

~~DEFENDANT~~ STEVEN JAMES DENTONCHARGE Theft > \$200K, TPC 31.03(a)
and (e)(7), F1

ADDRESS 2560 Bendbrook Trail, Prosper, TX 75078

CAUSE# 199-8348-09

DESCRIPTION W/M, 03-05-1965, 5'11, 205 lbs., BLN/BLU

AGENCY/# CCDA

ARREST INFORMATION GJR

C/C

Witness: Jeff Warsing

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 January Term, A.D., 2009 of the 401st

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

STEVE JAMES DENTON, hereinafter "defendant."

on or about the following dates and before the presentment of this indictment, in Collin County, Texas,

pursuant to one scheme and continuing course of conduct, did unlawfully appropriate, to wit: acquire and exercise control over 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>
Paul Winn	November 30, 2004	\$25,000.00
Patrick J. Dennehy	November 1, 2005	\$15,000.00
Thomas A. Burdick	April 13, 2006	\$1,750.00 & 1993 Harley Davidson Motorcycle
Thomas A. Burdick	December 7, 2007	\$7,000.00
David S. Walker	April 20, 2006	\$40,000.00
Tom Denker	May 16, 2006	\$11,250.00
Kenneth R. Howe	June 14, 2006	\$11,232.00
Roger Wells	June 14, 2006	\$11,250.00
Robert A. Farmer	December 6, 2006	\$11,250.00
H. Scott Hays	December 6, 2006	\$17,500.00
H. Scott Hays	February 12, 2007	\$18,000.00
H. Scott Hays	September 19, 2007	\$15,000.00
Edgar Hays	September 25, 2006	\$55,000.00
Edgar Hays	February 12, 2007	\$18,000.00
Mark Palmer	April 23, 2007	\$22,500.00
Keith Koetting	March 12, 2008	\$24,900.00
H. Eugene Swantz	April 28, 2007	\$15,400.00
H. Scott Hays	January 30, 2008	\$15,000.00
Larry Gagnon	June 25, 2007	\$35,000.00

Larry Gagnon
Larry Gagnon

August 3, 2007
September 20, 2007

\$33,000.00
\$34,900.00

and said appropriations were without the effective consent of said owners in that consent was induced by deception, to wit:

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

and 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 the aggregate value of the property so appropriated was \$200,000.00 or more;

Against the peace and dignity of the State.

Robert Faircloth

Foreman of the Grand Jury

FILED

09 JUN 18 PM 12:35

HAWAII COUNTY
DISTRICT CLERK
[Signature]

DEFENDANT STEVEN JAMES DENTONCHARGE Sec. Fraud \$100,000;ADDRESS 2560 Bendbrook Trail, Prosper, TX 75078CAUSE# 199-81349-09DESCRIPTION W/M, 03-05-1965, 5'11, 205 lbs., BLN/BLUAGENCY/# CCDAARREST INFORMATION GJR

C/C _____

Witness: Jeff Warsing

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 January Term, A.D., 2009 of the 401st

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

STEVE J. DENTON, hereinafter "defendant,"

on or about the following dates and before the presentment of this indictment, in Collin County, Texas,

pursuant to one scheme and continuing course of conduct, did then and there, directly and through an agent, offer for sale and sell units of interest in the Duke Operating, Inc., Hardy Prospect Well #1, Montague County, Texas, to:

- Paul Winn, two (2) units of interest on or about November 30, 2004, for the amount of \$25,000.00;
- Patrick J. Dennehy, one (1) unit of interest on or about November 1, 2005, for the amount of \$15,000.00;
- Thomas A. Burdick, one-half (1/2) unit of interest on or about April 13, 2006, for the amount of \$1,750.00 cash and a 1993 Harley Davidson motorcycle; and one-half (1/2) unit of interest on or about December 7, 2007, for the amount of \$7,000.00;
- David S. Walker, two (2) units of interest on or about April 20, 2006, for the amount of \$40,000.00;
- Tom Denker, one-half (1/2) unit of interest on or about May 16, 2006, for the amount of \$11,250.00;
- Kenneth R. Howe, one-half (1/2) unit of interest on or about June 14, 2006, for the amount of \$11,232.00;
- Roger Wells, one-half (1/2) unit of interest on or about June 14, 2006, for the amount of \$11,250.00;
- Robert A. Farmer, one-half (1/2) unit of interest on or about December 6, 2006, for the amount of \$11,250.00;
- H. Scott Hays, one (1) unit of interest on or about December 6, 2006, for the amount of \$17,500.00; and one (1) unit of interest on or about February 12, 2007, for the amount of \$18,000.00; and one (1) unit of interest on or about September 19, 2007, for the amount of \$15,000.00;
- Edgar Hays, three (3) units of interest on or about September 25, 2006, for the amount of \$55,000.00; and one (1) unit of interest on or about February 12, 2007, for the amount of \$18,000.00;
- Mark Palmer, one (1) unit of interest on or about April 23, 2007, for the amount of \$22,500.00;
- Larry Gagnon, two (2) units of interest on or about May 22, 2007, for the amount of \$35,000.00; and two (2) units of interest on or about June 27, 2007, for the amount of \$35,000.00; and one (1) unit of interest on or about March 27, 2008, for the amount of \$16,400.00;

