

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION**

UNITED STATES OF AMERICA,	)	No. 10-00332-01/12-CR-W-SOW
)	
Plaintiff,)	
	)	COUNT ONE: CONSPIRACY
v.	)	All Defendants
	)	18 U.S.C. § 371
ISREAL OWEN HAWKINS, JR.,	)	NMT: 5 Years Imprisonment
[DOB: 07/26/1955]	)	NMT: \$250,000 Fine
	)	NMT: 3 Years Supervised Release
TERESA BROWN,	)	Class D Felony
[DOB: 02/25/1958])	
	)	COUNT TWO: SECURITIES FRAUD
JOHNNY HEURUNG,	)	Defendants Brown and Hawkins
[DOB: 01/26/1954]	)	15 U.S.C. § 77q and 18 U.S.C. § 2
	)	NMT: 5 Years Imprisonment
CLARENCE D. MOORE	)	NMT: \$250,000 Fine
[DOB: 05/17/1948]	)	NMT: 3 Years Supervised Release
	)	Class D Felony
ALLEN COLLINS,)	
[DOB: 07/16/1956]	)	COUNT THREE: AGGRAVATED CURRENCY
	)	STRUCTURING
TERESA HILL,	)	Defendant Hawkins
[DOB: 07/29/1956]	)	31 U.S.C. §§ 5324(a) & (d)(2); & 18 U.S.C. § 2
	)	NMT: 10 Years Imprisonment
CHARLES HOOKER,	)	NMT: \$500,000 Fine
[DOB: 06/07/1962]	)	NMT: 3 Years Supervised Release
	)	Class C Felony
RUSSELL HOPKINS,)	
[DOB: 01/30/1964]	)	COUNT FOUR: MONEY LAUNDERING
	)	Defendant Hawkins
BRIAN LANGENBACH,	)	18 U.S.C. §§ 1957 and 2
[DOB: 10/29/1968]	)	NMT: 10 Years Imprisonment
	)	NMT: \$250,000 Fine
WILLIAM MILLER,	)	NMT: 3 years Supervised Release
[DOB: 11/16/1970]	)	Class C Felony
)	
MARTIN ROPER,	)	COUNT FIVE: MONEY LAUNDERING
[DOB: 08/12/1965]	)	Defendant Miller
	)	18 U.S.C. §§ 1957 and 2
CURTIS WHITE,	)	NMT: 10 Years Imprisonment
[DOB: 01/03/1956]	)	NMT: \$250,000 Fine
	)	NMT: 3 years Supervised Release
Defendants.	)	Class C Felony
)	
)	

-) **COUNT SIX: MONEY LAUNDERING**
-) Defendants Hooker and Hill
-) 18 U.S.C. §§ 1957 and 2
-) NMT: 10 Years Imprisonment
-) NMT: \$250,000 Fine
-) NMT: 3 years Supervised Release
-) Class C Felony
-)
-) **COUNTS SEVEN THROUGH EIGHT:**
-) **WIRE FRAUD**
-) Defendant Hawkins
-) 18 U.S.C. § 1343 and 2
-) NMT: 20 Years Imprisonment
-) NMT: \$250,000 Fine
-) NMT: 3 Years Supervised Release
-) Class C Felony
-)
-) **COUNTS NINE THROUGH FOURTEEN:**
-) **WIRE FRAUD**
-) Defendant Brown
-) 18 U.S.C. § 1343 and 2
-) NMT: 20 Years Imprisonment
-) NMT: \$250,000 Fine
-) NMT: 3 Years Supervised Release
-) Class C Felony
-)
-) **COUNTS FIFTEEN THROUGH SIXTEEN:**
-) **WIRE FRAUD**
-) Defendant Heurung
-) 18 U.S.C. § 1343 and 2
-) NMT: 20 Years Imprisonment
-) NMT: \$250,000 Fine
-) NMT: 3 Years Supervised Release
-) Class C Felony
-)
-) **COUNT SEVENTEEN:**
-) **WIRE FRAUD**
-) Defendant Miller
-) 18 U.S.C. § 1343 and 2
-) NMT: 20 Years Imprisonment
-) NMT: \$250,000 Fine
-) NMT: 3 Years Supervised Release
-) Class C Felony

-) **COUNTS EIGHTEEN THROUGH**
-) **NINETEEN:**
-) **WIRE FRAUD**
-) Defendant Hill
-) 18 U.S.C. §§ 1343 and 2
-) NMT: 20 Years Imprisonment
-) NMT: \$250,000 Fine
-) NMT: 3 Years Supervised Release
-) Class C Felony
-)
-) **COUNT TWENTY: MAIL FRAUD**
-) Defendant Collins
-) 18 U.S.C. §§ 1341 and 2
-) NMT: 20 Years Imprisonment
-) NMT: \$250,000 Fine
-) NMT: 3 Years Supervised Release
-) Class C Felony
-)
-) \$100 Mandatory Special Assessment per Count
-)
-) Forfeiture Allegation
-) 28 U.S.C. § 2461(c) and 21 U.S.C. § 853
-)
-) Order of Restitution

SUPERSEDING INDICTMENT

THE GRAND JURY CHARGES THAT:

1. At all times material herein:

a. Isreal Owen **HAWKINS** registered Petro America Corporation in Kansas in 2007.

HAWKINS, Charles **HOOKER**, and T.S. were listed as officers. **HAWKINS** appointed himself CEO. Petro America Corporation (“Petro America” or “Petro”) maintained bank accounts and a mailing address in Kansas City, Missouri, where its “world corporate headquarters” was located.

b. None of the defendants have ever been licensed to sell securities. Nonetheless, as early as June 2008, the defendants began a non-exempt private offering of Petro shares to

investors. The offering was not registered with government regulatory authorities prior to selling shares. The defendants never delivered a prospectus to investors prior to selling shares.

c. In the fall of 2008, Teresa **BROWN** began selling shares and working on Petro's behalf. **HAWKINS, BROWN** and others began conducting weekly Thursday night conference calls with shareholders and potential investors.

d. Around September 20, 2008, Martin **ROPER** emailed a general solicitation to potential investors to buy stock. The price was \$100 for 100,000 shares. His email stated that the shares were currently "worth \$2 per share and when it hits the market it could be \$10 to \$20 per share or more." It stated Petro had "\$68 Million on Petro Books with SEC Exchange. Attorney has notarized and signed off on this already." It also stated "This 'special offer' is about to end for new Stockholders. . . . This offer will soon be cut off and no more offers like this presented here." The email also listed a website of www.petroamericacorp.com. Investors were instructed to mail funds to **ROPER's** home address in Kansas City, Kansas.

e. Also in the fall of 2008, Petro shareholders began meeting weekly on Tuesday nights. **ROPER, Charles HOOKER,** and Teresa **HILL** ran the meetings. **ROPER** and **HOOKER** would open and talk at the meetings, saying Petro was worth \$2 per share. They sponsored speakers to discuss how the shareholders should manage their imminent wealth. Some people stopped paying their bills and mortgages in order to invest more into Petro.

f. On November 12, 2008, the Missouri Securities Commissioner issued a cease and desist ("C&D") order. It barred Petro America, its agents, unregistered agents, and all other persons with knowledge of the order from offering Petro stock to investors in Missouri, and from making untrue representations and omissions in connection with such sales. The lengthy order detailed

numerous violations. In part, it required that “Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this Order are prohibited from: . . . A. offering or selling any securities . . . in the state of Missouri unless those securities are registered B. transacting business as an unregistered agent . . . D. violating or materially aiding in any violation . . . in connection with the offer or sale of securities, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make a statement made, in the light of the circumstances under which it is made, not misleading.” All of the defendants learned about the cease and desist order. It was posted online and was discussed widely among the conspirators.

g. The Missouri Securities Commissioner took **ROPER**’s deposition on March 31, 2009, and **HAWKINS**’ deposition on April 7, 2009. The Securities & Exchange Commission began investigating Petro, leading to a second **HAWKINS** deposition in August 2009.

h. On February 18, 2010, the Office of the Kansas Securities Commissioner initiated an action against Petro for selling unregistered shares. It issued a consent order two months later, including sanctions, requiring Petro to cease and desist selling unregistered shares, which **HAWKINS** signed.

i. During the scheme, **HAWKINS** and Petro secretary M.P. opened multiple bank accounts in Petro’s name. **HAWKINS** and M.P. visited the banks multiple times per week. Sometimes he or M.P. made big deposits. On most visits, they withdrew \$7,500 to \$9,800, often on consecutive days. The cash was normally given in \$100 bills, and **HAWKINS** would put the cash into his jacket pocket. Sometimes he was accompanied by others, and he would hand them cash after receiving it.

j. **HAWKINS** opened a U.S. Bank account, ending in 4487, on March 18, 2008. From September 30, 2008 through October 24, 2008, \$767,170 of investor proceeds were received, ranging from \$14,300 to \$180,000 per deposit.

k. On November 6, 2008, a cashier's check for \$158,796.02 was issued, payable to Petro America, from Petro's U.S. Bank account. It was deposited into a Bank of America account ending in 4186, which Hawkins had opened on March 21, 2008. From September 24, 2008, to January 26, 2009, **HAWKINS** deposited 798 checks and money orders from Petro America investors totaling \$192,506.

l. On February 26, 2009, **HAWKINS** opened a Petro America business checking account ending in 0301 at Brotherhood Bank & Trust. After an initial \$250,650.40 wire transfer on February 27, 2009, no other deposit was made until May 21, 2009. From February 27, 2009, through March 31, 2010, \$81,500 in checks were written for cash.

m. **HAWKINS** opened an account at Mazuma Credit Union, ending in 3566, in the name of Petro America Financial Services, on May 9, 2009. **HAWKINS** and Petro Secretary M.P. were authorized signers. Seventy checks and money orders from Petro investors totaling \$13,615 were deposited into this account from May 9, 2009, through January 22, 2010. Seventy-one additional investor checks totaling \$4,824.95 were deposited in the spring and summer of 2009. Many bore the notation "Petro defense fund." In addition, \$830,000 in checks from Windsong Ventures were deposited from July 16, 2009, to March 27, 2010. Another \$172,310 was wired in from D.P., an attorney in Colorado, from wires that originated from **BROWN**. From July 2, 2009, to May 12, 2010, **HAWKINS** wrote 65 checks to cash from the Mazuma account, totaling \$425,700. For the same dates, M.P. wrote 47 checks to cash, totaling \$116,615.

COUNT ONE: CONSPIRACY
ALL DEFENDANTS

A. INTRODUCTION

2. The United States Attorney hereby repeats and realleges every allegation contained in paragraph 1 of this Indictment.

B. THE CONSPIRACY

3. From on or about September 1, 2008, until the date of this indictment, in the Western District of Missouri and elsewhere, defendants Owen **HAWKINS**, Teresa **BROWN**, Johnny **HEURUNG**, Clarence **MOORE**, Allen **COLLINS**, Teresa **HILL**, Charles **HOOVER**, Russell **HOPKINS**, Brian **LANGENBACH**, William **MILLER**, Martin **ROPER**, Curtis **WHITE**, and others known and unknown to the Grand Jury, did knowingly, willfully and with intent to defraud, conspire and agree amongst themselves to commit and to conceal offenses against the United States, that is: to commit the crimes of securities fraud in violation of Title 15, United States Code, Section 77q, and of wire fraud in violation of Title 18, United States Code, Section 1343. The object of the conspiracy was to obtain money for the defendants through the fraudulent sale of Petro America stock by making fraudulent material misrepresentations and omissions to investors, and concealing the conspirators' individual compensation, while using interstate wire communications to further essential steps of the scheme.

C. THE CONSPIRATORS

4. **Owen Hawkins.** **HAWKINS** founded Petro around 2007 and served at all times as its CEO and chief promoter. During the conspiracy with Petro, he made innumerable false representations about Petro and its prospects. Despite the C&D orders, he sold shares, and he gifted

billions of shares to others, many of whom provided him with kick-backs from the proceeds. **HAWKINS** has never been licensed to sell securities. **HAWKINS** said he ran Petro on a “cash basis,” which consisted of making large withdrawals of investor proceeds for personal expenses whenever he wished. He did not disclose numerous material facts to shareholders and prospective investors, including his high spending and compensation. He did not disclose the true nature of Petro’s assets, which were not vested. He did not disclose that under the terms of his deal with Performance Packaging, which he misleadingly called a Petro “subsidiary,” the company would have to realize over \$2.5 million in gross receipts before it would start sharing any revenue with Petro. He cultivated relationships with numerous ministers, whom he dubbed the Minister’s Alliance. He gifted them white Fedora hats and millions of Petro shares, which he encouraged them to sell secretly, accepting kick-backs from the proceeds. From September 2008 through April 10, 2010, **HAWKINS** received at least \$1,980,425.95 from Petro investors into accounts he controlled. Few funds were reinvested into the company. Instead, **HAWKINS** used the investor proceeds to purchase:

- a. a Natural Cat Lynx Coat with Fox Trim from Alaskan Fur Company for \$5,700;
- b. a Hummer H3;
- c. a 2004 Mercedes S430;
- d. a Chrysler 300; and
- e. nineteen designer suits totaling \$10,303, which **HAWKINS** purchased on eBay from December 17, 2008, to January 14, 2009, including: a Ralph Lauren three-piece Purple Label suit for \$675; a Brioni Flamino Italy Gray suit for \$1056.15; a Brioni wool charcoal pinstripe suit for \$799.99; a Kinton men’s double-breasted cashmere business suit for \$848; a Brioni Neiman Marcus wool suit for \$575; and a Brioni Flamino side-vent, double-breasted suit.

