

<p>DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO</p> <p>1437 Bannock Street Denver, CO 80202</p> <hr/> <p>PEOPLE OF THE STATE OF COLORADO, Plaintiff,</p> <p>v.</p> <p>ROBERT ALLEN ZICKEFOOSE, DOB: 7/19/1964 Defendant.</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
<p>JOHN W. SUTHERS, Attorney General SEAN CLIFFORD* First Assistant Attorney General Criminal Justice Section 1300 Broadway, 9th Floor Denver, Colorado 80203 720-508-6692 Registration Number: 28260 *Counsel of Record</p>	<p>Case No.: 12 CR 001</p> <p>Ct. Rm. 209</p>
<p>COLORADO STATE GRAND JURY INDICTMENT</p>	

- COUNT ONE: SECURITIES FRAUD, § § 11-51-501(1)(b) and 11-51-603(1) C.R.S. (Class 3 Felony) {50052} {as to Theresa Balfanz}
- COUNT TWO: THEFT, §18-4-401(1)(b)(2)(d) C.R.S. (Class 3 Felony), {801V} {as to Theresa Balfanz}
- COUNT THREE: SECURITIES FRAUD, § § 11-51-501(1)(b) and 11-51-603(1) C.R.S. (Class 3 Felony) {50052} {as to Patricia Jenner}
- COUNT FOUR: THEFT, §18-4-401(1)(b)(2)(d) C.R.S. (Class 3 Felony), {801V} {as to Patricia Jenner}
- COUNT FIVE: SECURITIES FRAUD, § § 11-51-501(1)(b) and 11-51-603(1) C.R.S. (Class 3 Felony) {50052} {as to Ann Brosh}
- COUNT SIX: THEFT, §18-4-401(1)(b)(2)(d) C.R.S. (Class 3 Felony), {801V} {as to Ann Brosh}

COUNT SEVEN:

SECURITIES FRAUD, § § 11-51-501(1)(c) and 11-51-603(1) C.R.S. (Class 3 Felony) {50053} {as to all investors}

<p>DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO</p> <p>1437 Bannock Street Denver, CO 80202</p> <hr/> <p>PEOPLE OF THE STATE OF COLORADO, Plaintiff,</p> <p>v.</p> <p>ROBERT ALLEN ZICKEFOOSE, DOB: 7/19/1964 Defendant.</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
<p>JOHN W. SUTHERS, Attorney General SEAN CLIFFORD* First Assistant Attorney General Criminal Justice Section 1300 Broadway, 9th Floor Denver, Colorado 80203 720-508-6692 Registration Number: 28260 *Counsel of Record</p>	<p>Case No.: 12 CR 001</p> <p>Ct. Rm. 209</p>
<p>COLORADO STATE GRAND JURY INDICTMENT</p>	

Of the 2012-2013 term of the Denver District Court in the year 2013, the 2012-2013 Colorado State Grand Jurors, chosen, selected and sworn in the name and by the authority of the People of the State of Colorado, upon their oaths, present the following:

ESSENTIAL FACTS

1. In 2011 the Colorado Division of Securities became aware that a Colorado company was offering unregistered oil and gas investments. Thad Wolfe, a Colorado investor, was “cold called” by a representative from Choice Energy Group (CEG), about investing in an oil/gas well offering in late 2011. CEG registered with the Colorado Secretary of State’s Office as a limited liability company on September 28, 2011. The president and sole owner of CEG was Robert Zickefoose. Offering documents are documents used to present an investment opportunity to prospective purchasers. Offering documents for the investment were sent to Wolfe.

