

<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,</p> <p>Plaintiff,</p> <p>v.</p> <p>JEFFORY SHIELDS , DOB: 10/01/1964 NICHOLAS SARTINI, DOB: 01/16/1968</p> <p>Defendants.</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
<p>JOHN W. SUTHERS, Attorney General MICHAEL BELLIPANNI, Senior Assistant Attorney General* 1300 Broadway, 9th Floor Denver, Colorado 80203 (720) 508-6000 Registration Number: 24421 *Counsel of Record</p>	<p>Case No.: 12CR001</p> <p>Div. 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

JEFFORY SHIELDS (SHIELDS) and NICHOLAS SARTINI (SARTINI) owned and operated Genesis Natural Resource Group, Inc. (hereafter, Genesis NRG) registered as a Wyoming corporation, doing business in Colorado. SHIELDS and SARTINI operated the business out of the following address: 88 Inverness Circle East, Centennial, Colorado. Investor funds were deposited, by check or wire transfer into accounts held in Champion Bank, located at 16790 Center Court, Parker, in Douglas County, Colorado. Beginning in or about January, 2012, and through November 2012, SHIELDS and SARTINI solicited money from

investors by and through Genesis NRG and Two Sisters #1 Joint Venture (Two Sisters #1). The investments offered by SHIELDS and SARTINI promised high rates of return. The solicitation for investments was premised upon the representation that the funds would be used for exploration and drilling of oil and gas wells on property leased in Larimer County, Colorado. SHIELDS and SARTINI collected approximately one million dollars from investors in Two Sisters #1. In fact, most of the investor funds were not actually used for the purpose of exploration and drilling oil and gas wells. The majority of investor funds were used by SHIELDS and SARTINI for personal expenses or business expenses unrelated to Two Sisters #1.

SHIELDS and SARTINI solicited and accepted investments from individuals in Colorado, as well as from several other states, including: Minnesota, Mississippi, California, South Dakota, Massachusetts, Florida, Ohio, Iowa, North Carolina, Indiana, Texas, and Oklahoma, resulting in investor losses of over one million dollars. Funds from these investors were initially deposited into accounts in the name of Genesis NRG, and Two Sisters Joint Venture #1, held at Champion Bank in the city of Parker, located in Douglas County, Colorado.

SHIELDS and SARTINI solicited and accepted investment amounts of up to eighty eight thousand five hundred dollars (\$88,500) per unit of interest for the Two Sisters #1 project. Investors received a “Confidential Information Memo” (CIM) describing the oil and gas venture for which SHIELDS and SARTINI represented Genesis NRG would use their investment funds, a “conversion table” outlining investment returns and an application for investment in the project.

After individual investments were made, SHIELDS and SARTINI, individually and by and through Genesis NRG acknowledged the investment sum. SHIELDS and SARTINI, by and through Genesis NRG sent, or caused to be sent, letters to investors acknowledging the amount of their investments in the Two Sisters #1 drilling project. SHIELDS and SARTINI, individually and by and through Genesis NRG provided a “guarantee of performance” for some investors, offering ownership in the next drilling project, if Two Sisters #1 should be deemed a “dry hole.”

The Two Sisters #1 investments offered and sold by SHIELDS and SARTINI, evidenced in part by the CIM, conversion table, application, and acknowledgement, constitute “securities” pursuant to § 11-51-201(17) C.R.S., and as such, are subject to the provisions of the Colorado Securities Act.

In soliciting investors for, and engaging in an act, practice, and course of business of, the sale of securities, SHIELDS and SARTINI made material, untrue statements and omissions of material facts including the following:

SHIELDS and SARTINI did not accurately represent the use of investor proceeds. SHIELDS and SARTINI represented that the investor funds would be used for the Two Sisters #1 drilling project and associated expenses. SHIELDS and SARTINI did not disclose to investors that they had failed to maintain investor funds for use in the Two Sisters #1 project. SHIELDS and SARTINI did not disclose to investors that the investment funds would be diverted for the personal use or benefit of SHIELDS and SARTINI. SHIELDS and SARTINI did not disclose that project funds would be used for unrelated business expenses.

