

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING) Order No. S-13-1274-14-FO01
Whether there has been a violation of the)
Securities Act of Washington by:) FINAL ORDER AS TO GULFTEX OPERATING, INC.
AND FRENCHTOWN ACRES, LLC
Gulftex Operating, Inc.,)
Frenchtown Acres, LLC,)
Timothy P. Burroughs,)
Tim Neeley,)
Respondents.)

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 February 21, 2014, the Director, through Securities Administrator William M. Beatty, entered a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, to Impose Fines, and to Charge Costs, S-13-1274-14-SC01, ("Statement of Charges") against Gulftex Operating, Inc., Frenchtown Acres, LLC, Timothy P. Burroughs, and Tim Neeley. 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 Respondents Gulftex Operating, Inc. and Frenchtown Acres, LLC by certified mail on February 28, 2014. On March 13, 2014, Respondents Gulftex Operating, Inc. and Frenchtown Acres, LLC submitted an Application for Adjudicative Hearing.

On June 19, 2014, the Office of Administrative Hearings ("OAH") issued a Notice of Prehearing Conference from Administrative Law Judge ("ALJ") Lisa N.W. Dublin. The Notice of Prehearing Conference contained the following language: **"You must call in to the conference. If you fail to call in, the administrative law judge may hold you in default and dismiss your appeal. RCW 34.05.440(2)."**

On July 17, 2014, the Department's representative, Assistant Attorney General Jeffrey Rupert, attended the prehearing conference by telephone, but Respondents Gulftex Operating, Inc. and Frenchtown Acres, LLC failed to appear or otherwise contact OAH. On October 14, 2014, ALJ Lisa N.W. Dublin issued an Initial Order of Default Dismissing the Appeals of Gulftex Operating, Inc. and Frenchtown Acres, LLC for Failure to Appear ("Initial Order of Default").

1 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents GulfTex Operating, Inc. and
2 Frenchtown Acres, LLC had twenty (20) days from the date of service of the Initial Order of Default to file
3 a Petition for Review. Respondents GulfTex Operating, Inc. and Frenchtown Acres, LLC did not file a
4 Petition for Review during the statutory period.

5 B. Record on Review. The record presented to the Director for his review and for entry of a
6 final decision included the following:

- 7 1. Statement of Charges, with documentation of service;
- 8 2. Application for Adjudicative Hearing for GulfTex Operating, Inc. and Frenchtown Acres,
9 LLC;
- 10 3. Notice of Prehearing Conference, dated June 19, 2014, with certificate of service; and
- 11 4. Initial Order of Default, dated October 14, 2014, with certificate of service.

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

14 II. FINAL ORDER

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

17 A. IT IS HEREBY ORDERED that:

- 18 1. Respondents GulfTex Operating, Inc. and Frenchtown Acres, LLC shall cease and desist
19 from any further violations of RCW 21.20.010, RCW 21.20.040, and RCW 21.20.140.
- 20 2. Respondents GulfTex Operating, Inc. and Frenchtown Acres, LLC shall be jointly and
21 severally liable for and shall pay a fine of \$15,000.
- 22 3. Respondents GulfTex Operating, Inc. and Frenchtown Acres, LLC shall be jointly and
23 severally liable for and shall pay costs of \$2,000 for the investigation of their violations of
24 the Securities Act of Washington, chapter 21.20 RCW.

25 B. Reconsideration. Pursuant to RCW 34.05.470, the Respondents have the right to file a
Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition must
be filed in the Office of the Director of the Department of Financial Institutions by courier at 150 Israel Rd
SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-1200,
within ten (10) days of service of the Final Order upon Respondents. The Petition for Reconsideration shall

1 not stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking
2 judicial review of this matter.

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

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

9 D. Judicial Review. Respondents have the right to petition the superior court for judicial
10 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a
11 Petition for Judicial Review, see RCW 34.05.510 and sections following.

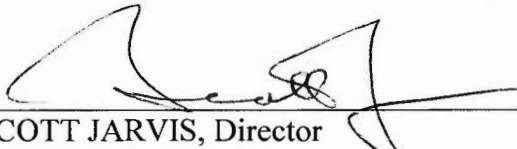
12 E. Non-compliance with Order. If you do not comply with the terms of this order, the
13 Department may seek its enforcement by the Office of Attorney General to include the collection of fines
14 and costs imposed herein.

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

18 DATED this 21st day of November, 2014.



19 STATE OF WASHINGTON
20 DEPARTMENT OF FINANCIAL INSTITUTIONS

21 
22 SCOTT JARVIS, Director
23 Washington State Department of Financial Institutions

