

ORIGINAL

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U.S. DISTRICT COURT
NORTHERN DIST. OF TX
FT. WORTH DIVISION

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CLERK OF COURT

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**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

**PETROGAS OVERSEAS TRADING, LP, AND
SAMUEL O. LEMAIRE,**

Defendants,

AND

PETROENERGY, INC.,

Relief Defendant.

Civil Action No.

4-10CV-395-A

COMPLAINT

The Securities and Exchange Commission, Plaintiff, files this Complaint against Petrogas Overseas Trading, LP, and Samuel O. LeMaire, Defendants, and against Petroenergy, Inc., Relief Defendant, and would respectfully show the Court as follows:

SUMMARY

1. This case concerns an on-going religious affinity fraud against elderly investors perpetrated by Samuel O. LeMaire ("LeMaire") through Petrogas Overseas Trading, LP ("Petrogas"). LeMaire presented himself as a minister and "man of God" who planned to start a foundation to help needy children in Nigeria. Since at least 2007, LeMaire has raised at least \$2.3 million and possibly as much as \$3.6 million using religion and his purported foundation as a hook to interest potential investors. He proposed to fund his foundation, and pay investor returns, with profits earned from the

sale of tanker-loads of oil from Nigeria. LeMarie promised investors a return, usually three-to-one (but often larger), on the money they invested, with the balance of the profits from the oil venture going to the foundation. After making an investment and handing over funds, investors received a two-page letter entitled "Investment Return Pay Order" that disclosed little more than the amount invested and the promised amount of return, with a reference to crude oil. Not one of the investors was familiar with the oil business, and because of the trust LeMaire generated through his religious activities, no one questioned precisely how LeMaire planned to generate the promised returns.

2. Off and on for the last two years, LeMaire has engaged in a lulling campaign with his investors, claiming at various times that the deal was done or almost done, the funds were in transit, the funds were in a bank account ready to be wired, or any number of similar stories. During this time, LeMaire has continued to solicit funds, typically with a promise of a three-to-one return, claiming that he needed money to pay for things like processing fees, to obtain various signatures, and other items. In the last few weeks, LeMaire has continued to actively soliciting funds from investors, old and new, claiming that millions of dollars are sitting in a bank account overseas, and that he needs \$90,000 to pay "excise taxes" – and that within 45 days the money will be transferred to the U.S. and distributed to investors.

3. To date, none of the investors has received any profits or even a return of principal on their investment. Bank records obtained by the Commission indicate that LeMaire has used a large portion of the money for personal purposes, including purchasing clothing, jewelry, meals at high-end restaurants, travel, and entertainment. In

fact, it does not appear that any investor funds were used to engage in any oil-related investment or transaction.

4. The Commission, in the interest of protecting the public from any further unscrupulous activity, brings this action against the Defendants seeking temporary, preliminary and permanent injunctive and other equitable relief, disgorgement of all illicit profits and benefits Defendants received, plus accrued prejudgment interest, and civil monetary penalties and disgorgement of any investor funds transferred to the Relief Defendant, plus prejudgment interest.

JURISDICTION AND VENUE

5. This Court has jurisdiction over this action pursuant to § 22(a) of the Securities Act of 1933 (the "Securities Act") and § 27 of the Securities Exchange Act of 1934 (the "Exchange Act"). Defendants, directly and indirectly, made use of the mails and of the means and instrumentalities of interstate commerce in connection with the acts, practices and courses of business described in this Complaint. Venue is proper because many of the transactions, acts, practices and courses of business described below occurred within the jurisdiction of the Northern District of Texas.

PARTIES

6. **Samuel O. LeMaire**, currently resides in Corinth, Texas. LeMaire is a Nigerian citizen but he married a U.S. citizen in August 2009 and is pursuing U.S. citizenship at this time. LeMaire has been in the U.S. since the early 1980s, and received a social security number in 1984. In response to a Commission subpoena, LeMaire asserted his Fifth Amendment right against self-incrimination and declined to answer questions relating to the facts and circumstances surrounding the Petrogas offering.

7. **Petrogas Overseas Trading, LP**, is a Texas limited partnership formed on May 26, 2005, with its office located in Corinth, Texas. It is not registered with the Commission or with any other securities regulatory agency. LeMaire appears to be the sole owner of Petrogas.

