

STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. S-26-0012

ANDREW MASON, an  
Individual, and BLUE OCEAN  
CAPITAL LLC, a Dissolved South  
Dakota Limited Liability  
Company,

FINAL ORDER TO CEASE AND  
DESIST, FINAL ORDER DENYING  
USE OF EXEMPTIONS, FINAL ORDER  
ASSESSING CIVIL PENALTIES, AND  
FINAL ORDER ORDERING  
RESTITUTION, ENTERED BY  
DEFAULT

Respondents.

**AS AGAINST RESPONDENT BLUE  
OCEAN CAPITAL LLC ONLY**

On February 17, 2026, the Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), by and through the Division of Financial Regulation (“Division”), served an Order to Cease and Desist, Proposed Orders Denying Use of Exemptions, Assessing Civil Penalties, and Ordering Restitution, and Notice of Right to an Administrative Hearing (“Notice”) on Andrew Mason (“Mason”) and Blue Ocean Capital LLC (“Blue Ocean”) (collectively, “Respondents”).

The Notice offered Respondents an opportunity for a hearing if requested within 20 days of service of the Notice. The Notice informed Respondents that, subject to exceptions, any hearing request submitted on behalf of a corporation, partnership, limited liability company, unincorporated association, trust or governmental body (“Entity Respondent”) by a person that was not licensed to practice law in Oregon must be ratified, in writing, by a person that is allowed to practice law in Oregon within 28 days from the day the hearing request was received by the Director.<sup>1</sup> The Notice informed Respondents that a hearing request that was not properly ratified would be deemed invalid.

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<sup>1</sup> See Oregon Administrative Rules 137-003-0550(2) and (4).





1 The Notice further informed Respondents that any Respondent that did not file a  
2 timely hearing request will have waived their right to a contested case hearing, and that if  
3 a hearing was not conducted against them because they did not timely request a hearing or  
4 otherwise defaulted then the designated portion of the Division’s file and all materials  
5 submitted by Respondents in this case would automatically become part of the contested  
6 case record for the purpose of proving a prima facie case.

7 On February 27, 2026, Mason submitted written hearing requests to the Division  
8 for Respondents. Mason is not licensed to practice law in Oregon.

9 Blue Ocean failed to have its hearing request ratified within 28 days, or at all, and  
10 its hearing request has been deemed invalid.

11 After considering the relevant portion of the Division’s file in this matter, the  
12 Director finds that the record proves a prima facie case as against Blue Ocean, such that an  
13 Order of Default may be entered against Blue Ocean only.

#### 14 FINDINGS OF FACT

15 The Director FINDS that:

- 16 1. Blue Ocean was a South Dakota limited liability company with a principal place  
17 of business at 25 First Ave. SW, Suite A, Watertown, South Dakota 57201.<sup>2</sup>
- 18 2. At all relevant times, Mason resided in Oregon.
- 19 3. At all relevant times, Mason was Blue Ocean’s owner.
- 20 4. At all relevant times, Mason acted on Blue Ocean’s behalf and controlled and  
21 directed all actions of Blue Ocean. Mason caused Blue Ocean to take or fail to take each  
22 action or failure to act of Blue Ocean identified in this *Order to Cease and Desist, Proposed*  
23 *Orders Denying Use of Exemptions, Assessing Civil Penalties, and Ordering Restitution,*  
24 *and Notice of Right to an Administrative Hearing.*

25 ///

26 <sup>2</sup> Blue Ocean filed Articles of Dissolution on or around January 16, 2025, after the events set forth in this Order.



1           5. In or around 2021, Mason approached California resident “IN” and solicited  
2 him to invest in a project involving the construction and sale of modular homes. Mason  
3 encouraged IN to invest through his “close friend and associate” Danny Hall (“Hall”).  
4 Mason represented that Blue Ocean, Hall, and Hall’s company, Proper Foundations, LLC  
5 (“PFL”), would also be investing in the project.

6           6. On or around June 30, 2021, IN entered into a “Memorandum of  
7 Understanding” (“Memo”) with PFL to raise funds for the project. Under the terms of the  
8 Memo:

9                   A. IN would invest \$50,000 with PFL for “monetization” of a Standby  
10 Letter of Credit (“SLOC”);<sup>3</sup>

11                   B. The monetization would take approximately 10-15 days, after which  
12 time PFL and Hall would pay IN \$100,000;

13                   C. After approximately seven weeks, PFL and Hall would pay IN an  
14 additional \$750,000; and

15                   D. The remaining proceeds would be split between PFL and Blue Ocean  
16 for “ongoing project expenses”.

