

Securities and Exchange Commission  
VS.

Case Number 3:16-cv-01735-D

Christopher A. Faulkner, Breitling Energy , et al.,

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**ROYALTY INVESTORS / INJURED PARTIES**

**Charles Perry & Cynthia Perry / Pro Se**

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**April 22, 2020**

**SUPPLEMENTAL SUBMISSION to SUPPORT NON PARTY REQUEST  
TO RELEASE OIL ROYALTY ASSETS TO OWNERS**

We, Charles and Cynthia Perry are Non Parties with Breitling Royalties Corporation. We do not have an Attorney to represent us, and are requesting the Court to accept our Supplemental Submission as *Pro Se Parties*.

I respectfully request the Court to acknowledge and use our two past presented submissions, one was an **Objection** and One was a **Hardship Letter**. In both submissions, our primary issue has been defending our Constitutional Right to Possess and Enjoy the Legal Rights to our Oil Royalty Property. Also, after talking to many of the other Oil Royalty Owners, in which most are retirees, they to invested in the Oil Royalties to secure cash flows to last them through their retirement life. In my discussions, with these Royalty Owners, we all believe that if the Court allows the Court Appointed Receiver, to take our Personal Property and liquidate it for Pennies on the Dollar, to share with any Separate and Non Ownership Entity, more specifically the "**Working Interest Investors**", it would be a Gross Violation of our Basic Constitutional Rights, to Possess and Use our Legal Property which allows us retirees to Earn a Living. If our property was torn from us, the Oil Royalty Owners would be Victims of something Unfair, Unjust and something that contradicts the Constitutional Right of Ownership and Possession.

On April 13, 2020 the Court Receiver Filed a "SUPPLEMENTAL SUBMISSION IN SUPPORT OF HIS MOTION TO APPROVE A PROPOSED PLAN OF DISTRIBUTION AND TO ESTABLISH PROCEDURES TO DETERMINE AND DISALLOW FINAL CLAIMS. We agree and concur that a plan to release the Oil Royalties out of suspense with the Oil Operators is essential. At the same time, the release of the Oil Royalties back to its owners should be a Primary Objective with specific time lines. The process should be supervised by the Court and should allow the Oil Operator to use its in house Legal team to re-do the Deeds and other items for the Filing of each Oil Royalty Owner. Such is of Paramount Importance for the Oil Operators to place the Oil Royalty Owners to their legal Ownership

The Supplemental Submissions presented by the Receiver is predominantly more information to support the Receiver's Claim to the Commingling of Oil Royalty and Working Interest Funds by Breitling Oil Et Al. The Supplemental Submissions by the Receiver with the support of Veritas Consulting, which is basically a CPA Accounting Company, was hired to support the Receiver's commingling evidence of Breitling Oil Et AL. Veritas has presented very Colorful Graphs and Extremely Busy Flow Charts that added absolutely nothing to what has already been previously submitted by the *Receiver*. The Supplemental Submission of the additional information and the CPA Firm by the Receiver appears to be **Costly** for the **Receiver**. Again, the Graphs and Flow Charts were colorful, but simply reiterated previously stated information. The Supplemental Submission was basically Redundancy and actually added nothing already known. Everyone is aware, that Breitling Oil, is a Non Sophisticated Business Group that made several business mistakes including Commingling of Funds. New companies frequently make mistakes and often commingle funds. Some of the Funds that appeared to be commingled may have been "Breitling Oil's Profit Dollars" and not Investors Dollars. However, Torrent Oil, a Oil Operator hired a Oil and Gas Law Firm to examine and prepare a Legal Opinion on the Jericho Royalty Oil Property offered by Breitling Oil. The Legal Firm compiled enormous information as to where the Oil Royalty Investors Dollars went and were used for. The Legal Opinion highlighted several Errors committed by Breitling Oil Company in conveying the Royalty Property. Errors cited were, Incorrect Ownership Percentages, wrong Addresses, decimal ownership instead of percentage Ownership and several other errors. However, the Extensive Legal Audit only found less than **1% of the Royalty Sales** were "**Over Sold**" in the Jericho Oil Property Group. They found other discrepancies, in which Torrent Oil would fix the errors and place the Royalty Owners in legal pay status. Carrizo Oil Company found similar errors made by Breitling Oil, but they have fixed the errors and are ready to place its Royalty Owners in their legal pay status. Both of the Oil Operator through their legal due diligence reports (acknowledging adjustments to be made) but confirmed that Royalty Property was Purchased by Breitling Oil and conveyed to most of the Royalty Buyers.

