

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

UNITED STATES OF AMERICA,	)	No. _____
)	
Plaintiff,	)	Count One: Conspiracy
	)	18 U.S.C. § 371
v.	)	NMT: 5 Years Imprisonment
	)	NMT: \$250,000 Fine
EDWARD D. HALLIBURTON,	)	NMT: 3 Years Supervised Release
[DOB: 06/28/1954],	)	Class D Felony
)	
Defendant.	)	\$100 Mandatory Special Assessment for Count
	)	One
)	
	)	Forfeiture Allegation
	)	28 U.S.C. § 2461(c) and 21 U.S.C. § 853
)	
	)	Order of Restitution

I N F O R M A T I O N

THE UNITED STATES ATTORNEY CHARGES THAT:

1. At all times material herein:
 - a. Edward D. **HALLIBURTON** was a resident of Kansas City, Kansas;
 - b. **HALLIBURTON** held bank accounts at Argentine Santa Fe Credit Union, Midwest Regional Credit Union, Mainstreet Credit Union and Bank of America;
 - c. Petro America maintained its headquarters and some of its bank accounts in Kansas City, Western District of Missouri. Isreal Owen Hawkins was the CEO and President of Petro America. Johnny Heurung and Teresa Brown were spokespersons for and promoters of Petro America;
 - d. In or around June of 2008, Petro America began an unregistered, non-exempt offering of its securities to investors. During the course of the conspiracy, Petro and its agents sold unregistered stock to over 12,000 investors in the Western District of Missouri, Kansas, and across the United States and Canada;

- e. Petro held meetings for shareholders on Tuesdays in the Western District of Missouri, which **HALLIBURTON** frequently attended and participated in. In addition, Petro held a weekly conference call on Thursdays, which was listened to by shareholders in the Western District of Missouri, Kansas, and across the United States;
- f. During the weekly conference calls, Hawkins, Heurung, Brown, and others made numerous untrue statements about Petro America. On at least one of the conference calls, **HALLIBURTON** received a “shout out” from Hawkins to recognize the work that he was doing for Petro America;
- g. On November 12, 2008, the Missouri Securities Commissioner issued a cease and desist order (C&D order) against Petro America and Owen Hawkins barring them from selling unregistered Petro stock to investors in Missouri. The order listed numerous problems with the stock and with the company. **HALLIBURTON** read and was aware of the order. On April 30, 2010, the state of Kansas issued an additional C&D order, which **HALLIBURTON** also became aware of;
- h. **HALLIBURTON** has never been licensed to sell securities;
- i. The “Minister’s Alliance” was a group of about 15 ministers, most of whom resided in the Kansas City area, who supported and promoted Petro America. They frequently held meetings, including at Denny’s, 3832 Blue Ridge Cutoff, Kansas City, Missouri; and
- j. From June 2009 forward, Owen Hawkins, Teresa Brown, Johnny Heurung, **HALLIBURTON** and others falsely claimed to investors that Petro America would soon be a publicly listed company, that its shares would be worth \$24 each, and that the company was worth \$284 billion. The conspirators made many of these misrepresentations at meetings held in the Western District of Missouri.

COUNT ONE: CONSPIRACY

A. INTRODUCTION

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

B. THE CONSPIRACY

3. From on or about November 12, 2008 until in or about October 2010, in the Western District of Missouri and elsewhere, defendant Edward **HALLIBURTON** and others, named and unnamed herein, 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 15 U.S.C. § 77q, and of wire fraud in violation of 18 U.S.C. § 1343. The object of the conspiracy was to obtain money through the fraudulent sale of Petro America stock by making fraudulent material misrepresentations and omissions to investors, including by overstating Petro's assets, obfuscating the source and price of shares, concealing negative material information, and concealing the true nature of their roles and compensation.

C. MANNER AND MEANS

4. 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 11 through 17, which are incorporated herein by this reference as though fully set forth at this point.

5. It was further part of the conspiracy that in order to enable Petro to continue selling its stock in an attempted circumvention of the Missouri cease and desist order, and to enable the conspirators to profit, Hawkins gave **HALLIBURTON** and others billions of shares of Petro stock. **HALLIBURTON** agreed to sell the stock to investors, and he provided a significant kick-back from the proceeds to Hawkins and C.H.

6. It was further part of the conspiracy that **HALLIBURTON** sold millions of shares, including to investors in the Western District of Missouri. **HALLIBURTON** did not disclose the

specific amount of compensation he and others would receive, and he did not disclose material negative facts about Petro America. **HALLIBURTON** represented that he was an investor selling his own shares. He did not disclose to buyers that most of the shares had been gifted to him.

