



Department
of Commerce

NEWS RELEASE

John R. Kasich, Governor

**Jacqueline T. Williams, Director
Department of Commerce**

FOR IMMEDIATE RELEASE
June 5, 2017

Contact: Dan Orzano: 614-644-9530
daniel.orzano@com.state.oh.us

Texas Oil and Gas Company Principle and Solicitor Sentenced In Butler County

*North Shore Energy, LLC, Troy West and Robert "Bob" McManus
sentenced for securities charges and the sale of unregistered securities*

Columbus, Ohio - Following a criminal referral by the Ohio Department of Commerce - Division of Securities, Butler County Court of Common Pleas Judge Charles L. Pater today ordered North Shore Energy, LLC, located in Austin, Texas, and its principle, Troy West, to pay restitution to investors in the amount of \$1,942,239.79. Judge Pater also sentenced West to six years in prison and ordered him to pay the costs of prosecution. Additionally, the company was ordered to pay fines of \$30,000.

Both West and the company pled guilty to one count of securities fraud and one count of the sale of unregistered securities, both felonies of the second degree. Company solicitor Robert "Bob" McManus, of West Chester, Ohio, was also sentenced to five years in prison and ordered to pay restitution to the victims based on his guilty plea to one count of the sale of securities without a license and one count of the sale of unregistered securities, both felonies of the second degree. All three defendants are jointly and severally liable to pay the full restitution amount of \$1,942,239.79.

The convictions stem from the sale of promissory notes issued by North Shore Energy, LLC, to at least 18 investors residing in Ohio, Indiana and Kentucky in 2010 and 2011 for the purpose of investing in oil and gas drilling operations in Texas.

A second principle of North Shore Energy, LLC, Catherine M. Schaper, is scheduled to be sentenced on August 7, 2017.

The cases were prosecuted by Assistant Prosecutor Dan Ferguson with the Office of Butler County Prosecutor Michael Gmoser. The Ohio Division of Securities extends appreciation to the Butler County Prosecutor's Office for its history of working with the Division to investigate and prosecute cases involving securities fraud and related crimes affecting Ohio investors.

"Justice was served today and the Division of Securities has done an excellent job of ferreting out these kinds of criminal violations that are so devastating to victims and their families," said Butler County Assistant Prosecutor Dan Ferguson. "The financial losses involved in these crimes will affect some families for generations to come. Investors should be very careful to avoid putting their money into schemes unless they are completely familiar with all of the details and comfortable that they can afford the potential loss."

###

About the Division of Securities

The Division of Securities administers the Ohio Securities Act by licensing securities salespersons, dealers, investment advisers, and investment adviser representatives. The Division also registers securities offered for sale to Ohioans. Additionally, the Division investigates alleged violations of the Ohio Securities Act and enforces its provisions through administrative actions, civil injunctive actions and criminal prosecutions.

To avoid potential financial fraud, investors are encouraged to call the Division's Investor Protection Hotline at 877-683-7841 before they invest money and ask:

- Is the brokerage firm and salesperson licensed to sell securities in Ohio?
- Have any enforcement actions been taken against them?
- Has the security been properly registered with the Division of Securities?