17           7. The Memo stated “In the unlikely event that the monetization does not take  
18 place, the funds will be returned to IN[.]”

19           8. Respondents agreed to serve as the intermediary recipient of IN’s investment  
20 funds.

21           9. On or around July 9, 2021, IN wired \$50,000 to Blue Ocean’s Wells Fargo  
22 checking account ending in -6476 (“Blue Ocean Account”). Mason owned and operated  
23 the Blue Ocean Account, which was opened in Hillsboro, Oregon.

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26 <sup>3</sup> An SLOC is a legal document that guarantees a bank's commitment of payment to a seller in the event that the buyer—or the bank's client—defaults on the agreement. A standby letter of credit helps facilitate international trade between companies that don't know each other and have different laws and regulations.



1 10. That same day, Mason wired \$45,000 to PFL, leaving the remaining \$5,000 in  
2 the Blue Ocean Account.

3 11. Between in or around July 15, 2021 and August 20, 2021, Hall transferred  
4 \$19,500 to Mason's Bank of America account ending in -5285.

5 12. At no time did IN receive any compensation from Respondents, PFL, and/or  
6 Hall, pursuant to the Memo or otherwise.<sup>4</sup>

7 13. Upon information and belief, none of IN's investment funds were used for the  
8 purposes identified in the Memo.

9 14. On or around May 20, 2025, the Division interviewed Mason regarding this  
10 matter. During the interview, Hall:

11 A. Claimed the only compensation he received for brokering IN's  
12 investment was reimbursement of \$50 in fees associated with the wire transfer; and

13 B. Admitted that, following IN's investment, he conferred with individuals  
14 in the financial industry to better understand SLOC transactions and learned they  
15 are frequently utilized in fraudulent investment schemes.<sup>5</sup>

16 15. On or around July 8, 2025, the Division conducted a follow-up interview with  
17 Mason. During the interview, Mason admitted that the \$5,000 he maintained in the Blue  
18 Ocean Account represented compensation he received for brokering IN's investment.

19 16. At no time did Respondents, PFL, and/or Hall provide IN with detailed  
20 disclosures of the risks specific to his investment with PFL and Hall.

21 17. IN had no control over the use of his investment funds.

22 18. IN did not play an active role in the management and/or control of his  
23 investment. He relied on PFL and Hall's efforts to realize a return on his investment.

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25 <sup>4</sup> On or around July 10, 2023, IN filed a complaint against Respondents with the SEC.

26 <sup>5</sup> The federal Treasury Department has also found that SLOC investments are frequently used for fraudulent schemes. See <https://treasurydirect.gov/laws-and-regulations/fraud/prime-bank-fraud/>.

1 19. At no time did Respondents, PFL, and/or Hall register IN’s investment with the  
2 Director pursuant to ORS 59.055.

3 20. At no time have Respondents, PFL, and/or Hall held an Oregon broker-dealer  
4 or securities salesperson license, or otherwise been licensed with the Director to offer  
5 and/or sell securities in Oregon pursuant to ORS 59.165.

6 CONCLUSIONS OF LAW

7 The Director CONCLUDES that:

8 21. The investment Respondents, PFL, and Hall offered and sold to IN, as  
9 documented by the Memo, is a “security” under ORS 59.015(19)(a), as it is either an  
10 “investment contract” or “evidence of indebtedness.” It is an investment contract because  
11 IN invested money in a common enterprise with the expectation of profit to be made by  
12 the management and control of others.

13 22. By offering and selling the foregoing investment to IN, Respondents, PFL, and  
14 Hall “sold” securities, under ORS 59.015(17)(a) and (b), and transacted business as  
15 “securities salespersons” under ORS 59.015(18)(a).

16 23. By offering and selling securities to IN without being licensed under the Oregon  
17 Securities Law, Respondents, PFL, and Hall violated ORS 59.165(1).

18 24. By offering and selling unregistered securities to IN, Respondents, PFL, and  
19 Hall violated ORS 59.055.

20 25. Respondents, PFL, and Hall each failed to provide IN with detailed disclosures  
21 of the risks specific to his investment, a material omission in violation of ORS 59.135(2).