7. It was further part of the conspiracy that the conspirators, including **HALLIBURTON**, made material misrepresentations to buyers of Petro stock, including: a) the stock had earlier been purchased by the seller and was being resold; b) it was worth \$24 per share; c) Petro was valued at \$284 billion; and d) Petro would soon be listed on a public exchange. Further, the conspirators failed to disclose negative material facts to investors, which prevented them from making an informed purchasing decision, including: aa) all shares were unregistered; bb) Petro was not legally authorized to offer any shares; cc) two C&D orders had been issued in Missouri, and later in Kansas, due to numerous listed improprieties; dd) the sales price was arbitrary; ee) “gifting” billions of shares diluted any value the shares could have; ff) the sellers were not licensed to sell stock; and gg) kickbacks from the sales were paid to Hawkins, Brown, C.H. and others.

8. It was further part of the conspiracy that **HALLIBURTON** did not ascertain with state authorities, or with the Securities and Exchange Commission, whether the C&D orders were in effect, whether it was legal for him to sell Petro shares, or whether the shares were registered. He did not ensure that investors had full disclosure regarding the risks of investing in Petro America. **HALLIBURTON** also made numerous bullish statements to investors concerning Petro’s future potential to become a publicly-traded company, and of its claimed assets, which were untrue.

9. It was further part of the conspiracy, that in furtherance of his efforts to sell Petro America stock, **HALLIBURTON** frequently made interstate phone calls to investors and to potential

investors in other states, including from Kansas to the Western District of Missouri, and from Kansas to other states and provinces across the United States and Canada.

10. It was further part of the conspiracy that from October 1, 2009, to October 30, 2010, **HALLIBURTON** received at least \$369,605 from the sale of Petro stock.

D. OVERT ACTS

11. Between October 2009 and October 2010, **HALLIBURTON** attended and participated in numerous meetings related to Petro America in the Western District of Missouri, including meetings held at the following locations:

- a. Holiday Inn, 12801 South 71 Highway, Grandview;
- b. Denny's, 3832 Blue Ridge Cutoff, Kansas City; and
- c. Brio Tuscan Grille, 502 Nichols Road, Kansas City.

12. On or about February 23, 2010, **HALLIBURTON** formed a Kansas for-profit corporation named Getting Wealth Corp. He opened an account in the name of this entity at Bank of America, into which he deposited proceeds from his sales of Petro America stock.

13. Between October 2009 and April 22, 2010, **HALLIBURTON** sold C.H.'s Petro shares to investors for about \$50,000, and he provided a kick-back of half of the proceeds to C.H.

- a. **HALLIBURTON** did not disclose to investors that some of their investment proceeds would be paid to C.H.; and
- b. **HALLIBURTON** did not explain to investors the risks of investing in Petro America stock, including that the company had been issued a cease and desist order.

14. On or about April 22, 2010, **HALLIBURTON** was gifted 100,000,000 shares of Petro stock by Hawkins. Between April 2010 and October 2010, **HALLIBURTON** sold these shares and provided kick-backs to Hawkins from the sales of these shares to investors.

- a. **HALLIBURTON** did not disclose to investors that some of their investment proceeds would be paid to Hawkins; and
- b. **HALLIBURTON** did not explain to investors the risks of investing in Petro America stock, including that the company had been issued a cease and desist order.

15. On May 7, 2010, **HALLIBURTON** deposited \$10,300 into his account at Midwest Regional Credit Union. This constituted proceeds from the sale of Petro America stock to 11 investors.

16. On June 28, 2010, **HALLIBURTON** received four Western Union Money Orders, totaling \$12,000, sent from Canada to the state of Kansas. This constituted proceeds from the sale of Petro stock to C.E. and J.E.

- a. **HALLIBURTON** did not disclose to C.E. and J.E. that some of their investment proceeds would be paid to Hawkins; and
- b. **HALLIBURTON** did not explain to C.E. and J.E. the risks of investing in Petro America stock, including that the company had been issued a cease and desist order.

17. On or about September 17, 2010, **HALLIBURTON** sold 1.5 million shares of Petro stock to N.M. of Tyrone, Georgia, who paid him \$8,200 in cash. He deposited \$3,500 in proceeds into his Bank of America checking account.

- a. **HALLIBURTON** did not disclose to C.M. that some of her investment proceeds would be paid to Hawkins; and

- b. **HALLIBURTON** did not explain to C.M. the risks of investing in Petro America stock, including that the company had been issued a cease and desist order.

FORFEITURE ALLEGATION

18. By this reference the allegations contained in paragraphs 1 through 17 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.

19. As a result of the offense alleged in Count One, Edward **HALLIBURTON**, defendant 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) a 2004 S500 Mercedes; and b) his home at 8741 Cleveland, Kansas City, Kansas (or, in the alternative, a cash payment that sufficiently satisfies the government's interest in this property, in an amount determined by the U.S. Attorney, which payment must be made prior to sentencing).

20. 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 **HALLIBURTON** up to the value of the forfeitable property (approximately \$369,605).

Beth Phillips
United States Attorney

By

Daniel M. Nelson #53885
Assistant United States Attorney

Dated: _____
Kansas City, Missouri