2. The documents sent to Wolfe represented that the offering was for participation in units of interest in a joint venture for a two oil/gas well prospect. The two wells were identified as the Ruby #1 and Ruby #2 which were located in the Wattenberg field in Adams County, Colorado. For each “unit” subscribed, the venture would acquire an approximate 1% working interest in each of the wells. A working interest is an economic interest created from an oil and gas lease that would entitle the owner to revenue from the production of the well associated with the interest.
3. The total offering was for approximately \$3.2 million dollars. As presented in 2011, CEG was to be the administrative venturer of the project and the offering was for 45 units at a cost of \$71,400 per unit.
4. Zickefoose drafted the CEG offering documents and the documents assert that the administrative venturer believes that the joint venture interests are not “securities” under Colorado law.
5. CEG did business at 2993 Broadmoor Valley Road in Colorado Springs, Colorado. An investigator with the Division of Securities travelled to this address and learned that a company named Zickefoose Reserves, LLC (ZRLLC) was listed on the business registry for the suites occupied by CEG. The owner and president of both ZRLLC and CEG is Robert Zickefoose. This address for both ZRLLC and CEG was located in El Paso County, Colorado.
6. ZRLLC was registered as a limited liability company with the Colorado Secretary of State on July 16, 2009. The business address listed for ZRLLC on the filings with the Colorado Secretary of State was 3002 Springridge Drive, Colorado Springs, Colorado, 80906. Zickefoose resided at 3002 Springridge Drive, Colorado Springs, CO, 80906. This address is located in El Paso County, Colorado. All investments were deposited into a bank account in Colorado Springs, Colorado, located in El Paso County, Colorado.
7. Prior to the CEG offerings, Zickefoose conducted additional offerings and sold what were represented to be working interests in Ruby well joint ventures under ZRLLC. The 45% working interest referenced for the CEG offering was the same 45% working interest that was offered through ZRLLC. Some investors for the ZRLLC offerings were allowed to invest in what was presented as a working interest in the Ruby #1 Single Well Joint Venture. Others were allowed to purchase what was presented as a working interest in the Ruby #1 and Ruby #2 Two-well Joint Venture. Offers and sales for the ZRLLC offerings were conducted from approximately May of 2009 to June of 2011.

8. Robert Zickefoose was not licensed to sell securities in the State of Colorado. Employees hired by Zickefoose to conduct sales were similarly not licensed to sell securities.
9. CEG and ZRLLC employed unlicensed sales representatives to “cold call” hundreds of prospective investors per day from lead lists that were purchased by the company. The sales representatives offered investments in oil and gas wells in the Wattenberg range. The sales representatives were paid 5% from the eventual sale of the investment.
10. Ken Clark (Clark) was the manager of a company named Star Ryder Energy. Clark was the leaseholder for the oil and gas lease for the Ruby #1 and Ruby #2 oil/gas wells located in Adams County, Colorado. Clark issued a written statement to the Colorado Division of Securities which stated in part, “No contracts or agreements to invest in or purchase were ever made with Zickefoose Reserves, LLC, Choice Energy Group, LLC or Rob Zickefoose.”
11. Theresa Balfanz (Balfanz) , Patricia Jenner (Jenner) and Ann Brosh (Brosh) all invested money with ZRLLC to purchase what they understood to be interests or shares in oil/gas wells in the Wattenberg field. No oil or gas interests or shares were actually purchased with the monies of Balfanz, Jenner, or Brosh. Investment money from Balfanz, Jenner and Brosh was deposited by Zickefoose into a US Bank account. The accountholder named on the account was “Robert A. Zickefoose DBA Zickefoose Reserves.” This account number ended 9252. This account was Zickefoose’s primary business account. Zickefoose was the sole signatory to this account.
12. The majority of money deposited into Zickefoose’s account ending in 9252 was from investors. Large sums of money were used by Zickefoose for personal expenses, cash withdrawals, payments to employees, to repay past investors, and other non-drilling related expenses. Investment money from Balfanz, Brosh and Jenner was not used to purchase any interest or shares in the Ruby wells or for any expenses related to drilling, testing, or completing any oil or gas wells.
13. The investments offered and sold by Robert Zickefoose constitute “securities” pursuant to § 11-51-201(17) C.R.S., and as such, are subject to the provisions of the Colorado Securities Act.

COUNT ONE
(Securities Fraud – F3)

On or about April 26, 2010 in and triable in the State of Colorado, ROBERT ALLEN ZICKEFOOSE, in connection with the offer or sale of any security to Theresa Balfanz, directly or indirectly, unlawfully, feloniously, and willfully made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, contrary to the form of the statutes in such case made and provided, C.R.S. §§11-51-501 (1) (b) and 11-51-603 (1) (Securities Fraud – Class 3 Felony), against the peace and dignity of The People of the State of Colorado.