5. **Teresa Brown**. Teresa **BROWN**, of Bandera, Texas, was a major Petro shareholder and seller of unregistered shares, although she was aware of the cease and desist orders. She was gifted millions of shares by **HAWKINS**. **BROWN** began working for Petro in the fall of 2008, when she “put the word out” that she had Petro shares to sell. **BROWN** has never been licensed to sell securities. She made numerous false representations and omissions to investors and shareholders during the course of the scheme, including during numerous shareholder conference calls and in emails. From September 1, 2008, through April 30, 2010, hundreds of wires totaling \$3,047,202.96 from Petro investors were deposited into the **BROWN**’s accounts. From June 2009 through April 2010, **BROWN** spent at least \$542,197 of Petro investor proceeds on personal expenditures, including:

- a. A new boat for \$37,335;
- b. A new SUV for \$32,750;
- c. Travel, including \$25,274 for air travel to locations including Switzerland, Kansas City, Arizona, Cape Cod, Europe and Panama, plus \$32,378 for hotels;
- d. A new computer;
- e. Several expensive handbags;
- f. Louis Vuitton luggage for \$5,262, which she bought in Zurich, Switzerland;
- g. Louis Vuitton items for \$3,152, which she bought in San Antonio, Texas;
- h. Beauty supplies for \$7,557;
- i. Home design items for \$41,128;
- j. Jewelry for \$81,187; and
- k. Mortgage payments on a \$14,327 timeshare in Virginia Beach.

6. **Johnny Heurung.** Johnny **HEURUNG**, of St. Paul, Minnesota, began working for Petro America around October 2008. He claimed he had experience with mines and oil. From that point forward, **HEURUNG** was involved in obtaining interests in various speculative mining claims and “putting them on Petro’s books,” including by writing contracts with the owners of the purported mine interests. **HEURUNG** participated in numerous Petro shareholder calls, on which he exaggerated the value and nature of Petro’s mining interests, and he made numerous other misrepresentations about Petro’s value and its purported timing for going public. He also held his weekly conference calls after the conclusion of the Petro shareholders calls, on which he discussed Petro and other investment schemes. In exchange, **BROWN** sent \$265,922 to **HEURUNG**, or to other entities at his direction. **HEURUNG** was aware of the Missouri C&D order.

7. **Clarence D. Moore.** Clarence **MOORE**, of Atlanta, Georgia, is not and never has been a C.P.A. Nonetheless, beginning in February 2010, **MOORE** did work on behalf of Petro America, and signed numerous false documents, designed to make investors believe that Petro’s supposed billions of dollars worth of assets had been verified by a professional C.P.A. In exchange, he received payments.

8. **Allen Collins.** Allen **COLLINS**, of Raymore, Missouri, sold Petro stock from at least September 8, 2009, to October 20, 2010 to at least 56 investors. **HAWKINS** gave **COLLINS** 100 million Petro shares, telling **COLLINS** that he would never fall below this amount. He was part of the Minister’s Alliance and attended its meetings. **COLLINS** made at least \$97,225 in proceeds. He also had unidentified cash deposits of \$75,549, and he received transfers of \$17,003 during the scheme. (People would put interested parties in touch with **COLLINS**, and he would sell them shares. **COLLINS** gave proceeds back to **HAWKINS**, usually in an envelope.) From October 31,

2008, to May 10, 2010, **COLLINS** received and deposited five additional checks totaling \$12,500 from Petro. **COLLINS** was aware of the Missouri C&D order and he has never been licensed to sell securities. (On May 7, 2010, **COLLINS** purchased a 2003 Mercedes Benz S430 for \$20,950.)

9. **Teresa Hill.** Teresa **HILL** of Kansas City, Missouri, sold Petro stock from at least September 2008 to November 2010 to at least 25 investors. She had not purchased any shares; **HAWKINS** gifted her 80 million shares. She received at least \$19,000 in confirmed proceeds into her accounts, and she likely received another \$33,000 in additional proceeds. **HILL** attended and helped to run the weekly shareholder meetings, where her role was to take information and investment cash for **HAWKINS**. **HILL** also helped to keep track of shares sold by her boyfriend, Charles **HOOKER**. **HILL** was aware of the Missouri C&D order and she has never been licensed to sell securities. (**HILL** purchased a 2003 Dodge Durango on August 24, 2009, for \$9,995.)

10. **Charles Hooker.** Charles **HOOKER**, of Kansas City, Missouri, became a Director of Petro America Corp. around April 13, 2007, as stated in Petro's Articles of Incorporation. **HOOKER** frequently spoke at the early shareholders meetings, where he stated that Petro's shares were worth \$2 each. He was part of the Minister's Alliance, and attended its meetings. **HAWKINS** gifted **HOOKER** 80 million shares. From at least September 2008 to November 2010, **HOOKER** sold Petro stock to at least 12 investors. He had not purchased any of it, and he was unemployed. Over the scheme's course, **HOOKER** received at least \$25,000 in confirmed proceeds. From late 2009 to April 2010, E.H. sold **HOOKER**'s shares and split the proceeds with him. The sales price was usually \$100 for 100,000 shares, which became \$1,000 for 1,000,000 shares, but that price increase was not based on any market reason. On November 5, 2008, on the courthouse steps, **HOOKER** bought **HILL**'s house, at 5240 Brookwood Avenue, Kansas City, Missouri, where he

was also living. He paid \$37,501 in cash derived from Petro proceeds. **HILL** had stopped paying her mortgage, allowing her house to go into foreclosure. **HILL** and **HOOKER** went to Bank of America to buy a cashier's check with \$37,501 cash contained in **HILL**'s purse to purchase the cashier's check for **HOOKER** to repurchase the house. **HOOKER** was aware of the Missouri C&D order and he has never been licensed to sell securities.

11. **Russell Hopkins**. From July 3, 2009, to at least October 26, 2010, **HOPKINS**, of Tuscaloosa, Alabama, sold Petro stock to at least 61 investors, receiving \$673,465 or more in proceeds. Since April 22, 2009, he spent \$859,449 from his Wells Fargo account, which he had opened in the name of Swift Marketing. He withdrew \$157,073 in cash. He spent \$74,866 on home improvements, \$71,110.93 on transfers to himself, \$13,733.71 at restaurants, \$15,100.84 on clothing, \$36,749 on auto expenses, \$12,204 on fuel, and \$58,992 at retail stores. **HOPKINS** personally guaranteed the Petro stock when he sold it, but he did not honor his guarantee when investors asked him for a refund. **HOPKINS** was aware of the Missouri C&D order, and he has never been licensed to sell securities.

12. **Brian Langenbach**. From at least August 20, 2009, through March 15, 2010, **LANGENBACH**, of Globe, Arizona, sold Petro stock to at least 131 investors, receiving at least \$691,406.16 in proceeds. He obtained Petro shares from Teresa **BROWN**, and he wired her a percentage of his proceeds. **LANGENBACH** was not licensed to sell securities. He had no regular employment during this time and he has not filed a federal tax return since 2003. He spoke on behalf of Petro at investor solicitation meetings and in business dealings. On June 24, 2009, T.M. wrote an email to **LANGENBACH** asking if he was aware of the Missouri C&D order, attaching the order. **LANGENBACH** responded, "Yes I am aware of this. I will tell you about it when we talk Brian".

C.G. also asked **LANGENBACH** about the C&D order during the summer of 2009, and **LANGENBACH** said it was “unfounded.” Between August 20, 2009, and October 29, 2010, **LANGENBACH** received \$741,958.71 into a bank account he opened in the name LFV Management LLC. From that amount, \$171,873 was withdrawn in cash, \$38,200 was transferred to **LANGENBACH**’s personal accounts, \$115,117 was transferred to **BROWN**, \$43,290 was spent on retail items (which included a \$3,983 purchase at Gucci on September 21, 2009), and \$38,350 was spent on travel. **LANGENBACH** often sold Petro stock for \$.20 per share.

13. **William Miller**. From at least August 18, 2009, to November 8, 2010, **MILLER**, of Independence, Missouri, sold Petro stock to at least 43 investors, including at least 2 investors in the Missouri. **MILLER** spent only about \$600 of his own money on Petro stock. **MILLER** accepted 50 million shares from **HAWKINS** for bringing his multi-level marketing contacts to Petro. He received at least \$104,375 in confirmed proceeds into his accounts, which show an additional \$56,266.14 in cash deposits and another \$4,790 in checks. **MILLER** said at \$24 per share, he felt guilty about having that much money, so he should give some away to bless others. In addition to having knowledge of the cease and desist orders, **MILLER** had further knowledge that Petro was fraudulent and that its stock could not be sold or traded. On March 26, 2010, a broker sent a letter to **MILLER** stating, “As of this date the Petro America Corporation Com B share is not a public stock. Therefore the current value is zero.....”

14. **Martin Roper**. **ROPER**, of Kansas City, Kansas, has been involved with Petro since at least 2008. He has taken his Series 6 and Series 63 financial certification exams. He was a member of the Minister’s Alliance, and attended its meetings. Toward the beginning of the conspiracy, **HAWKINS** gifted **ROPER** a large amount of shares. (In September 2008, soon after

Petro's original offering, he sent out a solicitation email.) Petro was **ROPER**'s only major source of income during the conspiracy period. Prior to 2009, he did not have a bank account. He was specifically named in the Missouri C&D Order. Other persons, including Allen **COLLINS**, sold shares for **ROPER** and split the proceeds with him. He also continued to sell shares himself, including to Missouri investors. At one point, he set up a personal Petro website, which was running in August 2010, to sell shares, listing his cell phone. **ROPER** also obtained J.H.'s shareholder list, and called his investors, offering to sell them Petro for less than J.H. From December 8, 2009, to October 19, 2010, **ROPER** deposited at least \$68,200 in proceeds into a bank account at Wells Fargo. **ROPER** spent \$111,296.45 out of that account during the same period. He gave some of the proceeds to **HAWKINS**. On April 27, 2010, **ROPER** bought a Hummer H2 for \$20,970 with the vanity license plate "PETRO2." From March to October 2010, he made 15 purchases from Nigro's Western Wear totaling \$4,580.08.

15. **Curtis White**. From at least April 1, 2010, to November 5, 2010, **WHITE**, of Grandview, Missouri, sold Petro stock to over 130 persons. Many of these investors were located in Missouri. He also received at least \$39,750 in checks, of which he cashed all but around \$9,000. He was part of the Minister's Alliance, and attended its meetings. In August 2010, **WHITE** bought a 2000 Mercedes S430 with proceeds.

D. MANNER AND MEANS

16. It was part of the conspiracy and in furtherance of it, that in order to induce persons to invest money in Petro America, the defendants made and caused to be made false and fraudulent statements and material omissions, as set forth below in paragraphs 38 through 118, which are incorporated herein by this reference as though fully set forth at this point.

Sale of Petro America Stock

17. It was further part of the conspiracy that **HAWKINS** began an unregistered offering of Petro America stock around June 2008. On September 1, 2008, **HAWKINS** filed a Form D with the SEC, claiming that Petro America intended to raise up to \$1,000,000 from the sale of equity in \$100 increments, purportedly under the Rule 504(b)(1)(ii) offering exemption. If complied with, this rule exempts transactions from registration and allows for a general solicitation of potential investors if the offering has been registered in at least one state that provides for registration and delivery of a disclosure document before sale.

18. It was further part of the conspiracy that Petro America did not comply with the Rule 504(b)(1) exemption that it claimed. Instead, it engaged in a general solicitation for the sale of a security – including through its website and presentations to potential investors – which was not limited to accredited investors, that is, investors who meet certain minimum requirements including at least \$1,000,000 in net worth and \$200,000 in annual income. In the first four months alone, Petro raised about \$1,000,000 through its unregistered and non-exempt public common stock offering, and it continued raising money afterwards, further nullifying any claim of exemption under Rule 504(b)(1). **HAWKINS** and his co-conspirators did not register the stock in any state, and they did not deliver the required disclosure document to purchasers prior to any sales.

