

# STATE OF COLORADO



## Division of Securities

Department of Regulatory Agencies

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## PRESS RELEASE

### For Immediate Release

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## TEXAS OIL AND GAS COMPANY SANCTIONED BY SECURITIES COMMISSIONER

**Denver, Colorado** --- Colorado Securities Commissioner Fred J. Joseph announced today that he has entered a final cease and desist order against a Texas oil and gas company for allegedly violating the securities registration, licensing, and anti-fraud provisions of the Colorado Securities Act ("Act") in connection with the offer of securities in and from Colorado.

Named in the Order are **Pathfinder Resources, LLC**, and its managing member, **Anthony L. Martin**, both of Dallas, Texas.

The Staff of the Division of Securities (the "Staff"), which is a division of the Colorado Department of Regulatory Agencies (DORA), has alleged that in May and June of 2007, the Respondents attempted to sell investments in oil and gas related ventures in wells to be drilled in Michigan and Nebraska. The Staff alleged that the Respondents engaged in a scheme to defraud potential oil and gas investors by failing to disclose to investors that Martin's former company, Oxbow Energy, LLC, had been the subject of two civil judgments in March of 2006 and May of 2007 for failure to pay for drilling activities and other land services work. Despite opening a new company under a different name,

Martin operations maintained the same address and phone number he used for Oxbow. The Staff further alleged that Martin offered a sales agent in Colorado \$50,000 if the sales agent could find investors for the \$250,000 Michigan offering. With the Nebraska program, Martin proclaimed a potential return of \$180,000 on a \$50,000 investment. The offers of units in the Michigan and Nebraska oil and gas drilling programs were not registered, or exempt from registration, and were attempted to be sold without the proper license, in violation of the registration and licensing provisions of the Act.

The cease and desist order, which Pathfinder and Martin agreed to, orders them to immediately and permanently cease and desist offering or selling any “security” in or from the State of Colorado in violation of the anti-fraud, registration and licensing provisions of the Act or otherwise engaging in conduct in violation of any provision of the Act. The order was made final on October 9, 2007.

*DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.*

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