

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
204 NORTH ROBINSON, SUITE 400
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Anthony Ray Stacy (CRD# 1772484), and
PVPE, LLC (CRD# 139934),

Respondents.

ODS File No. 13-066

**ENFORCEMENT DIVISION'S PRELIMINARY LISTS OF
WITNESSES, DOCUMENTS AND EXHIBITS**

The Enforcement Division of the Oklahoma Department of Securities ("Department") submits the following preliminary lists of witnesses, documents and exhibits in the above-styled matter in compliance with the *Amended Agreed Scheduling Order* issued on October 30, 2015. The Enforcement Division expressly reserves the right to identify and list additional witnesses on its final witness list and to exchange additional documents and exhibits pursuant to paragraph 5 of the Agreed Scheduling Order.

Witness List

1. Anthony Ray Stacy ("Respondent") is expected to testify regarding matters set forth in the Enforcement Division Recommendation filed in this proceeding on August 18, 2015 ("Recommendation").

2. Paul Ross, [REDACTED]
[REDACTED] is expected to testify regarding matters set forth in the Recommendation.

3. Valerie Lynch, [REDACTED]
[REDACTED] is expected to testify regarding the activities, clients, offices, and documents of Respondent and the entities discussed in the Recommendation, and the title or role of persons acting on behalf of the entities discussed in the Recommendation.

4. Paula Durham and/or Peter S. Davis [REDACTED]
[REDACTED] c/o Guttilla
Murphy Anderson, P.C., 5415 East High Street, Suite 200, Phoenix, Arizona 85054,
(480) 304-8300, is expected to testify regarding the activities and records of the persons

subject to the receivership ordered in *Sonnenschein v. Palo Verde Capital, L.L.C.*, CV 2013-012420 (Maricopa Co.).

5. Carol Gruis, Director of Examinations and Licensing, Oklahoma Department of Securities, 204 North Robinson, Suite 400, Oklahoma City, Oklahoma 73102, (405) 280-7700, c/o Terra Bonnell, Attorney, Oklahoma Department of Securities, 204 North Robinson, Suite 400, Oklahoma City, Oklahoma 73102, (405) 280-7715, is expected to testify regarding relevant CRD and IARD records and brokerage account statements.

6. Brenda London, Paralegal, Oklahoma Department of Securities, 204 North Robinson, Suite 400, Oklahoma City, Oklahoma 73102, (405) 280-7700, c/o Terra Bonnell, Attorney, Oklahoma Department of Securities, 204 North Robinson, Suite 400, Oklahoma City, Oklahoma 73102, (405) 280-7715, is expected to testify regarding records of the Enforcement Division of the Oklahoma Department of Securities, as a custodian of the records.

7. Patricia Leonard, [REDACTED] is expected to testify regarding the matters set forth in paragraphs 79 through 93 of the Recommendation.

8. Lance Leonard, [REDACTED] is expected to testify regarding the representations made by Respondent in connection with the offer and sale of interests in the Palo Verde Fund, LP, to Patricia Leonard.

9. John R. Cassimus, [REDACTED] is expected to testify regarding the matters set forth in paragraphs 64 through 78 of the Recommendation.

10. Representative from RSM US, LLP (f/n/a "McGladrey, LLP"), 1 S Wacker Drive, Suite 800, Chicago, Illinois 60606, (312) 384-6000, is expected to testify regarding the Independent Auditor's Reports prepared for Palo Verde Fund, LP.

11. All witnesses necessary to rebut the testimony of any witness or a document or exhibit identified on Respondent's preliminary or final witness lists or exhibit lists or offered by Respondent at hearing.

12. All witnesses identified in the Respondent's preliminary and/or final list of witnesses or called at hearing by Respondent, to the extent such witnesses' testimony is relevant, admissible, and not objected to by the Department.

