

ALWAPP

DEFENDANT Melaina N. Frederick 2015-12750
Person ID: 1576876
 CHARGE EOCA PC 71.02 (1) & (10)
F1
 ADDRESS 2426 Driftway Drive, Dallas, Texas 75228
 CAUSE# 401-83704-2015
 DESCRIPTION W/F; DOB: 10/04/1976; [REDACTED]
 AGENCY/# State Securities Board
 ARREST INFORMATION GJR
 C/C Martin Delaine Lewis; Linville Lewis; Arthur P. Wilson; Eli B. Carrasquillo
Witness: Joseph P. Oman

TRUE BILL OF INDICTMENT

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS: The Grand Jury of Collin
 County, State of Texas, duly organized at the July Term, A.D., 2015 of the 296th

District Court of said county, in said court at said term, do present that
MELAINA N. FREDERICK, hereinafter "defendant"

on or about and between the dates of February 1, 2008, and July 31, 2014, in Collin County, Texas, and elsewhere, with the intent to establish, maintain, and participate in a combination and in the profits of a combination, said combination consisting of the defendant; Martin Delaine Lewis; Linville Lewis; Arthur P. Wilson; Eli B. Carrasquillo; Jarvous W. Willis; Charles M. Frase; David A. Santos and others, who collaborated in carrying on the hereinafter-described criminal activity, did then and there commit the offenses of Theft of Property, pursuant to one scheme and continuing course of conduct, which, in the aggregate, involved criminal proceeds in the amount of \$200,000.00 or more; and Money Laundering, pursuant to one scheme and continuing course of conduct, which, in the aggregate, involved criminal proceeds in the amount of \$200,000.00 or more;

Against the peace and dignity of the State.

Daryl Mitchell
 FOREMAN OF THE GRAND JURY

FILED
 2015 DEC 10 PM 2: 58
Yous Kim
 ANDREA STEPH THOMPSON
 DISTRICT CLERK
 COLLIN COUNTY, TEXAS
 BY *B. Plouffe* DEPUTY

DEFENDANT Melaina N. Frederick Person ID: 1574876
2015-12751

CHARGE Securities Fraud > \$100K F1 **ALINAPP**

ADDRESS 2426 Driftway Drive, Dallas, Texas 75228

CAUSE# 401-83705-2015

DESCRIPTION W/F; DOB: 10/04/1976; [REDACTED]

AGENCY/# State Securities Board

ARREST INFORMATION GJR

C/C Martin Delaine Lewis, Jarvous W. Willis, Arthur P. Wilson

State Securities Board
2015 DEC 29 PM 2:00
WITNESS: [Signature]
COLLIN COUNTY TEXAS
BY: [Signature]

TRUE BILL OF INDICTMENT

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS: The Grand Jury of Collin County, State of Texas, duly organized at the July Term, A.D., 2015 of the 296th

District Court of said county, in said court at said term, do present that

MELAINA N. FREDERICK, hereinafter "defendant"

On or about the dates listed below, and before the presentment of this indictment, in Collin County, Texas, did then and there sell and offer for sale the below listed securities, to wit: limited partnership interests, interests in and under oil and/or gas leases, investment contracts, and shares of stock, to each of the persons listed below, and in the following amounts:

