

Statement From A Day To Remember

The SEC's order today banning naked short selling is vindication of Universal Express and its officers in their over ten year battle against naked shorting and flies in the face of the SEC's denial of this national scandal and failure to act for over 15 years; a scandal which has resulted in the destruction and fatal damaging of thousands of small public companies, the loss of the investments and savings of millions of ordinary shareholders and the loss of jobs for thousands of employees.

This national scandal of naked short selling, condoned and covered-up by a conflicted SEC for many years, has sucked the market capitalization from smaller public companies, putting thousands of such companies out of business and destroying the investments and jobs of millions of Americans. This scandal, ignored by the SEC, has destroyed the American dream of taking small private companies public and growing their businesses through the growth of their stock. Thousands of developmental products beneficial to the public, including health advances, never had a chance for the national market. Trillions of dollars were siphoned from the capitalizations of public companies by the naked shorters with the intent and result of bankrupting those companies so that the naked shorts would never have to be covered by delivery of actual shares and, as a consequence, the shorters did not have to pay any taxes on their gains; taxes that would have been large enough to pay off the National Debt. For Congressmen and Presidential candidates in an election year, this untold story now proven should be a huge event to bring to the attention of the voting public.

Universal Express, Inc. was one of these victims.

Universal Express had developed, grown and been successful and recognized despite the unrelenting attack for over ten years by naked shorters; Wall Street financial interests, who sold into the market in the name of the Company billions of unregistered, phantom and counterfeit shares, collapsing the Company's stock price from \$2 to 2 cents per share and, thereafter, keeping the Company's stock price for years well below fractions of a cent a share.

Universal Express, Inc., its President and its General Counsel, proved that naked short selling existed upon the attack by the naked shorter sellers on the Company's shares. The General Counsel showed by statistics that the volume of the Company's shares traded was 11 times the Company's then outstanding shares and more than 68 times its average daily volume.

State court juries in Florida in 2001 and 2003 awarded the Company verdicts exceeding a total of \$700,000,000 against naked shorters. In a press release issued in September, 2003, the Company stated that if ordinary people (jurors) understand that "you can't sell what you don't own and never deliver," which is naked shorting and counterfeiting of shares, "why can't the SEC understand" this national problem.

Within a month after the Company's second jury verdict against the naked shorters and the very wide publicity attending the Company's verdicts, an embarrassed SEC through its Denver office commenced a program of harassment against the Company, with more than 13 subpoenas for documents. The Company initially volunteered to provide information on contracts for proposed acquisitions and funding sources for those acquisitions. Before these documents were even received by the attorneys at the Denver

office of the SEC, they were calling those acquisition candidates' and funders' senior officers, threatening them with reprisals so that they would move away from the Company. This pattern of intimidation on the Company was in full swing and successful since several large proposed acquisitions were terminated. The harassment of the Company as a whistleblower on naked shorting, and the harassment of its business partners and potential business partners and funders, continued unabated thereafter.

The Company, its President and General Counsel were determined not to be bullied by a conflicted regulatory agency which has failed the investing public on this national naked shorting scandal in favor of Wall Street interest, in a clear violation of its Charter to protect investors.

The Company, its President and General Counsel did not violate the Federal Securities Acts by causing the Company to issue shares of stock which had not been registered with the SEC. To the contrary, those shares had been issued pursuant to a Chapter 11, Bankruptcy Code, Plan of Reorganization, which Plan had been confirmed by the Bankruptcy Court and the shares were exempt from the registration requirements of the Federal Securities Acts.

The daily recapitalization of the Company caused by the naked shorting of the Company's shares gave the Company the clear right under the Reorganization Plan, the Bankruptcy Court's Orders and the Bankruptcy Code to cover those counterfeit and unregistered naked shorted shares with shares of the Company properly issued under its Reorganization Plan and the provisions of the Bankruptcy Code.

