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STATE OF OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES DIVISION OF FINANCIAL REGULATION

In the Matter of: Case No. S-18-0035 TIMARY A. DELORME, an Individual, FINAL ORDER TO CEASE AND DESIST, FINAL ORDER DENYING Respondent USE OF EXEMPTIONS, AND FINAL DER REVOKING LICENSE, ENTERED BY DEFAULT

On May 17, 2018, the Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), by and through the Division of Financial Regulation ("Division"), served an Order to Cease and Desist, Proposed Order Denying Use of Exemptions, Proposed Order Revoking License, and Notice of Right to an Administrative Hearing ("Notice") on Timary A. Delorme ("Respondent").

The Notice offered Respondent an opportunity for a hearing if requested within 20 days of service of the Notice. The Notice further informed Respondent that if a hearing was not conducted because Respondent did not timely request a hearing or otherwise defaulted, then the designated portion of the Division's file and all materials submitted by Respondent in this case would automatically become part of the contested case record for the purpose of proving a prima facie case.

The Director did not receive from Respondent a request for a hearing and did not conduct a hearing.

The Director finds that the record of this proceeding proves a prima facie case.

Now, therefore, after considering the relevant portions of the Division's file relating to this matter, the Director finds and orders as follows.

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Division of Financial Regulation Labor and Industries Building São Winter Street NE, Suite 410 Salem, OR 97301-3881 Telephone: (503) 378-4387	
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FINDINGS OF FACT

The Director FINDS that:

- On September 1, 1989, Respondent was issued an Oregon securities salesperson license. Respondent's Central Registration Depository ("CRD") number is 736418.¹
- 2. From July 12, 1976 through March 28, 2018, Respondent was employed by Wedbush Securities Inc. ("Wedbush").²
- 3. On March 27, 2018, Respondent entered into a consent order with the Securities and Exchange Commission ("SEC") pursuant to SEC file number 3-18410 ("Consent Order").
- 4. In the Consent Order, the SEC found that Respondent engaged in a manipulative securities-trading scheme with Izak Kirk Engelbrecht ("Engelbrecht"). In particular, the SEC found that Respondent:
 - (1) Solicited her customers to purchase Engelbrecht-controlled securities, in exchange for which she received material benefits that were not disclosed to the customers;
 - (2) Engaged in "matched trading" with Engelbrecht and others by coordinating trades of Engelbrecht-controlled securities in order to manipulate the securities' volume and value; and
 - (3) Sold shares of Engelbrecht-controlled securities on Engelbrecht's behalf and wired him the proceeds in order to disguise the transactions.
- 5. In the Consent Order, the SEC concluded that Respondent's actions willfully violated:
 - (1) Section 10(b) of the Securities Exchange Act of 1934 ("Exchange

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¹ Respondent is also affiliated with CRD number 1005977, under the name Timary A. Kennally.

² On October 24, 1981, Wedbush was issued an Oregon broker-dealer license.

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Act") and Rules 10b-5(a) and (c) thereunder, which prohibit, "in connection with
the purchase or sale of securities, employing any device, scheme or artifice to
defraud or engaging in any act, practice, or course of business that operates as a
fraud or deceit upon any person;"
(2) Sections 17(a)(1) and (a)(3) of the Securities Act of 1933 ("Securities
Act"), the provisions of which are virtually identical to those set forth in

- (3) Section 9(a)(2) of the Exchange Act, which "prohibits entering orders for the purchase or sale of securities or effect[ing] a series of transactions in any security creating actual or apparent active trading in such security, or depressing the price of such security, for the purpose of inducing the purchase or sale of such security by others."
- 6. Under the terms of the Consent Order, Respondent was ordered to cease and desist from committing any further violations of Section 17(a) of the Securities Act, and Sections 9(a)(2) and 10(b) of the Exchange Act, including Rule 10b-5.³
- 7. On March 27, 2018, the Financial Industry Regulatory Authority ("FINRA") barred Respondent from membership and association with its members. FINRA is a self-regulatory organization registered under the Exchange Act.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

Paragraph (5)(1); and

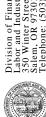
- 8. Respondent's activities, as set forth in the Consent Order, constitute dishonest, fraudulent or illegal practices under Oregon Revised Statutes ("ORS") 59.205(2).
 - 9. Respondent's activities, as set forth in the Consent Order, constitute unfair or

³ Respondent was also assessed a \$50,000 civil penalty and barred from association with any broker, dealer, investment advisor, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization. In addition, Respondent was barred from participating in any offering of penny stock.

unethical practices in connection with the purchase and sale of securities under ORS

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59.205(2).



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Administrative Rules chapter 441.

	1	ORDERS
	2	Now therefore, the Director issues the following Orders:
	3	1. As authorized by ORS 59.245(4), the Director ORDERS Respondent to
	4	CEASE AND DESIST from violating any provision of the Oregon Securities Law.
	5	2. As authorized by ORS 59.045(2), the Director hereby DENIES Respondent
	6	the use of exemptions that would otherwise be available to her under ORS 59.025 and
	7	ORS 59.035, concerning securities and transactions exempt from the registration
	8	requirements of the Oregon Securities Law.
	9	3. As authorized by ORS 59.205, the Director hereby REVOKES Respondent's
	10	Oregon securities salesperson license:
	11	(1) For engaging in unfair or unethical practices in connection with the
Division of Financial Regulation Labor and Industries Building 350 Winter Street NE, Suite 410 Salem, OB 97301-3881 Telephone: (503) 378-4387	12	purchase and sale of securities, under ORS 59.205(2);
	13	(2) Because Respondent has been barred from membership in FINRA and
	14	association with its members, under ORS 59.205(12)(b); and
	15	(3) Because Respondent has been subject to a cease and desist order by
	16	the SEC, under ORS 59.205(12)(d).
	17	
	18	SO ORDERED this <u>14th</u> day of <u>June</u> , 2018.
	19	
	20	CAMERON C. SMITH, Director Department of Consumer and Business Services
	21	
	22	/ /D
	23	/s/ Dorothy Bean Dorothy Bean, Chief of Enforcement
	24	Division of Financial Regulation
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NOTICE OF RIGHT TO JUDICIAL APPEAL

A person aggrieved by an Order of the Director of the Department of Consumer
and Business Services which has been the subject of a timely application for a hearing
before the director shall be entitled to judicial review of the order under ORS Chapter
183. Pursuant to ORS 59.295(2), a person who does not timely file a request for hearing
on an order is not entitled to judicial review.

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