Person	Date	Amount	Security
BlackRock Petroleum, LLC	January 29, 2008	\$28,000.00	Working interest in Hoagland Wells #4 & #5
BlackRock Petroleum, LLC	February 12, 2008	\$29,582.72	Working interest in Hoagland Wells #4 & #5
Lawrence A. Peterson	February 26, 2008	\$20,585.25	limited partner interest in Sabine Partnership #3, Ltd.
D. Alan Bowlby	February 29, 2008	\$20,585.25	limited partner interest in Sabine Partnership #3, Ltd.
Daniel V. Yost	March 10, 2008	\$82,261.00	limited partner interest in Sabine Partnership #3, Ltd.
BlackRock Petroleum, LLC	March 13, 2008	\$57,582.72	4% working interest in Hoagland Wells #4 & #5
Marjorie H. Fahrney	April 10, 2008	\$20,585.25	limited partner interest in Sabine Partnership #3, Ltd.
Robert L. Thesken	April 14, 2008	\$20,585.25	limited partner interest in Sabine Partnership #3, Ltd.
BlackRock Petroleum, LLC	August 4, 2008	\$115,165.44	8% working interest in Hoagland Wells #4 & #5
Timothy & Ramona Giddings	September 18, 2008	\$17,000.00	limited partner interest in Sabine Partnership #3, Ltd.
Carl A. Haaland	November 14, 2008	\$82,261.00	limited partner interest in Sabine Partnership #3, Ltd.
BlackRock Petroleum, LLC	March 16, 2009	\$14,526.39	Interest in salt water disposal well
BlackRock Petroleum, LLC	August 12, 2009	\$43,187.04	3% interest in the Sabine #3
Duane S. Woebbecking	December 31, 2009	\$36,000.00	Interests in the Benchmark Operating Company, L.L.C. Delatin SWD #1
EnQuest, LLC.	January 7, 2009	\$11,465.78	interest in J. Hoagland #1 Well
EnQuest, LLC.	January 7, 2009	\$22,442.72	Interest in the J. Hoagland #3 Well
Eric Weidner	December 7, 2009	\$24,000.00	2% working interest in Delatin #1 Salt Water Well
Roy E. Brown	December 7, 2009	\$36,000.00	3% interest in the Delatin #1 Salt Water Well
BlackRock Petroleum, LLC	February 18, 2010	\$150,000.00	15% interest in Delatin #1 Salt Water Well

Person	Date	Amount	Security
Floyd J. LeBlanc, Jr. and Deborah P. LeBlanc	March 4, 2010	\$25,000.00	2 units of interest in Benchmark Operating Company, L.L.C.
BlackRock Petroleum, LLC	March 24, 2010	\$87,500.00	8.75% interest in Delatin SW #1
BlackRock Petroleum, LLC	April 1, 2010	\$12,500.00	1.25% interest in Delatin SW #1
BlackRock Petroleum, LLC	April 28, 2010	\$121,700.00	12.7% interest in Delatin SW #1
Andre' D. White	April 29, 2010	\$7,000.00	14/25ths of one unit of interest in Benchmark Operating Company, L.L.C.
Lorraine T. White	May 5, 2010	\$5,000.00	2/5ths of one unit of interest in Benchmark Operating Company, L.L.C.
BlackRock Petroleum, LLC	May 10, 2010	\$38,000.00	3.8% interest in Delatin SW #1
BlackRock Petroleum, LLC	June 8, 2010	\$57,082.72	4% working interest in Hoagland Wells #4 & #5
Albert P. Stephens, Jr.	August 20, 2010	\$70,000.00	Five and three-fifths (5 3/5th) units in Benchmark Operating Company, L.L.C.
BlackRock Petroleum, LLC	October 1, 2010	\$14,395.68	1% working interest in Hoagland Wells #4 & #5
BlackRock Petroleum, LLC	November 1, 2010	\$28,791.36	2% interest in Sabine #3
Michael B. Webb	November 12, 2010	\$41,250.00	limited partner interest in Sabine Partnership #4, Ltd.
Warren L. Jacobs d/b/a Tarragon Energy, LLC	December 20, 2010	\$18,295.32	1.75% working interest in the Hoagland #6 and Hoagland #7 Wells, Sabine Parish, Louisiana
Roy E. Brown	February 11, 2011	\$20,000.00	interest in R.H. Evans Well
Warren L. Jacobs d/b/a Tarragon Energy, LLC	March 1, 2011	\$190,794.08	working interests in the Hoagland #6 and Hoagland #7 Wells, Sabine Parish, Louisiana
Warren L. Jacobs d/b/a Tarragon Energy, LLC	March 22, 2011	\$52,272.35	Working interests in the Hoagland #6 and Hoagland #7 Wells, Sabine Parish, Louisiana
Arnold McClatchey	April 11, 2011	\$85,500.00	limited partner interest in Sabine Partnership #4, Ltd.
Gerald D. Evenson	May 6, 2011	\$20,625.00	limited partner interest in Sabine Partnership #4, Ltd.
Arnold McClatchey	August 19, 2011	\$20,000.00	working interests in the Benchmark Operating Company, L.L.C. Saratoga/R.H. Evans #1 Well
Arnold McClatchey	September 16, 2011	\$91,448.00	working interests in the Benchmark Operating Company, L.L.C. Saratoga/R.H. Evans #1 Well