SHIELDS and SARTINI failed to disclose the true terms and status of the land lease. SHIELDS and SARTINI did not disclose to investors that the leased property was less than the required forty acres needed to drill for oil and gas. SHIELDS and SARTINI did not disclose to investors the fact that if no well was drilled before September 24, 2012, the lease would revert back to the original leaseholder. Once the land lease did expire, SHIELDS and SARTINI continued to solicit, accept and hold investor funds.

SHIELDS and SARTINI failed to inform investors of their involvement in previous and pending civil litigation, including past judgments entered against them individually, and the existence of outstanding judgments. SHIELDS and SARTINI did not tell the investors that SHIELDS had criminal proceedings pending against him during the time they accepted investments in Two Sisters #1. SHIELDS and SARTINI did not advise any of the investors that on or about May 4, 2012, SHIELDS was indicted on forty one counts of Securities Fraud and Theft by the Colorado Statewide Grand Jury, resulting in the filing of Douglas County District Court case number 2012CR262, and that SHIELDS remained on bond in that case while continuing to solicit, accept, hold and direct investor funds. Neither SHIELDS nor SARTINI told the investors of the circumstances surrounding the criminal charges.

SHIELDS and SARTINI failed to disclose the actual risks of investing in the venture. SHIELDS and SARTINI indicated to investors that a well would be drilled for the Two Sisters #1 project, that profits would be generated from production of the well. SHIELDS and SARTINI described risks involved in exploration and development of gas prospects including those involving normal drilling operations; in fact, SHIELDS and

SARTINI did not drill any wells, nor did Genesis NRG escrow the investment money. Despite the fact that no well was drilled, the majority of the investor funds have been depleted. SHIELDS and SARTINI knowingly used investor money for personal and unrelated business expenses in such a manner as to deprive the investors permanently of the use and benefit of that money. SHIELDS and SARTINI failed to disclose the risks associated with this investment when the actual risk of loss to investors was significant.

SHIELDS and SARTINI continued the acts, practices and course of business designed to defraud investors in and between January of 2012, and through November, 2012. SHIELDS and SARTINI continued to solicit, accept, hold and direct investor funds, knowing that the represented oil and gas projects were insufficient to generate the promised returns. SHIELDS and SARTINI used investor funds to pay personal expenses and continued to make material misstatements and omissions to the investors after their initial investments; soliciting investors to make subsequent investments to purchase additional units. These resulting business practices operated as a fraud or deceit upon investors in the Two Sisters #1 project SHIELDS and SARTINI offered through Genesis Natural Resource Group, Inc.

COUNT ONE
(Securities Fraud – F3)

About and between January 20, and January 23, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI, in connection with the offer or sale of any security to Thomas Cotton 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:

1. SHIELDS and SARTINI offered Thomas Cotton (hereafter “Cotton”) the opportunity to invest in Two Sisters #1, an oil and gas drilling operation, through Genesis NRG. Cotton decided to accept the offer, and on and between January 20, and January 23, 2012, agreed to purchase a half unit of interest in the Two Sisters #1 oil and gas

drilling project. Cotton provided SHIELDS and SARTINI the sum of forty four thousand two hundred fifty dollars (\$44,250) to be used by SHIELDS and SARTINI for the purpose of drilling and testing for oil and gas. In return, SHIELDS and SARTINI provided to Cotton, a letter from Genesis NRG, acknowledging Cotton's investment in Two Sisters #1. This investment, evidenced, in part, by the letter, constitutes a "security", pursuant to the Colorado Securities Act.

2. In connection with the sale of the security to Cotton, SHIELDS and SARTINI made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.

