

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

In the Matter of:

Case No. S-24-0034

MAHOGANY INVESTMENTS LLC
AND TYSON S. BLANCHARD
A/K/A TY MARQUEZ,

ORDERS TO CEASE AND DESIST,
DENYING USE OF EXEMPTIONS,
ASSESSING CIVIL PENALTIES,
AND CONSENT TO ENTRY OF
ORDER

Respondents.

The Director of the Department of Consumer and Business Services for the State of Oregon ("the Director"), acting by and through the Division of Financial Regulation ("Division") and in accordance with the Oregon Securities Law, Oregon Revised Statutes ("ORS") 59.005 to 59.451, 59.991 and 59.995, and Oregon Administrative Rules ("OAR") chapter 441, has investigated the securities business activities of Mahogany Investments LLC and Tyson S. Blanchard a/k/a Ty Marquez ("Respondents").

Respondents wish to resolve this matter with the Director.

Now therefore, as evidenced by the signatures subscribed herein, Respondents hereby CONSENT to the entry of this Order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter.

FINDINGS OF FACT

The Director FINDS that:

1. Mahogany Investments LLC ("Mahogany") was an Oregon limited liability company with a principal place of business in Portland, Oregon.
2. Mahogany was organized and registered with the Oregon Secretary of State, Corporation Division on December 20, 2021 and was administratively dissolved on February 15, 2024.

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1 3. Tyson S. Blanchard a/k/a Ty Marquez ("Blanchard") was the sole owner and
2 managing member of Mahogany.

3 4. Between September 2022 and January 2023, Respondents raised a total of
4 \$7,000 from three investors residing in Oregon ("the clients").

5 5. The clients included: "NJ" who invested \$5,000 with Respondents between
6 September 4, 2022 and September 6, 2022; "SW" who invested \$1,000 with Respondents
7 on or about October 28, 2022; and "JT" who invested \$1,000 with Respondents on or about
8 January 3, 2023.

9 6. Blanchard solicited the clients to entrust their funds with Respondents during
10 meetings and other communication with each client. Blanchard, through Mahogany,
11 represented to the clients that he acts as a "personal financial consultant" for them.

12 7. On social media, Blanchard held himself out as a Financial Consultant and
13 Equity Trader with "Crypto/Options/Stocks/Forex" listed on his profile.

14 8. Before NJ invested, Blanchard sent her a message regarding Mahogany and his
15 fund strategy for clients, stating:

16 *I truly enjoyed getting together Friday and discussing business and what*
17 *great opportunities lie ahead for the both of us. I know we took the time to*
18 *discuss what Mahogany Investments does and what my new Fund strategy*
19 *looks like for a more short term horizon for present and future clients...I*
20 *personally created this fund strategy to reach and attract more clients that*
21 *are looking for a more sound return in a much shorter time frame...Last*
22 *thing to be done is getting contracts signed and the money wired over so it*
23 *can be sent to the clearing house and wired to a private brokerage acct that*
24 *will be tracked for your funds [sic] return and performance. I look forward*
25 *to working with you, not just for the 3 months, but a lasting business*
26 *relationship...Let me know if tomorrow works to get together to sign*
 contracts and finalize this deal so that we can get that money working for
 you so all goals can be met.

24 9. On or about January 3, 2023, Blanchard entered into a one-page "Financial
25 Agreement" with JT. The agreement states that Mahogany "performs consultation work
26 around market securities and portfolio management." Blanchard signed the agreement as



1 "Financial Consultant".

2 10. The agreement states that neither Mahogany nor Blanchard are financial
3 advisors or stockbrokers, and instead claims that Mahogany performs "private equity
4 research and trading."

5 11. The agreement refers to the client "...sending initial investment funds over to
6 the firm to be placed in investment instruments..." and states that any request to liquidate
7 an entire portfolio account within three years will result in an early withdrawal fee of 25
8 percent.

9 12. Blanchard entered into a similar financial agreement, dated September 5, 2022,
10 with NJ.

11 13. Shortly after Blanchard received funds from the clients, Blanchard pooled the
12 clients' funds and commingled the clients' funds with his own funds in his personal
13 accounts held at two brokerage firms. None of the clients had access to Blanchard's
14 brokerage accounts.

15 14. During 2022 and 2023, in exchange for fees, Blanchard engaged in trading in
16 securities on behalf of the clients, essentially managing an investment portfolio for himself
17 and the clients. Blanchard, on behalf of himself and the clients, decided which securities
18 to buy, hold and/or sell.

