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8 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
9 OF THE STATE OF CALIFORNIA

10 In the Matter of:
11 THE COMMISSIONER OF FINANCIAL
PROTECTION AND INNOVATION,
12 Complainant,
13 v.
14 WILLIAM MERRITT OWENS,
15 Respondent.

- 1. ACCUSATION IN SUPPORT OF ORDER TO BAR WILLIAM MERRITT OWENS FROM ANY POSITION OF EMPLOYMENT, MANAGEMENT OR CONTROL OF ANY INVESTMENT ADVISER, BROKER-DEALER OR COMMODITY ADVISER;
 - 2. NOTICE OF INTENT TO ISSUE ORDER LEVYING ADMINISTRATIVE PENALTIES;
 - 3. DESIST AND REFRAIN ORDER; AND
 - 4. CLAIM FOR ANCILLARY RELIEF
- (Cal. Corp. Code §§ 25232.1, 25252, and 25532)

21 The Commissioner of Financial Protection and Innovation (Commissioner) is informed and
22 believes, and based upon such information, alleges and charges as follows:

23 **I.**
24 **INTRODUCTION**

25 1. The Commissioner brings this action pursuant to the provisions of the Corporate
26 Securities Law of 1968 (CSL)¹, which covers the offer and sale of securities. Under Financial Code

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28 ¹ See Cal. Corp. Code §§ 25000-25707. Unless stated otherwise, all section references are to the California Corporations Code.

ACCUSATION IN SUPPORT OF ORDER TO BAR WILLIAM MERRITT OWENS; NOTICE OF INTENT TO ISSUE ORDER LEVYING ADMINISTRATIVE PENALTIES; DESIST AND REFRAIN ORDER; and CLAIM FOR ANCILLARY RELIEF

1 section 326(a), the Commissioner is authorized to administer and enforce the provisions of the CSL
2 and the regulations promulgated thereunder.

3 2. At all relevant times, William Merritt Owens (Owens), is and was a California
4 resident, located at 270 N. El Camino Real, #F288, Encinitas, California 92024, conducting business
5 by telephone at (760) 518-4373 and by email at owenssd@gmail.com.

6 3. At all relevant times herein, Open Market Exchange Network, Inc. (OMXN), was a
7 Wyoming corporation, located at 270 N. El Camino Real, #F288, Encinitas, California 92024.

8 **II.**

9 **FACTUAL BACKGROUND**

10 4. Beginning in or about Month 2019, Owens offered and/or sold securities, in the form
11 of investment contracts in California through telephone calls and email correspondence.

12 5. Owens told prospective investors that the proceeds from the sales of these securities
13 would help fund the development of a blockchain based banking system and a new gold-backed
14 currency and provided actual investors with either a “Memorandum of Agreement”, promissory note,
15 or both.

16 6. The securities were offered or sold in this state in issuer transactions. The Department
17 of Financial Protection and Innovation has not issued a permit or other form of qualification
18 authorizing any person to offer or sell the above-described securities, in this state.

19 7. Owens sold these securities to at least 13 investors, residing in California and
20 elsewhere, in at least 30 separate transactions, raising at least \$133,500.00.

21 8. In connection with the offers and sales of these securities, Owens made, or caused to
22 be made, misrepresentations of material fact to investors and potential investors, including that:

23 a. Owens had an exclusive licensing agreement with a firm known as Manhattan
24 First, Inc (MFI);

25 b. MFI would distribute several million dollars to Owens after the closing of “the
26 deal”; and

27 c. Investors would receive a 2000% return on investment, along with OMXN
28 shares, within 10 days of receiving “the distribution” from MFI.

1 securities by means of written or oral communications which included untrue statements of material
2 fact or omitted to state material facts necessary in order to make the statements made, in the light of
3 the circumstances under which they were made, not misleading.

4 15. Additionally, it is in the public interest because Owens used investor funds for
5 personal use and transferred investor funds to Owens' family members.

6 **IV.**

7 **NOTICE OF INTENT TO ISSUE ORDER LEVYING ADMINISTRATIVE PENALTIES**

8 16. NOTICE IS HEREBY GIVEN, pursuant to section 25233, of the intention of the
9 Commissioner to issue an order levying administrative penalties against Owens for the statutory
10 amount of not more than one thousand dollars (\$1,000.00) for the first violation, and not more than
11 two thousand five hundred dollars (\$2,500.00) for each subsequent violation, or according to proof,
12 for Owens' willful violations of the CSL.

13 17. The Commissioner re-alleges and incorporates by reference paragraphs 1 to 10, as
14 though fully set forth herein.

15 18. Section 25252 authorizes the Commissioner to issue an order levying administrative
16 penalties against any person for willful violations of any provision of CSL and any rules promulgated
17 thereunder.

18 19. Based on the foregoing findings, the Commissioner finds that the Owens offered
19 unqualified, non-exempt securities and failed to disclose material facts, to at least 13 investors, in
20 violation of sections 25110 and 25401.

21 WHEREFORE, good cause showing, and pursuant to section 25252(a), the Commissioner
22 intends to issue an order levying administrative against Owens, as follows:

23 a. That pursuant to section 25252(a), the Commissioner levy administrative
24 penalties of \$1,000.00 for the first violation of section 25110, \$2,500.00 for each subsequent
25 violation, as listed below, for a total amount of \$86,000.00 or according to proof:

- 26 i. First violation: \$1,000.00 for the first offer of a security; and
- 27 ii. Additional violations: \$2,500.00 for the remaining 34 transactions.

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WHEREFORE, the Commissioner hereby makes a claim for ancillary relief, in the form of restitution, pursuant to section 25532, against Owens as follows:

A) Full Restitution, consisting of investors' investment principal in the amount of \$133,500.00, and interest accumulated on the investment principal or according to proof.

VII.
CONCLUSION

Based upon the foregoing, the Commissioner finds that grounds exist, and that it is in the public interest, to issue the following orders: (1) desist and refrain order against William Merritt Owens; (2) claim for ancillary relief against William Merritt Owens, in the form of restitution, totaling \$133,500.00; (3) levy administrative penalties against William Merritt Owens, totaling \$581,000.00, or according to proof. The Commissioner hereby notifies William Merritt Owens of his intention to make such orders final.

These Orders are necessary, in the public interest, for the protection of investors, and consistent with the purposes, policies, and provisions of the CSL.

DATED: September 30, 2025
Sacramento, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division