

2. Doyle T. Nelson (“Nelson”) was the Chief Executive Officer of Journey Financial, Inc.

3. Kenneth Exelby, Jr. (“Exelby”) was the President of Journey Financial, Inc. Exelby, CRD #2370373, was employed as a securities salesperson in Washington from 1993 to 2004.

4. Gary William Oldham (“Oldham”) was the Chief Financial Officer and a board member of Journey Financial, Inc. Oldham resigned from Journey Financial in May, 2008. Prior to and during 2008 and 2009, Respondent Oldham was a tax preparer doing business as Tax Consultants Incorporated of Washington (“Tax Consultants”), UBI Number 601207066. Journey Financial was also a tax client of Oldham and he prepared at least one year’s tax return for the company. Oldham also leased Journey Financial approximately \$50,000 of office equipment.

Nature of the Offering

5. In 2007, Doyle Nelson and Ken Exelby operated Journey Financial, a mortgage loan brokerage company that expanded from one to several locations in Washington State. In 2008, Respondents Journey Financial Inc., Doyle Nelson, Kenneth Exelby Jr., and Gary Oldham raised approximately \$490,000 from at least eight Washington residents through the sale of Journey preferred stock and promissory notes, some of which was “converted” to Journey preferred stock. Respondents sold approximately \$215,000 of promissory notes to investors, \$50,000 of which was converted to preferred stock. Respondents solicited investors primarily through personal meetings, telephone calls and email messages. Respondent Oldham, d.b.a. Tax Consultants, ran a tax preparation service in Federal Way, Washington, where he solicited at least six of his tax clients to invest with Journey Financial and referred them to Doyle Nelson or Ken Exelby.

6. Respondents told prospective investors that their money would be used for expansion of Journey Financial. Respondent Nelson described a Journey Financial loan to one investor as a “bridge loan” and that the company was planning on opening offices in California, Washington and Florida. Respondent Exelby also used the term “bridge loan” in a letter in which he solicited an investor for an additional loan to Journey Financial. Respondent Oldham explained to one investor that the company needed a loan for operating costs and represented that Journey Financial was starting a mortgage loan servicing business and needed a “bridge loan” for a period of two to twelve months.

7. A number of investors were long time tax clients of Gary Oldham and several considered him to be not only a trusted adviser, but a friend. Oldham solicited several investors with documents using his Tax Consultants business letterhead regarding the Journey Financial investments. Oldham created and provided several investors with a one-page document entitled “Memorandum,” dated March 5, 2008. In the Memorandum, Oldham states that “I am on the board of directors & will be watching the funds and operations. This is a safe investment and provides 18% earnings.” Oldham told investors that he had personally invested in Journey Financial.

1 8. Respondents Journey Financial, Oldham, Nelson and Exelby offered and sold at least five investors
2 twelve month promissory notes ranging from 18% to 20% per annum interest. Respondents offered at least three
3 investors Journey Financial preferred stock. Respondents also offered promissory note holders the opportunity to
4 convert their notes into preferred stock and at least one investor converted two promissory notes into Journey
5 Financial preferred shares.

6 9. Investors did not participate in the management of Journey Financial. Most investors were not “an
7 accredited investor” (having an annual income of over \$200,000 or a \$1,000,000 net worth).

8 10. While promissory note investors initially received a limited number of interest only payments,
9 Respondents have not repaid investors any of their principal or subsequent accrued interest. Respondents have not
10 paid preferred shareholders any returns on their investments. Journey Financial, Inc. has been an inactive corporation
11 since 2011.

12 Misrepresentations and Omissions

13 11. Respondents Journey Financial, Oldham, Nelson and Exelby misrepresented to some investors that
14 the proposed loan investments were safe and would be able to return 18% to 20% when they had no basis in fact for
15 such statements. Journey Financial, Oldham, Nelson and Exelby did not discuss any risks associated with the
16 investment with some of the investors. Journey Financial, Oldham, Nelson and Exelby did not provide investors with
17 a prospectus or offering circular with the material information for the Journey Financial investment including, but not
18 limited to, financial statements and Oldham’s bankruptcy.

19 Registration Status

20 12. Respondent, Journey Financial, Inc. is not currently registered to sell securities in the state of
21 Washington and has not previously been so registered. There is no notification of exemption on file with the state of
22 Washington.

23 13. Respondents Oldham and Nelson are not currently registered as a securities salesperson or broker-
24 dealer in the state of Washington and have not previously been so registered. Respondent Nelson was not registered as
25 a securities salesperson or broker-dealer in the state of Washington after 2004.

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

CONCLUSIONS OF LAW

I.

The offer or sale of loans, notes and preferred stock as described above constitute the offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

II.

The offer and/or sale of said securities is in violation of RCW 21.20.140 because no registration for such an offer and/or sale is on file with the Securities Administrator, state of Washington.

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III.

The offer and/or sale of said securities were in violation of RCW 21.20.010 because Respondent Doyle Treat Nelson made misrepresentations regarding the safety and potential returns of the investments and/or failed to disclose material facts to prospective investors, including, but not limited to, the risks of the offering, financial information for the issuer Journey Financial, and the bankruptcy of Respondent Oldham.

Doyle Treat Nelson violated RCW 21.20.040(1) by offering and/or selling said securities while not being registered as a broker-dealer or securities salesperson in the state of Washington.

FINAL ORDER

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

IT IS HEREBY ORDERED that the Respondent, Doyle Treat Nelson, his agents and employees each shall cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.140, the section of the Securities Act of Washington requiring registration.

IT IS FURTHER ORDERED that the Respondent, Doyle Treat Nelson, his agents and employees each shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

IT IS FURTHER ORDERED that the Respondent, Doyle Treat Nelson, his agents and employees each shall cease and desist from violating RCW 21.20.040, the broker-dealer and securities salesperson registration section of the Securities Act of Washington.

IT IS FURTHER ORDERED that the Respondent, Doyle Treat Nelson, shall liable for and pay a fine of \$5,000.

IT IS FURTHER ORDERED that the Respondent, Doyle Treat Nelson, shall liable for and pay investigative costs of \$6,500.

AUTHORITY AND PROCEDURE

This FINAL ORDER is entered pursuant to the provisions of RCW 21.20.390 and 21.20.395, and is subject to the provisions of RCW 21.20.440 and Chapter 34.05 RCW. The Respondent has the right to petition the superior court for judicial review of this agency action under the provisions of Chapter 34.05 RCW. For the requirements for Judicial Review, see RCW 34.05.510 and sections following. Pursuant to RCW 21.20.395, a certified copy of this Order may be filed in Superior Court. If so filed, the clerk shall treat the Order in the same manner as a Superior

1 Court judgment as to the fine, and the fine may be recorded, enforced, or satisfied in like manner.

2 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

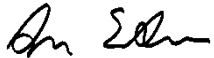
3 SIGNED and ENTERED this 3rd day of December, 2014 by:

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5 William M. Beatty
6 Securities Administrator

7 Approved by:

8 Presented by:

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10 Suzanne Sarason
11 Chief of Enforcement

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13 Cordell, Martin
14 Financial Legal Examiner

15 Reviewed by:

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17 Jack McClellan
18 Financial Legal Examiner Supervisor