COUNT TWO (Securities Fraud – F3)

About and between March 6, and November 5, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI, in connection with the offer or sale of any security to G. Marshall Smith 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:

1. SHIELDS and SARTINI offered G. Marshall Smith (hereafter "Smith") the opportunity to invest in Two Sisters #1, an oil and gas drilling operation, through Genesis NRG, Inc. Smith decided to accept SHIELDS and SARTINI'S offer, and on and about March 6, 2012, agreed to purchase a unit of interest in the Two Sisters #1 oil and gas drilling project. Smith provided SHIELDS and SARTINI the sum of eighty eight thousand five hundred dollars (\$88,500) to be used by SHIELDS and SARTINI for the purpose of drilling and testing for oil and gas. This investment constitutes a "security", pursuant to the Colorado Securities Act.
2. Additionally, in approximately November of 2012, SHIELDS and SARTINI solicited Smith for additional funds to purchase another

unit of interest in the Two Sisters #1 drilling project. Smith agreed and on and between November 2, and November 5, 2012, provided to SHIELDS and SARTINI the sum of eighty eight thousand five hundred dollars (\$88,500) for the purchase of an additional unit of interest in the Two Sisters #1 oil and gas drilling project. SHIELDS and SARTINI accepted this additional investment, and acknowledged Smith as having purchased interest in Two Sisters #1 project. This investment constitutes a “security” pursuant to the Colorado Securities Act.

3. In connection with the sale of these securities to Smith, SHIELDS and SARTINI made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.

COUNT THREE (Securities Fraud – F3)

About and between March 22, and March 28, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI, in connection with the offer or sale of any security to Rick Waits 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:

1. SHIELDS and SARTINI offered Rick Waits (hereafter “Waits”) the opportunity to invest in Two Sisters #1, an oil and gas drilling operation, through Genesis NRG. Waits decided to accept SHIELDS and SARTINI’S offer, and on and between March 22 and March 28, 2012, agreed to purchase a quarter unit of interest in the Two Sisters #1 oil and gas drilling project. Waits provided SHIELDS and SARTINI the sum of twenty two thousand one hundred twenty five dollars (\$22,125), in two separate checks, to be used by SHIELDS and SARTINI for the purpose of drilling and testing for oil and gas. SHIELDS and SARTINI accepted and acknowledged Waits’ investment. This investment constitutes a “security”, pursuant to the Colorado Securities Act.

2. In connection with the sale of this security to Waits, SHIELDS and SARTINI made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.

COUNT FOUR
(Securities Fraud – F3)

About and between April 12 and April 13, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI , in connection with the offer or sale of any security to Scott and Jody Barbour 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:

1. SHIELDS and SARTINI offered Scott and Jody Barbour (hereafter “the Barbours”) the opportunity to invest in Two Sisters #1, an oil and gas drilling operation, through Genesis NRG. The Barbours decided to accept SHIELDS and SARTINI’S offer, and on and between April 12 and April 13, 2012, agreed to purchase one unit of interest in the Two Sisters #1 oil and gas drilling project. The Barbours provided SHIELDS and SARTINI the sum of eighty eight thousand five hundred dollars (\$88,500) to be used by SHIELDS and SARTINI for the purpose of drilling and testing for oil and gas. In return, SHIELDS and SARTINI provided to the Barbours, a letter from Genesis NRG, acknowledging the Barbours’ investment in Two Sisters #1. This investment, evidenced, in part, by the letter, constitutes a “security”, pursuant to the Colorado Securities Act.
2. In connection with the sale of this security to the Barbours, SHIELDS and SARTINI made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.