And said defendant committed fraud in connection with the sales and offers for sale of said securities by:

PARAGRAPH ONE

Intentionally failing to disclose that funds invested for the purchase of limited partnership interest in the Sabine Partnership #3, Ltd. for drilling the Hoagland #4 and Hoagland #5 oil and gas wells in Sabine Parish, Louisiana had been used for purposes other than drilling the two wells, including paying expenses for other oil and gas well projects and paying the personal expenses of the defendant and other officers and employees of Insignia Energy Group, Inc. and Benchmark Operating Company, L.L.C.; said information being material fact; and

PARAGRAHP TWO

Intentionally failing to disclose that funds invested for the purchase of limited partnership interests in the Sabine Partnership #4, Ltd., for drilling the Hoagland #6 and Hoagland #7 oil and gas wells in Sabine Parish, Louisiana had been used for purposes other than drilling the two wells, including paying expenses for other oil and gas well projects and paying the personal expenses of the defendant and other officers and employees of Insignia Energy

Group, Inc. and Benchmark Operating Company, L.L.C.; said information being material fact; and

PARAGRAPH THREE

Intentionally failing to disclose that the Hoagland #5 Well was not drilled for the Sabine Partnership #3, Ltd., and that the Hoagland #6 Well nor the Hoagland #7 Well was drilled for the Sabine Partnership #4, Ltd.; said information being material fact; and

PARAGRAPH FOUR

Intentionally failing to disclose that the Texas Securities Commissioner issued an Emergency Cease and Desist Order against Insignia Energy Group, Inc., IEG Permian Basin, L.L.C., Martin D. Lewis, and J.W. Willis on May 13, 2011, in Order No. ENF-11-CDO-1702, in which the Commissioner found the defendant and other respondents had engaged in fraud in connection with the offers for sale of securities, and the Commissioner ordered the respondents to cease and desist from engaging in fraud in connection with the sales of securities; said information being material fact; and

PARAGRAPH FIVE

Intentionally failing to disclose that the defendant was a controlling principal of Benchmark Operating Company, L.L.C., the named operator for the Hoagland #4, Hoagland #5, Hoagland #6, and Hoagland #7 wells in Sabine Parish, Louisiana; said information being material fact; and

PARAGRAPH SIX

Intentionally failing to disclose that the Texas Secretary of State forfeited Insignia Energy Group, Inc.'s charter under Section 171.309 of the Texas Tax Code on July 27, 2012: said information being material fact;

And all of said amounts were obtained under one scheme and continuing course of conduct, and the aggregate amount obtained was \$100,000.00 or more;

Against the peace and dignity of the State.