19. It was further part of the conspiracy that **HAWKINS, BROWN, HEURUNG, COLLINS, HILL, HOOKER, HOPKINS, LANGENBACH, MILLER, ROPER, WHITE,** and others cultivated loyalty, gained credibility, and bought time from their shareholders, through a variety of calculated means. They often recruited through churches and used religious language in

their pitches. For example, they promoted Petro America as a once-in-a-lifetime opportunity to “share the blessing,” and made frequent references to the “Petro America Family.”

20. It was further part of the conspiracy that, in an attempt to enable Petro to continue selling its stock after the Missouri cease and desist order was issued November 12, 2008, and to enable the conspirators to continue to profit, **HAWKINS** “gifted” billions of shares to **BROWN, COLLINS, HILL, HOOKER, HOPKINS, LANGENBACH, MILLER, ROPER, WHITE** and others. Secondary sellers (sellers other than **HAWKINS** and **ROPER**) agreed to sell the stock, and they often returned some of the proceeds to others including **HAWKINS, BROWN, HOOKER,** and **WHITE**. Often, the secondary sellers represented that they were merely investors selling their own shares. The secondary sellers sold millions of Petro shares, including to investors in Missouri, despite their knowledge of the cease and desist order, and which barred them from selling to Missouri investors and making false representations about Petro. In most cases, they did not disclose: that cease and desist orders had been issued; the source of the shares; that most or all of their shares had been gifted; the specific amount of compensation they would receive; that the price of the shares was arbitrary and based on what investors would pay (and not set by any market factors); that gifting of billions of shares of stock diluted any value the shares could have; that almost no investor proceeds were being reinvested by Petro; and that they were spending investor proceeds on personal expenditures.

21. It was further part of the conspiracy that other “finders” were gifted shares of Petro stock in exchange for referring investors to Petro.

22. It was further part of the conspiracy that from September 1, 2008, to April 30, 2010, **BROWN** received checks and wires totaling at least \$3,047,202.96, derived from Petro stock sales

by her and other secondary sellers. Deposits were made at J.P. Morgan bank branches across the United States up to eight times per day. **BROWN** received at least \$5,500 from Petro investors located in Missouri, including after the Missouri cease and desist order was issued. **BROWN** sent a portion of the proceeds from Texas to Petro's accounts in Kansas City, Missouri. **BROWN** mailed checks to **HAWKINS** and sometimes provided him with envelopes of cash. On other occasions from July to October 2009, **BROWN** wired \$172,500 in proceeds from Texas to an attorney's bank account in Greeley, Colorado. Within a few days, the attorney would wire all but \$30 to \$70 of the proceeds to Petro's accounts in Kansas City, Missouri.

23. It was further part of the conspiracy that, from October 2009 through February 2010, a shareholder from Texas purchased 7,000,000 shares from **BROWN** for \$70,000. In October 2009, while in Texas, **BROWN** held an interstate conference call to discuss Petro with that shareholder and other investors, all of whom were then located in Louisiana. **BROWN** did not disclose to the investor that **BROWN** was the source of the shares. **BROWN** represented that Petro had set aside shares to sell to get an audit done, and that the shares were available through **BROWN** because Petro needed to raise \$180,000 for an accountant to conduct an audit to compute the book value. She represented that since the mines were not generating cash, the stock sales were supposed to raise the cash. **BROWN** represented that she was selling shares to raise money for the Petro accounting because she was "someone who believes in the dream," and she wanted to help the company grow and get to the market. **BROWN** told the shareholder in an e-mail that she had written the check to the accountant. **BROWN** did not tell this shareholder that she would personally be receiving a large portion of the \$70,000 investment.

24. It was further part of the conspiracy that in December 2009, three shareholders in Texas pooled money to purchase Petro shares from **BROWN**. The group sent **BROWN** \$7,000 via wire transfers. Prior to the purchase, they held a conference call with **BROWN**. She said that she was selling her Petro shares to raise money for new transfer agents. **BROWN** did not disclose that she would be taking a share from the sale. Instead, she represented that she would incur a loss by selling her shares at only \$0.01 per share. She did not make clear whether they were purchasing PTRZ shares or Petro America shares. Prior to the call, one shareholder had looked up the value of PTRZ and it appeared to be trading around \$0.25 per share. The shareholder asked **BROWN** why she was selling the shares for around \$0.01. **BROWN** told the group that they should “be thankful for the gift you...”

Putting “Assets” on Petro’s Books

25. It was further part of the conspiracy that, in order to keep early investors placated and to attract new investors, **HAWKINS, BROWN, HEURUNG, LANGENBACH**, and others attempted to swap additional Petro stock for speculative, unvested, future interests in mining claims (which they called mines), non-producing oil fields, and other so-called assets, in order to falsely claim that Petro presently had tangible assets.

26. It was further part of the conspiracy that, in October 2008, **BROWN** approached **HEURUNG** because she heard he had experience with mines and oil. **BROWN** told **HEURUNG** about Petro America. From that point forward, **HEURUNG, BROWN**, and, starting in the spring of 2009, **LANGENBACH**, obtained interests in various speculative mining claims to “put them on Petro’s books,” including by writing contracts with the claim owners. For most of these deals, 50% of the so-called interest stayed with the mine owner, 24.5% went to Petro and 24.5% went to a third

entity. **BROWN** acquired 24.5% interest in four or five of the mines in the name of her shell company, Sunstar. In other deals, 24.5% went to Money Investment, Inc., a company owned by **HEURUNG**. For other deals, percentages went to LFV Management, **LANGENBACH**'s company. All of Petro's purported mine interests were paid for with shares of Petro stock and no money was exchanged. **HAWKINS, BROWN, HEURUNG, and LANGENBACH** did not disclose to most investors that stock had been used in these deals, not cash, that the mining claims and oil fields were not producing any revenue (and it was not economically feasible for them ever to produce revenue), and that any legal interest Petro could have would not vest until the time, when and if, Petro went public.

27. It was further part of the conspiracy that **LANGENBACH** conspired with **HAWKINS** and **HEURUNG**, who signed contracts for purported ownership interests in "mining companies," for which Petro's paid in shares. The interests were contingent on Petro going public within three to six months. **LANGENBACH** worked with a disbarred attorney to set up companies and trusts, which gave the appearance of legitimate mining and other businesses. In reality they were shell companies, which **LANGENBACH** controlled.

28. It was further part of the conspiracy, (in order to induce people to invest), that the conspirators claimed that Petro was worth up to \$284 billion and Petro stock was worth \$24 per share. In February 2010, **HAWKINS** and a purported C.P.A. from Atlanta named Clarence **MOORE** worked together to determine valuations for Petro America stock. Together, they reached the figure of \$24 per share. Subsequently, **HAWKINS** circulated a letter from **MOORE** as evidence that Petro America had been valued, by a certified accountant, at \$284 billion and \$24 per share. The letter described **MOORE** as "the first African-American accountant for Gulf Oil and also a former

auditor for Exxon.” In actuality, **MOORE** is not and has never been a CPA. He worked briefly as an accounting clerk for Gulf Oil in the 1970s. In 1972, he worked for Exxon, where he audited cash registers at service stations. Recently, he has been homeless.

29. It was further part of the conspiracy that from June 2009 forward, **HAWKINS, BROWN, HEURUNG**, and others falsely claimed to investors that Petro had conducted “reverse mergers” with two companies that had, at some time, traded publicly: World Transport Authority (“WTAI”) and American Southwest Music Distribution, Inc. (“ASWD”). **HAWKINS** bought ASWD in his own name but with Petro America investor funds. He then changed ASWD’s name and symbol to Petro America-Delaware (“PTRZ”), of which he, individually, became the largest shareholder. The purpose of Petro’s two attempted (but not concluded) reverse mergers was to make it appear that Petro America had value. In truth, these companies had marginal or negative value. **HAWKINS, BROWN, HEURUNG, HOOKER**, and others frequently misrepresented that Petro America, PTRZ, and WTAI were somehow related, when in fact they were not related.

Petro America’s Offices and Website

30. It was further part of the conspiracy that, beginning on July 15, 2008, **HAWKINS** contracted with Regus Management Group, LLC, located in the glass office tower at Two Pershing Square, 2300 Main Street, Suite 900, Kansas City, Missouri. According to the initial contract, Regus agreed to provide Petro America with a “Virtual Office: Telephone answering in your company’s name, fax and mail handling, use of our prestigious address and 16 hours of office usage” in exchange for a monthly fee of \$225. Later, Petro upgraded its contract for additional office and meeting time. Mail and calls to Petro America were received by Regus, which forwarded them to **HAWKINS** or his agents. On multiple occasions, **HAWKINS** did not disclose to investors that

Petro's "headquarters" was actually a secretarial service. Regus informed Petro in August 2010 that it would not be renewing Petro's contract past November 2010.

31. It was further part of the conspiracy that around October 2008, the conspirators created a website, Petroamericacorp.com. They began referring potential investors to the website to instill the false impression that Petro was a vibrant and successful company. It stated that Petro seeks to be the "premier global crude oil marketer and energy arbitrageur," and its mission is to acquire oil fields and leases in emerging markets in developing countries such as Chad, Equatorial Guinea, Sao Tome Principe, and Cameroon. There is no evidence that Petro America seriously pursued any such opportunities. But the website pledged that "Profitable growth in a visionary atmosphere will allow the Company to achieve its Corporate objectives. The company seeks optimum returns on invested capital for meteoric returns that maintain and ensure shareholder value." The website included a prominent, misleading photograph of the downtown office tower where Petro's secretarial service was located.

Petro America Press Releases and Emails

32. It was further part of the conspiracy that Petro's website also included links to news releases published via Group WebMedia e-mails. **HAWKINS** reviewed and approved all news releases. Most were misleading and failed to disclose material facts. Examples include:

Petro America receives irrevocable corporate purchase order for 2 million barrels of crude oil from a firm in Dubai (May 2008);

Petro America receives \$40 million in assets in exchange for stock (August 2008); Petro America receives \$28 million in assets in exchange for stock (September 2008); and

Petro America acquires underground storage facility.... Petro America Corp acquires seven year-old underground multi-million dollar outsourcing firm for an

undisclosed amount. This strategically allows Petro America the opportunity to offer storage facility services for commercial, state and federal agencies that have needs and requirements to store barrels of crude oil in a secured environmental climate-controlled environment. (November 2008).

33. It was further part of the conspiracy that on June 12, 2009, **HEURUNG's** secretary sent an e-mail reading "Everyone....Johnny and I have incredible news for you. We are all truly blessed and abundant. Today Petro announced and went public! Many of you are now MILLIONAIRES! We congratulate you and love that we have this great achievement together! GET ALL THE DETAILS ON THE CALL THIS THURSDAY NIGHT!!! THIS INFORMATION IS CRITICAL TO YOUR FINANCIAL FUTURE!!!" She included the number for **HEURUNG's** weekly conference call. The e-mail was signed "yours in light and blessings! [secretary] & Johnny".

34. It was further part of the conspiracy that on June 13, 2009, **BROWN** worked with another person to send an e-mail to investors in multiple states announcing that Petro had gone public the previous day, it had closed at \$1.01, the stock symbol was PTRZ, and many shareholders were now millionaires. At the time, Petro had not been publicly listed on any exchange. It had not merged with any company. None of Petro's stockholders had been made millionaires, and Petro did not close at \$1.01 on June 12, 2009.

Compensation, Taxes and Payments

35. It was further part of the conspiracy that **HAWKINS** paid himself a yearly salary of \$595,000, ostensibly pursuant to an "Executive Employment Agreement," which was purportedly dated July 24, 2007. The contract also granted **HAWKINS** a guaranteed bonus of \$175,000; 500 million shares that were immediately exercisable; "all expenses necessarily and reasonably incurred;" a company car; a company apartment in Missouri; and a "Gold Management Dining

Card,” which he was allowed to use for meal expenses for the five years following his termination. In June 2010, **HAWKINS** admitted that only two people, including Charles **HOOKER**, were aware of this agreement. **HAWKINS** did not disclose his compensation to investors.

36. It was further part of the conspiracy that, in the Spring of 2010, **MOORE** drove from Atlanta to Kansas City to prepare tax returns for Petro America. **HAWKINS** and **MOORE** prepared the returns together, working from Petro’s incomplete financial records and from information that **HAWKINS** provided orally to **MOORE**. Both **HAWKINS** and **MOORE** signed and filed the returns, which contained false, misleading, and incomplete information, and they provided copies to the U.S. Attorney’s office. **HAWKINS** paid **MOORE** for the work. Petro’s 2007 return showed \$150,000 in assets and taxable income of \$3,545. Petro’s 2008 return showed \$81,101,654 in assets and a loss of \$104,642. Petro’s 2009 return showed \$284 billion in assets but taxable income of only \$9,334. For the three years in total, **MOORE** and **HAWKINS** listed a loss of \$91,763 in aggregated income for Petro. The returns fraudulently included income generated by Performance Packaging that was not distributed to Petro America.