- Keith Koetting, one (1) unit of interest on or about March 12, 2008, for the amount of \$24,900.00; and
- H. Eugene Swantz, one (1) unit of interest on or about April 28, 2008, for the amount of \$15,400.00;

and defendant did then and there, directly and through an agent, offer for sale and sell units of interest in the Duke Operating, Inc., Hardy Well #2, Montague County, Texas, to:

- H. Scott Hays, one (1) unit of interest on or about January 30, 2008, for the amount of \$15,000.00; and
- Larry Gagnon, two (2) units of interest on or about September 20, 2007, for the amount of \$34,900.00;

and the said units of interests offered for sale and sold by defendant were securities in the form of interests in or under an oil/gas lease, fee, or title, and said defendant did then and there, directly and indirectly engage in fraud in connection with the offer for sale and sale of said securities by:

1. intentionally failing to disclose that funds received from previous investors in the Duke Operating, Inc. Hardy Prospect Well #1 project had been used for purposes unrelated to drilling the Hardy Prospect Well #1, and said fact being material; and
2. intentionally and knowingly misrepresenting that Duke Operating, Inc. was about to commence drilling the Hardy Prospect Well #1, and said misrepresentation was a relevant fact;

and the amounts defendant obtained from the sale of said securities, in the aggregate, involved \$100,000.00 or more,

Against the peace and dignity of the State.

Robert Faircloth

Foreman of the Grand Jury

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MANNAH KINKLE
DISTRICT CLERK
[Signature]

State v. Steven J. Denton

Securities Fraud

Complainant	Amount	Well	Other
Winn, Paul	\$25,000.00	Hardy 1	
Dennehy, Patrick J.	\$15,000.00	Hardy 1	
			and 1993 Harley Davidson motorcycle
Burdick, Thomas A.	\$1,750.00	Hardy 1	
Burdick, Thomas A.	\$7,000.00	Hardy 1	
Walker, David S.	\$40,000.00	Hardy 1	
Denker, Tom	\$11,250.00	Hardy 1	
Howe, Kenneth R.	\$11,232.00	Hardy 1	
Wells, Roger	\$11,250.00	Hardy 1	
Farmer, Robert A.	\$11,250.00	Hardy 1	
Hays, H. Scott	\$17,500.00	Hardy 1	
Hays, H. Scott	\$18,000.00	Hardy 1	
Hays, H. Scott	\$15,000.00	Hardy 1	
Hays, Edgar P.	\$55,000.00	Hardy 1	
Hays, Edgar P.	\$18,000.00	Hardy 1	
Palmer, Mark	\$22,500.00	Hardy 1	
Gagnon, Larry	\$35,000.00	Hardy 1	
Gagnon, Larry	\$35,000.00	Hardy 1	
Gagnon, Larry	\$16,400.00	Hardy 1	
Koetting, Keith	\$24,900.00	Hardy 1	
Swantz, H. Eugene	\$15,400.00	Hardy 1	
Hays, H. Scott	\$15,000.00	Hardy 2	
Gagnon, Larry	\$34,900.00	Hardy 2	
Total:	\$456,332.00		1993 Harley Davidson motorcycle

1993 Harley Davidson motorcycle

1993 Harley Davidson motorcycle

State v. Steven J. Denton

Theft

Complainant	Amount	Well	Other
Dennehy, Patrick J.	\$15,000.00	Hardy 1	
Winn, Paul	\$12,000.00	Hardy 1	
Burdick, Thomas A.	\$1,750.00	Hardy 1	and 1993 Harley Davidson
Burdick, Thomas A.	\$7,000.00	Hardy 1	
Walker, David S.	\$40,000.00	Hardy 1	
Denker, Tom	\$11,250.00	Hardy 1	
Howe, Kenneth R.	\$11,232.00	Hardy 1	
Wells, Roger	\$11,250.00	Hardy 1	
Farmer, Robert A.	\$11,250.00	Hardy 1	
Hays, H. Scott	\$17,500.00	Hardy 1	
Hays, H. Scott	\$18,000.00	Hardy 1	
Hays, H. Scott	\$15,000.00	Hardy 1	
Hays, Edgar P.	\$55,000.00	Hardy 1	
Hays, Edgar P.	\$18,000.00	Hardy 1	
Palmer, Mark	\$22,500.00	Hardy 1	
Koetting, Keith	\$24,900.00	Hardy 1	
Swantz, H. Eugene	\$15,400.00	Hardy 1	
Hays, H. Scott	\$15,000.00	Hardy 2	
Gagnon, Larry	\$35,000.00	Hardy 1	
Gagnon, Larry	\$35,000.00	Hardy 1	
Gagnon, Larry	\$34,900.00	Hardy 2	
Total:	\$426,932.00		