COUNT TWO
(Theft of \$20,000 or More – F3)

On or about April 26, 2010, with the last act in the series of acts occurring on or about April 5, 2013 and the date of discovery occurring on or about March 27, 2012, in or triable in the State of Colorado, ROBERT ALLEN ZICKEFOOSE unlawfully, feloniously, and knowingly obtained or exercised control over a thing of value, namely: U.S. currency, of Theresa Balfanz, with the value of twenty thousand dollars or more, without authorization, or by threat or deception, and knowingly used, concealed, or abandoned the thing of value in such manner as to permanently deprive Theresa Balfanz of its use or benefit; in violation of §§18-4-401(1)(b) and (2)(d), C.R.S. in such case made and provided and against the peace and dignity of The People of the State of Colorado.

The facts supporting Counts One and Two are as set forth below:

14. All of the facts supporting all other counts in this Indictment and the Essential Facts are incorporated in Counts One and Two by this reference.
15. Theresa Balfanz was an investor with ZRLLC. Theresa Balfanz resides in Arizona and was alerted to the Ruby #1 oil/gas well investment opportunity through her husband, John Balfanz. John Balfanz was alerted to the investment offering by David Corl, a Chiropractor in Arizona. Zickefoose provided offering documents for the Ruby #1 well directly to John Balfanz. According to Zickefoose, he never provided financial documents including budgets or authorization for expenditures (AFE's) to Theresa Balfanz. The cost per "position" was \$30,750.00 for a 2.25% working interest in the well. Theresa Balfanz was attracted to representations that the estimated income would be \$2,000.00 per month from the investment. It was her understanding that her investment was to be utilized to drill the well, that either Zickefoose or ZRLLC owned the well, or they were representatives of

the owners of the well, and that an individual named Ken Clark owned the drilling rights to the well. Zickefoose claimed on at least one occasion that they were one or two investors away from being able to drill the well.

16. The offering documents provided to Theresa Balfanz begin with the caption “execution page and limited power of attorney.” Page three of the offering documents made the following representations to an investor for the Ruby #1 oil/gas well:

“Representations and Warranties of the Subscriber: I understand that the working interest positions will be offered and sold in reliance upon certain exemptions from the securities registration provisions of the Federal Securities Act of 1933 as well as non-public offering exemptions of the securities act of the state in which working interest positions may be offered. . . .”

and

“Escrow: I understand that the entire amount of funds tendered with this application will remain in escrow until such time that a drilling contract has been obtained and I have received a certified copy of such.”

17. The investment that Zickefoose offered to Theresa Balfanz was not exempt from Colorado securities laws. The monies invested by Balfanz were never placed into an escrow account. Zickefoose never obtained a signed or executed drilling contract for the Ruby #1 oil/gas well. Zickefoose placed all of Balfanz’s investment funds into his US bank checking account ending in 9252. Balfanz’s money was used for a variety of non-drilling expenses by Zickefoose including, but not limited to, personal expenses, cash withdrawals, paying commissions and to repay prior investors.
18. Within the offering documents are text setting forth some of the risks associated with investing in oil and gas positions. These paragraphs were crossed out. Zickefoose admitted in a subsequent statement that he crossed out the information about risks prior to providing the documents to Theresa Balfanz.
19. Balfanz utilized money from an individual retirement account (IRA) to invest \$90,620.00 with Zickefoose. The offering documents indicate she was to receive a 4.14% working interest in the Ruby #1 Single-well Join Venture. She utilized United Western Bank check number 10246, which was dated April 26, 2010. The check was physically deposited at a US Bank branch

located at 815 Cheyenne Meadows Road, in Colorado Springs, Colorado. This address is located in El Paso County, Colorado. The check cleared and was deposited into the ZRLLC US bank account ending in 9252 on April 27, 2010.

20. Robert Zickefoose did not disclose to Theresa Balfanz in writing or verbally the following prior to her investment:
 - Her investment would not be used to drill an oil/gas well.
 - Her investment money would be utilized for personal expenses of Robert Zickefoose;
 - Investment money obtained from Theresa Balfanz would be used to repay prior investors;
 - Robert Zickefoose's business account, 9252, had a negative balance prior to her investment;
 - That her money would be used to purchase leads to recruit other investors;
 - The financial risks associated with using IRA funds for this investment;
 - That David Corl would receive a commission based upon her investment;
 - Previous investor money was used by Zickefoose for personal expenditures.

