

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF GEORGIA
SAVANNAH DIVISION

CR418-001

UNITED STATES OF AMERICA)	INFORMATION NO.
)	
v.)	VIO: 18 U.S.C. § 371
)	Conspiracy to Commit
COLIN P. PURCELL)	Securities Fraud, Wire
)	Fraud, and Mail Fraud
)	
)	Forfeiture Allegations

THE UNITED STATES ATTORNEY CHARGES:

U. S. DISTRICT COURT
Southern District of GA
Filed In Office

Introduction:

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 Deputy Clerk

At all times material to this Information:

1. Southern Energy Group, Inc. ("SEG") was a Tennessee-based business, formed on January 2, 2013, with a business address in Gallatin, Tennessee. SEG purported to be an oil and natural gas exploration company that offered and sold investments in oil and natural gas projects in Texas and Oklahoma.

2. TennStar Energy, Inc. ("Tennstar") was a Tennessee-based business, formed on December 20, 2013 under the name of Black Gold Resources, Inc. Tennstar maintained a central office in Hendersonville, Tennessee, and a second office in Lauderdale-by-the-Sea, Florida. Tennstar purported to be an oil and natural gas exploration company that offered and sold investments in oil and natural gas projects in Texas, Oklahoma, and Kansas.

3. The investments offered by SEG and Tennstar were securities, as that term is defined in Title 15, United States Code, Section 77b(a)(1). The investments were fractional undivided interests in oil, gas, and mineral rights. The investments

were also investment contracts, because investors provided money to fund a common enterprise, and expected to receive an investment return generated by the entrepreneurial efforts of others associated with SEG and Tennstar.

4. Defendant **Colin P. Purcell** (“**Purcell**”) lived in Shelbyville, Kentucky, and was a salesman for SEG and Tennstar.

5. From 2012 through February 2016, in the Southern District of Georgia and elsewhere, SEG and Tennstar utilized the internet, radio, and television to advertise opportunities to invest in SEG and Tennstar oil development projects. In written investment materials sent to investors, and during telephone calls with prospective investors, **Purcell** and others made repeated false statements to, and withheld material information from, investors in order to induce investors to invest in SEG and Tennstar’s oil development projects. Through these false statements and material omissions, **Purcell** and others induced investors to invest millions of dollars in SEG and Tennstar oil development projects, which money was misappropriated and unlawfully converted by **Purcell** and others.

COUNT ONE

18 U.S.C. § 371

Conspiracy to Commit Securities Fraud, Wire Fraud, and Mail Fraud

6. Paragraphs 1 through 5 of this Information are incorporated by reference as if fully set forth herein.

7. From in or around 2012 and continuing through February 2016, in the Southern District of Georgia and elsewhere, the Defendant herein, Colin P. Purcell,

did knowingly and willfully combine, conspire, confederate, and agree with other persons to commit certain offenses, to wit:

Securities Fraud, that is, by use of the means or instrumentalities of interstate commerce or of the mails, or of any facility of a national securities exchange, to directly and indirectly use and employ manipulative and deceptive devices and contrivances in connection with the purchase or sale of a security by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which would and did operate as a fraud and deceit, in connection with the purchase or sale of securities, all in violation of 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5;

Wire Fraud, that is, to execute and attempt to execute a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, by transmitting and causing to be transmitted by means of wire communications in interstate and foreign commerce, writings, signs, visual pictures, and sounds, for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343; and

Mail Fraud, that is, to execute and attempt to execute a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, by utilizing the United States

mail and private and commercial interstate carriers, for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1341.

MANNER AND MEANS OF THE CONSPIRACY

8. It was a part of the conspiracy and among its manner and means that members of the conspiracy would use the internet, radio, or television to advertise opportunities to invest in oil development projects promoted by SEG and Tennstar.

9. It was further part of the conspiracy and among its manner and means that **Purcell** was a salesman for SEG and Tennstar, and conducted telephone calls with prospective investors who responded to internet, radio, or television advertisements, to attempt to convince potential investors to invest in SEG or Tennstar's oil development projects.

10. It was further part of the conspiracy and among its manner and means that, with **Purcell's** knowledge, other members of the conspiracy would assume false identities when communicating with prospective investors in order to conceal that those other members were convicted felons and/or previously subjected to regulatory action for involvement in investment fraud schemes.

11. It was further part of the conspiracy and among its manner and means that **Purcell** and others would make other false statements and material omissions during telephone calls with investors about the success of past oil development projects and the development, risks, and profitability of the oil development projects of SEG and Tennstar.

12. It was further part of the conspiracy and among its manner and means that, with the knowledge of **Purcell**, other members of the conspiracy, including but not limited to co-conspirator R.U., would prepare and cause to be prepared false and fraudulent offering materials, such as private placement memoranda (“PPMs”), for the SEG and Tennstar oil development projects, and cause said PPMs to be distributed to prospective investors. **Purcell** knew these PPMs contained false information about the experience and background of the management of SEG and Tennstar, and failed to reveal the true roles of other individuals who were convicted felons in the operation and management of SEG and Tennstar.

