

THE STATE OF TEXAS
VS
HERMILIA FLORES
19307 MONTCLAIR MEADOW LANE
KATY, TX 77449

DATE PREPARED 2/15/2018

198
CORC
DA LOG NUMBER 2419341
CJIS TRACKING NO
BY JR DA NO 1638615
AGENCY DAO
O/R NO 1824226CF
ARREST DATE TO BE

FILED
Chris Daniel
District Clerk
FEB 16 2018
KDO
Harris County, Texas
Deputy

NCIC CODE 2611 01

RELATED CASES DAVID ALAN SHAND/ 1 OTHER FEL

FELONY CHARGE SECURITIES FRAUD100K

CAUSE NO 1580438
HARRIS COUNTY DISTRICT COURT NO 178
FIRST SETTING DATE

BAIL REFERRED TO (15.17)
PRIOR CAUSE NO
CHARGE SEQ NUM 1

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS:

The duly organized Grand Jury of Harris County, Texas, presents in the District Court of Harris County, Texas, that in Harris County, Texas, **HERMILIA FLORES**, hereafter styled the Defendant, on or about various dates between December 31, 2015 and October 31, 2017, did then and there engage in fraud in connection with the offer for sale and sale of interests in the following programs the Wolfpack – El Lobo II JV drilling project, the Wolfpack – West Shepherd JV drilling program, the Wolfpack – Wolf JV drilling project, the Wolfpack – Pacman B JV drilling project, the Wolfpack – King #1 JV drilling project, the Wolfpack – Elm JV drilling project, the Wolfpack – Red Oak JV drilling project, the Wolfpack – BBL JV drilling project, and the Wolfpack – 25 & 34 JV drilling project, hereafter collectively referred to as the Wolfpack Drilling Projects, being securities, to wit interests in and under oil and gas leases and investment contracts, to one or more of the below named persons, hereafter called the Complainants, by

- 1 knowingly misrepresenting that investor funds in the Wolfpack Drilling Projects would be used for the purpose of drilling oil and gas wells, said information being a relevant fact,
- 2 intentionally failing to disclose that investor funds in the Wolfpack Drilling Projects were used for purposes other than the drilling, testing, and completion of an oil and/or gas well, said information being a material fact,
- 3 intentionally failing to disclose that previous investors' funds in the Wolfpack Drilling Projects were used to pay the personal expenses of the Defendant, said information being a material fact,
- 4 intentionally failing to disclose that new investor funds in the Wolfpack Drilling Projects were being used to repay previous investors, said information being a material fact,
- 5 knowingly misrepresenting that previous wells offered by Wolfpack Oil Company, LLC, were successful and profitable wells, said information being a relevant fact,
- 6 intentionally failing to disclose that a vice president and sales agent of Wolfpack Oil Company, LLC, David Shand, on October 3, 1991, had his Certified Public Accountancy license revoked due to violations of rules relating to client records, discreditable acts, acting through others, soliciting, and payment of commissions, said information being a material fact,
- 7 intentionally failing to disclose that a vice president and sales agent of Wolfpack Oil Company, LLC, David Shand, on February 23, 1996, pleaded guilty to Tampering with a Governmental Record and was sentenced to five years in the Institutional Division of the Texas Department of Criminal Justice in Cause No 0697904, styled The State of Texas v David Alan Shand in the 182nd District Court of Harris County, Texas, said information being a material fact,
- 8 intentionally failing to disclose that a vice president and sales agent of Wolfpack Oil Company, LLC, David Shand, on February 29, 1996, pleaded guilty to one count of Conspiracy to Defraud the Government with respect to claims and two counts of Aiding and Abetting in the Presentation of False Claims for tax refunds, was sentenced to approximately 21 months in the custody of the Federal Bureau of Prisons, and ordered to pay restitution in the amount of \$49,062 in Case No 4 96-CR-00001-1, styled USA v Shand in the U S District Court, Southern District of Texas, Houston Division, said information being a material fact,
- 9 intentionally failing to disclose that a vice president and sales agent of Wolfpack Oil Company, LLC, David Shand, on July 23, 1997, pleaded guilty to one count of Access Device Fraud and was sentenced to approximately 27 months in the custody of the Federal Bureau of Prisons in Case No 4 96-CR-00165-2, styled USA v Housman, et al in the U S District Court, Southern District of Texas, Houston Division, said information being a material fact,
- 10 intentionally failing to disclose that a vice president and sales agent of Wolfpack Oil Company, LLC, David Shand, on December 2, 2003, pleaded guilty to Tampering with a Governmental Record, and was sentenced to five years in the Institutional Division of the Texas Department of Criminal Justice in Cause No 0914062, styled The State of Texas v David Alan Shand in the 263rd District Court of Harris County, Texas, said information being a material fact,
- 11 intentionally failing to disclose that a vice president and sales agent of Wolfpack Oil Company, LLC, David Shand, on December 16, 2011, pleaded guilty to Theft greater than \$200,000, was sentenced to 40 years in the Institutional Division of the Texas Department of Criminal Justice, and ordered to pay restitution in the amount of \$1,721,103.34 in Cause No 1129485, styled The State of Texas v David Alan Shand, in the 174th District Court in Harris County, Texas, said information being a material fact,

12 intentionally failing to disclose that the sole manager of Wolfpack Oil Company, LLC, Hermilia Flores, previously pleaded guilty to Theft in an amount not less than \$20,000 and not more than \$100,000, on May 25, 2011, was sentenced to five years deferred adjudication, and ordered to pay restitution in the amount of \$20,690 in Cause No 1258918, styled The State of Texas v Hermilia Flores in the 180th District Court of Harris County, Texas, said information being a material fact,