COUNT FIVE
(Securities Fraud – F3)

About and between April 18 and May 23, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI , in connection with the offer or sale of any security to Ronald and Jane Maheu 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:

1. SHIELDS and SARTINI offered Ronald and Jane Maheu (hereafter “the Maheus”) the opportunity to invest in Two Sisters #1, an oil and gas drilling operation, through Genesis NRG. The Maheus decided to accept SHIELDS and SARTINI’S offer, and on and about April 18, 2012, agreed to purchase a half unit interest in the Two Sisters #1 oil and gas drilling project. The Maheus provided SHIELDS and SARTINI the sum of forty four thousand two hundred fifty dollars (\$44,250) to be used by SHIELDS and SARTINI for the purpose of drilling and testing for oil and gas. In return, SHIELDS and SARTINI provided to the Maheus, a letter from Genesis NRG, acknowledging the Maheu’s investment in Two Sisters #1. This investment, evidenced, in part, by the letter, constitutes a “security”, pursuant to the Colorado Securities Act.
2. Subsequently, in May, 2012, SHIELDS and SARTINI solicited the Maheus for additional investment funds for the Two Sisters #1 project. The Maheus accepted, and on or about May 21, 2012, provided to SHIELDS and SARTINI with another twenty two thousand one hundred twenty five dollars (\$22,125) for an additional quarter unit in Two Sisters #1, to be used by SHIELDS and SARTINI for the purpose of drilling and testing for oil and gas. SHIELDS and SARTINI accepted and acknowledged the Maheus’ additional investment. This investment constitutes a “security” pursuant to the Colorado Securities Act.
3. In connection with the sale of these securities to the Maheus, SHIELDS and SARTINI made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.

COUNT SIX
(Securities Fraud – F3)

About and between May 1 and May 4, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI, in connection with the offer or sale of any security to May Lorraine Stinson 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:

1. SHIELDS and SARTINI offered May Lorraine Stinson (hereafter “Stinson”) the opportunity to invest in Two Sisters #1, an oil and gas drilling operation, through Genesis NRG. Stinson decided to accept SHIELDS and SARTINI’S offer, and on and about May 1, 2012, agreed to purchase one quarter unit of interest in the Two Sisters #1 oil and gas drilling project. Stinson provided SHIELDS and SARTINI the sum of twenty two thousand one hundred twenty five dollars (\$22,125) to be used by SHIELDS and SARTINI for the purpose of drilling and testing for oil and gas. SHIELDS and SARTINI accepted and acknowledged Stinson’s investment. This investment constitutes a “security”, pursuant to the Colorado Securities Act.
2. In connection with the sale of this security to Stinson, SHIELDS and SARTINI made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.

COUNT SEVEN
(Securities Fraud – F3)

About and between May 31 and June 1, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI, in connection with the offer or sale of any security to Eileen Pflug 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:

1. SHIELDS and SARTINI offered Eileen Pflug (hereafter “Pflug”) the opportunity to invest in Two Sisters #1, an oil and gas drilling operation, through Genesis NRG. Pflug decided to accept SHIELDS and SARTINI’S offer, and on and about May 31, 2012, agreed to purchase two units of interest in the Two Sisters #1 oil and gas drilling project. Pflug provided SHIELDS and SARTINI the sum of one hundred seventy seven thousand dollars (\$177,000) to be used by SHIELDS and SARTINI for the purpose of drilling and testing for oil and gas. In return, SHIELDS and SARTINI provided to Pflug, a letter from Genesis NRG, acknowledging Pflug’s investment in Two Sisters #1. This investment, evidenced, in part, by the letter, constitutes a “security”, pursuant to the Colorado Securities Act.
2. In connection with the sale of this security to Pflug, SHIELDS and SARTINI made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.

COUNT EIGHT
(Securities Fraud – F3)

On or about June 25, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI, in connection with the offer or sale of any security to Anthony Shaker 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:

1. SHIELDS and SARTINI offered Anthony Shaker (hereafter “Shaker”) the opportunity to invest in Two Sisters #1, an oil and gas drilling operation, through Genesis NRG. Shaker decided to accept

SHIELDS and SARTINI'S offer, and on and about June 25, 2012, agreed to purchase a half unit of interest in the Two Sisters #1 oil and gas drilling project. Shaker provided SHIELDS and SARTINI the sum of forty four thousand five hundred dollars (\$44,500) to be used by SHIELDS and SARTINI for the purpose of drilling and testing for oil and gas. In return, SHIELDS and SARTINI provided to Shaker, a letter from Genesis NRG, acknowledging the investment in Two Sisters #1. This investment, evidenced, in part, by the letter, constitutes a "security", pursuant to the Colorado Securities Act.

