NEWS

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FOR IMMEDIATE RELEASE
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Former Director of New Jersey Technology Company Arrested in Florida for Alleged $5 Million Investor Fraud

(More)

NEWARK, N.J. – A former Vice President and Director of a New Jersey information technology consulting company has been indicted by a federal grand jury for his role in a scheme to defraud dozens of private investors in the company of more than $5 million, U.S. Attorney Christopher J. Christie announced today.

Guy E. Urciuoli, 40, formerly of Staten Island, N.Y., was arrested early this morning at his home in Wilton Manors, Fla., by Special Agents of the FBI and U.S. Postal Inspectors, with assistance from members of the Wilton Manors Police Department. He had an initial appearance this morning before U.S. Magistrate Judge Lurana S. Snow in U.S. District Court in Fort Lauderdale. Judge Snow ordered him held without bail pending his transfer to New Jersey.

The case has been assigned to U.S. District Judge Peter G. Sheridan in Newark, before whom Urciuoli will be arraigned in the coming weeks.

Urciuoli was indicted on 12 counts of wire fraud and one count of obstruction of justice for his role in a scheme to defraud private investors who purchased shares of stock in InsPara Networking Technologies, Inc. ["InsPara" or the "Company"], a private company based out of Cranford, New Jersey. InsPara also had seven affiliate offices in the United States, as well as a location in London, England, according to the Indictment.

If convicted, Urciuoli faces a statutory maximum sentence of 20 years in prison on each count of wire fraud, and 10 years in prison for obstruction of justice.

In mid-November 2006, Kevin Holt, 53, of Cranford, N.J., InsPara's former chief executive officer and chairman of the board of directors, and Robert Henches, 61, of Montville, N.J., the former chief operating officer and director, each pleaded guilty before Judge Sheridan to separate one-count Informations charging them with conspiracy to commit mail and wire fraud. Their sentencings are pending.

Urciuoli served as InsPara's Vice President of Finance, and was primarily responsible for soliciting private investors to buy shares of InsPara stock, ranging from 75 cents to $2 per-share, with the stated goal of making the company attractive for a public offering or merger, according to the Indictment. Urciuoli solicited investors over the phone and via written material through the mail, facsimile and email. The investors were located across the country, including in New Jersey, New York, Florida, Colorado, Tennessee, Illinois, California and Nevada.

In total, Urciuoli solicited approximately $5.1 million from investors from which he obtained approximately $1.3 million in wire transfers through a series of companies which he controlled, according to Robert Kirsch and Craig Carpenito, the Assistant U.S. Attorneys who are handling the prosecution.

The Indictment charges that Urciuoli deliberately misled and concealed from the investors his compensation derived from his solicitations; namely, 20 percent sales commissions, as well as automatic shares of Company stock. In addition, in order to induce investors and gain their confidence, Urciuoli also falsely represented his professional credentials, and that he, as well as his family, had invested substantial sums of his own money to purchase shares of InsPara stock

Urciuoli owned at least 2.3 million shares of InsPara, for which he paid nothing, and thus stood to make a substantial profit in the event of a successful initial public offering or merger.

In addition, the Indictment charges that after Urciuoli was subpoenaed by a grand jury to produce documents relating to the InsPara investment, he convened a meeting of several investors and duped them into signing statements which were designed to conceal his unlawful conduct and obstruct justice. Thereafter, Urciuoli produced the statements to the FBI in response to the subpoena, the Indictment alleges.

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, in Newark; and U.S. Postal Inspectors, under the direction of acting Postal Inspector in Charge Eddie C. Woodson, for the successful investigation to date.

The government is represented by Assistant U.S. Attorneys Kirsch and Carpenito, both of the U.S. Attorney's Office Securities and Healthcare Fraud Unit, in Newark.

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Defense Counsel: David Feingold, Esq., of Palm Beach Gardens, Fla.