NOW, the Real Issue the Court and the Court Receiver face is NOT THE COMMINGLING OF FUNDS, but, what Assets belong to who and can the **Oil Royalty Assets** and **Working Interest Assets** be legally Blended together as one Parcel. The Oil Royalties and Working Interest are **Defined** by the **IRS as two Separate and Different Types of Assets**. For Tax Purposes the two Distinct Assets have been purchased and treated so by the IRS as a Royalty Asset or a Working when taxes were filed. These filings cannot be undone. But most importantly, the Receivers Proposal to share all the Assets as One Unit, would abridge the constitutional property rights of the **Royalty Owners** and **Working Interest Owners**. Both Parties have the Constitutional Right to Own and Possess the Property they Purchased. Clearly we, Charles and Cynthia Perry engaged in Binding Contracts with Breitling Oil Royalties. There were "Offers" by Breitling Oil Royalty, known as

the "Seller" and there were "Acceptances" by Charles and Cynthia Perry known as "Buyers". Both Parties executed a legal binding Buy Sell Contract. There was Monetary Consideration from Charles Perry of (\$200,000 ) transmitted with a Bank Draft or a Federal Wire of Good Clean and Clear Funds sent to Breitling Oil Royalty the "Seller". These Funds were sent unencumbered and were received by Breitling Oil Royalty as unencumbered funds for a specific transaction. The Oil Royalty Property named "Jericho" upon receipt of two \$100,000 Bank transmissions, totaling \$200,000 usd was received by Breitling Oil as unencumbered Cash Tender. Upon receipt of that Payment the Purchase of the Oil Royalty Property was complete legal and binding. Breitling Oil subsequently conveyed by a Deed as to the fractional interest of ownership in the Jericho Royalty Property that I purchased. Also, Monthly Income for over 2 years was received based on the total percent of fractional interest I owned in the property. Cynthia Perry, my wife Purchased a \$60,000 Royalty Property under the same scenario described above.

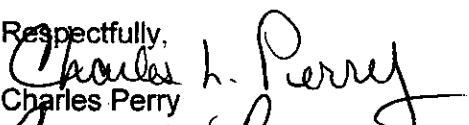
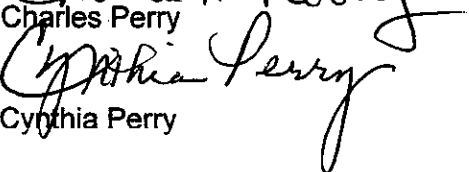
The Royalty Assets Purchased from Breitling Oil Company are not encumbered. There has been no SEC challenge as to any Legal or Criminal Act engaged in the Non Party Oil Royalties Sold by Breitling Oil Royalty Company to any of the Non Party Oil Royalty Buyers.

Based on our prior submitted Objection, Hardship Letter and information in this submission, we are requesting the court to release our Non Party Breitling Royalties Corporation Assets, currently held in suspense, to the respective Oil Operators for the benefit of the Oil Royalty Owners. We Charles and Cynthia Perry as well as other Non Party Royalty Owners have a constitutional Right to the Property that belongs to us. We also believe if the Non Party Oil Royalties are released back to the Oil and Gas Operators under the supervision of the Court Receiver, the Oil Operators would be the most knowledgeable and efficient Team to place the Non Party Royalty Owners into their legal and proper pay status.

It has now been Four (4) Years since any of the Non Party Breitling Royalty Corporation Investors, whom are predominantly retirees, have received income from their Royalties. We, Charles and Cynthia Perry, have used our personal savings to help sustain us financially; we urgently need our Oil Royalty Assets to supplement our income.

We respectfully request the Court and the Judge to Consider the Merritt of our Request based on its pure content. We are not attorneys and may have not presented this in a Legal Format. However, we believe our request is Right, Fair, Just and is within our Constitutional Right to Own and Posses the property we purchased.

Respectfully,

  
Charles Perry  
  
Cynthia Perry

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