2. In connection with the sale of this security to Shaker, SHIELDS and SARTINI made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.

COUNT NINE
(Securities Fraud – F3)

About and between July 31 and August 23, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI , in connection with the offer or sale of any security to Dale and Patricia Stoffer, 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:

1. SHIELDS and SARTINI offered Dale and Patricia Stoffer (hereafter "the Stoffers") the opportunity to invest in Two Sisters #1, an oil and gas drilling operation, through Genesis NRG. The Stoffers decided to accept SHIELDS and SARTINI'S offer, and on and about July 31, 2012, agreed to purchase a half unit of interest in the Two Sisters #1 oil and gas drilling project. The Stoffers provided SHIELDS and SARTINI the sum of forty four thousand two hundred fifty dollars (\$44,250) to be used by SHIELDS and SARTINI for the purpose of drilling and testing for oil and gas. In return, SHIELDS and SARTINI provided a letter to the Stoffers from Genesis NRG, acknowledging the investment in Two Sisters

- #1. This investment, evidenced, in part, by the letter, constitutes a “security”, pursuant to the Colorado Securities Act.
2. Subsequently, in August 2012, SHIELDS and SARTINI solicited the Stoffers for additional investment funds for the Two Sisters #1 project. The Stoffers accepted, and on or about August 23, 2012, provided to SHIELDS and SARTINI with another forty four thousand two hundred fifty dollars (\$44,250) for another half unit of interest in Two Sisters #1, to be used by SHIELDS and SARTINI for the purpose of drilling and testing for oil and gas. SHIELDS and SARTINI accepted and acknowledged the Stoffers’ additional investment. This investment constitutes a “security” pursuant to the Colorado Securities Act.
3. In connection with the sale of these securities to the Stoffers, SHIELDS and SARTINI made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.

COUNT TEN
(Securities Fraud – F3)

On or about August 10, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI , in connection with the offer or sale of any security to James and Brenda Sperr 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:

1. SHIELDS and SARTINI offered James and Brenda Sperr (hereafter “the Sperrs”) the opportunity to invest in Two Sisters #1, an oil and gas drilling operation, through Genesis NRG. The Sperrs decided to accept SHIELDS and SARTINI’S offer, and on and about August 10, 2012, agreed to purchase a quarter unit of interest in the Two Sisters #1 oil and gas drilling project. The Sperrs provided SHIELDS and SARTINI the sum of twenty two thousand one hundred twenty five dollars (\$22,125) to be used by SHIELDS and

SARTINI for the purpose of drilling and testing for oil and gas. SHIELDS and SARTINI accepted and acknowledged the Sperrs' investment. This investment constitutes a "security", pursuant to the Colorado Securities Act.

2. In connection with the sale of this security to the Sperrs, SHIELDS and SARTINI made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.

COUNT ELEVEN (Securities Fraud – F3)

On or about August 29, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI, in connection with the offer or sale of any security to Norman Caldwell 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:

1. SHIELDS and SARTINI offered Norman Caldwell (hereafter "Caldwell") the opportunity to invest in Two Sisters #1, an oil and gas drilling operation, through Genesis NRG. Caldwell decided to accept SHIELDS and SARTINI'S offer, and on and about August 29, 2012, agreed to purchase half unit of interest in the Two Sisters #1 oil and gas drilling project. Caldwell provided SHIELDS and SARTINI the sum of approximately forty four thousand two hundred fifty dollars (\$44,250) to be used by SHIELDS and SARTINI for the purpose of drilling and testing for oil and gas. In return, SHIELDS and SARTINI provided to Caldwell, a letter from Genesis NRG, acknowledging the investment in Two Sisters #1. This investment, evidenced, in part, by the letter, constitutes a "security", pursuant to the Colorado Securities Act.
2. In connection with the sale of this security to Caldwell, SHIELDS and SARTINI made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.