The Company's Reorganization Plan, including the operable provisions covering the issuance of shares were filed with the SEC a number of times during the Reorganization of

the Company.

The Reorganization Agreement and the specific operable provisions covering the issuance of shares are specifically referenced as exhibits to the annual reports 10-KSB's of the Company.

Also, on April 21, 2006, Mr. Gunderson testified extensively at his deposition held by attorneys from the SEC's Denver Office concerning the operable provisions covering the issuance of shares of the Company's Reorganization Plan and other documents that are an integral part of the Reorganization Plan. To stunned silence and no cross examination, the General Counsel described those documents, placed in evidence the Reorganization Plan and the other documents that are an integral part of the Plan, placed into evidence copies of the immunity from suit provisions of the Bankruptcy Code and the daily recapitalization of the Company caused by the naked shorting of the Company's shares and the clear right of the Company to cover those counterfeit and unregistered shares by shares of the Company properly issued under its Reorganization Plan and the provisions of the Bankruptcy Code.

Universal Express was almost completely destroyed by Wall Street financial interests naked short-selling its shares in the name of the Company. The Company has been under unrelenting attack for over ten years by naked shorters, who sold into the market in the name of the Company billions of unregistered and counterfeit shares, collapsing the Company's stock price, as indicated, from \$2 per share to 2 cents per share and, thereafter, keeping the Company's stock price for years well below fractions of a cent a share.

This national scandal of naked short selling has sucked the market capitalization from smaller public companies, putting thousands of such companies out of business and destroying the investments and jobs of hundreds of thousands of Americans.

It should be noted that Chairman Cox had recently, though quite belatedly, made a number of public statements to the effect that “naked short selling” and “fails to deliver” is a national problem of abuse and fraud in the trading markets and has adversely affected the capital formation process, particularly for small public companies. The Commission announced that it is drafting ant-fraud rules with respect to naked shorting.

The Commission’s Chairman also publicly recognized in questioning before the Senate Banking Committee hearing this month on April 4, 2008 on the bail-out of Bear Stearns that “illegal naked short-selling” is being investigated in the collapse of Bear Stearns.

Now, after further turmoil in the financial markets, the SEC, after 15 years of destruction, has finally banned naked shorting.

The SEC’s arrogance is unsurpassed in the annals of government regulators, complaining about the shares of our Company, which have been properly issued and clearly recorded in our public filings for over 14 years, while the SEC improperly permitted marketmakers, broker-dealers and hedge funds to sell trillions of unregistered and counterfeit shares in companies’ names in violation of its own Securities Statutes, Regulations and Rules and the Counterfeiting Statutes of the United States.

The Company continued, like many other surviving companies, to have its market capitalization sucked away by the naked shorters and its stock price battered down to small fractions of a cent.

The SEC’s attack on Universal Express as a whistleblower on naked shorting was in full swing in 2003, and continues to date.

The Company, its President and General Counsel were determined not to be bullied

by a conflicted regulatory agency which has failed the investing public on this national naked shorting scandal in favor of Wall Street interest, in a clear violation of its Charter.

The President's officer positions, President, Chief Operating Officer and Chairman and Sole Director, his powers and his prominence in the affairs of the Company were specifically provided in great detail by the Bankruptcy Court in the Company's Reorganization Plan and Disclosure Statement. These powers, positions and immunities were directed by the Bankruptcy Court to continue long-term during the developmental stage of the Company.

The SEC conflicted denial of the Company's and the President's position and rights under the Bankruptcy Code and the rulings of the Bankruptcy Court would have been dealt with harshly by that Court if the SEC had, as they were required to do under the Bankruptcy Code, appeared in those proceedings. The SEC had full knowledge of the proceedings and failed to appear. Once they so failed, they were estopped under the Bankruptcy Code from proceeding against the Company, its President and its General Counsel and any other employees on matters specifically provided for in the Reorganization Plan of the Company, as approved by the Bankruptcy Court, including the issuance of shares to advisors and consultants under the Stock Incentive Plan (the functional equivalent of an S-8 registration, filed initially with the SEC and many times thereafter) in such amounts as are necessary to cover the daily recapitalization of the Company caused by the billions of unregistered and counterfeit shares permitted by the SEC to be issued by the naked shorters in the name of the Company, but for which the Company received no consideration.

