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For Immediate Release

Feb. 14, 2018

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Second Texas Oil and Gas Company Executive Sentenced In Butler County

*Catherine M. Schaper sentenced for securities fraud
and the sale of unregistered securities*

Following a criminal referral by the Ohio Division of Securities, Butler County Court of Common Pleas Judge Charles Pater on Tuesday sentenced Catherine M. Schaper, age 55, of Austin, Texas-based North Shore Energy, LLC, to six years in prison and ordered her to pay restitution to the victims and court costs. Schaper pled guilty to one count of securities fraud and one count of the sale of unregistered securities, both felonies of the second degree.

Schaper is the last of the three defendants to be sentenced in this case. On June 5, 2017, company principle Troy West was sentenced to six years in prison, ordered to pay restitution to investors and ordered to pay the costs of prosecution. Company solicitor Robert McManus, of West Chester, Ohio, was sentenced to five years in prison and ordered to pay restitution to investors. North Shore Energy, LLC, was ordered to pay additional fines of \$30,000. All of the defendants are jointly and severally liable to pay the full restitution amount to the investors in the amount of \$1,942,239.79.

Both West and North Shore Energy pled guilty to one count of securities fraud and one count of the sale of unregistered securities, both felonies of the second degree. McManus pled guilty 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. On July 3, 2017, West appealed his conviction and sentence. He remains in custody while his appellate case is pending.

All of 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.

The cases were prosecuted by Assistant Prosecutor Dan Ferguson with the Office of Butler County Prosecutor Michael Gmoser.

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