21. Zickefoose did not own or obtain any interest in the Ruby #1 oil/gas well. Balfanz's investment money has not been returned nor has an oil or gas interest been provided to her by Zickefoose.

**COUNT THREE
(Securities Fraud – F3)**

On or about August 5, 2010, in and triable in the State of Colorado, ROBERT ALLEN ZICKEFOOSE, in connection with the offer or sale of any security to Patricia Jenner, directly or indirectly, unlawfully, feloniously, and willfully made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, contrary to the form of the statutes in such case made and provided, C.R.S. §§11-51-501 (1) (b) and 11-51-603 (1), (Securities Fraud – Class 3 Felony), against the peace and dignity of The People of the State of Colorado.

COUNT FOUR
(Theft of \$20,000 or More – F3)

On or about August 5, 2010, in or triable in the State of Colorado, ROBERT ALLEN ZICKEFOOSE unlawfully, feloniously, and knowingly obtained or exercised control over a thing of value, namely: U.S. currency, of Patricia Jenner, with the value of twenty thousand dollars or more, without authorization, or by threat or deception, and knowingly used, concealed, or abandoned the thing of value in such manner as to permanently deprive Patricia Jenner of its use or benefit; in violation of §§18-4-401(1)(b) and (2)(d), C.R.S. in such case made and provided and against the peace and dignity of The People of the State of Colorado.

The facts supporting Counts Three and Four are as set forth below:

22. All of the facts supporting all other counts in this Indictment and the Essential Facts are incorporated in Counts Three and Four by this reference.
23. Patricia Jenner was an investor with ZRLLC. Jenner was alerted to the investment in 2010 by David Corl (Corl). Corl stated she could receive monthly returns of 4% for 10 to 15 years. Based on these representations, she estimated she could expect monthly returns of \$1,200-\$1,400 per month. Jenner visited a website run by Zickefoose. Zickefoose provided offering and promotional documents for the Ruby #1 well directly to Jenner. Jenner was not familiar with oil or gas operations. The documents provided to Jenner did not include financial disclosures such as historical financials or budgets. The documents included a monthly income conversion table showing potential returns on investments.
24. Based upon the offering documents and conversations with Zickefoose, Jenner understood that Zickefoose was gathering money to start drilling the Ruby #1 in 2010. According to Zickefoose, he almost had enough money to fully fund the project but needed an additional \$100,000 to fully fund the opportunity and that the property for the location of the well had already been purchased. Zickefoose told her that he could not personally invest in the well. Jenner understood from information Zickefoose presented that her money was to be used solely to pay for expenses associated with the drilling of the Ruby #1 well. He further advised that using her IRA money was the best way to invest. He also stated that her money would be held in escrow or a similar type of account. Additionally, he told her that her money would not be used until the project began and they actually started drilling the well.
25. Zickefoose offered Jenner the opportunity to invest in the Ruby #1 well. The terms of the investment offered by Zickefoose allowed her to purchase a

2.25% working interest “position” in the Ruby #1 Single well Joint Venture for \$57,600. Patricia Jenner invested \$70,000 with Zickefoose. This investment purportedly granted her a 2.734% working interest in the Ruby #1 Single-well Joint Venture. The money for the investment was obtained from Jenner’s IRA. The check was issued by Equity Trust Company on August 5, 2010. The check was physically deposited at a US Bank branch located at 815 Cheyenne Meadows Road, in Colorado Springs, Colorado on August 6, 2010. This address is located in El Paso County, Colorado. The check cleared and was deposited into the ZRLLC US Bank account ending in 9252.