FOREPERSON OF THE GRAND JURY

FILED

2015 DEC 10 PM 2:59

CLERK OF DISTRICT COURT

BY 

State v. Melaina N. Frederick Indictment-Cause No. 401-83705-2015

Person	Date	Amount	Security
BlackRock Petroleum, LLC	01/29/08	\$28,000.00	Working interest in Hoagland Wells #4 & #5
BlackRock Petroleum, LLC	02/12/08	\$29,582.72	Working interest in Hoagland Wells #4 & #5
Lawrence A. Peterson	02/26/08	\$20,565.25	limited partner interest in Sabine Partnership #3, Ltd.
D. Alan Bowlby	02/29/08	\$20,565.25	limited partner interest in Sabine Partnership #3, Ltd.
Daniel V. Yost	03/10/08	\$82,261.00	limited partner interest in Sabine Partnership #3, Ltd.
BlackRock Petroleum, LLC	03/13/08	\$57,582.72	4% working interest in Hoagland Wells #4 & #5
Marjorie H. Fahrney	04/10/08	\$20,565.25	limited partner interest in Sabine Partnership #3, Ltd.
Robert L. Thesken	04/14/08	\$20,565.25	limited partner interest in Sabine Partnership #3, Ltd.
BlackRock Petroleum, LLC	08/04/08	\$115,165.44	8% working interest in Hoagland Wells #4 & #5
Timothy & Ramona Giddings	09/18/08	\$17,000.00	limited partner interest in Sabine Partnership #3, Ltd.
Carl A. Haaland	11/14/08	\$82,261.00	limited partner interest in Sabine Partnership #3, Ltd.
BlackRock Petroleum, LLC	03/16/09	\$14,526.39	Interest in salt water disposal well
BlackRock Petroleum, LLC	08/12/09	\$43,187.04	3% interest in the Sabine #3
Duane S. Woebeking	12/31/09	\$36,000.00	Interests in the Benchmark Operating Company, L.L.C. Delatin SWD #1
EnQuest, LLC.	01/07/09	\$11,465.78	interest in J. Hoagland #1 Well
EnQuest, LLC.	01/07/09	\$22,442.72	Interest in the J. Hoagland #3 Well
Eric Weidner	12/07/09	\$24,000.00	2% working interest in Delatin #1 Salt Water Well
Roy E. Brown	12/07/09	\$36,000.00	3% interest in the Delatin #1 Salt Water Well
BlackRock Petroleum, LLC	02/18/10	\$150,000.00	15% interest in Delatin #1 Salt Water Well
Floyd J. LeBlanc, Jr. and Deborah P. LeBlanc	03/04/10	\$25,000.00	2 units of interest in Benchmark Operating Company, L.L.C.
BlackRock Petroleum, LLC	03/24/10	\$87,500.00	8.75% interest in Delatin SW #1
BlackRock Petroleum, LLC	04/01/10	\$12,500.00	1.25% interest in Delatin SW #1
BlackRock Petroleum, LLC	04/28/10	\$121,700.00	12.7% interest in Delatin SW #1
Andre' D. White	04/29/10	\$7,000.00	14/25ths of one unit of interest in Benchmark Operating Company, L.L.C.
Lorraine T. White	05/05/10	\$5,000.00	2/5ths of one unit of interest in Benchmark Operating Company, L.L.C.
BlackRock Petroleum, LLC	05/10/10	\$38,000.00	3.8% interest in Delatin SW #1
BlackRock Petroleum, LLC	06/08/10	\$57,082.72	4% working interest in Hoagland Wells #4 & #5
Albert P. Stephens, Jr.	08/20/10	\$70,000.00	Five and three-fifths (5 3/5th) units in Benchmark Operating Company, L.L.C.
BlackRock Petroleum, LLC	10/01/10	\$14,395.68	1% working interest in Hoagland Wells #4 & #5
BlackRock Petroleum, LLC	11/01/10	\$28,791.36	2% interest in Sabine #3
Michael B. Webb	11/12/10	\$41,250.00	limited partner interest in Sabine Partnership #4, Ltd.
Warren L. Jacobs d/b/a Tarragon Energy, LLC	12/20/10	\$18,295.32	1.75% working interest in the Hoagland #6 and Hoagland #7 Wells, Sabine Parish, Louisiana
Roy E. Brown	02/11/11	\$20,000.00	interest in R.H. Evans Well
Warren L. Jacobs d/b/a Tarragon Energy, LLC	03/01/11	\$190,794.08	working interests in the Hoagland #6 and Hoagland #7 Wells, Sabine Parish, Louisiana
Warren L. Jacobs d/b/a Tarragon Energy, LLC	03/22/11	\$52,272.35	Working interests in the Hoagland #6 and Hoagland #7 Wells, Sabine Parish, Louisiana
Arnold McClatchey	04/11/11	\$85,500.00	limited partner interest in Sabine Partnership #4, Ltd.
Gerald D. Evenson	05/06/11	\$20,625.00	limited partner interest in Sabine Partnership #4, Ltd.
Arnold McClatchey	08/19/11	\$20,000.00	working interests in the Benchmark Operating Company, L.L.C. Saratoga/R.H. Evans #1 Well
Arnold McClatchey	09/16/11	\$91,448.00	working interests in the Benchmark Operating Company, L.L.C. Saratoga/R.H. Evans #1 Well
total:		\$1,838,890.32	