19 15. During 2022 and 2023, Blanchard sent some investment newsletters and
20 updates to clients regarding their investments. A Mahogany Investments newsletter, dated
21 September 26, 2022, from Blanchard states:

22 *Dear Investors, Want to first start off with a huge apology for the big gap*
23 *since my last emailed newsletter on not just the overall markets, but just a*
24 *generalized overview of how your personal portfolio has developed since we*
25 *last spoke...As a Junior Analyst for my company, and a newer*
26 *trader/investor to the US markets...I was taking the time to plug in numbers*
and analyze market conditions even during cyclical peaks and troughs of the
market structure...We at Mahogany Investments still strive to make
investment consulting plans to fit our clients' needs abreast these ever



changing market conditions...Mahogany Investments wants to assist and help you take charge and see more of the long-term visions that come to fruition with patience, but also bracing for those volatile dynamics that come with investing in the US markets short-term. There is great deal of volatility in the markets right now and we want to remain cash heavy and weighted with extreme patience for the next cycle to take its course...Mahogany Investment deeply appreciates your support and trust in the fund and your desire to allow us to guide you to generational wealth and freedom. I will be reaching out to each one of you on an individual basis to discuss your current portfolio markers and want to thank you again for your undying support in the Mahogany vision and what our fiduciary responsibility is to our clients. Thank you from the Investment team! ~Ty Blanchard Your Financial Consultant

16. A "Portfolio Update" dated November 14, 2022 from Blanchard, as Financial Consultant for Mahogany Investments, states:

Dear Clients...I am personally reaching out to you to inform all my invested clients that you have nothing to worry about and let's break down why your money is safe...Mahogany Investments strives to keep clients [sic] money safe and in the best assets that yield expected return, understanding and digesting the risk and formulated a plan that has more reward ratio then [sic] a certain risk level...I want to personally let you know that no clients under Mahogany Investments own any open exposure to any Cryptocurrency at this time...Perfect timing for you and all clients under management through Mahogany Investments is that there is no money being invested in any crypto of any kind at this moment in the fund strategy...just keeping clients [sic] money parked in investments that have a long track record. So there is no worry to be had for any of our clients....Let's take a quick peek under the hood for what you are invested in right now for your portfolio...You are safe and hedged in the market with no exposure to Crypto."

17. A client market update Blanchard sent by email or about March 13, 2023 states:

All in all, I wanted to reach out to each and every one of you and to reassure you that your money that is in a brokerage account being invested with is fully safe so no worries there! Keep in mind that I can not [sic] give "financial advice" because I have not finished my Series Exams so I still act solely as a personal Financial Consultant, but I will ALWAYS have your best interest at hand and give the best advice and recommendations on what I feel is sound and beneficial....Ty Blanchard Your personal Financial Consultant

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1 18. In less than a year, Respondents traded and lost nearly all of the clients' funds
2 they had invested through Respondents. A text message Blanchard sent to a client states:

3 *I love the challenges of the markets and I know that I'm a student of the*
4 *game...My calculations was [sic] off and I'm working on revising the data*
5 *and algorithms I use to trade.*

6 19. After clients contacted Blanchard and requested, without success, that he return
7 their funds to them, a client filed a complaint with the Division.

8 20. During 2022 and 2023, Respondents received fees or expected to receive fees
9 from the clients, including finder's fees totaling approximately \$1,100 and management
10 fees based on 2% of the assets under management, for advising the clients as to the value
11 of securities or as to the advisability of investing in, purchasing or selling securities, or for
12 engaging in the business of managing an investment or trading account in securities for
13 other persons, the clients.

14 21. During 2022 and 2023, Blanchard conducted business as an investment adviser
15 representative for Mahogany, by making recommendations, or otherwise rendering advice
16 regarding securities, to the clients; by managing accounts or portfolios of the clients; or by
17 soliciting, offering or negotiating for the sale or selling investment advisory services to the
18 clients.

19 22. Mahogany has never been licensed in Oregon as a state investment adviser.

20 23. Blanchard has never been licensed in Oregon as an investment adviser
21 representative.

22 CONCLUSIONS OF LAW

23 The Director CONCLUDES that:

24 24. The Director has jurisdiction over the business activities of Blanchard and
25 Mahogany pursuant to ORS 59.235.

26 25. During 2022 and 2023, Mahogany transacted business in Oregon as a "state



investment adviser" in Oregon, as defined by ORS 59.015(20)(a).

26. During 2022 and 2023, Mahogany transacted business in Oregon as a state investment adviser without a license under the Oregon Securities Law, in violation of ORS 59.165(6).

27. During 2022 and 2023, Blanchard acted as an "investment adviser representative" of Mahogany in Oregon, as defined by ORS 59.015(8)(a).

28. During 2022 and 2023, Blanchard transacted business in Oregon as an investment adviser representative without an investment adviser representative license, in violation of ORS 59.165(4)(c).

