

Weld mineral owners lob additional allegations of fraud against Ferrari Energy

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PUBLISHED: March 15, 2019 at 7:01 p.m. | UPDATED: May 28, 2020 at 7:22 a.m.

Weld County landowners continue to lob allegations of fraud against Denver-based Ferrari Energy LLC in the wake of last month's arrest of the company's founder, Adam Ferrari. But the company also appears to be in damage control mode as it deals with the latest round of lawsuits filed in Weld, Adams and Denver counties. Although not a lawsuit, one of those local cases involves Warren and Constance Smith of Slippery Rock, Penn. On Feb. 25, the Smiths filed an affidavit of non-payment with the Weld County Clerk and Recorder alleging Ferrari Energy failed to make good on a more than \$1.3 million deal to purchase mineral interests on about 640 acres of land. The deal was struck in January with Tony Schluck, VP of Acquisitions and a company partner. As part of the negotiations, Schluck instructed the Smiths to send him a signed copy of the mineral deed, advising them to hold onto the original until closing.



Tony Schluck

“I do ask you provide us a COPY of the mineral deed, but understand the copy is not sufficient to transfer ownership, so there should be no concern in providing us one,” Schluck wrote in a Jan. 7 email to Constance. “Additionally, feel free to stamp or write COPY on the document as you see fit and take comfort in the fact that the original mineral deed is the only document the assessor’s office will take for submission of a legal transfer of ownership for mineral rights.” What Schluck told the Smiths isn’t necessarily true. Weld County Clerk and Recorder Carly Koppes said her agency offers a variety of ways for her customers to file records, including eRecording. That means clerks might not ever see the original document that is being recorded by her office. Furthermore, Koppes said her employees help to ensure documents are filled out correctly. They’re not expected to provide any type of legal verification to determine a document’s authenticity. That provides some perspective about how CEO Adam Ferrari, Schluck and others might have doctored mineral deeds and filed them with the clerk and recorder prior to finalizing the sales with their clients. In the Smiths’ case, Schluck, or someone working underneath him, took the copy of the signed mineral deed, forged it by removing the word “copy” Warren had written on it, and then eRecorded it with the

clerk and recorder, passing it off as the original, according to clerk and recorder's office records. That all happened on Jan. 24, before the Smiths received any of the \$1.3 million owed to them. Winston and Holliday Dines document a similar experience in a lawsuit filed March 4 in Weld civil court. The Dines allege they entered into a contract in December with Ferrari Energy to sell their mineral interests for \$2.7 million, but the company failed to come up with the money by the agreed upon Feb. 24 closing date. Prior to contracting with Ferrari Energy, the Dines entered into third-party oil and gas leases with four development companies and were receiving regular royalty payments. After Ferrari Energy missed the closing date, the Dines learned the company had recorded on Dec. 18 their mineral deed. In the more than two months since, the Dines estimate Ferrari Energy has claimed \$106,000 in royalties that should have been paid to them. Ferrari Energy's attorney, Eric Liebman, said Friday amicable resolutions have been reached or are in the process of being reached in both cases. As for the Smiths, Liebman said a clerical error is what led to the recording of the deed. Parties on both sides agree no forgery took place and that the variance in the documents Smith submitted as evidence to the clerk and recorder's office was the result of poor photo copying, Liebman said. A search of the clerk and recorder's website shows Ferrari Energy recorded on March 7 a quitclaim mineral deed, conveying the Smiths' mineral interests back to them. Liebman said Ferrari Energy also has plans to reach out to the attorneys for Winston and Holliday Dines to come up with some type of settlement. The company already has recorded quitclaims, conveying the Dines' mineral interests back to them, which occurred on March 4.

Adam Ferrari

Ferrari Energy has recorded six quit claim mineral deeds in Weld County since Adam Ferrari's Feb. 7 arrest on suspicion of four counts of identity theft, four counts of forgery, three counts of attempting to influence a public servant and three counts of theft. Tony Schluck, who orchestrated the Smith deal, is no longer with the company as of earlier this month, according to his LinkedIn profile. Liebman confirmed Ferrari Energy no longer employs Schluck, but said he was not familiar with the specifics of his departure. A request for an interview with Schluck has not been returned.— **Joe Moylan covers crime and public safety for The Greeley Tribune. Reach him at jmoylan@greeleytribune.com, (970) 392-4467 or on Twitter @JoeMoylan.**