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:

REACH Genetics Inc. f/k/a Doyen Elements Inc.,

Geoffrey Thompson,

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

Respondents.

Order No. S-18-2484-20-FO01

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

THE STATE OF WASHINGTON TO:

REACH Genetics Inc. f/k/a Doyen Elements Inc.

On September 10, 2020, the Securities Administrator of the state of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, To Impose a Fine, and to Charge Costs, Order No. S-18-2484-20-SC01 ("Statement of Charges"). The Statement of Charges, together with a Notice of Opportunity for Hearing ("Notice") and an Application for Adjudicative Hearing ("Application"), were served on Respondent REACH Genetics Inc. f/k/a Doyen Elements Inc., on September 15, 2020. On October 9, 2020, Respondent REACH Genetics Inc. f/k/a Doyen Elements Inc. returned its Application to the Securities Division and chose not to request a hearing in this matter.

The Securities Administrator therefore adopts as final the following Findings of Fact and Conclusions of law as set forth in the Statement of Charges and enters a final order against Respondent REACH Genetics Inc. f/k/a Doyen Elements Inc. to cease and desist from violations of the Securities Act, and to impose the fine and costs sought in the Statement of Charges.

FINDINGS OF FACT

Respondents

23

	1
	2
	3
	4
	5
	6
	7
	8
	9
1	0
1	1
1	2
1	3
1	4
1	5
1	6
1	
1	8
1	9
2	0
2	1
2	2
2	3

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."

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

- 7. Doyen Elements and Thompson informed prospective investors that Doyen Elements intended to apply to list its common stock on the NYSE-MKT Exchange as well as the OTCQX Market. Doyen Elements and Thompson included a broad risk disclosure in this offering circular stating that Doyen Elements may not be able to satisfy listing requirement of the NYSE-MKT Exchange or the OTCQX Market.
- 8. Doyen Elements and Thompson also touted Thompson's involvement in Accelera Innovations Inc. ("Accelera") in the Doyen Elements offering circular.
- 9. In September 2017, Doyen Elements submitted an application to the OTC Market Group to have its common stock listed for trading on the OTCQX.
- 10. On September 29, 2017, the SEC filed fraud charges against Thompson and Accelera. The SEC complaint alleged that Thompson deceived the investing public about Accelera's finances and its technology. The SEC also charged Thompson, Accelera, and Synergistic Holdings LLC ("Synergistic"), another entity controlled by Thompson, with offering and selling unregistered securities.¹

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

21

22

23

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

On October 30, 2017, FINRA notified Doyen Elements that it would not process its application to have its shares listed on the OTCOX due to the pending SEC lawsuit against Thompson, a

majority shareholder in Doyen Elements.

13. Doyen Elements and Thompson failed to disclose to the Washington State investors the SEC

action against Thompson, Accelera and Synergistic. Doyen Elements and Thompson failed to disclose to

these investors the risk that the pending SEC charges against Thompson, if proven, could inhibit the

company's ability to raise funds in the future.

Doyen Elements and Thompson failed to disclose to the Washington State investors that the

OTC Market Group had denied its application to list the Doyen Elements commons stock on the OTCQX.

Doyen Elements and Thompson failed to disclose to at least one Washington State investor that FINRA

declined to process the Doyen Elements application to have its shares listed on the OTCQX. Doyen

Elements and Thompson failed to disclose to these investors the risk that the pending SEC charges against

Thompson could prevent Doyen Elements common stock from being listed on the NYSE-MKT Exchange

or the OTCQX Market.

As of the date of this Statement of Charges, the Doyen Elements common stock has never

been listed on the NYSE-MKT or the OTCQX. The Washington State investors have yet to receive a return

on their investment and are still shareholders in Doyen Elements.

Doyen Elements and Thompson included information relating to Thompson's business

experience in the Doyen Elements offering circular. Doyen Elements and Thompson represented in this

offering circular that Thompson held seventeen years of experience in business ownership and management

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

- 17. On June 9, 2009, the Minnesota Court of Appeals affirmed a veil-piercing order, holding that Thompson was personally liable for a \$22.68 million default judgment entered against IPM, NREA, IPA, Amerfunding Group, and J & J, which Thompson in part owned, managed, and operated, in what the court characterized as a "large-scale real estate investment fraud scheme." Doyen Elements and Thompson failed to disclose to the Washington State investors that Thompson in part owned, managed, and operated corporate entities involved in a large-scale real estate investment fraud scheme.
- 18. Doyen Elements and Thompson also represented in this offering circular that Thompson was a co-founder in another entity called GWS Financial Services, a financial services firm.
- 19. In August 2014, Thompson, GWS Financial Services, and others were accused of engaging in fraud in connection with the solicitation of investment funds. In July 2015, Thompson, GWS Financial Services, and others paid to settle this civil suit. Doyen Elements and Thompson failed to disclose to the Washington State investors that Thompson and GWS Financial Services settled a civil lawsuit, which included allegations of fraud.

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

CONCLUSIONS OF LAW

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

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

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

FINAL ORDER

IT IS HEREBY ORDERED that Respondent REACH Genetics Inc. f/k/a Doyen Elements 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 ORDERED that Respondent REACH Genetics Inc. f/k/a Doyen Elements Inc. shall be liable for and pay a fine in the amount of \$10,000.

IT IS FURTHER ORDERED that Respondent REACH Genetics Inc. f/k/a Doyen Elements Inc. shall be liable for and pay costs in the amount of \$1,000.

AUTHORITY AND PROCEDURE

This FINAL ORDER is entered pursuant to the provisions of RCW 21.20.390, and is subject to the provisions of RCW 21.20.440 and Chapter 34.05 RCW. 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 Court judgment as to the fine, and the fine may be recorded, enforced, or satisfied in like manner.

22

23

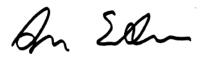
WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

SIGNED and ENTERED this 30th day of October, 2020.



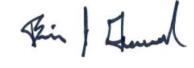
William M. Beatty Securities Administrator

Presented by:



Suzanne Sarason Chief of Enforcement

Approved by:



Brian J. Guerard Financial Legal Examiner Supervisor