29. Because the Director has reason to believe that Respondents have engaged, are engaging, or are about to engage in violations of the Oregon Securities Law, the Director may issue an order to Respondents to cease and desist from the violations of the Oregon Securities Law under ORS 59.245(3).

30. According to ORS 59.995, any person who violates or who procures, aids or abets in the violation of the Oregon Securities Law may be subject to a civil penalty in an amount not to exceed \$20,000 per violation, and every violation is a separate offense.

ORDERS

The Director issues the following ORDERS:

31. In accordance with ORS 59.245(3), Mahogany is hereby ORDERED to CEASE AND DESIST from violating ORS 59.165(6), transacting business in Oregon as a state investment adviser without the required license.

32. In accordance with ORS 59.245(3), Blanchard is hereby ORDERED to CEASE AND DESIST from violating ORS 59.165(4)(c), transacting business in Oregon as investment adviser representative without the required license.

33. As authorized by ORS 59.045(2), the Director hereby DENIES Respondents, and any and all agents, authorized representatives, and entities owned, operated or



1 controlled by Respondents, their successors and assigns, the use of any exemptions that
2 would otherwise be available under ORS 59.025 and ORS 59.035, concerning securities
3 and transactions exempt from the registration requirements of the Oregon Securities Law.

4 34. As authorized by ORS 59.995(1), the Director hereby ASSESSES a CIVIL
5 PENALTY of \$5,000 against Blanchard for violating ORS 59.165(4)(c).

6 35. As authorized by ORS 59.995(1), the Director hereby ASSESSES a CIVIL
7 PENALTY of \$5,000 against Mahogany for violating ORS 59.165(6).

8 36. The Director SUSPENDS \$4,000 of the civil penalty assessed against
9 Blanchard in paragraph 34 above, and \$4,000 of the civil penalty assessed against
10 Mahogany in paragraph 35 above, for a period of three years, provided Respondents:

11 A. Pay restitution totaling \$7,000 to the Department of Consumer and
12 Business Services to be allocated for full repayment of investment principal to
13 the clients, including \$5,000 to "NJ"; \$1,000 to "SW"; and \$1,000 to "JT"; and

14 B. Do not violate any term of this Order, including but not limited to the
15 restitution and civil penalty payment terms and schedule as set forth herein, or
16 any provision of the Oregon Securities Law within the three-year time period.

17 37. Respondents must pay to the Oregon Department of Consumer and Business
18 Services the client restitution totaling \$7,000 described above in monthly installments of
19 no less than \$1,000 per month on a payment schedule as follows:

20 A. \$1,000 restitution payment due no later than August 31, 2026;

21 B. \$1,000 restitution payment due no later than September 30, 2026;

22 C. \$1,000 restitution payment due no later than October 30, 2026;

23 D. \$1,000 restitution payment due no later than November 30, 2026;

24 E. \$1,000 restitution payment due no later than December 31, 2026;

25 F. \$1,000 restitution payment due no later than January 29, 2027; and

26 G. \$1,000 restitution payment due no later than February 26, 2027.



1 38. Respondents must pay to the Department of Consumer and Business Services
2 the remaining non-suspended CIVIL PENALTIES totaling \$2,000 on a payment schedule
3 as follows:

4 A. \$1,000 civil penalty down payment at the time this Order is returned
5 to the Division; and

6 B. \$1,000 civil penalty payment due no later than March 31, 2027.

7 39. The Director reserves the right to immediately take enforcement action,
8 pursuant to the procedures set forth in ORS 183.745, to impose the suspended CIVIL
9 PENALTIES (\$4,000 against Mahogany, and \$4,000 against Blanchard) if any Respondent
10 violates any term of this Order. Any Respondent's failure to satisfy any term(s) of this
11 Order will render all suspended and non-suspended penalties immediately due and owing.

12 40. Respondents stipulate and agree that the amounts assessed herein are not
13 dischargeable under 11 U.S.C. § 523(a)(7).

14 41. If Respondents comply with all terms of this Order, and do not violate any
15 provision of the Oregon Securities Law during the three year period from the effective date
16 of this Order, the Director will WAIVE the suspended portion of the civil penalties (\$4,000
17 against Mahogany, and \$4,000 against Blanchard) assessed herein after three years from
18 the effective date of this Order.

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1 42. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that
2 provision, the entry of this Order does not limit other remedies that are available to the
3 Director under Oregon law to enforce this Order or to take action for violations of this
4 Order or of the Oregon Securities Law.

5 43. This Order is binding upon Respondents’ successors and assigns.

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7 SO ORDERED this 2nd day of June, 2026.

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

10 /s/ Dorothy Bean

11 _____
12 Dorothy Bean, Chief of Enforcement
13 Division of Financial Regulation

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