13 intentionally failing to disclose that on or about May 4, 2011, a lawsuit was filed against the sole manager of Wolfpack Oil Company, LLC, Hermilia Flores, in the 234th District Court of Harris County, Texas, in Cause No 2011-27128, styled South Texas Builders and Supply, Inc vs Hermilia Flores, alleging theft, conversion, money had and received, and breach of fiduciary duty, among other things, and on or about March 5, 2012, a final judgment was entered against Hermilia Flores in favor of the Plaintiff in the amount of \$25,390, said information being a material fact, and/or

14 intentionally failing to disclose that on or about December 4, 2014, the Commissioner of Business Oversight for the state of California Business, Consumer Services and Housing Agency, Department of Business Oversight, issued a Desist and Refrain Order commanding the financial administrator of Fossil Oil Company, LLC, Hermilia Flores, to desist and refrain from the further offer or sale in the State of California of securities in the form of units, said information being a material fact, and the amounts obtained from the sale of the said securities were obtained pursuant to one scheme and continuing course of conduct, and the aggregate amount obtained was one hundred thousand dollars or more

Complainants

Cliff Phillippe

Judith Sud Morris

Chintan Vin

Travis Brown

Justin Marbut

Robbin Mitchell

Jordan Langston

Allen McBroom

Christopher Blakistone

Christopher Burress

Christopher Ortiz

John Zelaya

Justin Zelaya

David Dawson

Uday Patel

Adrian Avalos

Conner Engelhardt

Laverne Fisher and/or James Fisher

Troy Stoddard

Kevin Fleming

Kyle Speer

Michael Sanders

Cynthia Frei and/or James Frei

Paul Rosner

Bill Booty

David Perez

Albert Hernandez

Michael Hatch

Cynthia Marie Frei

James Harris and/or Carla Harris

Carlos Suadi

Paul Victor Grambsch

William T Powell

Robert Furman and/or Lynn Furman

Keith Histon and/or Lynda Histon

Michael Poague and/or Sylvia Poague and/or

David Burt and/or Donna Burt

AGAINST THE PEACE AND DIGNITY OF THE STATE.

Asst. Foreman

263rd



FOREMAN OF THE GRAND JURY

INDICTMENT

RECORDER'S MEMORANDUM
This instrument is of poor quality
at the time of imaging



I, Chris Daniel, District Clerk of Harris County, Texas certify that this is a true and correct copy of the original record filed and or recorded in my office, electronically or hard copy, as it appears on this date.
Witness my official hand and seal of office this March 5, 2018

Certified Document Number: 78645203 Total Pages: 3

Chris Daniel, DISTRICT CLERK
HARRIS COUNTY, TEXAS

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THE STATE OF TEXAS
VS
HERMILIA FLORES
19307 MONTCLAIR MEADOW LANE
KATY, TX 77449

DATE PREPARED 2/15/2018

178
DA LOG NUMBER 2419341
CJIS TRACKING NO
BY JR DA NO 1638615
AGENCY DAO
O/R NO 1824226CF
ARREST DATE TO BE
w/c

NCIC CODE 2620 10 F1
FELONY CHARGE MONEY LAUNDERING 300K

RELATED CASES DAVID ALAN SHAND/ 1 OTHER FEL

CAUSE NO 1580439
HARRIS COUNTY DISTRICT COURT NO 178
FIRST SETTING DATE

BAIL REFERRED TO (15.17)
PRIOR CAUSE NO
CHARGE SEQ NUM 1

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS:

The duly organized Grand Jury of Harris County, Texas, presents in the District Court of Harris County, Texas, that in Harris County, Texas, **HERMILIA FLORES**, hereafter styled the Defendant, on or about various dates between December 17, 2015 and December 31, 2017, did then and there unlawfully, pursuant to one scheme and continuing course of conduct, knowingly acquire and maintain an interest in, possess, transport and/or receive funds of the aggregate value of at least three hundred thousand dollars, which constituted the proceeds of criminal activity, namely, Securities Fraud

It is further presented that in Harris County, Texas, Hermilia Flores, hereafter styled the Defendant, on or about various dates between December 17, 2015 and December 31, 2017, did then and there unlawfully, pursuant to one scheme and continuing course of conduct, knowingly transfer funds, expend funds, and/or conduct, supervise, and/or facilitate a transaction involving funds, of the aggregate value of at least three hundred thousand dollars, which constituted the proceeds of criminal activity, namely, Securities Fraud, by disposing of investor funds in a manner other than contributing to the drilling of oil and gas wells

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FILED
Chris Daniel
District Clerk

FEB 16 2018

Time: _____
Harris County, Texas
By _____
Deputy

Foreman 263rd
Jerome Craig LeBlanc Jr.

AGAINST THE PEACE AND DIGNITY OF THE STATE.

FOREMAN OF THE GRAND JURY

INDICTMENT



I, Chris Daniel, District Clerk of Harris County, Texas certify that this is a true and correct copy of the original record filed and or recorded in my office, electronically or hard copy, as it appears on this date.
Witness my official hand and seal of office
this March 5, 2018

Certified Document Number: 78645204 Total Pages: 1

Chris Daniel, DISTRICT CLERK
HARRIS COUNTY, TEXAS

In accordance with Texas Government Code 406.013 electronically transmitted authenticated documents are valid. If there is a question regarding the validity of this document and or seal please e-mail support@hcdistrictclerk.com