

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLORADO  
CHIEF JUDGE MARCIA S. KRIEGER**

Courtroom Deputy: Patricia Glover  
Court Reporter: Terri Lindblom

Date: October 23, 2013

Civil Action No. 11-cv-00198-MSK-MEH

Parties:

SUN RIVER ENERGY, INC.,

Plaintiff,

v.

ERIK S. NELSON,  
STEVEN STEPHENS, and  
CORAL CAPITAL PARTNERS, INC.,

Defendants.

Counsel:

James Pennington

Cyd Hunt  
Gabriel McFarland

---

**COURTROOM MINUTES**

---

HEARING: Bench Trial - Day One

**8:36 a.m. Court in session**

Don Schmidt and Erik Nelson as the parties' corporate representatives. The individual defendants are present.

Preliminary matters addressed by the Court.

**ORDER:** Motion for Leave to Present Telephonic Testimony (**Doc. #303**) is **GRANTED**.

The Court addresses Plaintiff's Motion to Strike Witnesses (**Doc. #306**).

**ORDER:** Plaintiff's Motion to Strike Witnesses (**Doc. #306**) is **DENIED** as to both witnesses. Mr. Pennington may be called as a witness. Don Schmidt will not be permitted to represent the corporation with regard to any testimony.

The Court addresses defendant's Motion to Take Judicial Notice (**Doc. #313**)

**ORDER:** Defendant's Motion to Take Judicial Notice (**Doc. #313**) is **DENIED**. The information on the document that the parties have stipulated to will be treated as stipulated facts.

Courtroom Minutes  
Chief Judge Marcia S. Krieger  
Page 2

Oral motion by defendant to dismiss Claims 1-5 of the plaintiff for the reasons stated. Plaintiff has no objection.

**ORDER:** Plaintiff's claims (1-5) are **DISMISSED**.

Defendants' opening statement.

Plaintiff's opening statement.

Witness sworn for the defendants :Erik Nelson :  
9:05 a.m. Direct Examination by Mr. MacFarlane

**EXHIBITS: RECEIVED: 1-4; 8-16; 19, 7**

Cross examination of witness.

**10:39 a.m. Court in recess**  
**11:01 a.m. Court in session**

Continued cross examination of witness.

Re-direct examination of witness.

Witness sworn for the defendants : Michael Littman :  
11:17 a.m. Direct Examination by Ms. Hunt.

**EXHIBITS: RECEIVED: 5**

Cross examination of witness.

No re-direct examination.

Witness sworn for the defendants : Steve Stephens :  
11:32 a.m. Direct Examination by Mr. MacFarlane.

Cross examination of witness.

No re-direct examination of witness.

**11:50 p.m. Court in recess.**  
**1:21 p.m. Court in session**

Witness appearing by telephone sworn (in Arizona) for the defendants : Ronald Logan :  
1:26 p.m. Direct Examination by Ms. Hunt.

**EXHIBITS: RECEIVED: 6**

Courtroom Minutes  
Chief Judge Marcia S. Krieger  
Page 3

Cross examination of witness.

No re-direct examination

Witness sworn for the defendants : Beth Powell :  
1:59 p.m. Direct Examination by Mr. MacFarlane.

No cross examination.

Witness sworn for the defendants : James Pennington :  
2:03 p.m. Direct Examination by Ms. Hunt.

**EXHIBITS: RECEIVED: 25**

Defendants rest.

Closing argument.

Rebuttal argument.

**2:46 p.m. Court in recess**  
**3:03 p.m. Court in session**

Oral findings and conclusions of law are made of record and incorporated herein.

**ORDER:** Judgment will enter in favor of defendants and against plaintiff as set forth in the record. A written judgment will issue.

The Court addresses Defendants' Motion for Attorney Fees (**Doc. #297**).

**ORDER:** Defendant's Motion for Attorney Fees (**Doc. #297**) is **GRANTED in part**. Defendants are awarded fees in the amount of \$20,435.50. The award is imposed jointly and severally against Sun River's present and former counsel, James M. Pennington and Steven Csajaghy, respectively. Payment of this sanction shall be made to the defendants within 14 days. If the full sum is not paid after that date, the defendants may apply to the Court for entry of judgment against Mr. Pennington and Mr. Csajaghy for any unpaid amount.

**4:07 p.m. Court in recess**

**Total Time: 5 hours 21 minutes.**  
**Trial concluded.**