

STATE OF COLORADO



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PRESS RELEASE

For Immediate Release

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BOULDER INVESTMENT FIRM AND ITS TWO OWNERS CHARGED WITH SECURITIES LAW VIOLATIONS

DENVER DISTRICT COURT ENJOINS SECURITIES LAW VIOLATIONS AND APPOINTS RECEIVER OVER ASSETS

Denver, Colorado --- Colorado Securities Commissioner Fred J. Joseph announced today that he has filed a complaint in Denver District Court and obtained a preliminary injunction against Dharma Investment Group, LLC, and its two owners, Bela A. Geczy and Michael B. Kass, alleging that they are violating the registration provisions of the Colorado Securities Act ("Act"). On April 10, 2008, Denver District Court Judge Stephen Phillips entered a preliminary injunction, which prohibits the Defendants from offering or selling securities in Colorado and violating the registration, licensing and anti-fraud provisions of the Colorado Securities Act. Judge Phillips also appointed John C. Smiley of the Denver law firm of Lindquist and Vennum to act as receiver over the assets of Dharma Investment Group and all related entities.

Dharma, Geczy, and Kass all use the business address of 737 29th Street, Suite 300, Boulder, Colorado 80303.

In the complaint, the Commissioner has alleged that as early as March 2006 and continuing until at least October 2007, Kass and Geczy raised more than \$17 million from investors. Kass and Geczy represented to investors that they would form separate limited liability companies for the purpose of raising capital for a particular business enterprise. Once the entity was formed and capital raised, the funds would be invested in investment opportunities identified by Kass and Geczy. For example, the Defendants formed Dharma Coffee, LLC. Money raised from investors for Dharma Coffee was then invested in a coffee company. Investors usually received short term, high interest promissory notes for their investments.

According to the Commissioner's complaint, Defendants failed to register any of the securities in Colorado. The Defendants have cooperated and agreed to the entry of the injunction and appointment of the receiver by the court.

Commissioner Joseph said "It was important to get a receiver in place here to preserve as much of the remaining assets as possible for investors. But our investigation of this matter will continue."

A copy of the complaint and preliminary injunction can be found at <http://www.dora.state.co.us/securities/enforcement.htm#Injunctions>

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

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