



# COMMISSION NEWS

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ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

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TO: EDITORS, NEWS DIRECTORS  
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CONTACT: Kurt Meritt (602) 542-0187 or  
Karie Dozer (victim Information)  
(602) 542-8019

## **VALLEY RESIDENT SENTENCED TO PRISON FOR OIL FRAUD SCHEME -- AGREES TO PAY VICTIMS \$1,000,000.**

PHOENIX, AZ/November 30, 1998 – Valley resident David Patrick Lannan, 44, was sentenced today by superior court judge Roger Kaufman to a 6.5 year prison term for theft in connection with operating an oil and gas investment fraud scheme. Lannan plead guilty on September 2, 1998 to two criminal charges -- theft and fraud schemes. Additionally, the court ordered Lannan to repay more than \$1,000,000 that he took from 63 investors. Commissioner-Chairman Jim Irvin said, "This sentencing is a final chapter in a four year investigation of Lannan by the Securities Division of the Arizona Corporation Commission, and again shows that we intend to seriously prosecute any violations of the public trust by unscrupulous securities salesmen. Since July of 1997 we have successfully obtained 15 criminal convictions, with more than \$42 million being ordered returned to Arizona consumers in criminal restitution."

Lannan operated an Arizona company called Austin Oil & Natural Gas, L.L.C. from 1993 to 1995 that sold investments in oil and gas wells to investors. Lannan used much of the money that he received from investors for expenses that were not related to oil and gas investments, including a honeymoon trip to Europe in 1995 and expenses for starting a Scottsdale restaurant that never opened.