

Case No. 03-93031

United States Bankruptcy Court (12-12)
For the Northern District of Georgia
(Atlanta Division)

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Friday, January 31, 2025, 11:34:42 AM

In re Group Management Corp., Chapter 11

Appellants'-Movants' Memorandum of KTS and its Clients' (unregistered broker-dealers—see Ex. 3, *infra*) Hobbs Act RICO Conspiracy to Commit Bankruptcy Fraud, 18 USC §§ 2, 152, 157, 371, 924(c), 1951(a), 1956-57, 1958-59, 1961(6)(B), and 1962(a-d)—**a pattern of racketeering activities.**¹

Submitted by:

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Friday, January 31, 2025

¹ The Movants' challenge to the Bankruptcy Court (NDGA) *In re Group Management Corp.*, 03-93031 Chapter 11 Article III jurisdiction over **predatory criminal usury unlawful debts subject matter**, GX 1-4; and (2) challenge to the Article III standing of the 02cv2219 (SDNY) plaintiffs, Atlanta, GA law firm Kilpatrick, Townsend, & Stockton, LLP clients, see Dkt. 11, **unregistered broker-dealers**. Cf., Ex. 3, *infra*. What legitimate and lawful interest would a United States Bankruptcy Court (Ellis-Munro, C.J. and Hagenau, C.J.) have in not **sua sponte** affirmatively confirming the Court's mandatory unwaivable constitutional jurisdiction to adjudicate the Dkt. 6, 11, 13, 14, 15, and 16 proceedings with respect to fundamental constitutional prerequisites—"legally protected interest" in criminal usury convertible promissory notes--in **predatory criminal usury unlawful debts**, GX 1-4, and (2) the Article III standing of KTS' **unregistered broker-dealers clients to enforce and/or collect GX 1-4? No legitimate interest exists**. If no legitimate interest exists, then any alleged interest, by definition, must be nefarious, corrupt, perfidious, and illegitimate—that is, **an unlawful interest**.

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Exhibit 2--Dkt. 90 (Binding Final Judgment)—02cv2219 (SDNY) Prevailing Parties Chapter 11 Debtor Group Management and 11 USC §1109(b) statutory party in interest Ulysses T. Ware’s Final Judgment—December 20, 2007, Dkt. 90, Case No. 02cv2219 (SDNY), District Judge Leonard B. Sand, Fed. R. Civ. P. Rule 41(a)(2) voluntary, ex parte **Dismissal with Prejudice** of the 02cv2219 (SDNY) Lawsuit **After the Statute of Limitation Had Run on All Claims Final Judgment conferred final judgment prevailing party status on Group Management and Ulysses T. Ware** 28

Exhibit 3—FINRA’s May 17, 2021, binding regulatory factual finding of **unregistered broker-dealer status** for KTS’ clients who fraudulently appeared in the 03-93031 Chapter 11, see Dkt. 11, 15, and 16 via KTS’ lawyers Dennis S. Meir and John W. Mills, officers of the court, pursuant to and in violation of 18 USC §§ 2, 152, 157, 371, 1951(a), 1956-57, 1961(6)(B), and 1962(a-d)—**a pattern of racketeering activities**..... 30

Exhibit 4--*U.S. v. Ware*, 04cr1224 (SDNY), Nov. 2007, Tr. 204-06, sworn testimony of KTS’ clients’ official agent, unregistered investment advisor and unregistered broker-dealer Arie Rabinowitz confessing to being unregistered broker-dealers. see Dkt. 11 (03-93031) (BC NDGA), KTS’ entry of appearance... 31

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Friday, January 31, 2025

Via email to: USTP.Region21@usdoj.gov and ustrustee.program@usdoj.gov²

Ms. Ida Mae Townsend and

Ms. R. Jeneane Treace, jeneane.treace@usdoj.gov

U.S. Trustee and Assistant U.S. Trustee, Region 21

Office of the United States Trustee Program

362 Richard Russell U.S. Courthouse

75 Ted Turner Drive, SW

Atlanta, GA 30303

Via email: BEMChambers@ganb.uscourts.gov³

Office of the Chief Bankruptcy Judge (NDGA)

The Hon. Barbara Ellis-Monro

Richard Russell U.S. Courthouse

75 Ted Tuner Dr., SW

Atlanta, GA 30303

**Re: *In re Group Management Corp.*, Case No. 03-93031 (BC NDGA) –
Notice of Exercise of Rights Under 11 U.S.C. § 1109(b), Ongoing Violations of 18
U.S.C. § 2071(a), (b), and Civil & Criminal Contempt of Rule 41(a)(2) Final Judgment;
and Request for 11 USC § 105(d)(1) Status Conference.**

² **(b) Sending Copies to the United States Trustee.**

(1) ***Papers Sent Electronically.*** All papers required to be sent to the United States trustee may be sent by using the court's electronic-filing system in accordance with Rule 9036, unless a court order or local rule provides otherwise.