37. It was further part of the conspiracy that **HAWKINS** distributed at least \$303,200 of investor money to at least 36 friends and shareholders of his choosing. In addition, **HAWKINS** made cash payments totaling \$217,859 to 21 “vendors and consultants.”

E. OVERT ACTS

In furtherance of and to effect the objectives of the conspiracy, and to accomplish its purposes and objectives, the defendants committed and caused to be committed the overt acts listed in paragraphs 38 through 118, among others, in the Western District of Missouri, and elsewhere.

1. ISREAL OWEN HAWKINS, JR.

38. In the summer of 2008, Petro entered into stock agreements with American Marketing Complex (AMC). In a stock agreement, which **HAWKINS** signed on June 30, 2008, he falsely listed Ernst & Young and KPMG as if they represented Petro America.

39. In a stock agreement, which **HAWKINS** signed on August 20, 2008, he falsely listed Ernst & Young and KPMG as if they represented Petro America.

40. On October 9, 2008, **HAWKINS** spoke to shareholders through a conference call, which was heard by Petro shareholders and prospective investors across the United States and Canada. During the call, he made the following false and misleading statements:

- a. “God has really opened up a lot of opportunities for this business;”
- b. The stock has a book value of \$2.00 per share;
- c. His goals are to receive the Nobel Peace Prize for doing good work, and “to create as many billionaires in this as I, as I possibly can, shareholders, people that have taken the risk and chance with us they deserve the rewards;” and
- d. “We want to bless others and change others’ lives.”

41. On October 24, 2008, Petro announced on its website (in the “Resent Press Releases” section [sic]) that it had entered into a negotiation to acquire a construction company, HMC Enterprises, for its “exploration division.” **HAWKINS** did not disclose in the news release that the individual he was “negotiating” with at HMC was his sister.

42. On December 3, 2008, the Missouri Securities Division spoke to **HAWKINS** regarding the Missouri cease and desist order. **HAWKINS** falsely claimed that Petro had barrels of oil stored in Hallmark Cards’ facilities.

43. On December 17, 2009, **HAWKINS** participated in a meeting with shareholders in Kansas City, Missouri, which was broadcast via a conference call routed through Spencer, Iowa, to Petro shareholders and prospective investors across the United States and Canada. During the meeting, **HAWKINS** made the following false and misleading statements:

- a. “Johnny and Teresa have brought gold mines to the table of Petro America, which is very exciting because it’s brought a lot of book value to the company, which means that your stock is backed by gold [crowd applauds];”
- b. “We are looking to get this closed out, we’re hoping to get this done within 30 days or sooner. We’ve talked to the attorney, we’ve put pressure on the accountants. We did the 15c211 done the thing I am most proud about is that the evaluation on the company is going to be tremendous;” and
- c. “In only two and a half years, you’ve been able to create a multi-billion company in assets and that’s not even including the market value that we are creating at Petro America.”

44. On December 18, 2009, **HAWKINS** approached a Mazuma teller with a large check written to cash, drawn on “Petro America Financial Services.” The teller explained to **HAWKINS** that bank policy required her to file a currency transaction report, or CTR, for large cash withdrawals over \$10,000. **HAWKINS** lowered the amount of his withdrawal to evade the bank reporting requirements, and to allow the above-described scheme to continue.

45. On January 14, 2010, **HAWKINS** participated in a conference call routed through Spencer, Iowa with Petro shareholders and prospective investors across the United States and Canada, during which he made the following false and misleading statement: “Again, we are very, very close to getting this all finalized and I’m looking for the stock to be trading very, very soon.”

46. On February 11, 2010, **HAWKINS** participated in a conference call routed through Spencer, Iowa, with Petro shareholders and prospective investors across the United States and

Canada, during which he made the following false and misleading statement: “I’m very proud of the fact that we’ve been able to build shareholder value over \$2 a share. We will be releasing those numbers, uh, fairly soon, but I am very proud that we have exceeded \$2 a share, um, 10 times, so I’m very proud of that. We got the opinion letter from the accountant.”

47. On February 18, 2010, **HAWKINS** participated in a conference call routed through Spencer, Iowa, with Petro shareholders and prospective investors across the United States and Canada, during which he made the following false and misleading statements:

- a. “We have also acquired a construction company;”
- b. “As you will be notified very soon about the valuation on your stockholder equity, we can proudly say it’s well over \$2 per share, that is the book value, it’s way over that;”
- c. “I’ll even step out and say that our book value we have been able to get from our accountant is \$24 a share;”
- d. “So what we’re proud to say is that we’ve created a lot of wealth just in shareholder equity at Petro America;” and
- e. “It’s always beautiful to have your stock backed by gold.”

48. On March 5, 2010, **HAWKINS** attempted to withdraw \$9,800 cash from the Petro account at Mazuma. The teller notified **HAWKINS** that the transaction put the Petro account over \$10,000 in currency withdrawals for the day and that this would generate a CTR. **HAWKINS** told the teller he did not want a CTR filed, so he changed the withdrawal amount to \$8,500 by writing another check in front of the teller.

49. On or about June 8, 2010, **HAWKINS** signed Petro America’s 2007 tax return even though he knew information on the return was false, incomplete, and misleading.

50. On or about June 8, 2010, **HAWKINS** signed Petro America's 2008 tax return even though he knew information on the return was false, incomplete, and misleading.

51. On or about June 8, 2010, **HAWKINS** signed Petro America's 2009 tax return even though he knew information on the return was false, incomplete, and misleading.

52. On June 11, 2010, **HAWKINS** filed three false Petro tax returns with the IRS.

53. On October 1, 2009, **HAWKINS** participated in a conference call routed through Spencer, Iowa with Petro shareholders and prospective investors across the United States and Canada, during which he made the following false and misleading statement: "I have talked to a Hollywood producer that's interested in doing a story on Petro America, The People's Company, and a documentary on how we've gone from where we have in such a short time, and the great uh, shareholder base that we have and also the humanitarian projects that we are looking forward to doing. Uh, the producers said that they do believe that we will get that Nobel peace prize and that would mean so much to me personally, and as well uh to the corporation to show that we have done a great corporate work and good corporate will."

54. On October 24, 2010, **HAWKINS** participated in a conference call routed through Spencer, Iowa with Petro shareholders and prospective investors across the United States and Canada, during which he made the following false and misleading statements:

- a. "We employ 100 people or more in that company [Performance Packaging] and a lot of our employees work on . . . our client's site, as well as our operations in the caves;"
- b. "So if we are averaging \$2 million sales a year and you take that times 12, the conservative figure, that company has a book value of \$24 million. Petro America and it has a lot of upside, so we have producing income;"

- c. “We purchased ASWD, a subsidiary of Petro America. We have purchased that company and we went public through that company;” and
- d. “Petro America has controlling interest of PTRZ and that’s a Delaware Corp., I want to get that straight.”

55. In October 2009, **HAWKINS** attempted to purchase a house by a lake located at 3405 N. 128th Terrace, Kansas City, Kansas for over \$300,000. The purchase fell through, but **HAWKINS** continued to make monthly rental payments of \$3,025, which totaled at least \$42,815.

56. On May 13, 2010, **HAWKINS** participated in a conference call routed through Spencer, Iowa with Petro shareholders across the United States and Canada, during which he made the following false and misleading statement: “We want this stock trading, but we also want it to trade at a good value, we want you to get a great return. We know the book value is good, but we want the market value to reflect the same and you all can do that by blogging and saying some good things about Petro America.”

57. In mid-October 2010, **HAWKINS** met with J.H., O.F. and others at Denny’s in Kansas City, Missouri. He said he needed \$5,000 for medical bills for a Petro employee. After the meeting, **HAWKINS** took the group to a print shop to obtain their stock certificates. In their presence, **HAWKINS** signed the stock certificates and applied a seal. He explained that he was backdating the stock certificates to September 2008, because that is when he was able to sell Petro stock.

2. TERESA BROWN

58. On June 16, 2009, **BROWN** opened a J.P. Morgan checking account ending in 8569 in Texas in the name Windsong Ventures. **BROWN** was the only authorized signer on the account.

59. On April 1, 2010, **BROWN** opened J.P. Morgan savings account in Texas ending in 0480 in the name Sunstar Investment Group, LLC. **BROWN** was the only authorized signer on the account.

60. On October 9, 2008, **BROWN** participated in a conference call with Petro shareholders and prospective investors across the United States and Canada. During the conference call, **BROWN** made the following false and misleading statements:

- a. "I need to let everybody know that I am a shareholder of this company And so we are not licensed brokers, we are not investment counselors, we are not here to give you any kind of investment advice at all. We're just here to share something with you we think is an awesome opportunity."
- b. "Petro America is a one-and-a-half-year-old oil trading company that will be going on the stock market within the next six months;"
- c. "According to the information I have from D&B, Dunn and Bradstreet, this company reported a \$1.9 million profit last year and has 11 employees. Their website which we heard from him this evening is still in process . . . they [Petro America] are moving all of their offices from New York and from uh Los Angeles to Kansas City to consolidate and to make sure they have a better real estate market, I guess that's a way to term that . . . he has also confirmed that he has [Petro America] \$68 million on the books which has been verified with the SEC and has been notarized by the attorney. He has two attorneys that are working with him to take this company public, hopefully within the next six months. Being that, we do not want to violate any kind of insider trading, SEC rules, we don't have the information as to when it's gonna go public, we don't wanna know, and we wanna make sure we stay within the rules and regulations. So, I don't know. I'm not going to ask. I can't answer it;"
- d. "I did not want to bring this up, um . . . but I had a friend of mine was in a meeting yesterday and we have heard via the grapevine that the price of these shares [Petro America] may be going up between \$200 to \$300. We will get a heads up before the official, the official word and when the official word does come out, we'll have two to three days before it goes into effect . . . so I am letting everybody know now that the [inaudible] of \$100 for 100,000 shares is not going to last. My suggestion is that if this is something you wish to do, we need to have everything in the mail no later than a week tomorrow;"

- e. “The other thing I do need to clarify is that I have verified the office, I had a friend of mine walk into the office buildings, go into their office space, talk to their/his secretary. . . . have attended several of their meetings. This is not a hole in the wall. It is not a mail drop. This is a real office in a very prestigious part of town;”
- e. “The other thing I have to say is this is a blessing. Please if you can look around you. Look at home, your neighborhood, your church, see who you can bless and pay it forward;”
- f. “A hundred thousand shares at this moment is worth \$200,000;”
- g. In response to a question concerning which underwriter was taking the company [Petro America] public, **BROWN** responded “No, it’s not. . . . One of the reasons I did not want that, uh, asked was because that is private company business and we, uh, that’s not available for public consumption;”
- h. The caller responded to her answer by asking further if that is a violation of the SEC stuff. **BROWN** responded, “Ya, we don’t want to get into any of that;” and
- i. In response to an investor’s question regarding what the shares might be worth when the company goes public, **BROWN** responded, “The speculation is that when they go public, is \$10 to \$20. The speculation at a year’s time is \$60.”

61. In June 2009, a person in Georgia e-mailed **BROWN** in Texas asking about PTRZ stock purchased by his client and his client’s family. The person asked whether it was possible that PTRZ “may not be allowed to trade on the OTC and/or NASDAQ.” **BROWN** responded on June 25, 2009 with a false, misleading statement: “All I can say is that we would never have received the symbol in the first place if every ‘I’ had not been dotted and every ‘T’ not been crossed. They wanted additional info [t]o prove that we indeed did have the assets on the books that we said we do. We have those documents. I know because I helped to get them to the company. . . .”

62. On July 31, 2009, **BROWN** sent a false and misleading e-mail from Texas to a Petro investor in Florida misrepresenting Petro’s legal woes in Missouri and with the SEC:

Back in Oct or Nov of last year someone, trying to create problems, made a complaint to the Missouri SEC. MO then ordered Petro to stop selling stock. Petro had already stopped the first of Oct. The problem seems to stem from the fact that Petro filed a form 506 which allows unaccredited investors like to buy stock. Missouri did not like that and wanted Petro to file a form 504 which only allowed accredited investors. Accredited investors are those who make over \$200,000 a year or who have over 1 million in assets. The SEC has stepped in as well but can find no one to complain. Even with all of the set backs and hold ups Petro has still managed to go public and get the new symbol, but now there is more paperwork being required. I can say that all assets will be able to be verified and Petro should be able to move forward shortly.

63. On October 30, 2009, **BROWN** sent an e-mail to investors containing the following false and misleading statements:

- a. Petro is getting ready to go to the Pink Sheets and then within a very short period of 30-45 days they could go to NASDAQ (if not sooner);
- b. "Last year this company showed assets of \$68 million and since then, because of investments in gold mines, gas, oil, etc., their assets now exceed \$200 billion. *Our ship is coming in very soon!*"; and
- c. Johnny is in negotiations with the World Bullion Bank, which would back Petro America shares with gold for 50 years. In the next 4-7 months, share values could easily go to \$50 to \$100 per share.

