

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING) Order No.: S-14-1515-15-CO01
whether there has been a violation of the)
Securities Act of Washington by:)
JOE HYER; OLYCENTRO INC.,) CONSENT ORDER
Respondents.)

INTRODUCTION

Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division of the Department of Financial Institutions (“Securities Division”) and Respondents, Joe Hyer and Olycentro Inc., do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondents Joe Hyer and Olycentro Inc. neither admit nor deny the Findings of Fact and Conclusions of Law as stated below.

FINDINGS OF FACT

Respondents

1. Olycentro Inc. (“Olycentro”) is a Washington corporation with its principal place of business at 408 Olympia Ave. NE, Olympia, Washington. Olycentro owns and operates a retail store at this address, called Centro, that sells outdoor gear and equipment. Centro opened for business in March 2014. Within the Centro store are several smaller retail “divisions” that operate as d/b/a’s of Olycentro, including the Bike Stand and the Olympia Footwear Company.

2. Joe Hyer is a Washington resident and is the co-founder, President and Treasurer of Olycentro.

Related Entities

3. Hyer Family Investments, LLC (“HFI”) is a Washington limited liability company owned by Hyer and his parents. HFI owns the building that Centro is located at, and leases most of the building to Olycentro for the operation of the Centro store.

4. The Alpine Experience, LLC (“Alpine Experience”) was a Washington limited liability company owned by Hyer and his parents. It has been inactive since February 2014. Until a week before Centro’s opening, Alpine Experience operated an outdoor gear store at the same location as Centro. The Alpine Experience store was managed primarily by Hyer.

Nature of the Offering

1 5. Beginning in March 2014, Olycentro and Hyer offered and sold approximately \$35,000 in Olycentro
2 common stock to at least nine investors, all of whom are Washington residents. Olycentro sought to raise about
3 \$600,000 with its stock offering to finance the cost of store inventory and the purchase of the Bike Stand, a bike repair
4 shop. Each Centro share was sold for \$1,000 per share and the minimum investment was \$500. Respondents did not
5 verify the accredited investor status of any investor, though Respondents believed at least one investor was
6 unaccredited.

7 6. One of Olycentro’s goals was to have community shareholders. To that end, Respondents solicited
8 investors, in large part, by publicizing the investment in various local print and media outlets. For example, Olycentro
9 printed a newspaper for Centro that it mailed to approximately 22,000 Washington households. Olycentro obtained
10 the addresses from a customer mailing list compiled by Alpine Experience. The first edition of the newspaper was
11 mailed around April 2014 and contained a full-page article by Hyer announcing the investment opportunity. Hyer
12 stated that investments between \$1,000 to \$100,000 were available and that a full prospectus was available to
13 “interested customers and guests.” Hyer also informed readers to contact a founder for more information on investing.
14 At least one investor is known to have invested after seeing the newspaper.

15 7. In addition, Hyer was interviewed for a couple articles in which he discussed the investment. In an
16 article that appeared on ThurstonTalk.com, Hyer invited Centro’s customer to be shareholders. The article announced
17 that Olycentro was selling shares for \$1,000 per share and that Olycentro had a “prospective” available for those who
18 were interested in investing. In an article that appeared in The Olympian newspaper, Hyer stated that Olycentro was
19 seeking “community shareholders.” Olycentro also solicited investors by issuing its own press release that was sent to
20 various media outlets. The press release was published on a Washington-based outdoor recreational website. In it,
21 Olycentro announced that it was “actively seeking shareholders” and informed readers that a prospectus was available.
22 The press release contained contact information for Hyer and another Olycentro officer.

23 8. In offering the investment, Hyer discussed the investment with actual and potential investors to
24 varying degrees, but overall spoke little of the risks and the financial aspects of the investment. In addition, Olycentro
25 distributed a prospectus to actual and potential investors that contained a business plan for Centro and financial
statements. It was drafted by Hyer around March 2014. In the prospectus, Olycentro stated that “[i]nitial raising of
capital will be community based” and that it had a goal of raising at least \$600,000 within 180 days, 80% of which
would be used to finance inventory. Olycentro’s business plan included phasing in the different divisions of Centro as
shareholder funds were raised. Together, the different divisions would form a marketplace for outdoor gear. Olycentro
hoped to dedicate some of the space for a retail incubator for new entrepreneurs and a café to bring traffic to the store.
In the financial statements, Olycentro projected revenue and expenses under the assumption that Olycentro would be
able to raise the entire \$600,000 offering amount to finance the inventory it needed to meet the projected sales figures.

1 Olycentro projected that shareholders could receive a return on their investment, in the form of annual dividends,
2 between 6.67% to 15.91%. Olycentro also projected that it would be able to buy back 40 outstanding shares per year
3 that would enable it to pay the projected dividends. In these oral and written disclosures, Olycentro and Hyer failed to
4 disclose the bases and assumptions underlying the financial projections provided to investors. Olycentro and Hyer also
5 failed to disclose to investors risks of the investment, including risks related to operating a brick and mortar outdoor
6 retail store, inadequate capitalization, and Olycentro's ability to execute its business plan and the effect it would have
7 on projected revenue and returns.

