

DENVER

BUSINESS JOURNAL



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Firms forced to adapt as energy costs climb

BY CATHY PROCTOR
DENVER BUSINESS JOURNAL

Skyrocketing energy costs in recent months — from gasoline and diesel fuel, to natural gas, to electricity — are changing the ways companies do business.

Some are reiterating to tenants and employees the importance of turning off the lights and computers at the end of the day.

Others are seeing a business boost as consumers rush to tune up furnaces and seal their homes against the coming winter in an effort to keep their heating bills low.

One telecommunications firm hopes high gasoline prices will lure customers to its Web-conferencing capabilities.

But the ultimate cost likely will roll through the economy to end up at the consumer's door, business owners say, with the cost of doing business simply too much for their firms to absorb month after month.

"It's horrible," said Dan DePontbriand, owner of Castle Rock's Mountain Air Comfort Systems, of the fuel bills sustained by his company's six service trucks. The company has seen a jump in calls from customers wanting to tune up their furnaces to hold down their heating bills.

"We've had to raise our prices on service calls. You can't do service calls at \$3 a gallon for very long without changing prices. And delivery trucks are charging us a few percent more for deliveries for fuel charges. It starts at the factory level," DePontbriand said.

Furnace and energy-efficiency firms say their business this fall is running four to five times

BUSINESS BANKRUPTCY filings way up in third quarter, A3.

HIGHER COSTS force Wheat Ridge machine shop to close its doors, A13.

SEE ENERGY, A40

DNR proposes drilling plan for Roan

BY CATHY PROCTOR
DENVER BUSINESS JOURNAL

The Colorado Department of Natural Resources (DNR) has put forward what some call an innovative plan to crack open the top of the stunningly wild — and natural gas-rich — Roan Plateau in western Colorado to oil and gas development.

The six-page plan, outlined in a Sept. 20 letter to the U.S. Bureau of Land Management (BLM), calls for the agency to put the federally owned land on top of the plateau into a single federal "unit" — before a single acre of land is leased for drilling.

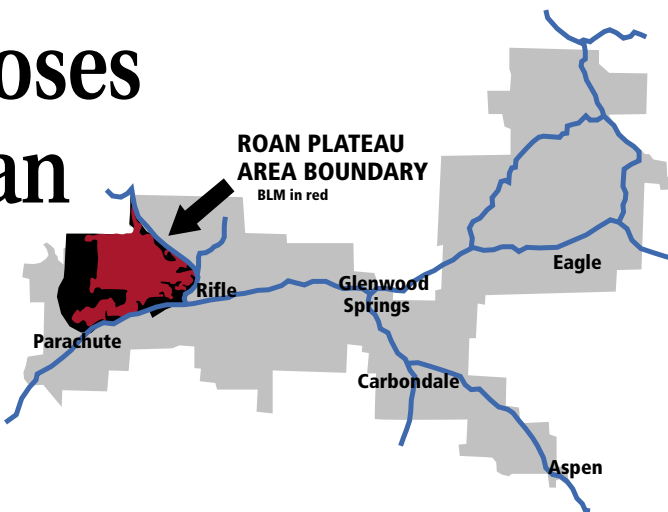
The BLM is crafting a plan to manage about 127,000 acres near Rifle that include the plateau and surrounding area.

The BLM can declare an area a federal "unit," which typically means just a single operator can work in that area. But it's almost always done after land has been leased and drilling has started, and at the request of the operator. The state's proposal calls for the BLM to proactively create the federal unit ahead of time, and

lay out the operating rules governing the unit, before any company enters the Roan Plateau.

So just a single operator, or several oil and gas companies working under one joint venture sharing the costs and benefits, would be allowed to drill for natural gas on the plateau's 34,000-acre top under the DNR's proposal.

The single operator or joint venture would have to ensure that less than 1 percent of the plateau land would be disturbed at any time. Oil and gas operations would have to be clustered together, using existing roads where possible and sharing pipelines and processing plants. And disturbed areas would have to be reclaimed, to stay under the 1 percent rule, before the operator could move on to drill for



KATHLEEN LAVINE | BUSINESS JOURNAL

Noel Lane III is helping the Oglala Sioux tribe.

Builder has way to help a tribe's crisis in housing

BY ERIN JOHANSEN
DENVER BUSINESS JOURNAL

Disposing of older mobile homes can be costly and complicated, which means those not placed in a landfill often end up vacant and abandoned.

But when a Colorado home builder was left with more than 20 mobile homes on a site he's redeveloping in Estes Park, he found a way to solve the problem and also provide housing to families in need.

Noel West Lane III, founder of the Lane III Group Inc., a home builder based in Conifer, donated the homes to members of the Oglala Sioux Tribe living on the Pine Ridge Reservation in South Dakota. More than 47,000 people live on the reservation — which covers more than three counties — and there are fewer than 2,000 homes, according to one tribal leader.

