

# STATE OF COLORADO

## Division of Securities

Department of Regulatory Agencies

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## PRESS RELEASE

### For Immediate Release

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## WYOMING 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 Wyoming 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 **Painted Horse, LLC**, a Wyoming limited liability company, and its managing member and chief executive officer, **James Anthony McCoy**, of Columbus, Ohio.

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 December of 2007, the Respondents attempted to sell investments in Painted Horse, an oil exploration company that intended to secure land on the Fort Berthold Indian Reservation in North Dakota. Respondents claimed that a Native American tribe had already granted Painted Horse access to develop 50,000 acres on their reservation. The Staff alleged that the Respondents failed to register its security offering. Also, the Staff alleged that the

Respondents engaged in a scheme to defraud potential oil and gas investors by failing to disclose to investors Painted Horse's current financial position, including its failure to provide records for its assets, liabilities, expenses or capital raised to date. Respondents further failed to disclose any risks of loss associated with an investment in Painted Horse and any risks that could affect Painted Horse's projected financial success.

The cease and desist order, which Painted Horse and McCoy 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.

*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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