64. On December 8, 2009, **BROWN** sent an email from Texas to numerous recipients containing a false and misleading solicitation from:

- a. We have a small window of opportunity for all the shareholders who have been desiring some extra shares. We have an individual who has some private shares that is willing to sell some to assist in raising money for Petro. This will help pay for some of the additional costs that have been accrued over the last month with the problems with the other transfer agent and also help all of us get our shares in a timely manner. The shares will be available at the price of \$1000.00 for 100,000 shares. This is well below the current market price and a great opportunity for all those looking for some extra. If you are interested in purchasing any, please reply to this email and we will get back to you shortly.

- b. **BROWN** did not disclose that she was the private individual who would be providing the shares.
- c. **BROWN** did not disclose that she would be taking a portion of the proceeds from the sale.
- d. **BROWN** did not disclose that the sales price had been arbitrarily determined by **BROWN**.

65. From December 14, 2009, through March 25, 2010, **BROWN** sent 11 checks totaling \$830,000, constituting Petro proceeds, to **HAWKINS** in Kansas City, Missouri, from her Windsong Ventures account in Texas, as described below:

	Date	Amount	Payee	Memo
a.	12/14/09	\$125,000	Petro America Corp	
b.	12/16/09	\$ 10,000	Petro America Corp	legal opinion
c.	12/17/09	\$ 25,000	Petro America Corp	
d.	12/18/09	\$ 5,000	Owen Hawkins	Merry Christmas
e.	12/18/09	\$ 55,000	Petro America Corp	
f.	01/22/10	\$ 40,000	Petro America Corp	
g.	02/04/10	\$ 50,000	Petro America Corp	
h.	02/12/10	\$100,000	Petro America Corp	
i.	02/24/10	\$140,000	Owen Hawkins	Petro
j.	03/16/10	\$180,000	Petro America Corp	
k.	03/25/10	\$100,000	Petro America Corp	
	TOTAL	\$830,000		

66. **BROWN** also sent \$265,922, at Johnny **HEURUNG**'s direction, to **HEURUNG** or to other entities, including:

- a. On July 27, 2009, **HEURUNG**'s company, Money Investment, Inc. received a \$14,000 check from Windsong Ventures;
- b. On August 20, 2009, another **HEURUNG** entity, Money Trust Company, received a \$100,000 wire from Windsong Ventures;
- c. On September 15, 2009 **BROWN** wired \$7,500 from her Windsong account in Texas to a company called Exmin, LLC in Nevada. The wires bore references "for Petro America per Johnny;" and

- d. On January 4, 2010, **BROWN** wired \$100,000 from her Windsong account in Texas to a company called Exodus 15 LLC in New York, referencing “Johnny Heurung commissions.”

3. JOHNNY HEURUNG

67. On October 29, 2009, **HEURUNG** participated in a conference call from Washington State, routed through Battle Lake, Minnesota, with Petro shareholders and prospective investors across the United States and Canada, during which he made the following false and misleading statements:

- a. “I believe they’re going to open up somewhere between \$5 and \$10 per share and right now we’re sitting at a value of about, let’s just say approximately \$200 billion or better, okay, which means it’s going to drive the shares up higher;”
- b. “Now, when I met with Vanessa [from Island Stock Transfer] today, let me say this ladies and gentlemen, we are closer than it’s ever been in our lifetime, okay, there’s only one other item they need and I believe after I talk to Owen, it will be there and it’ll be fantastic, okay;”
- c. “The value of this stock is also going to be driven even higher than what I’m saying. Gold is projected to go to \$2,000 plus a year, okay, within the next 17 months. Our mines are 13 strong. We’re in gold, platinum and silver, which is phenomenal, okay, that’s another plus. The other thing we got to remember is that over the next 5, 10, 15 months, this stock is going to take people to a whole new life, and by not being greedy and getting by with what you need, will literally change your life;”
- d. “The other thing people got to remember, this stock is forecasted to do better than Microsoft. We’ve already beat Microsoft’s number one record already, since we’ve already opened. . . .”;
- e. “I can’t tell you everything, okay, but read between my lips, there’s things that are coming out on each mine that’ll raise the value weekly, monthly and yearly for the next 100 years;” and
- f. “The monthly reports that will come out will be finding additional things going on with each mine and oil and gas and the other projects that we have, so don’t

be, as I say, ready to jump the gun too fast, because literally, this stock is going to do *very, very* well.”

68. On December 17, 2009, **HEURUNG** participated in a meeting with investors in Kansas City, Missouri, that was listened to via telephone conference, routed through Battle Lake, Minnesota, by Petro shareholders and prospective investors across the United States and Canada. During the meeting, he made the following false and misleading statements:

- a. “We are now going to become a major oil-producing company, we picked up 28 pumping fields, that’ll be coming on board next week [applause];”
- b. “We picked up another approximately \$350 billion in solid mines with all the reports;”
- c. “We also picked up 450,000 acres in the valley of Montana off one of the number one shelves and we’ll have the opportunity to put up another 150 wells over the next 50 years;”
- d. “We will be signing a no less than a 100 year contract with the Bullion Bank, so everything that Petro produces over the next 100 years, there is a saying ‘champagne dreams will be met and caviar’ – it’s coming, we have it, okay;”
- e. “So, we will be able to probably put the unemployment roll over the next few years back to zero;”
- f. “The longer you keep your stock, the better it’s gonna become;”
- g. “Once we hit the American and the NASDAQ it’s going to jump to 60 to 90 percent [par value], okay, and that’ll probably be within six months or less;” and
- h. “This next year for each and every one of you out there, is gonna be probably the most excitement that’s ever come for our country. . . . I am looking at a room of more millionaires in one place than I’ve been in a long time and I can honestly say that it is gonna happen and I can honestly say there’s gonna be some major billionaires in here too, cause I already know where this is going to be going and what’s happening, so this is very, very exciting.”

69. On June 10, 2010, **HEURUNG** participated in a conference call from Washington State, routed through Battle Lake, Minnesota, with Petro shareholders and prospective investors across the United States and Canada, during which he made the following false and misleading statements:

- a. “Uh, the value of this will open somewhere very close to about \$279 billion, the accountants are in Kansas City right now with Owen arranging for this to be all finished and that will be our opening value;”
- b. “Now people have been asking me are we valued at a higher amount, um, yes we are;”
- c. “Petro with the right management team will be around for the next 500 years. And the stock, at the opening value, right now we’re larger than Coca-Cola, okay, so don’t sell your shares too fast;” and
- d. “I can’t tell you everything in the mines. I can’t tell you everything in the oil fields. But let me tell you, I’ve seen this, and it is fantastic, and I’m still seeing more so just tread water a little bit, pay off your bills, enjoy life a little bit, and then take the ride because you’re going to enjoy it for many, many years to come. . . .”

70. On July 1, 2010, **HEURUNG** participated in a conference call, routed through Battle Lake, Minnesota, with Petro shareholders and prospective investors across the United States and Canada, during which he made the following false, and misleading statements:

- a. “Now I’ll talk about a little bit about Petro. There was some more exciting news;”
- b. “The documentation has now been all certified. It is in the lawyers’ hands, and it will be moving forward;”
- c. “I think it’s gonna be a very, very short time and the opening par value, just to let you know, came in higher than what I said before at 279 billion so this is going to be very, very good. We are gonna be in multiple, multiple gold mines, gas fields, and oil fields. And we will have our oil fields up and running in approximately 30 to 60 days so it is not gonna take long at all and that’s gonna be even more exciting when that happens;” and
- d. “And the values that this is gonna generate will be phenomenal.”

71. On August 5, 2010, **HEURUNG** participated in a conference call, routed through Battle Lake, Minnesota, with Petro shareholders and prospective investors across the United States and Canada, during which he made the following false and misleading statement: “There’s an opportunity here with all the mines, all the oil fields that everybody will be very, very successful beyond their needs and whims that you ever need and some of you will never be able to spend the money. But you will be able to help so many prospects, so many charities, so many foundations and I just wanted to remind you to be careful that people do not take advantage of you.”

72. On September 9, 2010, **HEURUNG** was interviewed in Arlington, Virginia, by federal agents regarding Petro America. But that night, he still participated in a telephone conference with Petro shareholders and prospective investors across the United States and Canada, during which he made the following false and misleading statement: “At no time have I ever taken funds, monies or literally taken any cash payments or anything from Petro or Petro investors. Everything that I did went through Teresa and [**HEURUNG**’s secretary] and myself with Owen.”

4. CLARENCE D. MOORE

73. In February 2010, **MOORE** and **HAWKINS** determined a false and misleading valuation for Petro of \$284 billion and \$24 per share, which was subsequently used to promote Petro stock.

74. On or about June 9, 2010, **MOORE** signed Petro America’s 2007 tax return even though he knew information on the return was false, incomplete, and misleading.

75. On or about June 9, 2010, **MOORE** signed Petro America’s 2008 tax return even though he knew information on the return was false, incomplete, and misleading.

76. On or about June 6, 2010, **MOORE** signed Petro America's 2009 tax return even though he knew information on the return was false, incomplete, and misleading.

77. On June 11, 2010, **MOORE** caused to be filed with the IRS three false Petro tax returns.

78. **MOORE** knowingly signed a resignation letter dated July 5, 2010, containing false information regarding his background, including that he had been a CPA.

5. ALLEN COLLINS

79. From April 2, 2010, to October 20, 2010, **COLLINS** sold stock for \$17,000 to L.D. of Lee's Summit, Missouri, cashing some proceeds, and depositing other proceeds into his account at Mazuma Credit Union.

- a. On April 2, 2010, **COLLINS** deposited a \$2,000 check, taking \$1,800 cash.
- b. On April 14, 2010, **COLLINS** deposited a \$2,000 check.
- c. On April 14, 2010, **COLLINS** deposited a \$3,000 check, taking \$2,858.35 cash.
- d. On April 29, 2010, **COLLINS** deposited a \$3,000 check.
- e. On April 29, 2010, **COLLINS** deposited a \$3,000 check.
- f. On October 20, 2010, **COLLINS** deposited a \$3,000 check.
- g. On October 20, 2010, **COLLINS** deposited a \$1,000 check.
- h. **COLLINS** spoke with L.D. again in February 2011 and said Petro was set to go public in June or July 2011.
- i. **COLLINS** did not disclose that Petro was subject to two cease and desist orders.
- j. **COLLINS** did not disclose that the stock was unregistered.

80. From June 15, 2010, to September 21, 2010, **COLLINS** sold stock to D.E. of Shreveport, Louisiana, depositing proceeds into his account at Mazuma Credit Union in Kansas City, Missouri.

- a. On June 15, 2010, **COLLINS** deposited a \$1,000 check.
- b. On August 23, 2010, **COLLINS** deposited a \$1,250 check.
- c. On September 21, 2010, **COLLINS** deposited a \$500 check.
- d. **COLLINS** did not disclose whether he bought his shares.
- e. **COLLINS** did not disclose the risks of buying Petro.
- f. **COLLINS** did not disclose the C&D orders.
- g. **COLLINS** did not disclose that the stock was unregistered.

81. In late 2008 and again around June 14, 2010, **COLLINS** spoke with D.K. of Rowlett, Texas, prior to selling him shares.

- a. **COLLINS** never said whether Petro's shares were registered.
- b. **COLLINS** never said whether he was taking a commission.
- c. **COLLINS** never disclosed that **HAWKINS** withdrew Petro funds and used investor cash for his personal expenses.

82. On March 29, 2011, **COLLINS** had a telephone conversation with Special Agent Jeff Trogden of the Internal Revenue Service, Criminal Investigation Division. **COLLINS** falsely stated that he was only a shareholder of Petro, and was not involved in any other way.

6. TERESA HILL

83. In August 2009, **HILL** sent two emails to **BROWN** in furtherance of the conspiracy.

- a. On August 5, 2009, **HILL** sent an email to **BROWN** at crystallotus@msn.com, in which **HILL** requested: "Also will you deduct from Charles Hooker 1,000,000

shares and add to the following people: [V.M.] 300,000 shares, [W.S.] 200,000 shares, [T.H.] 500,000.”

- b. On August 12, 2009, **HILL** sent an email to **BROWN** at crystallotus@msn.com, in which **HILL** requested: “Please deduct from Charles Hooker’s shares and add to the following people: [W.H.] 100,000 shares, [E.H.] 100,000 shares, [D.N.] 1,000,000 shares, [C.T.]100,000 shares, [R.T.] 200,000 shares, [E.H.] 500,000 shares, [D.H.] 500,000 shares, [E.H.]500,000 shares”.

84. In May 2010, **HILL** received wire transfers in Kansas City, Missouri, which were derived from the sale of Petro shares.

