

1  
2  
3  
4  
5  
6  
7  
8

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

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

Andrew W. Morrison;  
Path Investments Group, LLC;  
CityGuru, Inc.  
f/k/a On The Go Technologies, Inc.,  
  
Respondents.

Order Number S-15-1785-16-SC01

**STATEMENT OF CHARGES AND  
NOTICE OF INTENT TO ISSUE AN  
ORDER TO CEASE AND DESIST,  
IMPOSE FINES, AND CHARGE  
COSTS**

9  
10  
11  
12

THE STATE OF WASHINGTON TO:

Andrew W. Morrison  
Path Investments Group, LLC  
CityGuru, Inc.  
f/k/a On The Go Technologies, Inc.

13  
14  
15  
16  
17  
18  
19

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that the Respondents Andrew W. Morrison, Path Investments Group, LLC, and CityGuru, Inc. formerly known as (f/k/a) On The Go Technologies, Inc. have each violated the Securities Act of Washington. The Securities Administrator believes their violations justify the entry of an order of the Securities Administrator against each to cease and desist from such violations pursuant to RCW 21.20.390, to impose fines pursuant to RCW 21.20.395, and to recover costs pursuant to RCW 21.20.390. The Securities Administrator finds as follows:

20  
21

**TENTATIVE FINDINGS OF FACT**

22  
23

**Respondents**

1. Andrew "Drew" W. Morrison ("Morrison") is a Washington resident. Morrison has never been registered with the Securities Division in any capacity.



1           6.       Morrison solicited the two investors between May and July 2010. In approximately May  
2 2010, Morrison solicited a California resident to invest \$20,000 in Path Investments Group. This  
3 investor first met Morrison in 2009, and had made prior real estate investments with Path Investments  
4 Group when Morrison resided in Arizona. Morrison led this investor to believe that his funds would be  
5 used to purchase distressed properties in Arizona. Subsequently, in approximately July 2010, Morrison  
6 solicited his friend, an Oklahoma resident, to invest \$10,000 in Path Investments Group. Morrison  
7 represented to this investor that he owned real estate in Arizona and that he “flipped” houses. Morrison  
8 told this investor that on average, his real estate projects were making 10% to 15% returns. This  
9 investor decided to invest because she trusted Morrison and Morrison appeared to be successful.

10           7.       Morrison provided the investors with documents to evidence their investment. The first  
11 investor received a promissory note, dated May 9, 2010, with a six month maturity date. According to  
12 the note, the interest rate would be 19.5% of the profits from each real estate investment property.  
13 Morrison provided the second investor with a term sheet, dated July 12, 2010, which referred to her  
14 investment as a “limited joint venture partnership.” The investment was for 12 months with a 5.5%  
15 annualized return. The term sheet also indicated that the investor would receive a “split” of 75%  
16 (purportedly of the profits from each real estate investment property).

17           8.       The investors have not received the majority of their principal back, or any interest, from  
18 their investments. In December 2010, the first investor received a \$5,000 principal payment from  
19 Morrison. However, Morrison defaulted on any further payments pursuant to the promissory note.  
20 After the second investor’s investment had matured, Morrison represented to her that she had made  
21 approximately a 20% return on her \$10,000 investment. Morrison solicited this investor to roll over her  
22 principal and earnings into a new investment in On The Go, as discussed below.

1 **On The Go**

2 9. Between March and October 2011, Morrison raised at least \$112,000 through the sale of  
3 On the Go stock to at least four investors, including one Washington resident. Morrison represented that  
4 On The Go was developing a smart phone application (“app”) that would assist hotel concierges when  
5 making travel recommendations to hotel guests. Hotel guests would be invited to download the app,  
6 which would provide them with a custom itinerary, directions, and reviews for specific sites  
7 recommended by the hotel concierge.

8 10. In approximately October 2011, Morrison solicited a Path Investments Group investor to  
9 invest in On The Go, and represented that she could make between \$200,000 and \$700,000 on a \$20,000  
10 investment. When the investor informed Morrison that she had limited funds to invest, Morrison told  
11 her that she could roll over her prior Path Investments Group investment and earnings, which Morrison  
12 represented totaled \$12,282.18. The investor agreed to roll over these funds, and invested an additional  
13 \$7,717.82, for a total investment of \$20,000.

14 11. Over the course of 2011, Morrison solicited several other investors, including a former  
15 co-worker, an acquaintance that he met during his previous employment, and a referral from another  
16 investor. Morrison represented to an investor that an accounting firm predicted that On the Go would  
17 net \$70 million dollars per year, and that an investment in 0.25% of the profits would provide a  
18 minimum return of \$177,000 per year. Morrison further represented to this investor that the value of the  
19 investment would triple or quadruple when the company completed an IPO. Morrison represented to  
20 another investor that the investment was the “next big thing” and they would be “millionaires.”  
21 Morrison failed to provide a reasonable basis for these projected returns on investment.