The Pine Ridge Reservation is one of the poorest regions in the country, said Juanita Scherich, finance chair of the Tribal Council and representative of the Medicine Root District, one of the reservation's nine regions.

Lane started moving the homes in late May. To transport the homes to South Dakota, Lane first had to establish an interstate trucking company in accordance with U.S. Department of Transportation guidelines. He paid to transport the homes to Pine Ridge, and estimated his expenses so far to be \$100,000.

"I've always believed that if you have the ability, you should give back," Lane said.

Families were given the opportunity to move into the mobile homes based on the greatest need, Scherich said.

A family with infant twins that had been living in a tent now lives in one of the homes, according to Lane.

SEE DNR, A41

SEE LANE, A42

ENTREPRENEUR

Denver company puts auto thieves on candid camera

BY AMY BRYER

DENVER BUSINESS JOURNAL

Perhaps the word "smile" should be imprinted on the warning label of OBS Inc.'s new car security system.

After all, with as many as four dime-sized cameras and two microphones — all hidden — constantly recording what's going on inside and outside the vehicle, would-be thieves will want to look their best.

Denver-based OBS' new InSight car security video and audio surveillance system records break-ins and vandalism — and few other car-alarm systems can rival it, according to Popular Mechanics magazine.

"They have taken technology you can buy off the shelf and packaged it in a way that gives somebody who owns a vehicle stupendous control of what goes on," said Mike Allen, the magazine's senior editor.

The company, after several years of testing, is rolling out its consumer-ready version of InSight. With the help of 45 contract workers — many of them engineers — OBS began developing the patent-pending system in 2001, and has sold 20 units since 2003. But now the big push begins.

When an event occurs, such as someone breaking the glass or keying the door, the incident is recorded on a memory card that's hidden under the dash or in the glove box. The removable card is just like a memory disk used in digital cameras, and most computers can read it.

Unlike conventional car alarms that just blast the horn and annoy nearby people, InSight provides owners photos of



KATHLEEN LAVINE | BUSINESS JOURNAL

Brian Singer, president and CEO of OBS, shows off a miniature camera that can be installed in a car.

the crook and the incident. The system also records accidents on the road and can tell authorities what happened in the moments leading up to the crash.

OBS CEO Brian Singer, 31, came up with the idea in his college M.B.A. program when his car was broken into and his stereo equipment stolen.

"It was a painful experience," Singer said. "I kept wondering: 'Was it someone from campus? Was it someone I knew?'"

The InSight system gives Singer the

peace of mind of being able to answer the questions, "what happened?" and "by whom?"

The system costs about \$1,000 for one camera and about \$1,500 for all four cameras. They're aimed out the front and back windows and at the driver-side and passenger-side front seat. The system is always recording 10 photos a second, and can pick out license-plate numbers in the case of a hit and run, for instance.

It takes an incident that triggers the system to save the photos to memory. Triggers are similar to those that set off traditional car alarms, such as broken glass, or like in more sophisticated systems, when someone approaches the car.

There's also a button inside the car the driver can push to record an incident. Singer uses it when he's cut off in traffic or another driver makes a dangerous maneuver. The memory card saves two minutes before and after an incident and can save hundreds of events on one card.

Even if the card is tampered with or stolen, there's a second one hidden in the main computer behind the dash as a backup.

InSight grabbed the attention of the Popular Mechanics staff at the SEMA (Specialty Equipment Market Association) auto parts show last year in Las Vegas and received the Editor's Choice award.

Allen said the system is great for businesses that own a fleet of vehicles and for anyone who wants to re-create what happened before and after an accident.

InSight is working with a mobile phone company to enable the system to send

photos from the car to the owner's cell phone and also onto the Internet so the owner can watch his car in the parking lot while he sits at his desk.

"Once this can be uplinked to the Internet, there becomes tremendous possibilities," Allen said.

InSight also can be connected to satellite tracking systems such as OnStar.

Parents can use it to keep track of their teenage drivers by recording what goes on inside and outside the vehicle.

Allen said he's seen only a few systems with single cameras attached to the dashboard recording seconds of information that's saved on recorders in the trunk. But he said OBS is the first company that's developed this type of commercial use with a 360-degree view of the car.

OBS investor Drew Warot, who met Singer in a college M.B.A. program and is a commercial real estate developer, owns 5 percent of the company.

Warot was at the SEMA show and said the company received a lot of interest from RV dealers, car dealers and the auto racing industry. He sees consumers ranging from car owners who want to protect expensive stereo equipment to commercial package shippers.

Basic "black box"-type recorders have been available for years that record a few seconds of information leading up to a crash, but that collects only electronic impulses in the car like speed and braking — not video and audio.

AMY BRYER | 303-837-3527
 abryer@bizjournals.com