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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS**

IN THE MATTER OF DETERMINING
whether there has been a violation of the
Securities Act of Washington by:

Order Number S-07-351-11-FO01

FINAL ORDER

Fairfield Energy Inc. TM4500 Rig
Acquisition Joint Venture, LLC; Fairfield
Energy Inc.; Brian Sullivan,

Respondents.

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I. DIRECTOR'S CONSIDERATION

A. Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director) pursuant to RCW 34.05.464. On March 30, 2009, the Director, through former Securities Administrator Michael Stevenson, entered a Statement of Charges and Notice of Intent to Issue an Order to Cease and Desist, Impose Fines, and Charge Costs, S-07-351-09-SC01, hereinafter referred to as the "Statement of Charges," against Fairfield Energy Inc. TM4500 Rig Acquisition Joint Venture, LLC; Fairfield Energy Inc.; and Brian Sullivan. The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing, and an Application for Adjudicative Hearing, were served on Fairfield Energy Inc. TM4500 Rig Acquisition Joint Venture, LLC and Fairfield Energy Inc. on or about April 7, 2009, and on Brian Sullivan on or about April 9, 2009. The Respondents each submitted an Application for Adjudicative Hearing, dated April 15, 2009, requesting a hearing.

On October 14, 2010, 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

23 FINAL ORDER

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

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1 Statement of Charges. On November 3, 2010, OAH issued a Notice of: Prehearing Conference by
2 Telephone. The Notice of: Prehearing Conference by Telephone contained the following language:
3 **“You must participate in the conference. If you do not, a default may be entered. This means**
4 **you lose the opportunity to further challenge the agency action. RCW 34.05.440.”**

5 On December 16, 2010, the Department’s representative, Assistant Attorney General Kate
6 Reynolds, attended the prehearing conference by telephone, but Respondents Fairfield Energy Inc.
7 TM4500 Rig Acquisition Joint Venture, LLC; Fairfield Energy Inc.; and Brian Sullivan each failed to
8 appear or otherwise contact OAH. On January 20, 2011, ALJ Steven C. Smith issued an Initial Order
9 of Default and dismissed Respondents’ appeal of the Statement of Charges.

10 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents had twenty (20) days from the
11 date of service of the Initial Order of Default to file a Petition for Review. Respondents did not file a
12 Petition for Review during the statutory period.

13 B. Record Presented. The record presented to the Director for his review and for entry of
14 a final decision included the following:

- 15 1. Statement of Charges and Notice of Opportunity to Defend and Opportunity for
16 Hearing, with documentation of service;
- 17 2. Applications for Adjudicative Hearing for Fairfield Energy Inc. TM4500 Rig
18 Acquisition Joint Venture, LLC; Fairfield Energy Inc.; and Brian Sullivan;
- 19 3. Request to OAH for assignment of an ALJ;
- 20 4. Notice of: Prehearing Conference by Telephone, dated November 3, 2010, with
21 certificate of service; and
- 22 5. Initial Order of Default, dated January 20, 2011, with certificate of service.

1 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.461, the Director
2 hereby adopts the Statement of Charges, which is attached hereto.

3 II. FINAL ORDER

4 Based upon the foregoing, and the Director having considered the record and being otherwise
5 fully advised, NOW, THEREFORE:

6 A. IT IS HEREBY ORDERED that:

- 7 1. FAIRFIELD ENERGY INC. TM4500 RIG ACQUISITION JOINT VENTURE, LLC,
8 FAIRFIELD ENERGY, INC., and BRIAN SULLIVAN shall each cease and desist
9 from any further violations of RCW 21.20.010, RCW 21.20.040 and RCW 21.20.140.
10 2. FAIRFIELD ENERGY INC. TM4500 RIG ACQUISITION JOINT VENTURE, LLC,
11 FAIRFIELD ENERGY, INC., and BRIAN SULLIVAN shall each be liable for and
12 shall pay a fine of Five Thousand Dollars (\$5,000.00).
13 3. FAIRFIELD ENERGY INC. TM4500 RIG ACQUISITION JOINT VENTURE, LLC,
14 FAIRFIELD ENERGY, INC., and BRIAN SULLIVAN shall be jointly and severally
15 liable for and shall pay costs of \$1,500 for the investigation of their violations of the
16 Securities Act of Washington, chapter 21.20 RCW.

17 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents each have the right to
18 file a Petition for Reconsideration stating the specific grounds upon which relief is requested. The
19 Petition must be filed in the Office of the Director of the Department of Financial Institutions by
20 courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200,
21 Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order upon
22 Respondents. The Petition for Reconsideration shall not stay the effectiveness of this order nor is a
23 Petition for Reconsideration a prerequisite for seeking judicial review in this matter.
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1 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the
2 date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a
3 written notice specifying the date by which it will act on a petition.

4 C. Stay of Order. The Director has determined not to consider a Petition to Stay the
5 effectiveness of this order. Any such requests should be made in connection with a Petition for
6 Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.


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

10 E. Non-compliance with Order. If you do not comply with the terms of this order, the
11 Department may seek its enforcement by the Office of Attorney General to include the collection of
12 fines and fees imposed herein.

13 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for
14 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
15 attached hereto.

16 DATED this 11th day of May 2011.

17 STATE OF WASHINGTON
18 DEPARTMENT OF FINANCIAL INSTITUTIONS

19 
20 SCOTT JARVIS
21 Washington State Department of Financial Institutions

CERTIFICATE OF SERVICE

I, Susan Putzier, certify that I personally delivered or mailed a copy of the Final Decision and Order to parties named below at their respective addresses, postage pre-paid, on May 11, 2011.

Susan Putzier

Mailed to the following:

Brian Sullivan
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