22 26. Respondents, PFL, and Hall each engaged in an act, practice, or course of  
23 business which operated as a fraud or deceit upon IN, in violation of ORS 59.135(3), by:

24 A. Offering and selling a security which:

25 (a) Involved a financial product, SLOC, Mason did not understand  
26 and which is frequently utilized for fraudulent schemes;





1 (b) Offered implausibly large returns within an implausibly short  
2 timeframe; and

3 (c) Misleadingly stated it was “unlikely” IN would not receive the  
4 identified compensation, and falsely stated he would have his funds  
5 returned should the investment fail; and

6 B. Maintaining IN’s investment funds for their personal enrichment rather  
7 than their intended purpose, as set forth in Paragraphs (10), (12), and (14).

8 27. By engaging in the conduct set forth in Paragraphs (5) and (10-12), Respondents  
9 participated and materially in PFL and Hall’s sale of a security to IN, and are liable for  
10 violations resulting from that sale, under ORS 59.115(3).

11 28. By engaging in the conduct set forth in Paragraph (27), Respondents aided and  
12 abetted PFL and Hall’s sale of a security to IN, and the corresponding fraud, under ORS  
13 59.995(1).

14 29. By falsely stating he’d only received \$50 for his role in selling a security to IN,  
15 Mason violated ORS 59.135(4) and ORS 59.451.

16 30. Because the Director has reason to believe that Respondents have engaged, are  
17 engaging, or are about to engage in violations of the Oregon Securities Law, the Director  
18 may issue an order to Respondents to cease and desist from violations of the Oregon  
19 Securities Law under ORS 59.245(4).

20 31. Because the Director has reason to believe that Respondents have engaged or  
21 are about to engage in violations of the Oregon Securities Law, or that the use of any  
22 exemption by Respondents would work a fraud or imposition on purchasers, the Director  
23 may deny Respondents the use of exemptions to the securities registration requirements  
24 under ORS 59.045(2).

25 32. The Director may impose a civil penalty of up to \$20,000 *per violation* upon  
26 any person who violates, or who procures, aids or abets the violation of, the Oregon

1 Securities Law, under ORS 59.995(1).

2 33. The Director may order a person whose acts, omissions, practices, operations  
3 or violation of ORS 59.005 to 59.505 and 59.710 to 59.830 or a rule or order of the director  
4 causes harm to another person to pay restitution to the other person, under ORS 59.995(4).

5 ORDERS

6 Now therefore, the Director issues the following ORDERS as against Blue Ocean  
7 only:

8 34. As authorized by ORS 59.245(4), the Director hereby ORDERS Blue Ocean to  
9 CEASE AND DESIST from violating ORS 59.055, ORS 59.135(2), and (3), and (4), ORS  
10 59.165(1), and ORS 59.451.

11 35. As authorized by ORS 59.045(2), the Director hereby DENIES Blue Ocean,  
12 and any successor business entity or any business entity owned, operated, or controlled by  
13 Blue Ocean, the use of exemptions that would otherwise be available to Blue Ocean under  
14 ORS 59.025 and ORS 59.035, concerning securities and transactions exempt from the  
15 registration requirements of the Oregon Securities Law.

16 36. As authorized by ORS 59.995(1), the Director hereby ORDERS that Blue  
17 Ocean pay a CIVIL PENALTY totaling \$80,000 as follows:

- 18 A. \$20,000 for violating ORS 59.055.
- 19 B. \$20,000 for violating ORS 59.135(2) and (3);
- 20 C. \$20,000 for violating ORS 59.165(1); and
- 21 D. \$20,000 for violating ORS 59.123(4) and ORS 59.451.

22 37. As authorized by ORS 59.995(4), the Director hereby ORDERS that Blue  
23 Ocean pay RESTITUTION of \$50,000 to IN.

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26 ///

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



1 38. This is a “Final Order” under ORS 183.310(6)(b). Subject to this provision, the  
2 entry of this Order does not limit further remedies that may be available to the Director  
3 under Oregon law.

4  
5 SO ORDERED this 31<sup>st</sup> day of March, 2026.

6  
7 SEAN E. O’DAY, Director  
8 Department of Consumer and Business Services

9 /s/ Dorothy Bean  
10 Dorothy Bean, Chief of Enforcement  
11 Division of Financial Regulation

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14  
15 NOTICE OF RIGHT TO JUDICIAL APPEAL

16 You are entitled to judicial review of this order in accordance with ORS 183.482.  
17 You may request judicial review by filing a petition with the Court of Appeals in Salem,  
18 Oregon, within 60 days from the date this order is served. Note that under ORS 59.295(2),  
19 in the absence of a timely demand for a hearing, no person shall be entitled to judicial  
20 review of the order.

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