DEFENDANT Melaina N. Frederick

Person ID: 1576876 2015-12752

CHARGE Money Laundering > \$200K, TPC 34.02, F1 *ALINAPP*

ADDRESS 2426 Driftway, Dallas, Texas

CAUSE# 401-83705-2015

DESCRIPTION W/F/DOB: 10/04/1976; [REDACTED]

AGENCY# State Securities Board

ARREST INFORMATION GJR

C/C Martin Delaine Lewis; Linville Lewis; Arthur P. Wilson; Eli B. Carrasquillo Witness: Joseph P. Oman

TRUE BILL OF INDICTMENT

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS: The Grand Jury of Collin County, State of Texas, duly organized at the July Term, A.D., 2015 of the 296th

District Court of said county, in said court at said term, do present that

MELAINA N. FREDERICK, hereinafter referred to as "defendant"

on or about and between the dates of February 1, 2008, and July 31, 2014, and before the presentment of this indictment, in Collin County, Texas, and elsewhere, did then and there:

knowingly acquire an interest in and possess the proceeds of criminal activity, to wit: current money of the United States of America, in the aggregated amount of two hundred thousand dollars (\$200,000.00) or more, and said proceeds were generated from the commission of the offenses of theft of property of the value of \$200,000.00 or more in violation of Section 31.03 of the Texas Penal Code, a felony of the first degree under the laws of the State of Texas, and the commission of fraud in connection with the sale and offer for sale of securities in an amount of \$100,000.00 or more in violation of 29C of the Texas Securities Act, a felony of the first degree under the laws of the State of Texas, the commission of the sale of securities by an unregistered dealer or agent in violation of Section 29A of the Texas Securities Act, a felony of the third degree under the laws of the State of Texas, and the commission of the sale of unregistered securities in violation of Section 29B of the Texas Securities Act, a felony of the third degree under the laws of the State of Texas;

Against the peace and dignity of the State.

Daryl Mitchell
Foreperson of the Grand Jury

FILED

2015 DEC 10 PM 2:59

Toon Kim
ANDRE A. STROH THOMPSON
CLERK
COLLIN COUNTY, TEXAS
BY *B. Rhodes* DEPUTY

DEFENDANT Melaina N. Frederick 2015-13136
Person ID: 1576876

CHARGE Theft > \$200K, TPC 31.03, F1 **ALINAPP**

ADDRESS 2426 Driftway Drive, Dallas, Texas 75228

401-83707-2015

DESCRIPTION W/F; DOB: 10/04/1976; [REDACTED]

AGENCY/# State Security Board

ARREST INFORMATION GJR

C/C Martin Delaine Lewis; Linville Lewis; Arthur P. Wilson; Eli B. Carrasquillo

Witness: Joseph P. [REDACTED]
2015 DEC 11 PM 2:59
YODAN
ADDRESS: 1100 S. HARRIS
COLLIN COUNTY, TEXA
BY: [REDACTED] DEPU

TRUE BILL OF INDICTMENT

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS: The Grand Jury of Collin County, State of Texas, duly organized at the July Term, A.D., 2015 of the 296th

District Court of said county, in said court at said term, do present that

MELAINA N. FREDERICK, hereinafter "defendant"

on or about the dates listed below, and before the presentment of this indictment, in Collin County, Texas, did then and there unlawfully appropriate, to wit: acquire and exercise control over property, other than real property, to wit: current money of the United States of America, from the following owners, and in the following amounts:

