



NEWS RELEASE –

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Contact: Ken Lane, 720-913-9025

MAN INDICTED IN OIL & GAS SECURITIES FRAUD SCHEME

The Denver District Attorney's Office announces that a Denver Grand Jury has returned a 21-count indictment against a man in connection with an alleged oil and gas investment scheme.

Jacob Paine (dob: 07-07-1980) is charged with 21 counts of *securities fraud—untrue statement or omission* (F3). The indictment was handed down November 8, 2017. Paine was arrested Wednesday.

The indictment alleges that between August 2014 and October 2015 Paine solicited 14 victim investors to invest approximately \$208,000 in two Oklahoma oil and gas ventures. Paine knew, but failed to disclose to investors, among other information, the following material information: Paine did not rightfully own or control the lease in one of the ventures; Paine did not intend to use the investors' funds to develop the two ventures but instead intended to use investors' funds for personal and business expenses unrelated to the two oil and gas ventures; Paine had used another unrelated investor's funds on personal or business expenses unrelated to that investor's investment; Paine spent a majority of the investors' funds on personal and unrelated business expenses, and not on costs associated with the two oil and gas ventures; and Paine did not contribute any significant amount of his own money to one of the ventures.

Paine is scheduled to appear on January 4, 2018, at 8:30 a.m. in district courtroom 5C for arraignment.