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District of Arizona*

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TWO ARIZONA MEN ARRESTED IN ELABORATE SECURITIES AND TAX FRAUD SCHEME INVOLVING PUBLICLY TRADED COMPANY

Defendants Received over 8 Million Dollars by Selling Secretly Acquired Stock

PHOENIX - Ira W. Gentry Jr., 50, of Scottsdale, Ariz. and Randy W. Jenkins, 49, of Glendale, Ariz. were arrested here yesterday after a federal grand jury returned a 59-count indictment on May 3, 2006, charging them with conspiracy, securities fraud, tax evasion, wire fraud and money laundering. The charges in the indictment stem from an elaborate scheme to defraud UniDny Corporation's investors, the Securities and Exchange Commission and the Internal Revenue Service. The scheme took place between December 1997 and April 2003.

The two had their initial appearance in federal court on Wednesday, May 10th and were ordered detained until their detention hearings which are set for Friday morning, May 12th.

The indictment alleges that Gentry was the CEO, and on the board of directors, of UniDny. His associate, Jenkins, was a disbarred Arizona attorney. Together they conspired to secretly acquire approximately 20 million shares of UniDny Corp. stock. They then artificially inflated the value of the stock through the filing of false and misleading UniDny SEC filings, through the filing of false corporate income tax returns, and through the issuance of false and misleading press releases. In order to conceal their activities, the defendants used aliases, offshore nominee entities, Canadian brokerage accounts, nominee bank accounts and false tax identification numbers.

The indictment further alleges that in March through December of 2000, Gentry and Jenkins sold, through two Canadian brokerage firms, over 3,900,000 shares of UniDny common stock, held in the names of nominees, for over 8 million dollars. Gentry and Jenkins then laundered the proceeds of the stock sales from Canada into American bank accounts that they had opened in the names of fictitious entities. Gentry and Jenkins used the illegal proceeds to purchase assets in the names of nominee entities including a \$1.2 million Scottsdale, Ariz. residence titled in the name of a Bahamian Corporation, a \$139,000 Mercedes, a \$62,000 custom Trans Am, \$124,000 for three Ford vehicles, and \$300,000 in gold and silver coins. Neither Gentry nor Jenkins reported to the IRS, or paid tax on, the income they earned from the stock sales.

The indictment also includes a notice of intent to seek forfeiture of the proceeds of the crimes alleged in the indictment, including a money judgment in the amount of \$8.5 million. Previously, on March 11, 2005, the U.S. Attorney's Office for the District of Arizona filed a civil forfeiture action seeking forfeiture of Gentry's Scottsdale residence.

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The conspiracy charge and the tax evasion charges carry a maximum penalty of five years in prison and a \$250,000 fine. The wire fraud charges carry a maximum penalty of 20 years in prison and a \$250,000 fine. The securities fraud charges carry a maximum penalty of 20 years in prison and a \$500,000 fine. The concealment money laundering charges carry a maximum penalty of 20 years in prison and a \$500,000,000 fine and the transaction money laundering charges carry a carry a maximum penalty of 10 years in prison and a \$500,000,000 fine.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

Assistant U.S. Attorney Michelle Hamilton-Burns and Tax Division Trial Attorney Nicholas D. Dickinson are handling the prosecution. Special agents of the Internal Revenue Service handled the successful investigation in this case.

RELEASE NUMBER: 2006-069(Gentry, et.al)

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