Document and Exhibit List

1. All documents referred to in the Recommendation

2. CRD/IARD records for Respondent
3. CRD/IARD records for PVPE, LLC, Paragon Financial Group, LLC, Palo Verde Capital, LLC, and Cercidium Capital Management, including, but not limited to, Form ADVs
4. Organizational and corporate registration documents for the entities referred to in the Recommendation including, but not limited to, limited partnership agreements and articles of organization
5. Orders, receivership reports, and other filings in *Sonnenschein v. Palo Verde Capital, L.L.C.*, CV 2013-012420 (Maricopa Co.)
6. Correspondence between the Receiver appointed in *Sonnenschein v. Palo Verde Capital, L.L.C.*, CV 2013-012420 (Maricopa Co.) and investors in the Palo Verde Fund, LP, and the Palo Verde Private Equity Fund, LP
7. Offering documents for the Palo Verde Fund, LP, and Palo Verde Private Equity Fund, LP, including, but not limited to, private placement memorandums and subscription agreements
8. Form D for securities issued by Palo Verde Fund, LP
9. Independent Auditor's Reports for Palo Verde Fund, LP
10. Account records for financial accounts maintained for Palo Verde Fund, LP
11. Loan agreement and promissory note dated January 18, 2010, between Palo Verde Energy Fund, LLC (f/n/a Arkoma Natural Gas Partners, LLC), and PAR III, Inc.
12. Purchase and Sale Agreement, and related documents, for the sale of the "Chismiville Properties" to Palo Verde Energy Fund, LLC
13. Assignment and Assumption of Borrower's Interest in Loan Agreement and Loan Documents, dated October 1, 2010, entered into between PAR III, Inc., and Palo Verde Energy Fund, LLC
14. Assignment, Bill of Sale and Conveyance(s) relating to the transfer of oil and gas property from Palo Verde Energy Fund, LLC, to Paragon Capital Partners, LLC
15. Loan Agreements, Promissory Notes, Guaranty Agreements, and other documents relating to loans provided by Bank of Oklahoma to PAR III, LLC, and Palo Verde Energy Fund, LLC

16. Pleadings and other filings in *BOKF, N.A. v. Palo Verde Private Equity Fund, L.P.*, CJ-2013-02053 (Tulsa Co.)

17. Financial statements for the Palo Verde Fund, LP, and the Palo Verde Private Equity Fund, LP

18. Loan Agreement dated January 1, 2013, between Palo Verde Fund, LP, and Palo Verde Private Equity Fund, LP

19. Communications between Respondent, or another person on his behalf, and investors in the Palo Verde Fund, LP, and the Palo Verde Private Equity Fund, LP

20. Investment advisory agreement dated February 1, 2007, between Paragon Financial Group, LLC, and Griffin Communications, LLC

21. Investment advisory agreement dated April 24, 2009, between Paragon Capital Advisers, LLC, and Griffin Communications, LLC

22. Separately Managed Account Agreement dated July 30, 2012, between John Cassimus and Palo Verde Capital, LLC

23. Account records and statements relating to accounts maintained in the name of, or for the benefit of, John Cassimus

24. Account records and statements relating to accounts maintained in the name of, or for the benefit of, Patricia Leonard, her husband, and their family trust, including, but not limited to, account statements issued by PartnersAdmin, LLC

25. Investment advisory agreement dated May 29, 2008, between Paragon Financial Group, LLC, and Roger and Patricia Leonard

26. Investment advisory agreement dated April 15, 2009, between Paragon Capital Advisers, LLC, and Roger Leonard

27. Rollover paperwork for the employer sponsored retirement account of Patricia Leonard

28. Alternative Investment Letters of Authorization signed by Respondent for accounts of John Cassimus and Patricia Leonard

29. Schedule K-1s for limited partnership interests in the Palo Verde Fund, LP

30. Marketing materials for "Palo Verde Capital"

31. Orders and other filings in *In re Anthony Ray Stacy*, Docket Number S-20909A-14-0226, before the Arizona Corporation Commission

32. All documents and exhibits identified in Respondent's preliminary list of documents and exhibits to the extent such documents and exhibits are relevant, admissible, and not objected to by the Department

33. All documents and exhibits received by the Department pursuant to paragraph 5 of the *Amended Agreed Scheduling Order* dated October 30, 2015, to the extent such documents and exhibits are relevant, admissible, and not objected to by the Department

34. All items received by the Department in connection with on-going discovery relating to this matter to the extent such documents are relevant, admissible, and not objected to by the Department

35. All documents filed in this matter to the extent such documents are relevant, admissible, and not objected to by the Department

36. The deposition transcripts of any witnesses who become unavailable

37. Any evidence needed to impeach a witness

38. Any document needed to refresh a witness's memory

39. Demonstrative aids and summaries of evidence that have not yet been created

Dated this 6th day of November, 2015.

Respectfully submitted,



Terra Shamas Bonnell
Robert E. Fagnant
Enforcement Attorneys
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rfagnant@securities.ok.gov

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 6th day of November, 2015, a true and correct copy of the above and foregoing document was emailed to Respondent at tstacy911@gmail.com and mailed with postage prepaid thereon, addressed to:

Anthony R. Stacy
9233 E. Canyon View Road
Scottsdale, AZ 85255

Respondent



Terra Bonnell