COUNT TWELVE
(Securities Fraud – F3)

About and between September 13 and September 14, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI, in connection with the offer or sale of any security to Samuel and Cheryl Lehe 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:

1. SHIELDS and SARTINI offered Samuel and Cheryl Lehe (hereafter “the Lehes”) the opportunity to invest in Two Sisters #1, an oil and gas drilling operation, through Genesis NRG. The Lehes decided to accept SHIELDS and SARTINI’S offer, and on and about September 13, 2012, agreed to purchase a half unit of interest in the Two Sisters #1 oil and gas drilling project. The Lehes provided SHIELDS and SARTINI the sum of forty four thousand two hundred fifty dollars (\$44,250) to be used by SHIELDS and SARTINI for the purpose of drilling and testing for oil and gas. SHIELDS and SARTINI accepted and acknowledged the Lehe’s investment. This investment constitutes a “security”, pursuant to the Colorado Securities Act.

2. In connection with the sale of this security to the Lehes, SHIELDS and SARTINI made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.

COUNT THIRTEEN
(Securities Fraud – F3)

About and between September 26 and September 28, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI , in connection with the offer or sale of any security to Samuel and Earlene Armstrong 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:

1. SHIELDS and SARTINI offered Samuel and Earlene Armstrong (hereafter “the Armstrongs”) the opportunity to invest in Two Sisters #1, an oil and gas drilling operation, through Genesis NRG. The Armstrongs decided to accept SHIELDS and SARTINI’S offer, and on and about September 26, 2012, agreed to purchase a unit of interest in the Two Sisters #1 oil and gas drilling project. The Armstrongs provided SHIELDS and SARTINI the sum of eighty eight thousand five hundred dollars (\$88,500) to be used by SHIELDS and SARTINI for the purpose of drilling and testing for oil and gas. SHIELDS and SARTINI accepted and acknowledged the Armstrong’s investment. This investment constitutes a “security”, pursuant to the Colorado Securities Act.
2. In connection with the sale of this security to the Armstrongs, SHIELDS and SARTINI made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.

COUNT FOURTEEN
(Securities Fraud – F3)

On or about November 21, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI , in connection with the offer or sale of any security to Gary and Janet Hughes 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:

1. SHIELDS and SARTINI offered Gary and Janet Hughes (hereafter “Mr. and Ms. Hughes”) the opportunity to invest in Two Sisters #1, an oil and gas drilling operation, through Genesis NRG. Mr. and Ms. Hughes decided to accept SHIELDS and SARTINI’S offer, and on and about November 21, 2012, agreed to purchase a half unit of interest in the Two Sisters #1 oil and gas drilling project. The Hughes provided SHIELDS and SARTINI the sum of forty four thousand two hundred fifty dollars (\$44,250) to be used by SHIELDS and SARTINI for the purpose of drilling and testing for oil and gas. SHIELDS and SARTINI accepted and acknowledged the Hughes’ investment. This investment constitutes a “security”, pursuant to the Colorado Securities Act.
2. In connection with the sale of this security to Mr. and Ms. Hughes, SHIELDS and SARTINI made untrue statements of material fact, and failed to disclose material facts as described in the narrative of Essential Facts, which is hereby incorporated by reference.

COUNT FIFTEEN
(Securities Fraud, Course of Business – F3)

On and between January 20, 2012, and through November 21, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI in connection with the offer or sale of any security to investors in Two Sisters #1, directly or indirectly, unlawfully, feloniously, and knowingly engaged in any course of business which operated or would operate as a fraud or deceit upon any person, 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:

1. For approximately eleven months, JEFFORY SHIELDS and NICHOLAS SARTINI, individually, and by and through Genesis, NRG, made numerous fraudulent sales of securities to investors in the Two Sisters #1. SHIELDS and SARTINI solicited investors to invest in fraudulent exploration and drilling of oil and gas wells

activity and provided investors an acknowledgement letter to evidence their investment. SHIELDS and SARTINI failed to disclose to investors the true risks associated with the investments. None of the listed investors have received the represented returns on their investments.