22 12. Morrison provided investors with a Private Placement Memorandum (“PPM”). The PPM  
23 represented that Morrison held 39% of On the Go’s shares, and that he was selling 5% of his shares to

1 investors. The PPM represented that investor funds would be used by On the Go as working capital for  
2 the development of its products and technology. In the PPM, Morrison represented to investors that in  
3 the “worst case” scenario, another business he owned, Path Investments Group, would return 65% of  
4 their initial investment to them. Morrison did not disclose any other details regarding why Path  
5 Investments Group would be liable for On The Go’s liabilities. Moreover, Morrison failed to disclose  
6 that Path Investments Group had previously defaulted on a promissory note and owed more than  
7 \$15,000 to one of its investors.

8 13. The PPM instructed investors to wire funds to a bank account in the name of Path  
9 Investments Group. Between March and August 2011, two investors wired their investment funds to  
10 this account. Morrison represented to one investor that Path Investments Group was the “executor” and  
11 was handling the finances for the offering, but he did not disclose or explain why investor funds were  
12 deposited into an account in the name of Path Investments Group, rather than On The Go. Morrison  
13 failed to disclose that On The Go investor funds would be commingled with Path Investments Group  
14 funds.

15 14. Morrison arranged for two On the Go investors to wire their investment funds directly to  
16 his personal bank account, and he retained approximately one-fourth of their funds. In October 2011,  
17 two investors wired a total of approximately \$27,717 to Morrison’s personal bank account, which had a  
18 negative balance at the time of the first deposit. Morrison transferred a total of \$21,000 of these funds to  
19 the Path Investments Group bank account. Morrison retained the remaining \$6,717 of investor funds in  
20 his personal bank account.

21 15. In March 2012, Morrison solicited at least two investors to make additional investments  
22 by making projections about the future value of On The Go stock. Morrison represented that it was the  
23 last chance for investors to buy additional shares on the “ground level” before other large investors

1 would come in and double the value of the shares. Morrison represented that after these large investors  
2 made their investments, the value of On the Go stock would double or triple again, due to revenue the  
3 company would be making. Morrison represented that On the Go was currently worth \$1 million dollars  
4 and that On the Go planned on being sold or conducting an IPO as a \$100 million dollar company.  
5 Morrison failed to provide a reasonable basis for the projected share value or the purported valuation.  
6 When soliciting one investor, Morrison represented that he had just invested another \$100,000, when in  
7 fact he had not. Neither of the investors decided to invest additional funds.

### 8 CityGuru

9 16. In November 2012, Morrison changed On The Go's name to CityGuru. After the  
10 company's name change, the nature of the business changed to a VIP services company. CityGuru  
11 organized VIP-style events, some of which were benefit functions that were held for non-profit  
12 organizations. CityGuru also sold memberships that allowed members to book VIP-type dining,  
13 shopping, and travel experiences. After the name change, at least two On The Go investors requested  
14 that Morrison provide them with updated paperwork stating that their stock ownership was in CityGuru.  
15 Morrison failed to provide the requested documentation.

16 17. Between approximately January 2013 and June 2014, Morrison raised approximately  
17 \$47,000 through the sale of CityGuru stock and promissory notes. Morrison solicited at least five of his  
18 friends and acquaintances to invest, including one Washington resident. Morrison also solicited two On  
19 The Go investors, but neither investor decided to invest additional funds. When soliciting investors,  
20 Morrison represented that investor funds would be used to pay for CityGuru business expenses such as  
21 advertising, technology, and employee wages. Morrison instructed the majority of investors to wire  
22 their investment funds to his personal bank account. Morrison failed to disclose to investors why their  
23 funds would be deposited into his personal bank account rather than a business bank account.

1 18. Morrison offered and sold promissory notes to at least four investors. The notes had a  
2 variety of terms, and at least some were convertible into stock. For example, one investor that invested  
3 a total of \$15,000 between May and June 2014 received two convertible promissory notes. The first  
4 note had a 4% per month interest rate and a one-year term, and the second note had a 40% interest rate  
5 and a 6 month term. When the notes matured, the investor had the option of cashing out the principal  
6 and interest, or converting all or part of the principal and interest into CityGuru shares at a discount.  
7 The first note was convertible at a 30% discount and the second note was convertible at a 35% discount.

8 19. Morrison offered and sold CityGuru stock to at least one investor. In approximately  
9 April 2014, Morrison solicited a Washington resident to purchase some of his personal shares in  
10 CityGuru. The investor invested \$5,000 for the purchase of 15,000 of Morrison's shares in CityGuru.  
11 Morrison provided the investor with a one-year promissory note, rather than a stock certificate, to  
12 evidence the investment. The promissory note, dated May 1, 2014, stated that 1,250 shares would vest  
13 per month.

14 20. Morrison repeatedly made misleading profit projections when soliciting investors. When  
15 soliciting promissory note investors, Morrison represented that a \$5,000 investment could earn  
16 approximately \$100,000 to \$150,000, and he estimated that CityGuru would be sold in 2-3 years with a  
17 share price of \$10-\$17 per share. When soliciting the stock investor, Morrison represented that the  
18 investor would make approximately \$100,000 within a few years on a \$5,000 investment. Morrison  
19 failed to provide a reasonable basis for the projected return on investment and value of the shares.