8. **Petroenergy, Inc.**, is a Texas corporation formed on July 3, 2007, with its office located in Corinth, Texas. It is the general partner of Petrogas. Records of the Texas Secretary of State list LeMaire as the sole director of Petroenergy, and he appears to be the sole owner. Between at least January 1, 2007, and the present, Petroenergy accounts received deposits of \$2,022,544 in apparent investor funds for no business reason. In practice, LeMaire used the names and accounts of Petrogas and Petroenergy interchangeably. Petroenergy is named as a Relief Defendant solely for equitable purposes.

BACKGROUND FACTS

9. Starting in at least 2007, LeMaire used his relationships with church members and others with religious beliefs to raise money for the ultimate, purported goal of creating and funding a charitable foundation to help needy children in Nigeria. LeMaire stated that he would use investor funds to generate investment returns through his connections to the Nigerian oil industry. LeMaire told prospective investors that he had previously worked for the Nigerian National Petroleum Company (NNPC), that he knew how the operations worked, that he had friends and relatives who worked (or had worked) for the NNPC, and that he had access to allocations of crude oil in tanker-load lots.

10. LeMaire's story on how the returns on the investment would be generated varied during his fraudulent scheme. Some investors believed that LeMaire would be pooling investor funds in order to buy and sell tanker-loads of oil, while others thought LeMaire would use their funds to help him "broker" oil-tanker transactions. Unfortunately, no one pressed LeMaire on the mechanics of the investment.

11. Regardless of which story LeMaire used to describe the investment, he promised investors extremely lofty returns – most often three times the investment, but occasionally as high as ten times the investment – and stated that there would be enough money left over to fund his charitable foundation.

12. LeMarie did not provide investors with formal or informal offering documents. Instead, investors received, after investing funds with LeMaire and Petrogas, a two-page document entitled "Investment Return Pay Order." This document, for each investor identifies the "Amount Invested" and the "Investment Return" in U.S. dollars, but otherwise provides no explanation of when repayment is due or how the funds are to be used other than a reference to "NIGERIAN CRUDE OIL" of "Bonny Light" quality.

13. LeMaire delegated some of the Petrogas administrative work to the investors, including one investor who, at LeMaire's direction, kept an updated log of investors, investment amounts, and returns due. LeMaire claimed that he wanted to keep the list current so that he would know exactly how much money to wire to Petrogas investors once the money came in from the oil deals. In addition, a significant amount of money was raised by word of mouth – not by direct solicitation by LeMaire. At least two early investors, who have invested significant sums in Petrogas, frequently spoke about LeMaire and Petrogas with their friends. Some of those individuals, most of whom met

LeMaire at some point in time but may not have discussed Petrogas, invested their own money in Petrogas. The mindset of all Petrogas investors was, and still is, that God wanted them to invest with LeMaire, and that “it will all work out in the end.”

14. A review of the Defendants and Relief Defendant’s bank records and other documents created by, or at the direction of, LeMaire, shows that Petrogas and LeMaire have raised *at least* \$2,372,031 from at least 35 investors. A separate review of “Investment Return Pay Orders” in the names of his investors shows that LeMaire may have raised in excess of \$3.6 million from 50 investors with promised returns of nearly \$16 million. Investor funds made their way into one of LeMaire’s accounts by any number of means – sometimes an investor deposited his or her funds directly into an account controlled by LeMaire (cash, check or wire transfer), other times a new investor would hand over funds to an existing investor (cash or check) who would then deposit the funds into one of LeMaire’s accounts, and sometimes LeMaire deposited the funds himself. Investors often invested with cash because they were told by LeMaire, or by another investor at LeMaire’s insistence, that there was an “urgent need” for funds with no time to wait for a check to clear. LeMaire often maintained multiple accounts at multiple banking institutions. LeMaire appears to have used such accounts for a period of time, sometimes for as little as a month, and when the balance dropped to zero, LeMaire closed the accounts and started over at a new bank.

