

STATE OF COLORADO



Division of Securities

Department of Regulatory Agencies

1560 Broadway, Suite 900
Denver, CO 80202
Phone: (303) 894-2320
TDD/V: (303) 894-7880
FAX: (303) 861-2126

Fred J. Joseph
Securities Commissioner

Bill Ritter, Jr.
Governor

D. Rico Munn
Executive Director

PRESS RELEASE

For Immediate Release

April 4, 2007

Contact:

Fred J. Joseph
Securities Commissioner
Or
Gerald Rome
Deputy Securities Commissioner
(303) 894-2320

WEST VIRGINIA COMPANY SANCTIONED BY SECURITIES COMMISSIONER

Denver, Colorado --- Colorado Securities Commissioner Fred J. Joseph announced today that he has entered a final cease and desist order against a West Virginia company for allegedly violating the securities registration and anti-fraud provisions of the Colorado Securities Act (“Act”) in connection with the offer and sale of securities in and from Colorado.

Named in the Order are **Jacobs Invention Group, Inc.**, its owner and chief executive officer, **Herman E. Jacobs, Ernest Baisden, and Carol D. Kitzmiller**, all of Romney, West Virginia.

The Staff of the Division of Securities (the “Staff”) has alleged that in September of 2006, Jacobs placed an advertisement in the Denver Post to solicit investors for venture capital in Jacobs Invention Group. Jacobs Invention purportedly was developing well fire control devices for the oil and gas industry. In its promotional material, Jacobs Invention was touted as a “multimillion dollar business” which projected profits of \$4.2 million in 2007 and increasing each year up to \$56.4 million in 2010. The Staff further alleged that the Respondents engaged in a scheme to defraud potential investors by

failing to disclose the degree of financial risk associated with losing an investment made in Jacobs Group to the investor, and failing to disclose that market value of the oil/gas well fire control devices to be offered by Jacobs Group is between \$75,000.00 and \$150,000.00 per device and any risks relating to the inability of the company to actually sell the products or sell them for that price range. The Staff also alleged that the Respondents offered and sold its securities in Colorado that were not registered, or exempt from registration, in violation of the registration provisions of the Act.

The cease and desist order, which Jacobs Invention, Jacobs, Baisden, and Kitzmiller agreed to, orders them to immediately and permanently cease and desist offering or selling any “security” in or from the State of Colorado, committing or causing any violation and any future violations of the Act, or otherwise engaging in conduct in violation of any provision of the Act.

//End//