

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

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

7 REACH Genetics Inc. f/k/a/ Doyen Elements
8 Inc.,
9 Geoffrey Thompson,

10 Respondents.

Order No. S-18-2484-20-SC01

11 **STATEMENT OF CHARGES AND NOTICE OF**
12 **INTENT TO ENTER ORDER TO CEASE AND**
13 **DESIST, TO IMPOSE A FINE, AND TO CHARGE**
14 **COSTS**

15 **THE STATE OF WASHINGTON TO:**

16 REACH Genetics Inc. f/k/a Doyen Elements
17 Inc.
18 Geoffrey Thompson

19 **STATEMENT OF CHARGES**

20 Please take notice that the Securities Administrator of the state of Washington has reason to believe
21 that Respondents REACH Genetics Inc. f/k/a Doyen Elements Inc. and Geoffrey Thompson violated the
22 Securities Act of Washington. The Securities Administrator believes these violations justify the entry of an
23 order against Respondents REACH Genetics Inc. f/k/a Doyen Elements Inc. and Geoffrey Thompson to
cease and desist from such violations, to impose a fine, and to charge costs pursuant to RCW 21.20.390 and
RCW 21.20.395. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

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

1 services to the legal cannabis industry including real estate leasing, management consulting, regulatory and
2 compliance services, industrial equipment leasing, and working capital.

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

6 Nature of the Conduct

7 *Overview*

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

13 *Conduct*

14 4. On September 6, 2017, Doyen Elements began offering 7,000,000 of its common stock at
15 \$7.00 per share to both accredited and non-accredited investors. Doyen Elements conducted this offering
16 pursuant to Regulation A - Tier 2, an exemption from registration for public offerings.

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

20 6. Doyen Elements and Thompson included risk disclosures to prospective investors in this
21 offering circular including one related to the dependence on management. In this risk disclosure, Doyen
22 Elements and Thompson stated that Doyen Elements would be significantly dependent on the services of
23 its CEO, Thompson. In a separate risk disclosure, Doyen Elements and Thompson stated that investors must

1 depend on the judgment and discretion of Doyen Elements management with respect to application and
2 allocation of the net proceeds of this offering.

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

8 8. Doyen Elements and Thompson also touted Thompson's involvement in Accelera Innovations
9 Inc. ("Accelera") in the Doyen Elements offering circular.

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

12 10. On September 29, 2017, the SEC filed fraud charges against Thompson and Accelera. The
13 SEC complaint alleged that Thompson deceived the investing public about Accelera's finances and its
14 technology. The SEC also charged Thompson, Accelera, and Synergistic Holdings LLC ("Synergistic"),
15 another entity controlled by Thompson, with offering and selling unregistered securities.¹

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

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

22
23 ¹ On April 3, 2020, the SEC entered a final judgment against Thompson by consent.

1 13. Doyen Elements and Thompson failed to disclose to the Washington State investors the SEC
2 action against Thompson, Accelera and Synergistic. Doyen Elements and Thompson failed to disclose to
3 these investors the risk that the pending SEC charges against Thompson, if proven, could inhibit the
4 company's ability to raise funds in the future.

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

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

15 16. Doyen Elements and Thompson included information relating to Thompson's business
16 experience in the Doyen Elements offering circular. Doyen Elements and Thompson represented in this
17 offering circular that Thompson held seventeen years of experience in business ownership and management
18 with a focus on start-ups. Doyen Elements and Thompson stated in this offering circular that Thompson
19 founded several start-up companies that included three mortgage companies, a title and escrow company,
20 and a real estate investment firm, which acquired in access of \$10 million of residential and commercial
21 properties. However, Doyen Elements and Thompson failed to mention Thompson's involvement in the
22 following real estate corporate entities: Progressive Home Services, Inc. d/b/a Investment Properties of
23 Minnesota or IPM Realty ("IPM"), National Real Estate Assignments, LLC d/b/a America National

1 Assignments (“NREA”), Investment Properties of America, Inc. (“IPA”), Amerifunding Group LLC
2 (“Amerifunding Group”), and J & J Investment Properties of Minnesota LLC (“J & J”).

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

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

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

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

17 CONCLUSIONS OF LAW

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

20 2. REACH Genetics Inc. f/k/a Doyen Elements Inc. and Geoffrey Thompson violated RCW
21 21.20.010, the anti-fraud section of the Securities Act of Washington, by making untrue statements of
22 material fact or omitting to state material facts necessary to make the statements made, in light of the
23 circumstances in which they were made, not misleading.

1 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

2 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities
3 Administrator intends to order, pursuant to RCW 21.20.390(1), that Respondents REACH Genetics Inc.
4 f/k/a Doyen Elements Inc. and Geoffrey Thompson, and their agents and employees, shall each cease and
5 desist from violations of RCW 21.20.010.

6 **NOTICE OF INTENT TO IMPOSE FINES**

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

- 9 a. Respondent REACH Genetics Inc. f/k/a Doyen Elements Inc. shall be liable for and shall
10 pay a fine of \$10,000; and
- 11 b. Respondent Geoffrey Thompson shall be liable for and shall pay a fine of \$10,000.

12 **NOTICE OF INTENT TO CHARGE COSTS**

13 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,
14 the Securities Administrator intends to order that:

- 15 a. Respondents REACH Genetics Inc. f/k/a Doyen Elements Inc. shall be liable for and shall pay
16 the costs, fees, and other expenses incurred in the administrative investigation and hearing of
17 this matter, in an amount not less than \$1,000;
- 18 b. Respondent Geoffrey Thompson shall be liable for and shall pay the costs, fees, and other
19 expenses incurred in the administrative investigation and hearing of this matter, in an amount
20 not less than \$1,000.

21 **AUTHORITY AND PROCEDURE**

22 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject
23 to the provisions of Chapter 34.05 RCW. Respondents REACH Genetics Inc. f/k/a Doyen Elements Inc.


1 and Geoffrey Thompson may each make a written request for a hearing as set forth in the Notice of
2 Opportunity for Hearing accompanying this Order. If a respondent does not make a hearing request in the
3 time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and
4 Conclusions of Law as final and to enter a permanent order to cease and desist as to that respondent, to
5 impose any fines sought against that respondent, and to charge any costs sought against that respondent.

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7 SIGNED and ENTERED this 10th day of September, 2020.

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11 _____
William M. Beatty
Securities Administrator

12 Approved by:

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15 _____
Suzanne Sarason
Chief of Enforcement

16 Presented by:

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18
19 _____
Brian J. Guerard
Financial Legal Examiner Supervisor