8 9. Olycentro and Hyer failed to disclose to investors Alpine Experience's financial condition at the time
9 it closed and the impact it could have on Olycentro's operations. At the time the Alpine Experience store closed in
10 March 2014, a week before Centro opened, it was over \$800,000 in debt. A portion of this debt was borne personally
11 by Hyer. Olycentro and Hyer failed to disclose to at least one investor information regarding Alpine Experience's level
12 of debt at the time it closed and Hyer's connection to this debt.

13 10. In addition, Olycentro and Hyer failed to disclose to investors debt that was held by Olycentro. On
14 May 21, 2014, Olycentro issued a \$25,000 promissory note to Hyer's friend and business associate for a line of credit.
15 Olycentro intended to use this line of credit to finance its shoe inventory. Olycentro provided a corporate guaranty for
16 the note, and Hyer provided a personal guaranty. As additional security, a deed of trust was recorded on the property
17 that Centro is located at. Olycentro and Hyer failed to disclose information about this note and related security to
18 shareholders who invested after this transaction.

19 11. As of October 2014, Olycentro has raised only a fraction of its original offering amount. As a result,
20 some of Centro's different divisions have either not opened, have been delayed in opening or have been transformed
21 into a different concept altogether. Olycentro has not generated the projected revenue and has been unable to pay the
22 full \$8,000 per month rent. As of December 2, 2014, HFI has listed the building at which Centro is located for sale.

23 Failure to Comply with Regulation D, Rule 506

24 12. Olycentro claimed an exemption from registration for its offering under Regulation D, Rule 506(b)
25 and WAC 460-44A-506. Hyer filed the Form D, Notice of Exempt Offering of Securities with the Washington State
Securities Division on June 26, 2014. The first sale of stock was April 1, 2014. Olycentro is required to file the Form D
within 15 days of the date of first sale.

13. Regulation D, Rule 506(b) prohibits an issuer or any person acting on behalf of an issuer to offer or
sell securities by any form of general solicitation. Olycentro's solicitation of investors through the use of print media
disseminated to the general public, as described in Paragraphs 6 and 7 above, constituted general solicitation.

//

//

Registration Status

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

14. Respondent Olycentro Inc. is not currently registered to sell securities in Washington and has not previously been registered to do so.

15. Respondent Joe Hyer is not currently registered to sell securities as a securities salesperson or broker-dealer in Washington and has not previously been registered to do so.

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

CONCLUSIONS OF LAW

1. The offer and sale of stock as described above constitute the offer and sale of a security as defined in RCW 21.20.005(14) and (17).

2. The offer and sale of these securities is in violation of RCW 21.20.140 because no registration for such an offer and/or sale is on file with the State of Washington Securities Administrator, and no valid claim of exemption under WAC 460-44A-506 exists.

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

4. The offer and/or sale of said securities were in violation of RCW 21.20.010 because Olycentro Inc. and Joe Hyer made untrue statements of material facts or omitted material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

CONSENT ORDER

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

IT IS AGREED AND ORDERED that Respondents Joe Hyer and Olycentro Inc., and their agents and employees, shall each cease and desist from violating RCW 21.20.140, the securities registration section of the Securities Act of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondents Joe Hyer and Olycentro Inc., and their agents and employees, shall each cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondent Joe Hyer shall cease and desist from violating RCW 21.20.040, the securities salesperson and broker-dealer registration section of the Securities Act of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondent Joe Hyer shall be individually liable for and shall pay a fine of \$50 and investigative costs of \$1,750.

IT IS FURTHER AGREED AND ORDERED that the payment of the fines and costs as described above shall be made as follows: Respondent Joe Hyer shall pay the Securities Division of the Department of Financial Institutions

1 \$200 on or before the entry of this Consent Order. For the balance of the fines and costs, Respondent Joe Hyer shall
2 pay the Securities Division of the Department of Financial Institutions \$200 per month from April to November 2015.
3 These monthly payments are due by the close of business on the last day of each month, with the first payment being
4 due on April 30, 2015.

5 IT IS FURTHER AGREED that if Respondent Joe Hyer fails to make any monthly payment, the remaining
6 balance of the \$50 in fines and the \$1,750 in costs shall become immediately due and payable, and the Securities
7 Division of the Department of Financial Institutions may seek enforcement of this Consent Order pursuant to RCW
8 21.20.395.

9 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

10 IT IS FURTHER AGREED that Respondents Joe Hyer and Olycentro Inc. entered into this Consent Order
11 freely and voluntarily and with a full understanding of its terms and significance.

12 IT IS FURTHER AGREED that in consideration of the foregoing, Respondents Joe Hyer and Olycentro Inc.
13 waive their right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05
14 RCW.

15 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

16 Signed this 6th day of April, 2015.

17 Signed by:

18 OLYCENTRO INC.

19 /s/
20 _____
21 JOE HYER, President

22 Signed by:

23 /s/
24 _____
25 JOE HYER, Individually

SIGNED and ENTERED this 20th day of April, 2015.

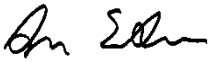
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25



WILLIAM M. BEATTY
Securities Administrator

Approved by:

Presented by:



SUZANNE SARASON
Chief of Enforcement

HUONG LAM
Financial Legal Examiner

Reviewed by:



JACK MCCLELLAN
Financial Legal Examiner Supervisor