20 21. Morrison failed to disclose material information to CityGuru investors. Morrison failed  
21 to disclose to investors that his prior venture, Path Investments Group, had defaulted on a promissory  
22 note and still owed more than \$15,000 to one of its investors. Morrison also failed to disclose to several  
23 investors that on January 28, 2013, a Path Investments Group investor filed a civil action against him in

1 King County Superior Court for breach of a promissory note. Further, Morrison failed to provide  
2 investors with current CityGuru financial statements, an operational history of the company, and  
3 information regarding the outstanding On The Go stock.

4 **Registration Status**

5 22. Path Investments Group has never been registered to sell promissory notes or limited  
6 joint venture partnerships in the State of Washington, nor has it filed a claim of exemption from  
7 registration.

8 23. CityGuru, Inc. f/k/a On The Go Technologies, Inc. has never been registered to sell On  
9 The Go stock or CityGuru stock in the State of Washington, nor has it filed a claim of exemption from  
10 registration for the sale of stock. On May 24, 2013, CityGuru, Inc. filed with the Securities Division a  
11 claim of exemption from registration, for a \$100,000 debt offering under Regulation D, Rule 506 and  
12 WAC 460-44A-506.

13 24. Andrew W. Morrison has never been registered as a securities salesperson or broker-  
14 dealer in the State of Washington.

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

16 **CONCLUSIONS OF LAW**

17 1. The offer and/or sale of the promissory notes, stock, and limited joint venture partnership,  
18 as described above, constitutes the offer and/or sale of a security as defined in RCW 21.20.005(14) and  
19 (17).

20 2. Path Investments Group, LLC and CityGuru, Inc. f/k/a On The Go Technologies, Inc.  
21 have each violated RCW 21.20.140 because, as set forth in the Tentative Findings of Fact, Path  
22 Investments Group, LLC sold a promissory note and limited joint venture partnership and CityGuru, Inc.



1 f/k/a On The Go Technologies, Inc. sold On The Go and CityGuru stock for which no registration is on  
2 file with the Securities Administrator, and for which no valid claim of exemption exists.

3 3. Andrew W. Morrison violated RCW 21.20.040 by offering and selling a promissory note  
4 and limited joint venture partnership in Path Investments Group, LLC and On The Go and CityGuru  
5 stock while not registered as a securities salesperson or broker-dealer in the State of Washington.

6 4. Andrew W. Morrison and CityGuru, Inc. f/k/a On The Go Technologies, Inc., have each  
7 violated RCW 21.20.010 because, as set forth in the Tentative Findings of Fact, in connection with the  
8 offer and sale of securities they each made misstatements of material fact or omitted to state material facts  
9 necessary in order to make the statements made, in light of the circumstances under which they were  
10 made, not misleading.

11 **NOTICE OF INTENT TO ISSUE AN ORDER TO CEASE AND DESIST**

12 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities  
13 Administrator intends to order that the Respondents Andrew W. Morrison, Path Investments Group,  
14 LLC, and CityGuru, Inc. f/k/a On The Go Technologies, Inc., and their agents and employees, shall each  
15 cease and desist from violations of RCW 21.20.140, RCW 21.20.040 and RCW 21.20.010.

16 **NOTICE OF INTENT TO IMPOSE FINES**

17 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions  
18 of Law, the Securities Administrator intends to order that:

- 19 1. Respondent Andrew W. Morrison shall be liable for and pay a fine of \$30,000;  
20 2. Respondent Path Investments Group, LLC shall be liable for and pay a fine of \$5,000; and  
21 3. Respondent CityGuru, Inc. f/k/a On The Go Technologies, Inc. shall be liable for and pay a fine  
22 of \$15,000.

1 **NOTICE OF INTENT TO CHARGE COSTS**

2 Pursuant to RCW 21.20.390(5), and based upon the above Tentative Findings of Fact and  
3 Conclusions of Law, the Securities Administrator intends to order that the Respondents Andrew W.  
4 Morrison, Path Investments Group, LLC, and CityGuru, Inc. f/k/a On The Go Technologies, Inc. shall  
5 be liable for and pay the Securities Division the costs, fees and other expenses incurred in the  
6 administrative investigation and hearing of this matter in an amount not less than \$5,000.

7 **AUTHORITY AND PROCEDURE**

8 This Statement of Charges is entered pursuant to the provisions of RCW 21.20.390 and RCW  
9 21.20.395, and is subject to the provisions of RCW 34.05. The Respondents may each make a written  
10 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND  
11 OPPORTUNITY FOR HEARING accompanying this Statement of Charges. If a Respondent does not  
12 request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and  
13 Conclusions of Law as final, enter a permanent cease and desist order as to that Respondent, and impose  
14 the fines and costs sought.

15  
16 Signed and Entered this 27<sup>th</sup> day of June, 2016.

17  
18 

19 \_\_\_\_\_  
20 William M. Beatty  
21 Securities Administrator

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

Approved by:



Suzanne Sarason  
Chief of Enforcement

Reviewed by:



Robert Kondrat  
Financial Legal Examiner Supervisor

Presented by:



Bridgett Fisher  
Financial Legal Examiner