

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA : Hon.
: :
: Criminal No. 16-
v. : :
: 18 U.S.C. § 371
: 15 U.S.C. §§ 78j(b) & 78ff
: 17 C.F.R. § 240.10b-5
: 18 U.S.C. § 2
GUY GENTILE :

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting at Newark,
charges:

COUNT ONE
(Conspiracy to Commit Securities Fraud)

Background

1. At times relevant to this Indictment:

Relevant Entities and Individuals

a. Defendant GUY GENTILE (“defendant GENTILE”) was the founder and owner of a registered broker-dealer located in Carmel, New York. Defendant GENTILE was involved in the promotion of “penny” or “micro-cap” stocks, the stocks of publicly traded companies with low share prices that often traded on quotation services and marketplaces operated by OTC Markets Group Inc., such as the OTC Bulletin Board (“OTCBB”), OTC QB, OTC Pink, or Pink Sheets.

b. Michael Taxon, a conspirator not named as a defendant herein, was a resident of Toronto, Ontario, Canada. Taxon was a stockbroker in Canada in the 1990s, and from approximately 2005 through approximately 2009, he operated a stock promotion business in Canada that focused on penny stocks.

c. Itamar Cohen, a conspirator not named as a defendant herein, was a resident of Toronto, Ontario, Canada, and a partner in Taxon's penny stock promotion business in Canada.

d. Raven Gold Corporation ("RVNG") was a Nevada corporation headquartered in Vancouver and Penticton, British Columbia, Canada, and its common stock was a penny stock quoted on the OTCBB. RVNG was controlled by two Canadian citizens (collectively the "RVNG Owners").

e. Kentucky USA Energy, Inc. ("KYUS"), was a Delaware corporation headquartered in London, Kentucky, which purported to be engaged in shale gas exploration in western Kentucky. KYUS common stock was a penny stock quoted on the OTCBB. RVNG and KYUS are collectively referred to herein as the "Target Companies."

Overview of the Scheme

f. From at least as early as April 2007 through in or about June 2008, defendant GENTILE and his conspirators engaged in an extensive "pump-and-dump" stock manipulation scheme involving the Target Companies, i.e., a scheme to fraudulently inflate the prices of shares of the