- a. On May 13, 2010, **HILL** received a wire for \$1,500 from S.P. of Ohio for Petro shares.
- b. On May 19, 2010, **HILL** received a wire for \$500 from M.B. of Florida for Petro shares.
- c. On May 20, 2010, **HILL** received a wire for \$1,600 from S.P. of Ohio for Petro shares.
- d. On May 28, 2010, **HILL** received a wire for \$2,000 from A.J. of Ohio for Petro shares.
- e. On June 7, 2010, **HILL** received a wire for \$2,000 from A.J. of Ohio for Petro shares.

85. In September 2010, **HILL** and **HOOKER** sold Petro shares to investor B.D. after making the following misrepresentations.

- a. **HOOKER** said that he could not sell Petro stock to him because “they weren’t allowed to sell”.
- b. **HOOKER** said that B.D. was “buying the right to buy the stock [Petro] at a future day....”
- c. **HOOKER** said that **HILL** had some she could resell but said she wasn’t selling the stock.
- d. **HOOKER** and **HILL** did not tell B.D. that Petro shares were not registered in any state.

- e. **HOOKER** and **HILL** did not disclose that cease and desist orders were filed against Petro.
- f. **HOOKER** and **HILL** caused B.D. to overnight a \$500 money order to **HILL** for shares on or about September 29, 2010.

7. CHARLES HOOKER

86. In November 2008, in furtherance of the conspiracy, **HOOKER** went to Jefferson City with **HAWKINS** to meet with the Missouri Securities Division.

87. In late 2008 or early 2009, at a shareholder meeting, **HOOKER** displayed a purported Private Placement Memorandum for Petro dated September 15, 2007.

88. In late 2009, while knowing that a cease and desist order was in effect, **HOOKER** arranged for E.H. to sell **HOOKER**'s stock, taking a share of the proceeds.

89. On August 5, 2009, W.S. purchased 200,000 shares from **HOOKER**.

- a. At a Petro meeting, **HOOKER** handed W.S. an e-mail dated August 5, 2009 from **HILL**'s e-mail account. The e-mail was sent to **BROWN** and it showed W.S. received 200,000 shares that were transferred from **HOOKER**'s shares.
- b. Prior to the sale, **HOOKER** did not disclose risks he knew of investing in Petro.

90. In September 2010, **HILL** and **HOOKER** sold Petro shares to investor B.D.

- a. **HOOKER** and **HILL** did not tell B.D. that Petro shares were not registered in any state.
- b. **HOOKER** and **HILL** did not disclose that cease and desist orders were filed against Petro.
- c. **HOOKER** and **HILL** caused B.D. to overnight a \$500 money order to **HILL** for shares on or about September 29, 2010.

8. RUSSELL HOPKINS

91. From September to December 2009, **HOPKINS** sold shares for \$5,000 to an investor from Bowling Green, Kentucky. **HOPKINS** told the investor false and misleading statements, including:

- a. Petro owned mines and oil fields and was trading under the symbol PTRZ.
- b. It's all going to be great, we're all gonna be rich.
- c. He never disclosed that he had been gifted shares.
- d. He never disclosed that the stock was unregistered.
- e. He never disclosed that Petro and PTRZ were separate and not related.
- f. He never disclosed that Missouri had issued a cease and desist order.
- g. Things were in "god's hands."
- h. The truth would set the company free.
- i. **HOPKINS** would refund any investment if Petro did not work out.
- j. On September 30, 2009, **HOPKINS** emailed the KY investor "please remember this is a friend to friend gifting of shares . . . I am not a stock broker and I can not be look at as I'm selling stocks . . . what I'm doing is gifting these shares out of my share base at a guaranteed money back if things do not work out for us all."
- k. Also on September 30, 2009, **HOPKINS** emailed the KY investor "Please remember that I'm not a registered license broker and what I'm doing is for my friends only and I must ask that you look at this transaction this way because telling the SEC about this would bring me much harm."
- l. **HOPKINS** caused the KY investor to wire \$4,000 on October 7, 2009, to **HOPKINS** for the purchase of shares.

92. In June 2009, **HOPKINS** sold \$8,500 in shares to an investor in Kentucky after making false statements and omissions.

- a. On or about June 23, 2009, **HOPKINS** said that they were PTRZ shares, when in fact, they were Petro Kansas Shares.
- b. **HOPKINS** said that Petro would be trading any day now.
- c. On June 24, 2009, **HOPKINS** sent an email to the KY investor containing false and misleading statements, touting what a great opportunity Petro was. He stated that he had purchased a “BIG Block of these shares” the preceding year and was selling them because he needed to raise \$5000 immediately.
- d. On or about July 14, 2009, **HOPKINS** sent a letter to the same investor, promising “my personal guarantee that if anything was to go wrong and we did not receive our shares then I would reimburse your \$8,500 in full.”
- e. On March 12, 2010, **HOPKINS** sent a second letter to the same investor, which said, “The amount that you have paid was in the \$1,000’s and in return will receive 2-Million shares of stock in Petro America Corp. (PTRZ)”.
- f. **HOPKINS** also told the investor that he needed more money, and that he would gift the investor shares for anyone he sent to **HOPKINS** to purchase Petro shares.
- g. **HOPKINS** did not disclose that the shares were unregistered
- h. **HOPKINS** did not disclose that there was a C&D order.

93. On August 25, 2009, **HOPKINS** emailed a false and misleading solicitation to an investor in Texas. He wrote:

- a. “Now the ticker symbol: PTRZ” “Go to Google Finance or MSN.com and click Money link an type in the ticker symbol”.
- b. “What I have available is 500,000 shares that I'm moving for .10 cents on the dollar for each share.”
- c. “If you are interested in picking up any of my share I'm moving 10,000 blocks minimum so let me know how many you would like.....before the end of this week if at all possible so we can work out all the details.”
- d. “I will back this with a 100% money back guarantee if anything was to go wrong.....So there is no way you can loose. But believe me BIG

things are getting ready to happen so I know this is going to work out well for all of us.”

- e. He never disclosed that the shares were unregistered.
- f. He never disclosed that Petro was subject to a Missouri C&D order.

94. In or around September 2009, **HOPKINS** sold stock for \$109,000 to an 82-year-old investor in Louisiana, including by making the following false and misleading statements and representations.

- a. He would be investing in an oil and gas company.
- b. **HOPKINS**' interest was that he was merely a shareholder,
- c. He did not disclose that he would be taking a commission.
- d. **HOPKINS** did not disclose that a Missouri cease and desist order had been issued.
- e. **HOPKINS** did not disclose the shares were not registered.
- f. He misrepresented that they were PTRZ shares, when in fact, they were Petro Kansas Shares.
- g. On or about August 23, 2010, **HOPKINS** sent the LA investor a confirmation letter indicating that he had bought “5-Million shares of stock in Petro America Corp. (PTRZ)”.

95. In 2009, an investor in Alabama learned about Petro America from **HOPKINS**, who said the company would soon go public. **HOPKINS** induced him to invest \$78,000. They exchanged a series of emails in October 2009 related to Petro purchases, which included false and misleading statements.

- a. Around May 20, 2010, **HOPKINS** sent the AL investor a purported review conducted by Clarence **MOORE**, which contained numerous false representations about Petro. **HOPKINS** marked it “for his eyes only.” The investor received the review after he had invested some money with Petro but before he invested all of his \$78,000.

- b. **HOPKINS** promised the investor his money back if Petro did not issue shares. When the investor asked **HOPKINS** for his money back, **HOPKINS** missed the first two payments.
- c. **HOPKINS** did not disclose the Missouri cease and desist order.
- d. **HOPKINS** did not disclose that the shares were unregistered.

96. On March 6, 2010, **HOPKINS** and **BROWN** participated in holding a Petro meeting at the Duncanville, Texas public library with 150 people in attendance. **HOPKINS** and **BROWN** made misrepresentations at the meeting, including that it was okay for investors to sell their own shares.

9. BRIAN LANGENBACH

97. On or about September 24, 2009, **LANGENBACH** spoke about Petro in front of a group of about 50 potential investors at the Metropolitan Grill in Tucson, Arizona. He was introduced as being close to **HAWKINS** and Petro. When **LANGENBACH** spoke, there was “a lot of hooraying and toasts.” He made numerous false statements and material omissions in promoting the sale of Petro stock.

- a. **LANGENBACH**, D.G. and L.G. all said they were Christians, and prayers were said before the meeting.
- b. **LANGENBACH** said that Petro merely needed to finish a few gold mine deals, and then it would go public, and everybody would be rich by Christmas.
- c. When asked a question from a potential investor, **LANGENBACH** said not to worry whether Petro owned the gold mines; they were “authentic.”
- d. **LANGENBACH** said that when Petro went public, within 45 days, Petro would open at \$5 to \$10 per share.
- e. **LANGENBACH** said that 20% of Petro’s proceeds would go to water purification systems in third world countries.

- f. **LANGENBACH** represented that there was an urgency to invest, that it would close any day now, and then Petro would stop offering this deal.
- g. **LANGENBACH** did not disclose the Missouri C&D order, or that he was not licensed to sell securities.
- h. **LANGENBACH** paid for the tab of \$1,746.34.
- i. Based upon information provided by **LANGENBACH** and others at this meeting, M.Q. invested \$20,000 in Petro, and L.C. invested \$2,500.

98. From 2009 to 2010, **LANGENBACH** sold 117,500 shares of Petro stock to an B.D. of Oro Valley, Arizona, who relied upon **LANGENBACH**'s false statements and omissions.

- a. **LANGENBACH** told the investor that the Petro stock would "pop" on September 23, 2009, and that if he wanted in, he had better hurry up and get his money in.
- b. **LANGENBACH** said he had a gut feeling that the Petro stock would go to \$5 per share when it went public.
- c. **LANGENBACH** said he was able to sell his stock because it was private stock and that was the reason it was legal.
- d. This induced the investor to make several payments directly into **LANGENBACH**'s LFV Management account on or about September 16 to 23, 2009.
- e. On February 22, 2010, the investor signed over the title to his car, a 1995 Mitsubishi, to **LANGENBACH** in exchange for 100,000 Petro shares.

99. On a September 18, 2009, conference call with investors, **LANGENBACH** said that he had Petro stock to sell to investors, and it would go up to \$2 to \$5 per share.

100. On October 8, 2009, **LANGENBACH** participated in a recorded conference call with **HAWKINS** and C.G. regarding Pine Tree gold mine. At the end of the call, **LANGENBACH** asked C.G. to stop recording. After the recording stopped, **LANGENBACH** told C.G. that Petro was really close to opening and it would open around \$27 per share.

101. From June 29, 2009 to August 19, 2009, **LANGENBACH** received wires totaling \$77,000 from Teresa **BROWN**.

- a. On June 29, **BROWN** wired **LANGENBACH** \$7,000.
- b. On July 10, **BROWN** wired **LANGENBACH** \$15,000.
- c. On July 21, **BROWN** wired **LANGENBACH** \$10,000.
- d. On July 27, **BROWN** wired **LANGENBACH** \$20,000.
- e. On August 10, **BROWN** wired **LANGENBACH** \$10,000.
- f. On August 19, **BROWN** wired **LANGENBACH** \$15,000.

102. From September 9, 2009 to November 17, 2009, **LANGENBACH** wired \$115,117 to an account Teresa **BROWN**:

- a. On September 9, 2009, **LANGENBACH** wired **BROWN** \$70,000;
- b. On September 14, 2009, **LANGENBACH** wired **BROWN** o \$30,117;
- c. On September 22, 2009, **LANGENBACH** wired **BROWN** \$5,000;
- d. On November 17, 2009, **LANGENBACH** wired **BROWN** \$10,000;

10. WILLIAM MILLER

103. On November 28, 2008, a marketer in Louisiana sent **MILLER** an email attaching the Missouri Cease and Desist Order, and asking **MILLER** what he thinks. She suggested that maybe it was in their best interests, given the order, to stay in Louisiana instead of coming to Kansas City for a shareholders meeting that week. **MILLER** responded thirty minutes later on November 29 that no worries, I talked to Hawkins today, will have [CUSIP] number Monday or Tuesday, then will file for symbol. They're in the works getting meetings set up with Carnahan, "their is nothing to worry about!! please don't forward this".

104. On or about August 20, 2009:
- a. **MILLER** deposited a \$1,000 cashier's check into his Bank of America account ending 6484, which check constituted proceeds derived from his sale of Petro America stock on August 18 to an investor in Joplin, Missouri;
 - b. When he sold stock, **MILLER** did not disclose what he was going to do with the proceeds;
 - c. He did not disclose the Missouri C&D order;
 - d. He did not disclose that the shares had been gifted to him;
 - e. He did not disclose that the shares had never been registered in any state.
105. On March 29, 2010:
- a. **MILLER** received a \$30,000 wire from Georgia investor J.C. to purchase Petro shares.
 - b. **MILLER** did not disclose that he was gifted the Petro stock.
 - c. **MILLER** did not disclose the Missouri C&D order.
106. On April 7, 2010, **MILLER** deposited a \$10,000 cashier's check from New Testament Church.org into his account ending 0957. The memo line of the check states "Four million (4,000,000) shares of Petro America Corp."