15. Once investor funds were deposited in one of LeMaire’s accounts – either in his name, or that of Petrogas, Petroenergy, or other entities he owned and controlled – almost without fail those funds were quickly dissipated through what appear to be personal expenditures by LeMaire. The overwhelming majority of identifiable funds

flowing out of LeMaire's accounts were used to purchase meals at high-end restaurants, merchandise, utilities, airline tickets, hotel rooms, cell phones and service, and other personal items. A review of debit card transactions indicates that LeMaire spent at least \$971,825 on such items since 2007. In addition, LeMaire withdrew at least \$1.13 million in cash during the same time period.

16. Between 2007 and the present, LeMaire transferred, or directed the transfer of, over \$503,000 to Nigeria through Western Union or MoneyGram. Although some of these transfers *may* have come from cash withdrawals from known bank accounts, some of the transfers used new investor funds that were never deposited into one of LeMaire's accounts. None of these transfers was in an amount greater than \$9,000, and were sent to over 60 recipients. LeMaire also wired \$140,000 to two companies in Florida that were controlled by an individual who subsequently pleaded guilty to money laundering in *U.S. v. Roda Abdul Taher, a/k/a Fateh Ikram Sakkal*, Case No. 10-60063-CR-ZLOCK (S.D.Fla.). This individual stated that he did not know LeMaire, but received instructions by telephone from Nigeria telling him when these deposits were coming and instructing him to forward the funds to bank accounts in China. Nothing about the transfers appears to be related to the purchase or sale of Nigerian oil.

17. Not a single investor has received a return of principal or any return on his or her investment. Although LeMaire has told investors on numerous occasions that the sale of the crude oil, and payments to the investors, was imminent or even that it had been completed, without fail there has always been a last-minute problem that not only prevented payment *to* investors, but also required additional funds *from* investors.

Petrogas investors continue to believe LeMaire's stories, explanations, and excuses, and those that still have savings or disposable income continue to invest in Petrogas whenever LeMaire comes calling. Unfortunately, most of the Petrogas investors have depleted their savings and retirement funds, and not only can no longer afford to invest with LeMaire, but many can no longer afford to pay rent, purchase needed medicines, make mortgage payments, or fix their air conditioners.

18. On May 25, 2010, the Commission learned that LeMaire is once again actively raising money on behalf of Petrogas. LeMaire told at least one existing investor that Petrogas needed \$90,000 to pay "excise taxes" in order to release the funds earned in the oil transaction(s) from a bank account overseas, and was offering a two-to-one return within 30 to 45 days to anyone who could invest new money with Petrogas. Although that investor did not invest new money with Petrogas – likely because she has invested everything she has (over \$1 million) – she did contact her deceased husband's former golf partner, who invested \$10,000 for himself and \$10,000 on behalf of a friend after hearing about the quick two-to-one return. In addition, on June 1, 2010, the Commission learned that LeMaire had recently reached out to a group of investors who were planning to hold a prayer meeting. LeMaire told them about his need to raise new money to facilitate the transfer of funds from overseas, and asked them to help him raise the money. These solicitation tactics are consistent with how LeMaire has raised funds throughout this scheme, and unless stopped, LeMaire will continue to solicit and steal money from existing and new investors with the promise of exorbitant returns.

CLAIMS

FIRST CLAIM

Violations of Section 10(b) of the Exchange Act and Rule 10b-5

19. Plaintiff Commission repeats and incorporates paragraphs 1 through 18 of this Complaint by reference as if set forth *verbatim*.

20. Defendants, directly or indirectly, singly or in concert with others, in connection with the purchase and sale of securities, by use of the means and instrumentalities of interstate commerce and by use of the mails have: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices and courses of business which operate as a fraud and deceit upon purchasers, prospective purchasers and other persons.

21. As a part of and in furtherance of their scheme, Defendants, directly and indirectly, prepared, disseminated or used contracts, written offering documents, promotional materials, investor and other correspondence, and oral presentations, which contained untrue statements of material facts and misrepresentations of material facts, and which omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, those set forth in Paragraphs 1 through 18 above.

22. Defendants made the above-referenced misrepresentations and omissions knowingly or with severe recklessness regarding the truth.

23. By reason of the foregoing, Defendants have violated and, unless enjoined, will continue to violate the provisions of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

SECOND CLAIM
Violations of Section 17(a) of the Securities Act

24. Plaintiff Commission repeats and incorporates paragraphs 1 through 18 of this Complaint by reference as if set forth *verbatim*.

