



STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF DETERMINING ) DFI No.: S-19-2694-20-FO01  
Whether there has been a violation of the ) OAH No.: 11-2019-DFI-00089  
Securities Act of Washington by: )  
) FINAL DECISION & ORDER AS TO BLUE GOLD co LC  
Blue Gold co LC; ) AND GREGORY D. MRACHEK  
Gregory D. Mrachek )  
)  
Respondents. )

THIS MATTER has come before the Director (“Director”) of the Washington State Department of Financial Institutions (“Department”) for entry of the Director’s Final Decision & Order pursuant to RCW 34.05.464.

1.0 PROCEDURAL HISTORY

On September 5, 2019, the Director, through Securities Administrator, William M. Beatty, entered a Statement of Charges and Notice of Intent to Issue Order to Cease and Desist, to Impose Fines and to Charge Costs, (order number S-19-2694-19-SC01) (the “Statement of Charges”) against Blue Gold co LC and Gregory D. Mrachek. The Securities Division served the Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing, and an Application for Adjudicative Hearing, on Respondents Blue Gold co LC and Gregory D. Mrachek by first class mail on September 10, 2019. Respondents Blue Gold co LC and Gregory D. Mrachek, on September 24, 2019, each submitted an Application for Adjudicative Hearing. On November 13, 2019, the Department made a request to the Office of Administrative Hearings (“OAH”) to assign an Administrative Law Judge (“ALJ”) to schedule and conduct a hearing on the Statement of Charges.

On December 18, 2019, the OAH issued an Order Granting Continuance and Notice of Prehearing Conference from ALJ Terry A. Schuh. The Notice of Prehearing Conference contained the following language: **you must call in to the prehearing conference. If you fail to call in, the administrative law judge may hold you in default and dismiss your appeal.**

1 On January 3, 2020, Assistant Attorney General Ian McDonald attended the prehearing conference by  
2 telephone on behalf of the Department, but Respondents Blue Gold co LC and Gregory D. Mrachek failed to appear  
3 or otherwise contact the OAH. On January 8, 2020, ALJ Schuh issued an Order of Default against Respondents Blue  
4 Gold co LC and Gregory D. Mrachek, and dismissed the Respondents' appeal.

5 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents Blue Gold co LC and Gregory D. Mrachek  
6 had twenty (20) days from the date of service of the Order of Default to file a Petition for Review. Blue Gold co LC  
7 and Gregory D. Mrachek did not file a Petition for Review during the statutory period.

8 2.0 RECORD ON REVIEW

9 The record presented to the Director for his review and for entry of a Final Decision & Order included the  
10 following:

- 11 2.1 Statement of Charges, with documentation of service;
- 12 2.2 Application for Adjudicative Hearing for Blue Gold co LC;
- 13 2.3 Application for Adjudicative Hearing for Gregory D. Mrachek;
- 14 2.4 Request to OAH for Assignment of Administrative Law Judge;
- 15 2.5 Order Granting Continuance and Notice of Prehearing Conference, dated December 18, 2020, with  
16 certificate of service; and
- 17 2.6 Order of Default, dated January 8, 2020, with certificate of service.

18 3.0 FINDINGS OF FACT AND CONCLUSIONS OF LAW

19 Pursuant to RCW 34.05.461, the Director hereby adopts the Statement of Charges, which is attached hereto.

20 4.0 FINAL DECISION & ORDER

21 Based upon the foregoing, and the Director having considered the record and being otherwise fully advised,  
22 NOW, THEREFORE, IT IS HEREBY ORDERED:

23 4.1 Respondent, Blue Gold co LC, shall cease and desist from any further violations of RCW 21.20.010  
24 and RCW 21.20.140.

1 4.2 Respondent, Gregory D. Mrachek, shall cease and desist from any further violations of RCW  
2 21.20.010, RCW 21.20.040, and RCW 21.20.140.

3 4.3 Respondent, Blue Gold co LC, shall be liable for and shall pay a fine of \$10,000.

4 4.4 Respondent, Gregory D. Mrachek, shall be liable for and shall pay a fine of \$10,000.

5 4.5 Respondent Blue Gold co LC, shall pay costs of \$1,250 for the investigation of its violations of the  
6 Securities Act of Washington, chapter 21.20 RCW.

7 4.6 Respondent Gregory D. Mrachek, shall pay costs of \$1,250 for the investigation of its violations of  
8 the Securities Act of Washington, chapter 21.20 RCW.

9 5.0 RECONSIDERATION

10 Pursuant to RCW 34.05.470, the Respondents have the right to file a Petition for Reconsideration stating the  
11 specific grounds upon which relief is requested. The Petition must be filed in the Office of the Director of the  
12 Department of Financial Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S.  
13 Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order upon  
14 Respondents. The Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
15 Reconsideration a prerequisite for seeking judicial review in this matter.

16 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date the petition  
17 is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written notice specifying the date  
18 by which it will act on a petition.

19 6.0 STAY OF ORDER

20 The Director has determined not to consider a Petition to Stay the effectiveness of this order. Any such  
21 requests should be made in connection with a Petition for Judicial Review made under chapter 34.05 RCW and RCW  
22 34.05.550.  
23  
24  
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1       7.0     JUDICIAL REVIEW

2             Respondents have the right to petition the superior court for judicial review of this agency action under the  
3 provisions of chapter 34.05 RCW. For the requirements for filing a Petition for Judicial Review, see RCW 34.050.510  
4 and sections following.

5       8.0     NON-COMPLIANCE WITH ORDER

6             If Respondents do not comply with the terms of this order, the Department may seek its enforcement by the  
7 Office of Attorney General to include the collection of fines and fees imposed herein. Failure to comply with this  
8 Final Decision & Order may also prompt additional actions against Respondents by the Department as permitted by  
9 the Securities Act of Washington, Chapter 21.20 RCW, for failure to comply with a lawful order of the Department.

10      9.0     SERVICE

11             For purposes of filing a Petition for Reconsideration or a Petition for Judicial Review, service is effective  
12 upon deposit of this order in the U.S. mail with a declaration of service attached hereto.

13             DATED this 24<sup>th</sup> day of September 2020.

14                             STATE OF WASHINGTON  
15                             DEPARTMENT OF FINANCIAL INSTITUTIONS



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17                             CHARLES CLARK, Director  
18                             Washington State Department of Financial Institutions