The Company, its President and its General Counsel have at all times acted in good faith reliance on the orders of the Bankruptcy Court, the long-term provisions of the

Reorganization Plan, confirmed by the Bankruptcy Court, and the immunities provided to the Company and its officers under the Bankruptcy Code.

The SEC's attack on the Company, its President and General Counsel as whistleblowers on naked shorting was in full swing in 2003, and continues to date.

The Company, its President and General Counsel has been bullied by the SEC, a conflicted regulatory agency which has failed the investing public on this national naked shorting scandal in favor of Wall Street interest, in clear violation of its Charter to protect investors.

The SEC commenced its case against the Company on March 22, 2004, twenty-two days following the filing of an action by the Company against the SEC in federal court in Florida on March 2, 2004. The Company's sued the SEC for extensive and sustained harassment of the Company and its officers, including its President and General Counsel, to silence them on the naked shorting scandal and, in addition, sued the SEC for failure to take any effective action to stop naked shorting. Conveniently and typically, the SEC relied on its "immunity" to defeat this action in order to further cover-up its cooperation with the naked shorters for over ten years and to silence the Company and its officers.

Publicly available facts prove, among other things, (i) that the SEC ignored the Company's and others' repeated voices of concern and increasing public criticism regarding naked short selling of stock for years, (ii) the SEC had enormous financial interest in allowing the continuation of naked short selling, (iii) the naked short selling of stock had turned into a nationwide scandal known as "Stockgate", (iv) that by July, 2001, the Stockgate scandal was well known within the SEC to have reached staggering range of hundreds of billions of dollars, (v) the SEC literally sat on a proposal initiated outside of the

SEC to ban naked shorting of stock in 2001 for almost 2 ½ years, and even currently condones, if not fosters, delays in implementing any material preventative measures.

Universal, its President and General Counsel have been out in the forefront of publicly and openly challenging the SEC since 1997 on its improper inaction on naked shorting.

All of these actions by the SEC to harass and intimidate the Company, its President and General Counsel for ten years were designed to silence them for their public protest against the SEC's long-term failure to act in the national scandal of naked shorting, and such actions were and are violations by the SEC and its minions of the Whistleblower Protection Act with respect to the Company, its President and Mr. Gunderson, its General Counsel, as whistleblowers, generally, and under the Act.

Initial briefs have been filed with the United States Court of Appeals of the Second Circuit on October 26, 2007 appealing the summary judgment by the lower court, without a hearing, on behalf of the President and the General Counsel and a reply brief by the SEC on November 26, 2007.

The appeal is scheduled for oral argument on October 15, 2008.

The selling of shares that a person does not own and never delivering such shares to a buyer would be a felony in all States of the United States.

As set forth herein, the SEC has permitted billions of shares to be sold in this manner to investors for in excess of fifteen years and, accordingly, has condoned these criminal acts.

Whether called "naked shorting", selling "phantom" shares or "fails to deliver," the sales of shares not issued by Companies, in the name of Companies, constitute the

sales into the marketplace of counterfeit securities, major federal crimes, under Sections 513 and 514 of Title 18 (“Crimes”) of the United States Code. These crimes, involving the sale of billions, if not trillions, of counterfeit securities, the SEC, as the federal regulator for public securities, has condoned and covered-up for many years.

Today, after 15 years of denial and inaction, the SEC has finally banned naked shorting and seeks to end this national scandal.

But, where has been the protection over the years for the thousands of small public companies and millions of their investors crushed by this scandal?