its offering circular dated and signed by Thompson on August 15, 2017. Prospective investors were required to "read and rely on the information provided in this offering circular in connection with their decision to invest in these securities."

1 6. Doyen Elements and Thompson included risk disclosures to prospective investors in this
2 offering circular including one related to the dependence on management. In this risk disclosure, Doyen
3 Elements and Thompson stated that Doyen Elements would be significantly dependent on the services of
4 its CEO, Thompson. In a separate risk disclosure, Doyen Elements and Thompson stated that investors must
5 depend on the judgment and discretion of Doyen Elements management with respect to application and
6 allocation of the net proceeds of this offering.

7 7. Doyen Elements and Thompson informed prospective investors that Doyen Elements intended
8 to apply to list its common stock on the NYSE-MKT Exchange as well as the OTCQX Market. Doyen
9 Elements and Thompson included a broad risk disclosure in this offering circular stating that Doyen
10 Elements may not be able to satisfy listing requirement of the NYSE-MKT Exchange or the OTCQX
11 Market.

12 8. Doyen Elements and Thompson also touted Thompson’s involvement in Accelera Innovations
13 Inc. (“Accelera”) in the Doyen Elements offering circular.

14 9. In September 2017, Doyen Elements submitted an application to the OTC Market Group to
15 have its common stock listed for trading on the OTCQX.

16 10. On September 29, 2017, the SEC filed fraud charges against Thompson and Accelera. The
17 SEC complaint alleged that Thompson deceived the investing public about Accelera’s finances and its
18 technology. The SEC also charged Thompson, Accelera, and Synergistic Holdings LLC (“Synergistic”),
19 another entity controlled by Thompson, with offering and selling unregistered securities.¹

23 ¹ On April 3, 2020, the SEC entered a final judgment against Thompson by consent.

1 11. On October 18, 2017, the OTC Market Group notified Doyen Elements that it decided not to
2 approve the company's application to have its shares listed on the OTCQX due to the pending SEC lawsuit
3 against Thompson, Accelerera, and Synergistic.

4 12. On October 30, 2017, FINRA notified Doyen Elements that it would not process its
5 application to have its shares listed on the OTCQX due to the pending SEC lawsuit against Thompson, a
6 majority shareholder in Doyen Elements.

7 13. Doyen Elements and Thompson failed to disclose to the Washington State investors the SEC
8 action against Thompson, Accelerera and Synergistic. Doyen Elements and Thompson failed to disclose to
9 these investors the risk that the pending SEC charges against Thompson, if proven, could inhibit the
10 company's ability to raise funds in the future.

11 14. Doyen Elements and Thompson failed to disclose to the Washington State investors that the
12 OTC Market Group had denied its application to list the Doyen Elements commons stock on the OTCQX.
13 Doyen Elements and Thompson failed to disclose to at least one Washington State investor that FINRA
14 declined to process the Doyen Elements application to have its shares listed on the OTCQX. Doyen
15 Elements and Thompson failed to disclose to these investors the risk that the pending SEC charges against
16 Thompson could prevent Doyen Elements common stock from being listed on the NYSE-MKT Exchange
17 or the OTCQX Market.

18 15. As of the date of this Statement of Charges, the Doyen Elements common stock has never
19 been listed on the NYSE-MKT or the OTCQX. The Washington State investors have yet to receive a return
20 on their investment and are still shareholders in Doyen Elements.

21 16. Doyen Elements and Thompson included information relating to Thompson's business
22 experience in the Doyen Elements offering circular. Doyen Elements and Thompson represented in this
23 offering circular that Thompson held seventeen years of experience in business ownership and management

1 with a focus on start-ups. Doyen Elements and Thompson stated in this offering circular that Thompson
2 founded several start-up companies that included three mortgage companies, a title and escrow company,
3 and a real estate investment firm, which acquired in excess of \$10 million of residential and commercial
4 properties. However, Doyen Elements and Thompson failed to mention Thompson's involvement in the
5 following real estate corporate entities: Progressive Home Services, Inc. d/b/a Investment Properties of
6 Minnesota or IPM Realty ("IPM"), National Real Estate Assignments, LLC d/b/a America National
7 Assignments ("NREA"), Investment Properties of America, Inc. ("IPA"), Amerifunding Group LLC
8 ("Amerifunding Group"), and J & J Investment Properties of Minnesota LLC ("J & J").

9 17. On June 9, 2009, the Minnesota Court of Appeals affirmed a veil-piercing order, holding that
10 Thompson was personally liable for a \$22.68 million default judgment entered against IPM, NREA, IPA,
11 Amerifunding Group, and J & J, which Thompson in part owned, managed, and operated, in what the court
12 characterized as a "large-scale real estate investment fraud scheme." Doyen Elements and Thompson failed
13 to disclose to the Washington State investors that Thompson in part owned, managed, and operated
14 corporate entities involved in a large-scale real estate investment fraud scheme.

15 18. Doyen Elements and Thompson also represented in this offering circular that Thompson was
16 a co-founder in another entity called GWS Financial Services, a financial services firm.

17 19. In August 2014, Thompson, GWS Financial Services, and others were accused of engaging
18 in fraud in connection with the solicitation of investment funds. In July 2015, Thompson, GWS Financial
19 Services, and others paid to settle this civil suit. Doyen Elements and Thompson failed to disclose to the
20 Washington State investors that Thompson and GWS Financial Services settled a civil lawsuit, which
21 included allegations of fraud.

22 Based upon the above Findings of Fact, the following Conclusions of Law are made:

23 **CONCLUSIONS OF LAW**

1 1. The offer and/or sale of the Doyen Elements common stock described above constitutes the
2 offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

3 2. REACH Genetics Inc. f/k/a Doyen Elements Inc. and Geoffrey Thompson violated RCW
4 21.20.010, the anti-fraud section of the Securities Act of Washington, by making untrue statements of
5 material fact or omitting to state material facts necessary to make the statements made, in light of the
6 circumstances in which they were made, not misleading.

7 Based upon the foregoing and finding it in the public interest:

8 **FINAL ORDER**

9 IT IS HEREBY ORDERED that Respondent Geoffrey Thompson, and their agents and employees,
10 shall each cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of
11 Washington.

12 IT IS FURTHER ORDERED that Respondent Geoffrey Thompson shall be liable for and pay a fine
13 in the amount of \$10,000.

14 IT IS FURTHER ORDERED that Respondent Geoffrey Thompson shall be liable for and pay costs
15 in the amount of \$1,000.

16 **AUTHORITY AND PROCEDURE**

17 This FINAL ORDER is entered pursuant to the provisions of RCW 21.20.390, and is subject to the
18 provisions of RCW 21.20.440 and Chapter 34.05 RCW. Respondent has the right to petition the superior
19 court for judicial review of this agency action under the provisions of Chapter 34.05 RCW. For the
20 requirements for judicial review, see RCW 34.05.510 and sections following. Pursuant to RCW 21.20.395,
21 a certified copy of this Order may be filed in Superior Court. If so filed, the clerk shall treat the Order in
22 the same manner as a Superior Court judgment as to the fine, and the fine may be recorded, enforced, or
23 satisfied in like manner.

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2 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

3 SIGNED and ENTERED this 12th day of February, 2021.
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William M. Beatty
Securities Administrator

9 Approved by:

Presented by:

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Suzanne Sarason
Chief of Enforcement

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Brian J. Guerard
Financial Legal Examiner Supervisor