



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
FOR: IMMEDIATE RELEASE

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GLENDALE MAN IGNORES COMMISSION ORDER, FACES SECURITIES FRAUD AND CONTEMPT CHARGES

PHOENIX – Maricopa County Superior Court this week granted the Arizona Corporation Commission's request for a temporary restraining order against 53-year-old H. Jon Kunowski of Glendale and his companies. Kunowski faces charges of continuing to fraudulently sell unregistered stock, despite a previous Commission order issued in March 2004. The Commission has also filed a verified complaint, seeking temporary and permanent injunctions as well as sanctions for contempt of the Commission's prior order.

The Commission also named the following entities in which Kunowski has been a principal:

- Precision Model and Design, Inc., formerly of Glendale
- Air Lase, Inc., formerly of Glendale
- American Innovative Research, Inc., formerly of Glendale

Following the March 2004 administrative order, the Commission's Securities Division monitored Kunowski's activities. The Commission alleges that Kunowski continued to sell the unregistered securities, using some of the funds for personal and non-business expenses. The Commission alleges that Kunowski raised a total of over \$1.3 million in connection with ongoing investment sales since 1990. Besides misuse of investor funds, Kunowski's alleged conduct includes:

- Soliciting and obtaining funds from unqualified and unsophisticated investors,
- Failing to provide investors with offering information, and

- Denying investors access to financial records.

Kunowski allegedly offered investments in technology that did not exist or would have been suppressed for copyright or trademark infringements. In one instance, Kunowski represented that funds would be used to develop an exclusive movie replica “light saber” that would duplicate or appear to be an exact copy of a movie prop from the “Star Wars” motion pictures. The Commission also alleges that Kunowski misrepresented to investors the exact stage of the products’ development and that he did not verify that certain products already existed and/or were properly licensed by their copyright/trademark holders.

The Commission is requesting that the Superior Court also order Kunowski to repay investors. He is currently barred from transferring any funds or property he may have received from investors or disposing of any assets that he currently owns. A Superior Court hearing regarding this case is scheduled for 10:00 AM on June 2, 2004, before Judge Rebecca Albrecht.

Before investing, people should verify the registration of sellers and investment opportunities by contacting the Arizona Corporation Commission’s Securities Division at 602-542-4242 or toll free outside the Phoenix metropolitan area at 1-866-VERIFY-9. The Division’s web site also has helpful information for investors at www.ccsd.cc.state.az.us.

The Commission’s temporary order against Kunowski is posted to the Securities Division web site under Enforcement/Orders. To access the full text of the order, please check the website in a few days:

<http://www.ccsd.cc.state.az.us/enforcement/enforce-orders.asp>.

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