



NEWS RELEASE

FOR IMMEDIATE RELEASE – April 11, 2011

Contact: Fred Joseph or Gerald Rome, Colorado Division of Securities, 303-894-2320
Chris Lines, DORA Public Information Officer, 303.894.7873

TEXAS OIL AND GAS COMPANY SANCTIONED BY SECURITIES COMMISSIONER

Denver, Colorado --- Colorado Securities Commissioner Fred Joseph announced today that he has entered a final cease and desist order against a Texas oil and gas company for allegedly violating the securities registration and licensing provisions of the Colorado Securities Act ("Act") in connection with the offer of securities in and from Colorado.

Named in the Order are **The Mieka Corporation**, operating out of Dallas, Texas, its managing director, **Daro Blankenship**, and **Stephen Romo**, one of Mieka's sales agents, both also of the Dallas area.

The Commissioner issued a Final Cease and Desist Order against The Mieka Corporation, Blankenship and Romo for violating the registration and licensing provisions of the Colorado Securities Act. The matter was heard before the Colorado Securities Board at a show cause hearing. The Colorado Securities Board, in its initial decision, recommended that the cease and desist order be issued.

At the hearing, the Board found that Romo cold called a Division employee and offered the employee a joint venture interest in an oil and gas prospect being promoted by Mieka, which involved drilling two oil wells in Westmoreland, Pennsylvania. Mieka was selling 25 "units" in the project for \$158,400 for each unit. The Staff had alleged in its claim that Romo represented that this investment would be producing oil for 30 to 40 years, that the wells drilled in this area have a 97% success rate, and that all partners can expect to receive a 12% to 18% return on their investment. The Staff alleged that Romo represented that the drilling risk was very nil since he had not heard of any misses.

Even though the joint venture was set up by Mieka as a general partnership under Texas law, the Board determined that the joint venture interests offered were, in fact, securities under Colorado law. The Board stated in its decision that the proper analysis to determine if the interests being offered were securities was to look at the substance or economic realities of how the joint venture operated, not just the form of the agreement. Because the Board found that the interests were securities, it also found that Respondents violated the registration and licensing provisions of the Act by failing to register the securities with the Commissioner, and by failing to have its salesman, Mr. Romo, properly licensed by the Commissioner to sell securities in Colorado. In the Commissioner's Final Order directing Respondents to cease and desist from future violations of the Act, the Commissioner confirmed the findings and conclusions of the Board.

The Final Order orders all three Respondents to immediately cease and desist offering or selling any security in or from the State of Colorado in violation of the anti-fraud, registration and licensing provisions of the Act or otherwise engaging in conduct in violation of any provision of the Act.

"From the standpoint of investor protection in Colorado, this is a very important decision by the Securities Board," said Commissioner Joseph. "With the high price of oil, investors in Colorado continue to be regularly solicited by oil and gas promoters, touting these so-called joint venture interests. These oil and gas promoters are now on notice that Colorado investors are entitled to the protections of our Act of full disclosure and regulatory oversight. We intend to ensure Colorado investors are afforded these protections."

A copy of the Initial Decision and the Final Order can be found at:
<http://www.dora.state.co.us/securities/enforcement.htm#CeaseDesist>

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