13. It was further part of the conspiracy and among its manner and means that **Purcell** and others would cause false and fraudulent PPMs to be sent to prospective investors by way of mail or commercial interstate courier.

14. It was further part of the conspiracy and among its manner and means that **Purcell** and others would direct some investors to send checks to the offices of SEG and Tennstar by way of the United States Postal Service or commercial interstate courier to fund investments in SEG or Tennstar oil development projects.

15. It was further part of the conspiracy and among its manner and means that **Purcell** and others would direct investors to wire transfer money to accounts held in the name of SEG or Tennstar to fund investments in SEG or Tennstar oil development projects.

16. It was further part of the conspiracy and among its manner and means that, with **Purcell’s** knowledge, other members of the conspiracy would prepare and

cause to be prepared correspondence and assessment letters seeking additional funds from investors that contained false and fraudulent information and material omissions about the status and productivity of SEG and Tennstar oil development projects.

OVERT ACTS

17. In furtherance of the conspiracy and to effectuate the objects thereof, the defendant, **Colin P. Purcell**, and others committed the below-listed overt acts, among others:

A. Between 2014 and 2016, **Purcell** placed numerous interstate telephone calls to prospective investors, in which **Purcell** misrepresented the risks and rewards of investment in SEG and Tennstart oil development projects.

B. On or about June 9, 2014, **Purcell** communicated by text message with co-conspirator D.G. about investor R.D.

C. On or about June 9, 2014, co-conspirator D.G. had an interstate telephone call with investor R.D. to convince R.D. to invest in an SEG oil development project, and falsely told R.D. that his name was "David Johnson."

D. On or about June 9, 2014, co-conspirator D.G. sent a text message to **Purcell**, and advised **Purcell** that, during the telephone call in which D.G. told investor R.D. that his name was "David Johnson," D.G. was able to convince investor R.D. to invest in the SEG oil development project.

E. In or about 2015, members of the conspiracy caused an advertisement for a Tennstar “can’t miss” oil well investment opportunity to be broadcast on Sirius satellite radio within the Southern District of Georgia and elsewhere.

F. In or about July 2015, co-conspirator S.R. conducted a telephone call with an undercover United States Secret Service agent in Savannah, Georgia, and provided false information to the Secret Service agent about the experience of Tennstar’s management, success of past oil well development projects, and development and profitability of a new Tennstar oil development project.

G. In or about August 2015, members of the conspiracy caused an advertisement for a SEG “can’t miss” oil well investment opportunity to be broadcast on Sirius satellite radio within the Southern District of Georgia and elsewhere.

H. In or about September 2015, co-conspirator B.B. conducted a telephone call with an undercover Secret Service agent in Savannah, Georgia, and provided false information to the Secret Service agent about the experience of SEG’s management, success of past oil well development projects, and the development and profitability of a new SEG oil development project.

I. In or about September 2015, by way of Federal Express, co-conspirator D.S. and others caused to be sent a false and fraudulent PPM about

an SEG oil development project to an undercover Secret Service mailbox located on St. Simons Island, Georgia.

J. On or about October 27, 2015, co-conspirator D.S. conducted an interstate telephone call with an undercover Secret Service agent in Savannah, Georgia, to convince the undercover Secret Service agent to invest in a Tennstar project. During this telephone call, co-conspirator D.S. made false statements to the undercover agent, including but not limited to falsely identifying himself to the undercover agent as "David Johnson."

All done in violation of Title 18, United States Code, Section 371.

CRIMINAL FORFEITURE

The allegations contained in Count 1 of this Information are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

Upon conviction of the offense set forth in Count 1 of this Information, the defendant, **Colin P. Purcell**, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property which constitutes or is derived from proceeds obtained as a result of the offense set forth in Count 1 of this Information.

The property to be forfeited includes, but is not limited to:

a. **Personal Money Judgment**

A sum of money equal to the proceeds Defendant obtained directly or indirectly as a result of the offense charged in Count 1 of this Information, and all property traceable thereto.

b. **Currency and Other Monetary Instruments**

- i. \$213.57 seized from River City Bank account ending in XXXX4445
- ii. \$586.16 seized from Commonwealth Bank & Trust account ending in XXXX1268
- iii. \$3,318.96 seized from Fifth Third Bank account ending in XXXX6093

If any of the property described above, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- 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 divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 981 and Title 28, United States Code, Section 2461(c).

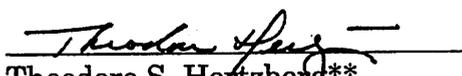
All pursuant to 18 U.S.C. § 981 and 28 U.S.C. § 2461(c).



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