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3 STATE OF OREGON  
4 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
5 DIVISION OF FINANCIAL REGULATION

6 In the Matter of:

Case No. S-18-0035

7 TIMARY A. DELORME, an Individual,

8 Respondent

FINAL ORDER TO CEASE AND  
DESIST, FINAL ORDER DENYING  
USE OF EXEMPTIONS, AND FINAL  
ORDER REVOKING LICENSE,  
ENTERED BY DEFAULT

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

14 The Notice offered Respondent an opportunity for a hearing if requested within  
15 20 days of service of the Notice. The Notice further informed Respondent that if a  
16 hearing was not conducted because Respondent did not timely request a hearing or  
17 otherwise defaulted, then the designated portion of the Division’s file and all materials  
18 submitted by Respondent in this case would automatically become part of the contested  
19 case record for the purpose of proving a prima facie case.

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

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

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

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



1 FINDINGS OF FACT

2 The Director FINDS that:

3 1. On September 1, 1989, Respondent was issued an Oregon securities  
4 salesperson license. Respondent’s Central Registration Depository (“CRD”) number is  
5 736418.<sup>1</sup>

6 2. From July 12, 1976 through March 28, 2018, Respondent was employed by  
7 Wedbush Securities Inc. (“Wedbush”).<sup>2</sup>

8 3. On March 27, 2018, Respondent entered into a consent order with the  
9 Securities and Exchange Commission (“SEC”) pursuant to SEC file number 3-18410  
10 (“Consent Order”).

11 4. In the Consent Order, the SEC found that Respondent engaged in a  
12 manipulative securities-trading scheme with Izak Kirk Engelbrecht (“Engelbrecht”). In  
13 particular, the SEC found that Respondent:

14 (1) Solicited her customers to purchase Engelbrecht-controlled securities,  
15 in exchange for which she received material benefits that were not disclosed to  
16 the customers;

17 (2) Engaged in “matched trading” with Engelbrecht and others by  
18 coordinating trades of Engelbrecht-controlled securities in order to manipulate the  
19 securities’ volume and value; and

20 (3) Sold shares of Engelbrecht-controlled securities on Engelbrecht’s  
21 behalf and wired him the proceeds in order to disguise the transactions.

22 5. In the Consent Order, the SEC concluded that Respondent’s actions willfully  
23 violated:

24 (1) Section 10(b) of the Securities Exchange Act of 1934 (“Exchange  
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26 <sup>1</sup> Respondent is also affiliated with CRD number 1005977, under the name Timary A. Kennally.

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





1 Act”) and Rules 10b-5(a) and (c) thereunder, which prohibit, “in connection with  
2 the purchase or sale of securities, employing any device, scheme or artifice to  
3 defraud or engaging in any act, practice, or course of business that operates as a  
4 fraud or deceit upon any person;”

5 (2) Sections 17(a)(1) and (a)(3) of the Securities Act of 1933 (“Securities  
6 Act”), the provisions of which are virtually identical to those set forth in  
7 Paragraph (5)(1); and

8 (3) Section 9(a)(2) of the Exchange Act, which “prohibits entering orders  
9 for the purchase or sale of securities or effect[ing] a series of transactions in any  
10 security creating actual or apparent active trading in such security, or depressing  
11 the price of such security, for the purpose of inducing the purchase or sale of such  
12 security by others.”

13 6. Under the terms of the Consent Order, Respondent was ordered to cease and  
14 desist from committing any further violations of Section 17(a) of the Securities Act, and  
15 Sections 9(a)(2) and 10(b) of the Exchange Act, including Rule 10b-5.<sup>3</sup>

16 7. On March 27, 2018, the Financial Industry Regulatory Authority (“FINRA”)  
17 barred Respondent from membership and association with its members. FINRA is a self-  
18 regulatory organization registered under the Exchange Act.

## 19 CONCLUSIONS OF LAW

20 The Director CONCLUDES that:

21 8. Respondent’s activities, as set forth in the Consent Order, constitute dishonest,  
22 fraudulent or illegal practices under Oregon Revised Statutes (“ORS”) 59.205(2).

23 9. Respondent’s activities, as set forth in the Consent Order, constitute unfair or  
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25 <sup>3</sup> Respondent was also assessed a \$50,000 civil penalty and barred from association with any broker, dealer,  
26 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.

1 unethical practices in connection with the purchase and sale of securities under ORS  
2 59.205(2).

3 10. Because Respondent engaged in the foregoing Consent Order activities, the  
4 Director may revoke her securities salesperson license under ORS 59.205(2).

5 11. Because Respondent has been barred from membership in FINRA, and  
6 association with its members, the Director may revoke her securities salesperson license  
7 under ORS 59.205(12)(b).

8 12. Because Respondent has been subject to a cease and desist order by the SEC,  
9 the Director may revoke her securities salesperson license under ORS 59.205(12)(d).

10 13. Because the Director has reason to believe that Respondent has engaged, is  
11 engaging, or is about to engage in violations of the Oregon Securities Law,<sup>4</sup> the Director  
12 may issue an order to Respondent to cease and desist from violations of the Oregon  
13 Securities Law under ORS 59.245(4).

14 14. Because the Director has reason to believe that Respondent has engaged or is  
15 about to engage in violations of the Oregon Securities Law, or that the use of any  
16 exemption by Respondent would work a fraud or imposition on purchasers, the Director  
17 may deny Respondent the use of exemptions pursuant to ORS 59.045(2).

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26 <sup>4</sup> The Oregon Securities Law is comprised of ORS 59.005 to 59.451, 59.991 and 59.995, and Oregon  
Administrative Rules chapter 441.



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ORDERS

Now therefore, the Director issues the following Orders:

1. As authorized by ORS 59.245(4), the Director ORDERS Respondent to CEASE AND DESIST from violating any provision of the Oregon Securities Law.

2. As authorized by ORS 59.045(2), the Director hereby DENIES Respondent the use of exemptions that would otherwise be available to her under ORS 59.025 and ORS 59.035, concerning securities and transactions exempt from the registration requirements of the Oregon Securities Law.

3. As authorized by ORS 59.205, the Director hereby REVOKES Respondent's Oregon securities salesperson license:

(1) For engaging in unfair or unethical practices in connection with the purchase and sale of securities, under ORS 59.205(2);

(2) Because Respondent has been barred from membership in FINRA and association with its members, under ORS 59.205(12)(b); and

(3) Because Respondent has been subject to a cease and desist order by the SEC, under ORS 59.205(12)(d).

SO ORDERED this 14<sup>th</sup> day of June, 2018.

CAMERON C. SMITH, Director  
Department of Consumer and Business Services

/s/ Dorothy Bean  
Dorothy Bean, Chief of Enforcement  
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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