2. In connection with the fraudulent sale of these securities, SHIELDS and SARTINI initially conducted business from Colorado. In furtherance of the commission of this offense, SHIELDS and SARTINI opened and caused to be opened accounts for Genesis, NRG, Inc. and Two Sisters #1 Joint Venture at Champion Bank located in the city of Parker, Douglas County, Colorado. SHIELDS and SARTINI deposited investor funds and had investors wire funds into these Champion Bank accounts. SHIELDS and SARTINI had out-of-state investors deposit the funds directly through wire transfer, transferred investor funds deposited into other accounts, or otherwise, into Champion Bank accounts owned and controlled by SHIELDS and SARTINI.
3. The investments SHIELDS and SARTINI solicited directly or indirectly, in connection with this count, on and between January of 2012, and through November of 2012, include one or more of the following:
 - Thomas Cotton of Little Falls, Minnesota, invested individually and by and through Spectrum Holdings, approximately forty four thousand two hundred fifty dollars (\$44,250) on and between January 20, and January 23, 2012.
 - G. Marshall Smith of Gautier, Mississippi, invested approximately one hundred seventy seven thousand dollars (\$177,000) in approximately two transactions. Smith invested approximately eighty eight thousand five hundred dollars (\$88,500) on or about March 6, 2012, and approximately eighty eight thousand five hundred dollars (\$88,500) on or about November 2, 2012.
 - Rick Waits of San Jose, California, invested approximately twenty two thousand one hundred twenty five dollars (\$22,125) in approximately two transactions. Waits invested approximately eleven thousand sixty two dollars and fifty cents (\$11,062.50) on or about March 22, 2012, and

approximately eleven thousand sixty two dollars and fifty cents (\$11,062.50) on or about March 28, 2012.

- Scott and Jody Barbour of Rapid City, South Dakota, invested approximately eighty eight thousand five hundred dollars (\$88,500) on or about April 12, 2012.
- Ronald and Jane Maheu of Boston, Massachusetts invested approximately sixty six thousand three hundred seventy five (\$66,375), in approximately two transactions. The Maheus invested approximately forty four thousand two hundred fifty dollars (\$44,250) on or about April 18, 2012, and approximately twenty two thousand one hundred twenty five dollars (\$22,125) on or about May 21, 2012.
- May Lorraine Stinson of Pensacola, Florida, invested approximately twenty two thousand one hundred twenty five dollars (\$22,125) on and between May 1, 2012 and May 4, 2012.
- Eileen Pflug of Golden, Colorado invested individually, and by and through Koi Partners, approximately one hundred seventy seven thousand dollars (\$177,000) on or about May 31, 2012.
- Anthony Shaker of Mashpee, Massachusetts, invested approximately forty four thousand five hundred dollars (\$44,500) on or about June 25, 2012.
- Dale and Patricia Stoffer of Homeworth, Ohio, invested individually and by and through Stoffer's Farm Market, approximately eighty eight thousand five hundred dollars (\$88,500), in approximately two transactions. The Stoffers invested approximately forty four thousand two hundred fifty dollars (\$44,250) on or about July 31, 2012, and approximately forty four thousand two hundred fifty dollars (\$44,250) on or about August 23, 2012.
- James and Brenda Sperr of Knoxville, Iowa, invested approximately twenty two thousand one hundred twenty five dollars (\$22,125) on or about August 10, 2012.