<u>Owner</u>	<u>Date of Appropriation</u>	<u>Amount of Appropriation</u>
BlackRock Petroleum, LLC	January 29, 2008	\$28,000.00
BlackRock Petroleum, LLC	February 12, 2008	\$29,582.72
Lawrence A. Peterson	February 26, 2008	\$20,565.25
D. Alan Bowlby	February 29, 2008	\$20,565.25
Daniel V. Yost	March 10, 2008	\$82,261.00
BlackRock Petroleum, LLC	March 13, 2008	\$57,582.72
Marjorie H. Fahrney	April 10, 2008	\$20,565.25
Robert L. Thesken	April 14, 2008	\$20,565.25
BlackRock Petroleum, LLC	August 4, 2008	\$115,165.44
Timothy & Ramona Giddings	September 18, 2008	\$17,000.00
Carl A. Haaland	November 14, 2008	\$82,261.00
BlackRock Petroleum, LLC	March 16, 2009	\$14,526.39
BlackRock Petroleum, LLC	August 12, 2009	\$43,187.04
Duane S. Woebbecking	December 31, 2009	\$36,000.00
EnQuest, LLC.	January 7, 2009	\$11,465.78

EnQuest, LLC.	January 7, 2009	\$22,442.72
Eric Weidner	December 7, 2009	\$24,000.00
Roy E. Brown	December 7, 2009	\$36,000.00
BlackRock Petroleum, LLC	February 18, 2010	\$150,000.00
Floyd J. LeBlanc, Jr. and Deborah P. LeBlanc	March 4, 2010	\$25,000.00
BlackRock Petroleum, LLC	March 24, 2010	\$87,500.00
BlackRock Petroleum, LLC	April 1, 2010	\$12,500.00
BlackRock Petroleum, LLC	April 28, 2010	\$121,700.00
Andre' D. White	April 29, 2010	\$7,000.00
Lorraine T. White	May 5, 2010	\$5,000.00
BlackRock Petroleum, LLC	May 10, 2010	\$38,000.00
BlackRock Petroleum, LLC	June 8, 2010	\$57,082.72
Albert P. Stephens, Jr.	August 20, 2010	\$70,000.00
BlackRock Petroleum, LLC	October 1, 2010	\$14,395.68
BlackRock Petroleum, LLC	November 1, 2010	\$28,791.36
Michael B. Webb	November 12, 2010	\$41,250.00
Warren L. Jacobs d/b/a Tarragon Energy, LLC	December 20, 2010	\$18,295.32
Roy E. Brown	February 11, 2011	\$20,000.00
Warren L. Jacobs d/b/a Tarragon Energy, LLC	March 1, 2011	\$190,794.08
Warren L. Jacobs d/b/a Tarragon Energy, LLC	March 22, 2011	\$52,272.35
Arnold McClatchey	April 11, 2011	\$85,500.00
Gerald D. Evenson	May 6, 2011	\$20,625.00
Arnold McClatchey	August 19, 2011	\$20,000.00
Arnold McClatchey	September 16, 2011	\$91,448.00

And said appropriations were without the effective consent of said owners in that consent was induced by deception, to wit: said defendant created and confirmed by words and conduct false impressions of fact that were likely to affect the judgment of said owners in the transactions and that the defendant did

not believe to be true; and said defendant failed to correct false impressions of fact that were likely to affect the judgment of said owners in the transactions, that said defendant previously created and confirmed by words and conduct, and that said defendant did not at the time believe to be true; and said defendant promised performance that affected the judgment of said owners in said transactions that said defendant did not intend to perform and knew would not be performed;

And said defendant acted with the intent to deprive said owners of said property by withholding said property permanently and for so extended a period of time that a major portion of the value and enjoyment of said property was lost to said owners, and by disposing of said property in a manner that made recovery of said property by said owners unlikely;

And all of said amounts were obtained, as alleged, as part of one scheme and continuing course of conduct, and the aggregate value of the property so appropriated was \$200,000.00 or more;

Against the peace and dignity of the State.

David Mitchell
FOREPERSON OF THE GRAND JURY

FILED

2015 DEC 10 PM 2:55

Year *15*

Month *10*

Day *10*

Hour *PM*

Minute *55*

AMERICAN SIGNATURE SERVICE

REGISTERED CLERK

COLLIN COUNTY, TEXAS

BY *D. R. [Signature]* DEPUTY