11. MARTIN ROPER

107. Around September 20, 2008, **ROPER** sent out an email containing false and misleading information about Petro, forwarding it to numerous friends and family, including: **ROPER** did not disclose that Petro America was not registered; **ROPER** did not disclose that Petro could not legally engage in a general solicitation.

- a. "Would you like it IF you could get $\$2 \times 100,000$ shares = 200,000 and it only cost you \$100?"

- b. "I understand that the par value is already worth \$2 per share and when it hits the market it could be \$10 to \$20 per share or more."
- c. "This is a 1 ½ year old OIL Company that will be going on the Stock Market within the next 6 months."
- d. "Mr. Hawkins confirmed that there is currently \$68 Million on Petro Books with SEC Exchange."
- e. "Attorney has notarized and signed off on this already."
- f. "Within the next 6 months it will be offered on the Pink Sheets stock market."
- g. It listed the website, www.petroamericacorp.com.
- h. It stated, "However, I do believe this is how Microsoft started their initial stock offering."

108. **ROPER** cause investor J.J. to purchase \$2,100 in stock after the "initial offering" made by Petro after he received a September 23, 2008 email from **ROPER**.

109. Investor P.A., of Sacramento, California, found out about Petro in 2009 over the Internet, where he found **ROPER**'s number and called him. **ROPER** caused the following payments from P.A. for Petro stock to be deposited into his Wells Fargo Bank account:

- a. On May 10, 2010, **ROPER** received \$1,000 from investor P.A.
- b. On May 13, 2010, **ROPER** received \$1,500 from investor P.A.
- c. On June 22, 2010, **ROPER** received \$4,000 from investor P.A.
- d. On July 7, 2010, **ROPER** received \$1,500 from investor P.A.
- e. On July 21, 2010, **ROPER** received \$2,000 from investor P.A.
- f. On July 27, 2010, **ROPER** received \$4,000 from investor P.A.
- g. On August 9, 2010, **ROPER** received \$1,200 from investor P.A.
- h. On August 17, 2010, **ROPER** received \$1,000 from investor P.A.

- i. On September 24, 2010, **ROPER** received \$1,000 from investor P.A.
- j. On September 29, 2010, **ROPER** received \$4,000 from investor P.A.
- k. On October 5, 2009, **ROPER** received \$1,000 from investor P.A.
- l. On October 14, 2010, **ROPER** received \$1,000 from investor P.A.
- m. On October 19, 2010, **ROPER** received \$1,000 from investor P.A.

110. J.H. of New Jersey, heard about Petro and contacted **ROPER**:

- a. J.H. from **ROPER** that Petro had diamond mines and oil wells;
- b. **ROPER** never mentioned the Missouri C&D order, or that **ROPER** was specifically named in the order;
- c. J.H. bought shares by depositing \$2,000 cash into **ROPER**'s bank account on April 28, 2010.

111. B.R. of Michigan heard about Petro and contacted **ROPER** in December 2009:

- a. **ROPER** said he had a bunch of Petro shares and Petro was about to go public by the end of the year;
- b. **ROPER** did not mention the Missouri C&D order. B.R. listened to the conference calls and heard that Petro had oil and gold mines worth \$300 billion;
- c. B.R. wrote a \$5,000 check to **ROPER** dated December 5, 2009;
- d. Later, **ROPER** said Petro was going public in the next 30 to 60 days and would be worth .70 or more per share; and
- e. On April 1, 2010, B.R. transferred \$10,000 from his B.O.A. account to **ROPER**'s account for 4 million shares.

112. D.S., of Kalistell, Montana, learned about Petro America. She purchased a cashier's check in the amount of \$500 dated December 9, 2008, and mailed it certified mail, to Martin **ROPER** in Kansas, who received it.

12. CURTIS WHITE

113. In July 2010, D.C. of Grain Valley, Missouri wrote four checks to **WHITE** for Petro shares, totaling \$5,200.

- a. On July 5, 2010, D.C. wrote **WHITE** a check for \$1,000 for Petro shares.
- b. On July 9, 2010, D.C. wrote **WHITE** a check for \$200 for Petro shares.
- c. On July 24, 2010, D.C. wrote **WHITE** a check for \$2,000 for Petro shares.
- d. On July 24, 2010, D.C. wrote **WHITE** a check for \$2,000 for Petro shares.
- e. **WHITE** did not disclose that Petro was subject to a C&D order.

114. J.C. and B.C., of Florida, heard about Petro and called **WHITE** in late July 2010.

- a. **WHITE** said he was selling his own shares because Petro had reached the limit of shares it could sell;
- b. **WHITE** did not tell J.C. and B.C. about the Missouri C&D order;
- c. **WHITE** led a prayer at the end of their conversation;
- d. **WHITE** caused J.C. and B.C. to arrange a wire transfer of \$1,000 to **WHITE**'s bank account on July 30, 2010, for Petro stock.

115. Investor D.D. heard about Petro on the Internet, went on the Petro business cruise, and listened to shareholder calls. In April 2010, D.D. was told that there was a religious guy in Kansas City who was selling his shares. He flew to Kansas City from Houston, Texas, where:

- a. **WHITE** caused D.D. to write a \$10,000 check for Petro shares;
- b. When D.D. asked **WHITE** why he was selling his shares so cheap, he replied that he was gifted a lot of shares, more than he would ever need.

116. In August 2010:

- a. **WHITE** caused R.N. of Texas to write him a check for \$2,000 for Petro shares;

- b. **WHITE** had acquired a large sum of Petro stock, but did not say how he had acquired it;
- c. Petro had assets dealing in leases for minerals for different properties and had certified geologists verifying the mineral values; and
- d. **WHITE** said Missouri law is different from the other states;
- e. **WHITE** did not disclose the C&D orders.

117. On September 30, 2010, at Denny's on Noland Road and I-70 in Kansas City:

- a. **WHITE** caused, J.W., a Missouri resident, to give **WHITE** \$300 to purchase Petro shares;
- b. **WHITE** did not tell Williams about the Missouri Cease & Desist Order or the Kansas Consent Cease & Desist Order;
- c. **WHITE** said Petro was an oil company and was going to start trading; and
- d. **WHITE** said that Williams was getting the Petro stock at a low rate and could sell or trade it when it went public.

118. On June 25, 2010:

- a. **WHITE** caused T.T., a Missouri resident, to write **WHITE** a \$100 check to purchase 100,000 Petro shares;
- b. **WHITE** never told T.T. about the Missouri or Kansas Cease & Desist Orders.

COUNT TWO: SECURITIES FRAUD
TERESA BROWN AND OWEN HAWKINS

119. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

120. From at least on or about October 9, 2008 to the date of the indictment, in the Western District of Missouri and elsewhere, defendants Teresa **BROWN** and Isreal Owen **HAWKINS**, did willfully violate, and aid and abet violations of, provisions of Title 15, United States Code, Section

77q, in that they offered and sold securities, by the use of a means or instrument of interstate commerce, and they employed a device, scheme or artifice to defraud, to obtain money by means of untrue statements of material facts, and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and they engaged in transactions, practices and courses of business which operated as a fraud and deceit upon the purchasers of the securities; that they used a means of interstate commerce and the mails to publish, give publicity to, and to circulate notices, circulars, advertisements, articles, investment services and communications which, though not purporting to offer securities for sale, described securities, for consideration received or to be received, directly or indirectly, from an issuer, underwriter, or dealer, without fully disclosing the past or prospective receipt of such consideration, and the amount thereof; in violation of 15 U.S.C. § 77q and 18 U.S.C. § 2.

COUNT THREE: AGGRAVATED CURRENCY STRUCTURING
OWEN HAWKINS

121. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

122. For seven weeks, from March 16, 2010, up to and including May 1, 2010, in the Western District of Missouri and elsewhere, defendant Isreal Owen **HAWKINS**, for the purpose of evading the reporting requirements of 31 U.S.C. §§ 5313 (a) and 5325 and any regulation prescribed under any such section, the reporting or record keeping requirements imposed by any order issued under 31 U.S.C. § 5326, and the record keeping requirements imposed by any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508, as part of a pattern of illegal activity involving more than \$100,000 in a 12-month period, knowingly and

willfully structured and assisted in structuring, and attempted to structure and assist in structuring, and caused and aided and abetted the structuring, of the following transactions with one or more domestic financial institutions, that is:

Twenty-seven cash withdrawals totaling \$180,000, ranging from \$1,500 to \$9,500, all in amounts under \$10,000.01, from Mazuma Credit Union account ending in 3566 in the name of Petro America Financial Services, which account is located in Kansas City, Western District of Missouri, with all monies originating from a \$180,000 March 16, 2010 check drawn upon J.P. Morgan Chase account ending in 8569 in the name Windsong Ventures;

in violation of 31 U.S.C. §§ 5324(a)(3) and (d)(2), and 18 U.S.C. § 2.

COUNT FOUR: MONEY LAUNDERING
OWEN HAWKINS

123. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

124. On or about the dates listed below, at Kansas City, in the Western District of Missouri, and elsewhere, in furtherance of the conspiracy and as a result of the conspiracy and scheme to defraud set forth in Count One of this Indictment, the defendant, Isreal Owen **HAWKINS**, knowingly engaged in, attempted to engage in, and aided and abetted, a monetary transaction in interstate commerce in criminally derived property worth \$10,000 or more, which had been derived from the specified unlawful activity of wire fraud, in that:

- a. In connection with the wire fraud scheme described in Count One, the factual allegations of which are incorporated by reference as if fully set forth herein, defendant **HAWKINS** received interstate wires of proceeds from the sale of Petro America stock into his Mazuma Credit Union account ending in 3566;

- b. On March 29, 2010, defendant **HAWKINS** wrote a check from the same Mazuma Credit Union account ending in 3566 to State Line Nissan in Kansas City, Missouri to purchase a 2006 Chrysler 300C for \$19,952.45.

All in violation of 18 U.S.C. §§ 1957 and 2.

COUNT FIVE: MONEY LAUNDERING
WILLIAM MILLER

125. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

126. On or about the dates listed below, at Kansas City, in the Western District of Missouri, and elsewhere, in furtherance of the conspiracy and as a result of the conspiracy and scheme to defraud set forth in Count One of this Indictment, the defendant, William **MILLER**, knowingly engaged in, attempted to engage in, and aided and abetted, a monetary transaction in interstate commerce in criminally derived property worth \$10,000 or more, which had been derived from the specified unlawful activity of wire fraud, in that:

- a. In connection with the wire fraud scheme described in Count One, the factual allegations of which are incorporated by reference as if fully set forth herein, on April 1, 2010, defendant **MILLER** purchased a cashier's check made out to Olathe Ford for \$30,249 from Bank of America, 115, W. 63rd Street, Kansas City, Missouri, which funds constituted proceeds from the wire fraud scheme;
- b. On or about the same date, **MILLER** used the cashier's check to purchase a 2007 Ford V-10 truck from Olathe Ford.

All in violation of 18 U.S.C. §§ 1957 and 2.

COUNT SIX: MONEY LAUNDERING
CHARLES HOOKER and TERESA HILL

127. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

128. On or about the dates listed below, at Kansas City, in the Western District of Missouri, and elsewhere, in furtherance of the conspiracy and as a result of the conspiracy and scheme to defraud set forth in Count One of this Indictment, the defendants, Charles **HOOKER** and Teresa **HILL**, knowingly engaged in, attempted to engage in, and aided and abetted, a monetary transaction in interstate commerce in criminally derived property worth \$10,000.00 or more, which had been derived from the specified unlawful activity of wire fraud, in that:

- a. During the course of the scheme, **HOOKER** and **HILL** resided together in **HILL**'s house at 5240 Brookwood, Kansas City, Missouri. They pooled together the proceeds they made from selling Petro shares.
- b. In 2008, **HILL** stopped paying her approximately \$112,000 mortgage despite having ample cash coming in from the sale of Petro stock. The loan went into default.
- c. In connection with the wire fraud scheme described in Count One, the factual allegations of which are incorporated by reference as if fully set forth herein, on November 5, 2008, **HOOKER** went to Bank of America, 115 W. 63rd Street, Kansas City, Missouri, to convert \$37,501 in cash proceeds from sales of Petro America stock by **HOOKER** and **HILL**, into a cashier's check payable to Kozeny & McCubblin, for the purchase of 5240 Brookwood at a foreclosure sale.
- d. Subsequently, **HOOKER** quitclaim deeded the property back to **HILL**.

All in violation of 18 U.S.C. §§ 1957 and 2.