26. The offering documents contained within the promotional materials begin with the caption “execution page and limited power of attorney.” The documents tendered to Jenner were similar to the offering documents tendered to Balfanz. The offering documents Zickefoose presented to Jenner omitted any reference to the investment money being placed in escrow, contrary to his verbal assertions. The paragraphs within the offering documents setting forth some of the risks associated with investing in oil and gas positions were crossed out by Zickefoose. The documents claim that the working interest positions are exempt from federal registration requirements as well as a “non-public offering” exemption from state securities laws.
27. Robert Zickefoose did not disclose in writing or verbally the following prior to Jenner’s investment:
 - Her investment would not be used to drill an oil/gas well;
 - Her money was not going to be placed in an escrow account;
 - Her money would be used immediately by Zickefoose;
 - Her money would be used for personal expenses of Robert Zickefoose;
 - Money obtained from prior investors was used to repay earlier investors;
 - Money obtained from prior investors was deposited into the ZRLLC account ending in 9252 and the account was previously overdrawn;
 - No financial status of Zickefoose’s or ZRLLC’s investment accounts was provided to Jenner. In fact, Robert Zickefoose’s business account, 9252, had a balance of only \$1,796.01 prior to her investment, and he had not retained prior investments in the Ruby #1 to fund the project;
 - The financial risks associated with investing in oil and gas wells;
 - The financial risks associated with using IRA funds for this investment;
 - That David Corl would receive a commission.
28. Zickefoose offered Patricia Jenner her money back on several occasions. On December 10, 2010, Zickefoose emailed Jenner and stated,

“ . . . if at any time you want to back out, I can facilitate that. Although I just can't recommend it! There literally is no where else that you can put funds that will return what this will and enjoy the tax benefits. This will be excellent residual income for you for many years to come after paying back the investment. But again, if you are concerned and want to back out, let me know.”

29. Jenner declined Zickefoose's offers to return her money. According to Jenner, Zickefoose claimed that there were delays in the drilling operations. During the delays, Zickefoose claimed that the well was ready to be drilled and at another point that he was looking for a few more investors and was close to having the offering fully funded. In approximately June of 2012, Zickefoose claimed to Jenner that they would start drilling in September of 2012. Patricia Jenner stated that she would not have invested if she knew her money was going to be deposited into a checking account.
30. Zickefoose did not own or obtain any interest in the Ruby #1 oil/gas well. Jenner's investment money has not been returned nor has an oil or gas interest been provided to her by Zickefoose.

**COUNT FIVE
(Securities Fraud – F3)**

On or about June 1, 2011 in and triable in the State of Colorado, ROBERT ALLEN ZICKEFOOSE , in connection with the offer or sale of any security to Ann Brosh, of Colorado Springs, Colorado, directly or indirectly, unlawfully, feloniously, and willfully made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, contrary to the form of the statutes in such case made and provided, C.R.S. §§11-51-501 (1) (b) and 11-51-603 (1), (Securities Fraud – Class 3 Felony), against the peace and dignity of The People of the State of Colorado, and as more fully set out below:

**COUNT SIX
(Theft of \$20,000 or More – F3)**

On or about June 1, 2011, in or triable in the State of Colorado, ROBERT ALLEN ZICKEFOOSE unlawfully, feloniously, and knowingly obtained or exercised control over a thing of value, namely: U.S. currency, of Ann Brosh, with the value of twenty thousand dollars or more, without authorization, or by threat or deception, and knowingly used, concealed, or abandoned the thing of value in such manner as to permanently deprive Ann Brosh of its use or benefit; in violation of §§18-4-

401(1)(b) and (2)(d), C.R.S. in such case made and provided and against the peace and dignity of The People of the State of Colorado.

The facts supporting Counts Five and Six are as set forth below:

31. All of the facts supporting all other counts in this Indictment and the Essential Facts are incorporated in Counts Five and Six by this reference.
32. Ann Brosh was solicited to be an investor with ZRLLC by Robert Zickefoose. Brosh had no prior experience in gas or oil operations and resided in Colorado Springs, Colorado, prior to investing. Ann Brosh knew Robert Zickefoose and his family prior to investing and trusted Robert Zickefoose. Zickefoose provided offering and promotional documents to Ann Brosh for the Ruby #1 and Ruby #2 combined joint venture in May of 2011. The documents given to Brosh included promotional materials, technical information about the wells, news articles about the Wattenberg field, biographies, description of tax advantages, and subscription documents. Also included was a monthly income conversion document that purported to describe monthly income from a well at differing levels of production.
33. Leading up to Brosh's investment, Zickefoose made a number of assertions pertaining to the sale of the investment. Zickefoose claimed that he was raising money to drill two wells, the Ruby #1 and Ruby #2. He stated he had other investors and was close to raising all of the money. He stated that Brosh would receive a working interest in the two oil and gas wells. He was hoping to begin drilling in the fall of 2011. Ann Brosh remembers this timeframe because she wanted to stand on the oil rig when it was ready. She was also informed that she would receive monthly dividends.
34. The offering documents contained within the promotional materials begin with the caption "execution page and limited power of attorney." The documents are similar to the offering documents tendered to other investors, but omit reference to investment money being placed in escrow. Paragraphs within the offering documents set forth some of the risks associated with investing in oil and gas positions. The documents state that ZRLLC is "offering for sale units of ownership in the Ruby #1 & Ruby #2 Two-well Joint Venture." According to the documents, \$67,600.00 purchases a 1% working interest in each well for "drill, test, and completion." The documents claim that the "units of ownership" are exempt from federal registration requirements as well as a "non-public offering" exemption from state securities laws.
35. Ann Brosh invested \$500,000 with Zickefoose. This amount purportedly obtained an 8% working interest in each of the Ruby #1 and Ruby #2 oil/gas

wells. On or about June 1, 2011 Brosh tendered check 2178 to Zickefoose for the purchase of eight units of ownership. The check was deposited into the ZRLLC US bank account ending in 9252 on June 6, 2011.

36. Robert Zickefoose did not disclose in writing or verbally the following prior to Brosh's investment:
- Her investment would not be used to drill an oil/gas well;
 - That Zickefoose did not have an interest in an oil/gas well to sell;
 - Previous investor money of over \$300,000 had already been spent on expenses unrelated to the acquisition, testing, or actual drilling of any oil or gas well;
 - Robert Zickefoose's business account, 9252, had a negative balance prior to her investment;
 - Her money would be used for personal expenses, cash withdrawals, and other non-drilling related expenses of Robert Zickefoose;
 - That prior investor's money was used for personal expenses and to make cash withdrawals;
 - Her investment money would be used to refund prior investors;
 - Her investment money as well as prior investor money would be used to fund unlicensed sales representatives;
 - That he employed a "cold caller" to solicit investor funds who had a felony conviction.
37. Zickefoose never purchased an interest in the Ruby #1 and Ruby #2 oil/gas well. Brosh's investment money has not been returned nor that has an oil or gas interest been delivered to her by Zickefoose.

**COUNT SEVEN
(Securities Fraud – F3)**

On and between May 2, 2009 and April 5, 2013, in and triable in the State of Colorado, ROBERT ALLEN ZICKEFOOSE in connection with the offer or sale of any security in working interests in oil and gas wells directly or indirectly, unlawfully, feloniously, and knowingly engaged in any course of business which operated or would operate as a fraud or deceit upon investors with Zickefoose Reserves LLC, including Robert E. Lee, Haydn Murray, Mary Gregson, C. Mark Gregson, Gary L. Stockford, Peggy H. Stockford, Pamela Ruzzo, Peter Ruzzo, Theresa Balfanz, John Balfanz, Patricia Jenner, Joseph B. Lovell, Ann Brosh, and Thad Wolfe, contrary to the form of the statutes in such case made and provided, C.R.S. §§11-51-501 (1) (c) and 11-51-603 (1), , and against the peace and dignity of The People of the State of Colorado, and as more fully set out below:

The facts supporting Count Seven are as set forth below:

38. All of the facts supporting all other counts in this Indictment and the Essential Facts are incorporated in Count Seven by this reference.
39. Robert Zickefoose and his employees purported to sell “units”, “positions”, or percentages of working interests in oil/gas wells located in Adams County, Colorado. Zickefoose actually completed sales and accepted investment money from various investors.
40. The following individuals ultimately invested money with Zickefoose for interests in oil/gas wells:
 - Robert E. Lee invested \$9,400.00 on or about May 2, 2009.
 - Haydn Murray invested \$24,000.00 on or about July 10, 2009.
 - Mary L. Gregson and C. Mark Gregson invested \$7,687.50 on or about October 23, 2009.
 - Gary L. Stockford and Peggy H. Stockford invested \$30,750.00 on or about October 29, 2009.
 - Pamela Ruzzo and Peter Ruzzo invested \$12,312.50 on or about February 1, 2010.
 - Theresa Balfanz invested \$90,620.00 on or about April 27, 2010.
 - John Balfanz invested \$15,000.00 on or about May 6, 2010.
 - Patricia Jenner invested \$70,000.00 on or about August 6, 2010.
 - Joseph B. Lovell invested \$5,000.00 on or about April 5, 2011 and \$28,800.00 on or about April 13, 2011.
 - Ann Brosh invested \$500,000.00 on or about June 6, 2011.
41. Thad Wolfe was solicited to invest in the Ruby #1 and #2 combined well offering, but ultimately did not invest.
42. In connection with the fraudulent sale of these securities, Zickefoose engaged in a course of business which operated as a fraud, in part, by accepting funds into this investment and failing to utilize the investors’ funds for the purchase of interests in these wells. Zickefoose failed to purchase any interests in the Ruby #1 and Ruby #2 oil and gas wells in Adams County, Colorado. Neither ZRLLC nor Zickefoose used investor money to purchase any legal interests or rights in the Ruby #1 or Ruby#2 wells at the time that the solicitations were made or afterward.
43. The circumstances surrounding the sales, acts, practices and course of business engaged in by Zickefoose, including the untrue statements of material fact and failure to disclose, are described in the narrative of Essential Facts and all prior paragraphs. Additionally, Zickefoose used investment funds for personal use, cash withdrawals, to repay prior investors and to pay employees.

44. Zickefoose made untrue assertions via email and other forms of communication in order to mislead investors. These included statements that the wells were close to being drilled, that actual drilling contracts had been signed, and that a drilling date had actually been scheduled. He claimed that the projects were within a few hundred thousand dollars of being fully funded, or that they were a few investors away from being able to start the drilling process. He also described the tax benefits and high potential returns on the investments.
45. On or about June 6, 2011, Zickefoose emailed Ann Brosh and stated, "Well It's official – you now own 8% working interest each in the Ruby #1 and the Ruby 2!!!" No such interest was owned or possessed by Brosh or Zickefoose.
46. Neither Zickefoose nor his employees were licensed to sell securities within the State of Colorado.

AS TO COUNT ONE
A TRUE BILL:

A NO TRUE BILL:

AS TO COUNT TWO
A TRUE BILL:

A NO TRUE BILL:

AS TO COUNT THREE
A TRUE BILL:

A NO TRUE BILL:

AS TO COUNT FOUR
A TRUE BILL:

A NO TRUE BILL:

AS TO COUNT FIVE
A TRUE BILL:

A NO TRUE BILL:

AS TO COUNT SIX
A TRUE BILL:

A NO TRUE BILL:

AS TO COUNT SEVEN
A TRUE BILL:

A NO TRUE BILL:

I, _____, the Foreperson of the 2012 - 2013 State
(PRINT)
Grand Jury, do hereby swear or affirm that each and every True Bill returned in the
Indictment by the 2012 - 2013 State Grand Jury was arrived at after deliberation
and with the assent and agreement to the existence of probable cause by at least
nine members of the 2012 - 2013 State Grand Jury. The State Grand Jury further
authorizes and instructs the Colorado Attorney General to return this Indictment to
open court with or without the presence of the foreperson.

FOREPERSON'S SIGNATURE

Subscribed and sworn to before me in the City and County of Denver, State of
Colorado, this _____ day of _____, 2013.

NOTARY PUBLIC

S E A L

ADDRESS

My commission expires: _____

JOHN W. SUTHERS
ATTORNEY GENERAL

Sean Clifford, Reg. No. 28260
First Assistant Attorney General
Criminal Justice Section

The 2012-2013 State Grand Jury presents the within Indictment, and the same is hereby

Ordered filed this _____ day of _____, 2013.

Pursuant to C.R.S. 13-73-107, the Court hereby designates the County of _____, Colorado, as the county of venue for the purposes of trial.

Robert S. Hyatt
Chief Judge
Second Judicial District