25. Defendants, directly or indirectly, singly, in concert with others, in the offer and sale of securities, by use of the means and instruments of transportation and communication in interstate commerce and by use of the mails, have: (a) employed devices, schemes or artifices to defraud; (b) obtained money or property by means of untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in transactions, practices or courses of business which operate or would operate as a fraud or deceit.

26. As part of and in furtherance of this scheme, Defendants, directly and indirectly, prepared, disseminated or used contracts, written offering documents, promotional materials, investor and other correspondence, and oral presentations, which contained untrue statements of material fact and which omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, those statements and omissions set forth in paragraph 1 through 18 above.

27. Defendants made the above-referenced misrepresentations and omissions knowingly or with severe recklessness with regard for the truth. Defendants were also negligent in their actions regarding the representations and omissions alleged herein.

28. By reason of the foregoing, Defendants have violated, and unless enjoined, will continue to violate Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

THIRD CLAIM
Claim Against Relief Defendant as Custodian of Investor Funds

29. Plaintiff Commission repeats and incorporates paragraphs 1 through 18 of this Complaint by reference as if set forth *verbatim*.

30. Relief Defendant received funds and property from one or more of the Defendants, which are the proceeds, or are traceable to the proceeds, of the unlawful activities of Defendants, as alleged in paragraphs 1 through 18 above.

31. Relief Defendant obtained the funds and property alleged above as part of and in furtherance of the securities violations alleged in paragraphs 1 through 18 and under circumstances in which it is not just, equitable or conscionable for it to retain the funds and property. As a consequence, Relief Defendant was unjustly enriched.

REQUESTED RELIEF

The Commission seeks the following relief:

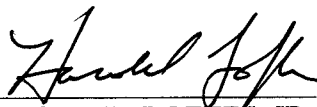
32. Orders of the Court temporarily, preliminarily and permanently enjoining the Defendants, their agents, servants, employees, attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from future violations of Section 17(a) of the Securities Act, [15 U.S.C. § 77q(a)] and Section 10(b) the Exchange Act, [15 U.S.C. § 78j(b)], and of Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

33. Orders of the Court directing Defendants and Relief Defendant to disgorge an amount equal to the funds and benefits obtained illegally as a result of the violations alleged, plus prejudgment interest on that amount.

34. Orders of the Court directing Defendants to pay civil monetary penalties in an amount determined as appropriate by the Court pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)] for their violations of the federal securities laws as alleged herein.

35. All further relief as the Court may deem just and proper.

Respectfully submitted,



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DATED: June 7, 2010

ORIGINAL

JS 44 (TXND Rev. 2/10)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

SECURITIES AND EXCHANGE COMMISSION

(b) County of Residence of First Listed Plaintiff (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number) HAROLD R. LOFTIN, JR. 801 Cherry Street, Suite 1900 Fort Worth, TX 76201 (817) 978-6450

DEFENDANTS

PETROGAS OVERSEAS TRADING, LP, and SAMUEL O. LeMAIRE, Defendants; and PETROENERGY, INC., Relief Defendant.

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED

Attorneys (If Known) Franklin Ogele One Gateway Center, Suite 2600 Newark, NJ 07102 (973) 645-0565

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
2 U.S. Government Defendant
3 Federal Question (U.S. Government Not a Party)
4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State
Citizen of Another State
Citizen or Subject of a Foreign Country
PTF DEF
1 1 Incorporated or Principal Place of Business In This State
2 2 Incorporated and Principal Place of Business In Another State
3 3 Foreign Nation
PTF DEF
4 4
5 5
6 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Table with columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Includes various legal categories like Insurance, Land Condemnation, Personal Injury, etc.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
2 Removed from State Court
3 Remanded from Appellate Court
4 Reinstated or Reopened
5 Transferred from another district (specify)
6 Multidistrict Litigation
7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): Section 17(a) of the Securities Act of 1933 [15 USC §77a(a)] and Section 10(b) of the Securities Exchange Act of 1934 [15 USC §78j(b) and Rule 10b-5 thereunder [17 C.F.R. § 240.10(b)].

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) (See instructions) PENDING OR CLOSED:

JUDGE DOCKET NUMBER

DATE 06/07/2010

SIGNATURE OF ATTORNEY OF RECORD

[Handwritten Signature]

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

Govt No Fee