COUNT SEVEN: WIRE FRAUD
OWEN HAWKINS

129. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

130. On or about October 9, 2008, defendant Isreal Owen **HAWKINS**, having devised the above-described scheme and artifice to defraud and to obtain money by means of false pretenses, with the intent to defraud and for the purpose of executing and in order to effect the scheme and

artifice to defraud and to obtain money or property, did knowingly cause to be sent by interstate wire among multiple states, including between Iowa and the Western District of Missouri, a false statement that Petro stock has a book value of \$2.00 per share; in violation of 18 U.S.C. § 1343.

COUNT EIGHT: WIRE FRAUD
OWEN HAWKINS

131. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

132. On or about October 24, 2010, defendant Isreal Owen **HAWKINS**, having devised the above-described scheme and artifice to defraud and to obtain money by means of false pretenses, with the intent to defraud and for the purpose of executing and in order to effect the scheme and artifice to defraud and to obtain money or property, did knowingly cause to be sent by interstate wire among multiple states, including between Iowa and the Western District of Missouri, a false statement that Petro America employs 100 people or more through Performance Packaging; in violation of 18 U.S.C. § 1343.

COUNT NINE: WIRE FRAUD
TERESA BROWN

133. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

134. On or about September 3, 2009, defendant Teresa **BROWN**, having devised the above-described scheme and artifice to defraud and to obtain money by means of false pretenses, with the intent to defraud, for the purpose of executing, and in order to effect the scheme and artifice to defraud and to obtain money or property, did knowingly cause to be transmitted, and did knowingly aid and abet the sending of, a \$52,465 interstate wire from a U.S. Bank account ending

in 5858 in Greeley, Colorado to a Mazuma Credit Union account ending in 3566 in the Western District of Missouri; in violation of 18 U.S.C. §§ 1343 and 2.

COUNT TEN: WIRE FRAUD
TERESA BROWN

135. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

136. On or about February 19, 2010, defendant Teresa **BROWN**, having devised the above-described scheme and artifice to defraud and to obtain money by means of false pretenses, with the intent to defraud, for the purpose of executing, and in order to effect the scheme and artifice to defraud and to obtain money or property, did knowingly cause to be transmitted, and did knowingly aid and abet the sending of, a \$1,000 interstate wire from an investor's Bank of America account ending in 7352 in the Western District of Missouri, to a Bank of America account in New York, New York, which was ultimately delivered to **BROWN's** J.P. Morgan Chase account in the name of Windsong Ventures; in violation of 18 U.S.C. §§ 1343 and 2.

COUNT ELEVEN: WIRE FRAUD
TERESA BROWN

137. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

138. On or about February 19, 2010, defendant Teresa **BROWN**, having devised the above-described scheme and artifice to defraud and to obtain money by means of false pretenses, with the intent to defraud, for the purpose of executing, and in order to effect the scheme and artifice to defraud and to obtain money or property, did knowingly cause to be transmitted, and did knowingly aid and abet the sending of, a \$1,000 interstate wire from an investor's Bank of America

account ending in 3494 in the Western District of Missouri, to a Bank of America account in New York, New York, which was ultimately delivered to **BROWN's** J.P. Morgan Chase account in the name of Windsong Ventures; in violation of 18 U.S.C. §§ 1343 and 2.

COUNT TWELVE: WIRE FRAUD
TERESA BROWN

139. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

140. On or about February 19, 2010, defendant Teresa **BROWN**, having devised the above-described scheme and artifice to defraud and to obtain money by means of false pretenses, with the intent to defraud, for the purpose of executing, and in order to effect the scheme and artifice to defraud and to obtain money or property, did knowingly cause to be transmitted, and did knowingly aid and abet the sending of, a \$1,000 interstate wire from a NASB account ending in 8219 in the Western District of Missouri to a J.P. Morgan Chase account in New York, New York, which was ultimately delivered to **BROWN's** J.P. Morgan Chase account in the name of Windsong Ventures; in violation of 18 U.S.C. §§ 1343 and 2.

COUNT THIRTEEN: WIRE FRAUD
TERESA BROWN

141. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

142. On or about February 23, 2010, defendant Teresa **BROWN**, having devised the above-described scheme and artifice to defraud and to obtain money by means of false pretenses, with the intent to defraud, for the purpose of executing, and in order to effect the scheme and artifice to defraud and to obtain money or property, did knowingly cause to be transmitted, and did

knowingly aid and abet the sending of, a \$1,500 interstate wire from First State Bank of Purdy in the Western District of Missouri, to a J.P. Morgan Chase account in New York, New York, which was ultimately delivered to **BROWN's** J.P. Morgan Chase account in the name of Windsong Ventures; in violation of 18 U.S.C. §§ 1343 and 2.

COUNT FOURTEEN: WIRE FRAUD
TERESA BROWN

143. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

144. On or about August 28, 2009, defendant Teresa **BROWN**, having devised the above-described scheme and artifice to defraud and to obtain money by means of false pretenses, with the intent to defraud, for the purpose of executing, and in order to effect the scheme and artifice to defraud and to obtain money or property, did knowingly cause to be transmitted, and did knowingly aid and abet the sending of, a \$1,000 interstate wire from an investor's Liberty Bank account ending in 2835 in the Western District of Missouri, to a J.P. Morgan Chase account in New York, New York, which was ultimately delivered to **BROWN's** J.P. Morgan Chase account in the name of Windsong Ventures; in violation of 18 U.S.C. §§ 1343 and 2.

COUNT FIFTEEN: WIRE FRAUD
JOHNNY HEURUNG

145. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

146. On or about October 29, 2009, defendant Johnny **HEURUNG**, having devised the above-described scheme and artifice to defraud and to obtain money by means of false pretenses, with the intent to defraud and for the purpose of executing and in order to effect the scheme and

artifice to defraud and to obtain money or property, did knowingly cause to be sent by interstate wire among multiple states, including from Minnesota to the Western District of Missouri, a false statement that “the stock, at the opening value, right now we’re larger than Coca-Cola, okay, so don’t sell your shares too fast;” in violation of 18 U.S.C. § 1343.

COUNT SIXTEEN: WIRE FRAUD
JOHNNY HEURUNG

147. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

148. On or about December 17, 2009, defendant Johnny **HEURUNG**, having devised the above-described scheme and artifice to defraud and to obtain money by means of false pretenses, with the intent to defraud and for the purpose of executing and in order to effect the scheme and artifice to defraud and to obtain money or property, did knowingly cause to be sent by interstate wire among multiple states, including from Minnesota to the Western District of Missouri, a false statement that “we are now going to become a major oil-producing company, we picked up 28 pumping fields;” in violation of 18 U.S.C. § 1343.

COUNT SEVENTEEN: WIRE FRAUD
WILLIAM MILLER

149. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

150. On or about March 29, 2010, defendant William **MILLER**, having devised the above-described scheme and artifice to defraud and to obtain money by means of false pretenses, with the intent to defraud and for the purpose of executing and in order to effect the scheme and artifice to defraud and to obtain money or property, did knowingly cause to be sent by interstate wire

among multiple states, including from Georgia to the Western District of Missouri, an electronic wire transfer of \$30,000 that constituted proceeds from the sale of Petro America stock; in violation of 18 U.S.C. §§ 1343 and 2.

COUNT EIGHTEEN: WIRE FRAUD
TERESA HILL

151. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

152. On or about May 13, 2010, defendant Teresa **HILL**, having devised the above-described scheme and artifice to defraud and to obtain money by means of false pretenses, with the intent to defraud and for the purpose of executing and in order to effect the scheme and artifice to defraud and to obtain money or property, did knowingly cause to be sent by interstate wire transfer from Ohio to the Western District of Missouri, a wire transfer in the amount of \$1,500; in violation of 18 U.S.C. § 1343.

COUNT NINETEEN: WIRE FRAUD
TERESA HILL

153. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

154. On or about May 20, 2010, defendant Teresa **HILL**, having devised the above-described scheme and artifice to defraud and to obtain money by means of false pretenses, with the intent to defraud and for the purpose of executing and in order to effect the scheme and artifice to defraud and to obtain money or property, did knowingly cause to be sent by interstate wire transfer from Ohio to the Western District of Missouri, a wire transfer in the amount of \$1,600; in violation of 18 U.S.C. §§ 1343 and.

COUNT TWENTY: MAIL FRAUD
ALLEN COLLINS

155. The allegations contained in paragraphs 1 through 118 are realleged and reincorporated herein.

156. On or about June 12, 2010, the defendant, Allen **COLLINS**, having devised the above-described scheme and artifice to defraud and to obtain money and property by means of false pretenses, for the purpose of executing and in order to effect the scheme and artifice to defraud and to obtain money or property, did knowingly cause to be sent, delivered, and moved by the United States Postal Service, from Rowlett, Texas to the Western District of Missouri, a payment of \$1,000, for 100,000 shares of Petro stock from D.K.; in violation of 18 U.S.C. §§ 1341 and 2.

FORFEITURE ALLEGATION

157. By this reference the allegations contained in paragraphs 1 through 156 are re-alleged and incorporated for the purpose of alleging forfeiture to the United States pursuant to 28 U.S.C. § 2461(c), 18 U.S.C. § 981(a)(1)(C), 18 U.S.C. § 1956(a)(1)(C), 18 U.S.C. § 1956(c)(7)(A), 18 U.S.C. § 1961(1), and 21 U.S.C. § 853.

158. As a result of the offense alleged in Counts One through Twenty the indictment, Owen **HAWKINS**, Teresa **BROWN**, Johnny **HEURUNG**, Clarence **MOORE**, Allen **COLLINS**, Teresa **HILL**, Charles **HOOKER**, Russell **HOPKINS**, Brian **LANGENBACH**, William **MILLER**, Martin **ROPER**, and Curtis **WHITE**, defendants herein, shall forfeit to the United States all property, real and personal, constituting, or derived from proceeds traceable to these offenses, including but not limited to the following property:

- a. \$28,918.13 in United States currency seized from account number CA2-158011 in the name of Teresa **BROWN** and her husband at J.P. Morgan Chase Bank, Columbus, Ohio;
- b. \$3,860.25 in United States currency seized from account number ending in 6212 in the name of Windsong Ventures, LLC., at Bank of Colorado, Fort Lupton, Colorado;
- c. \$53,232.78 in United States currency seized from account number ending in 9174 in the name of Uniti Capital Corporation at Bank of America, Seattle, Washington;
- d. \$53,030.77 in United States currency seized from account number ending in 8569 in the name of Windsong Ventures, LLC., at J.P. Morgan Chase Bank, Columbus, Ohio;
- e. \$9,950 in United States currency seized from account number ending in 4216 in the name of Windsong Ventures, LL., at J.P. Morgan Chase Bank, Columbus, Ohio;
- f. \$1,000 in United States currency seized from account number ending in 0480 in the name of Sunstar Investment Group, LLC., at J. P. Morgan Chase Bank, Columbus, Ohio;
- g. \$3,975.00 in United States currency seized from account number ending in 3356 in the name of Sunstar Investment Group, LLC., at J.P. Morgan Chase Bank, Columbus, Ohio;
- h. 2006 Chevrolet Equinox LT, VIN: ending in 034196;
- i. 2008 Chevrolet Suburban K1500, VIN: ending in 185303,
- j. 2010 Mercruiser Tahoe 215 XI, Hull: ending in L910;
- k. Trailstar Trailer, VIN: ending in 001193;
- l. 3 Piece set of Louis Vuitton Luggage, approximately 35 pieces of assorted jewelry;
- m. \$54,609.42 in United States currency seized from account number ending in 486982-7 in the name of Hope United, Inc. at J.P. Morgan Chase Bank, Columbus, Ohio;
- n. \$138,682.21 in United States Currency seized from account number 193566 in the name of Petro America Financial Services, Inc. at Mazuma Credit Union in Kansas City, Missouri;

- o. \$10,000 in United States Currency seized from account number ending in 6370 in the name of L.C. and K.C. at Bellco Credit Union in Greenwood Village, Colorado;
- p. \$4,052.14 in United States Currency seized from account number ending in 9348 in the name of Crystal Clear Ventures LLC at Mercantile Bank in Quincy, Illinois;
- q. \$130,129.07 in United States Currency seized from account number ending in 0463 in the name of John F. **HEURUNG** and his mother at Home Savings of America in Little Falls, Minnesota;
- r. 5240 Brookwood Avenue, Kansas City, Missouri;
- s. a money judgment in the amount of at least \$6,556,805.02 or more, representing the proceeds of Counts One through Twenty.

159. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred, or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty; it is the intent of the United States pursuant to 21 U.S.C. § 853(p) to seek forfeiture of any other property of the defendants up to the value of the forfeitable property.

A TRUE BILL.

/s/ Micheal R. Bailey
FOREPERSON OF THE GRAND JURY

/s/ Daniel M. Nelson
Daniel M. Nelson #53885
Assistant United States Attorney

Date: 6/15/11
Kansas City, Missouri