

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF IDAHO**

IDAHO CONSERVATION LEAGUE and
NORTHWEST ENVIRONMENTAL
DEFENSE CENTER,

Plaintiffs,

vs.

ATLANTA GOLD CORPORATION,

Defendant.

Case No.: 1:11-cv-161-REB

**MEMORANDUM DECISION AND
ORDER RE: DEFENDANT
ATLANTA GOLD CORPORATION'S
MOTION FOR EXTENSION OF
TIME RE: SANCTION PAYMENT
(DKT. 175)**

On September 15, 2017, Defendant Atlanta Gold Corporation (“Atlanta Gold”) was ordered to pay Clean Water Act penalties in the amount of \$251,000 plus interest to the United States Treasury no later than December 31, 2017. (Dkt. 159.) On November 6, 2017, the payment deadline was extended to August 30, 2018. (Dkt. 166.) On August 21, 2018, nine days prior to the deadline, Atlanta Gold moved to extend the payment deadline to December 31, 2018. Mot. for Extension of Time Re: Sanction Payment (Dkt. 175); Decl. of R. David Russell ISO Mot. for Extension of Time Re: Sanction Payment ¶ 9 (“Russell Decl.”) (Dkt. 175-1). This memorandum decision and order resolves Atlanta Gold’s pending motion.

Mr. Russell’s declaration states that Atlanta Gold is in the process of raising capital for project development, marketing, and legal expenses. Russell Decl. ¶ 2 (Dkt. 175-1). Attached to his declaration is a whitepaper describing the process by which an entity called Gold Investment Partners Limited intends to raise capital by conducting an initial coin offering to sell “tokens” of a new cryptocurrency called Four Nine Gold. *Id.* at Ex. A p. 2 (Dkt. 175-1 p.6). The whitepaper specifies that Four Nine Gold proceeds “will aid in the development of the Atlanta Gold Inc., and

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conducting business development and operation, and expenses related to operation including legal and accounting expenses.” *Id.* at p. 30. The whitepaper details numerous risks associated with purchasing Four Nine Gold tokens and it indicates that residents of China, Japan, South Korea, and the United States are not eligible to purchase tokens. *Id.* p. 2.

Mr. Russell states on information and belief that after the fundraising campaign Atlanta Gold will be able to pay the \$251,000 penalty. Russell Decl. ¶ 5 (Dkt. 175-1). But neither his declaration nor the whitepaper discusses how, or to whom, Four Nine Gold tokens will be marketed. Nor are any estimates given as to how much money will be raised. These are critical details, given the list of countries where the tokens will not be sold. Indeed, the very nature of the “offering” indicates that it is entirely out of the ordinary, not to mention the curiosity and uncertainty of the new cryptocurrency. The Court cannot, and does not, take any confidence from the information contained in the declaration of Mr. Russell in support of the request for an extension of the deadline.

Atlanta Gold has had nearly a full year to make payment of the penalties imposed by the Court’s prior order. The company previously asked for and was granted an extension for the deadline for payment. In considering the pending motion, the Court reviewed again the details of the prior motion seeking an extension of the deadline. (*See* Dkt. 162, including the Declaration of Peili Miao.) It is apparent to the Court that monies have been raised since the filing of that motion and that obligations of the company have been paid, but for whatever reason Atlanta Gold has not prioritized the payment of these penalties when the company should have done so. In addition, Atlanta Gold previously represented to the Court that payment would be made no later than the August 30, 2018 deadline. It has not done so.

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Accordingly, the Court is not persuaded that there is good cause to grant an additional extension of the nature requested by Atlanta Gold. Because the press of the Court's docket prevented a decision from being issued on the pending motion until the date of the deadline, the Court will allow until September 14, 2018 for the required payment, with accrued interest, to be made. Of note is the fact that the September 14, 2018 date is one day short of a full year since the Court's decision was issued requiring such payment.

Now therefore, **IT IS HEREBY ORDERED** that Defendant Atlanta Gold Corporation shall pay Clean Water Act penalties in the amount of \$251,000.00, plus interest, to the United States Treasury no later than **September 14, 2018**. Interest shall accrue at the rate specified in 28 U.S.C. § 1961(a) and (b), beginning as of September 15, 2017, the date the penalty was ordered.



DATED: August 30, 2018.

A handwritten signature in black ink, appearing to read "Ronald E. Bush".

Honorable Ronald E. Bush
Chief U. S. Magistrate Judge