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UNITED STATES DISTRICT COURT
 FOR THE SOUTHERN DISTRICT OF NEW YORK

U.S. SECURITIES AND EXCHANGE COMMISSION,	:
	:
Plaintiff	:
	:
v.	: 04 Civ. 2322 (GEL)
	:
	:
UNIVERSAL EXPRESS, INC.,	:
RICHARD A. ALTOMARE,	:
CHRIS G. GUNDERSON,	:
MARK S. NEUHAUS,	:
GEORGE J. SANDHU,	:
SPIGA, LTD.,	:
TARUN MENDIRATTA	:
	:
Defendants.	:

**DECLARATION OF LESLIE J. HUGHES IN SUPPORT OF
 THE SEC’S MOTION IN THE NATURE OF INTERPLEADER FOR AN ORDER
 DIRECTING MARSHAL TO SELL PROPERTY BEING HELD BY THE
 RECEIVER**

I, Leslie J. Hughes, pursuant to 28 U.S.C. § 1746 under penalty of perjury declare:

1. I am attorney with the U. S. Securities and Exchange Commission.

2. On March 8, 2007 a judgment in this case was entered against Defendant Altomare in the amount of \$1,419,025. That judgment has not been stayed and remains unsatisfied. [Doc. No. 179]
3. A writ of execution for goods and chattels (“Writ”) was issued against defendant Richard A. Altomare (“Altomare”) on October 4, 2007 and notice of the writ was served at the same time on Altomare by electronic case filing, pursuant to Fed. R. Civ. P. 5(b). See Exhibit A.
4. On October 4, 2007, I faxed a copy of the Writ to the United States Marshals Service for the Southern District of Florida in Boca Raton, Florida. See Exhibit B.
5. On October 10, 2007, the Marshal served the Writ on Kravit Estate Buyers d/b/a The Estate Department, Inc., 775 Glades Road, Boca Raton, Florida 33434 and seized the property listed below. The Estate Department is a licensed Second Hand Dealer in Florida.
6. A list of the jewelry, watches and precious metals (“Property”) seized from The Estate Department that had been transferred to the Estate Department by Altomare is Exhibit C.
7. The Marshal delivered the seized Property to the Receiver for safekeeping.
8. At least some of the Property was purchased with wire transfers from the bank account of Universal Express. Exhibit D is bank statements of the Company showing transfers to Les Bijoux LLC, a jeweler in Boca Raton, Florida.
9. According to documentation provided by The Estate Department some of the Property was sold to The Estate Department on September 24, 2007 but not fully paid for until October 5, 2007. Exhibit E.

10. On another date which has not been determined, Altomare sold part of the Property consisting of a yellow diamond ring, aquamarine broach, two silver bars, and a diamond straight line bracelet for \$90,000 to The Estate Department. Exhibit F.

11. The Receiver has made demand upon Altomare to pay for the Property, but Altomare has not done so. Exhibit G. As such, the Property belongs to the Company.

12. In the annual report that Universal Express filed with the SEC on March 27, 2007, Altomare represented that his executive compensation was limited to cash compensation of \$650,000. See the Summary Compensation Table at page 41 of 49 in the Company's annual report on Form 10-K for the year ending June 30, 2006, which is attached as Exhibit H. He does not list any of the payments to Les Bijoux as part of his annual compensation for 2006. He also represented that he is currently employed under an employment contract that provides an annual base salary of \$650,000. See Exhibit H at page 42 of 49.

13. On October 3, 2007, I spoke by telephone with Greg Osipov who identified himself as a managing member of Les Bijoux LLC in Boca Raton, Florida. He confirmed that Richard Altomare had purchased jewelry and watches from Les Bijoux which cost between \$700,000 and \$800,000, and included one diamond valued at \$500,000. Mr. Osipov told me that Mr. Altomare still owed him \$65,000 on the last ring that he had purchased. He also stated about a month earlier, Richard Altomare had come into his store and told him that something was happening with his company and that he needed to sell his jewelry, but Mr. Osipov told him it was a slow time for jewelry sales and that he should wait to get the most resale value. Mr. Osipov stated that approximately two weeks earlier, he had received a telephone call from Mark Kravit,

whom he knew operated Kravit Estate Buyers Inc. Mr. Kravit stated that Mr. Altomare was in his business trying to sell a ring and emerald-cut diamond bracelet (worth \$100,000) and that he needed GIA certificate on the stone in the ring. Mr. Osipov told Mr. Kravit that Altomare could not sell the diamond ring because he still owed Les Bijoux \$65,000 in payment on the ring. At some time later, Mr. Kravit came to Les Bijoux and demanded that Mr. Osipov provide the GIA certificate for the diamond ring, and an old diamond that Mr. Osipov possessed as collateral for the amounts owed by Mr. Altomare. Mr. Kravit asked Mr. Osipov to come to his car, where he produced the Jaeger LeCoultre Atmos Clock, which Mr. Altomare had previously purchased from Les Bijoux for \$40,000. Mr. Osipov was angered by Mr. Kravit's demand and called Mr. Altomare who confirmed that he had told Mark Kravit to return the clock.

14. After my telephone conversation with Mr. Osipov, he provided a statement showing purchases by Richard and Barbara Altomare, and the amounts paid on those purchases, which payments corresponded to wire transfers made to Les Bijoux from Universal Express. See Exhibit I.

I declare under penalty of perjury that the foregoing is true and correct. Executed on November 5, 2007.

s/Leslie J. Hughes
Leslie J. Hughes