



***United States Attorney
Southern District of New York***

**FOR IMMEDIATE RELEASE
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**PENNSYLVANIA MAN ARRESTED FOR MULTIMILLION-DOLLAR BANK
AND SECURITIES FRAUD SCHEME ARRIVES IN NEW YORK**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and MARK J. MERSHON, Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced that ERIC SKYS, the purported Chairman, President and CEO of Kaiser-Himmel Corporation ("Kaiser-Himmel"), is scheduled to make his first court appearance in the Southern District of New York later today, following his May 15, 2008 arrest in Somerset, Pennsylvania, and transfer to this district. Skys was arrested on securities, bank and wire fraud charges stemming from his alleged attempts to defraud several financial institutions out of millions of dollars. According to the Complaint previously unsealed in Manhattan federal Court:

SKYS engaged in a scheme to defraud several financial institutions by falsely claiming that he, through Kaiser-Himmel, owned and controlled 13.4 million shares of stock in Sprint Nextel Corporation ("Sprint"). SKYS claimed that Sprint had awarded those shares as payment for goods and services allegedly supplied to Sprint by Kaiser-Himmel, and SKYS sought millions of dollars from these financial institutions in return for a pledge by Kaiser-Himmel of an ownership interest in the purported Sprint shares. To mislead the financial institutions and convince them that Kaiser-Himmel actually possessed the Sprint shares, SKYS provided them with fabricated documents such as contracts with forged signatures of Sprint managers, altered e-mails and fake securities account statements.

The Complaint charges SKYS with one count each of securities fraud, wire fraud and bank fraud. If convicted of the charges, SKYS faces a total maximum sentence of 70 years in prison and a total maximum fine of the greatest of \$5,500,000, or twice the gross gain or loss from the offense.

SKYS, who first appeared before United States Magistrate Judge KEITH A. PESTO at the federal courthouse in Johnstown, Pennsylvania on May 15, 2008, was previously ordered detained pending trial. He is expected to make his initial appearance in this district sometime today before United States Magistrate Judge MICHAEL H. DOLINGER.

SKYS, 25, resides in Somerset, Pennsylvania.

Mr. GARCIA praised the investigative work of the Federal Bureau of Investigation, and thanked the Pennsylvania State Police for their invaluable assistance in this case.

Assistant United States Attorney DAVID SIEGAL is in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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