- Norman Patrick Caldwell of Wingate, North Carolina, invested approximately forty four thousand two hundred fifty dollars (\$44,250) on and between on or about August 29, 2012.
 - Samuel and Cheryl Lehe of Remington, Indiana, invested approximately forty four thousand two hundred fifty dollars (\$44,250) on or about September 13, 2012.
 - Samuel and Earlene Armstrong of Three Rivers, Texas, invested approximately eighty eight thousand five hundred dollars (\$88,500) on or about September 26, 2012.
 - Gary and Janet Hughes of Ponca City, Oklahoma, invested approximately forty four thousand two hundred fifty dollars (\$44,250) on or about November 21, 2012.
 - Mike O'Brien invested approximately forty four thousand two hundred fifty dollars (\$44,250) on or about March 21, 2012.
 - Robert Hallgren invested approximately twenty two thousand one hundred twenty five dollars (\$22,125) on or about November 2, 2012.
 - Scott Hamilton invested approximately eleven thousand sixty two dollars and fifty cents (\$11,062.50) on or about November 19, 2012.
4. In connection with the sale of these securities to investors, SHIELDS and SARTINI engaged in a course of business which operated as a fraud, in part, by continuing to solicit, accept and hold investor funds while failing to maintain the majority of funds for use on the Two Sisters #1 project.
 5. The circumstances surrounding the sales, acts, practices and course of business engaged in by SHIELDS and SARTINI are described in the narrative of Essential Facts, and the paragraphs following Count One through Count Fourteen, which paragraphs are hereby incorporated by reference.
 6. These investors never received the profits represented by SHIELDS and SARTINI.

COUNT SIXTEEN
(Theft over \$20,000 – F3)

About and between January 20, 2012, and November 21, 2012, in and triable in the State of Colorado, JEFFORY SHIELDS and NICHOLAS SARTINI through Genesis Natural Resource Group, Inc., and Two Sisters #1 Joint Venture, did unlawfully, feloniously and knowingly obtain or exercise control over a thing of value, to wit: US CURRENCY, which was the property of investors in Two Sisters #1, by deception, and did knowingly use, conceal and abandon the money in such manner as to deprive the investors in Two Sisters #1 permanently of its use and benefit, and the value of said MONEY was more than twenty thousand dollars contrary to the form of the statute in such case made and provided, C.R.S. §§18-4-401(1)(b) and (2)(d), (Class 3 Felony) and against the peace and dignity of the People of the State of Colorado, and as more fully set forth above in the Narrative of Essential Facts, and Count One through Count Fifteen, each of which is incorporated herein by this reference.

AS TO COUNT ONE
A TRUE BILL:

AS TO COUNT TWO
A TRUE BILL:

AS TO COUNT THREE
A TRUE BILL:

AS TO COUNT FOUR
A TRUE BILL:

AS TO COUNT FIVE
A TRUE BILL:

AS TO COUNT SIX
A TRUE BILL:

AS TO COUNT SEVEN
A TRUE BILL:

A NO TRUE BILL:

AS TO COUNT EIGHT
A TRUE BILL:

AS TO COUNT NINE
A TRUE BILL:

AS TO COUNT TEN
A TRUE BILL:

AS TO COUNT ELEVEN
A TRUE BILL:

AS TO COUNT TWELVE
A TRUE BILL:

AS TO COUNT THIRTEEN
A TRUE BILL:

AS TO COUNT FOURTEEN
A TRUE BILL:

A NO TRUE BILL:

AS TO COUNT FIFTEEN
A TRUE BILL:

AS TO COUNT SIXTEEN
A TRUE BILL:

A NO TRUE BILL:

A NO TRUE BILL:

I, _____, the Foreperson of the 2012-2013 Colorado State Grand Jury, do hereby swear and affirm that each and every True Bill returned in this indictment by the 2012-2013 Colorado 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 Colorado State Grand Jury. The Colorado 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

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

Notary Public

My commission expires:_____

JOHN W. SUTHERS
ATTORNEY GENERAL
STATE OF COLORADO

Michael J. Bellipanni, #24421
Senior Assistant Attorney General
Criminal Justice Section

The 2012-2013 Colorado Statewide Grand Jury presents the within
Indictment, and the same is hereby ORDERED FILED this _____ day of
_____ 2013.

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

Robert S. Hyatt
Chief Judge