³ (2) ***With a Judge of the Court.*** A judge may personally accept for filing a paper listed in (1) ("motions" or "applications"). ***The judge must note on it the date of filing and promptly send it to the clerk.***

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Friday, January 31, 2025

(12-12) 01.31.25 (Part 14-12) re Memorandum of Request for Action by the Office of the U.S. Trustee, Region 21, Ida Mae Townsend, Esq., an officer of the court with GA Bar Rule 3.3 duty of complete candor to the 03-93031 tribunal.

Bankr. Rule 5005 (a)(2)
**A. Provisional Notice of Filing and Submission
Pending Receipt by the Court via the U.S. Mail**

January 31, 2025

Via Bankr. Rule 5005(a)(2) Electronic Filing

The Honorable Barbara Ellis-Munro
U.S. Bankruptcy Court, Northern District of Georgia
Richard B. Russell Federal Building
75 Ted Turner Drive, SW
Atlanta, GA 30303

Via email to: USTP.Region21@usdoj.gov and ustrustee.program@usdoj.gov⁴

**Ms. Ida Mae Townsend and
Ms. R. Jeneane Treace, jeneane.treace@usdoj.gov**
U.S. Trustee and Assistant U.S. Trustee, Region 21
Office of the United States Trustee Program
362 Richard Russell U.S. Courthouse
75 Ted Turner Drive, SW
Atlanta, GA 30303

Dear Judge Ellis-Munro:

The Appellants-Movants write to inform the Court in regard to the following: Pursuant to Bankruptcy Rule 5005(a)(2), the undersigned statutory parties in interest, Mr. Ware and Group Management Corp. (“Group Management”), respectfully submit for your direct attention the

⁴ **(b) Sending Copies to the United States Trustee.**

(1) ***Papers Sent Electronically.*** All papers required to be sent to the United States trustee may be sent by using the court’s electronic-filing system in accordance with Rule 9036, unless a court order or local rule provides otherwise.

enclosed Rule 9013(a)(1)/11 USC §105(d)(1) judicial public record for provisional filing, docketing, and entry in the Chapter 11 Case No. 03-93031.

In accordance with 18 U.S.C. §§ 2071(a) and (b), we hereby respectfully request that the Court confirm receipt and provisionally **(pending receipt of a U.S. mailed copy)** file and docket this Bankr. Rule 9013(a)(1) request for an 11 USC § 105(d)(1) status conference via the PACER system, no later than January 31, 2025, as required by law. Should you have any questions regarding this or other judicial pleadings previously submitted for proper docketing and adjudication, please contact the undersigned, who will gladly elucidate every prior submission.

Additionally, we request written notice to all interested parties—filed on the official **03-93031** docket—of the scheduling of the mandatory **11 U.S.C. § 105(d)(1)** status conference, so that these proceedings may continue in a transparent and timely manner.

Submitted by:

/s/ Ulysses T. Ware
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Friday, January 31, 2025

Memorandum of Hobbs Act RICO Conspiracy to Commit Bankruptcy Fraud

To: Executive Office of the U.S. Trustee
United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

U.S. Trustee, Region 21
Attn: Ida Mae Townsend, Esq.
Office of the U.S. Trustee, Region 21
362 Richard Russell Federal Building
75 Spring Street, SW
Atlanta, GA 30303

Date: January 31, 2025

Re: Urgent Demand for Investigation and Remedial Action: Egregious and Deliberate Fraud Upon the United States Bankruptcy Court, Creditors, the Chapter 11 Estate, and Ulysses T. Ware in *In re Group Management Corp.*, Case No. 03-93031 (Bankr. N.D. Ga.) – A Scheme to Misappropriate \$522 Million in Estate Assets Through Criminal Usury and Securities Fraud

Dear Ms. Townsend:

I. A CALL FOR IMMEDIATE INTERVENTION: A SYSTEMIC BREACH OF TRUST AND A DEMAND FOR JUSTICE.

This memorandum constitutes an urgent and formal demand for the immediate initiation of a comprehensive investigation and the implementation of decisive remedial action by the Executive Office of the U.S. Trustee and the U.S. Trustee for Region 21, Ida Mae Townsend, Esq. We write to expose a deeply troubling and meticulously orchestrated scheme of fraud, perpetrated by Kilpatrick Townsend & Stockton, LLP (“KTS”), *its unregistered broker-dealer clients* (Alpha Capital Aktiengesellschaft, Amro International, S.A., Markham Holdings, Ltd., and Stonestreet

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Friday, January 31, 2025

(12-12) 01.31.25 (Part 14-12) re Memorandum of Request for Action by the Office of the U.S. Trustee, Region 21, Ida Mae Townsend, Esq., an officer of the court with GA Bar Rule 3.3 duty of complete candor to the 03-93031 tribunal.

Limited Partnership, collectively “KTS Clients”), and attorneys Dennis S. Meir, Esq., John W. Mills, III, Esq., J. Henry Walker, IV, Wab Kadaba, and potentially others at KTS, (the “Defendants”). This fraudulent enterprise, executed with malice and a brazen disregard for the rule of law, has inflicted profound damage upon the United States Bankruptcy Court for the Northern District of Georgia (the “Bankruptcy Court”), the legitimate creditors of the Chapter 11 estate of Group Management Corp. (“GPMT” or “the Debtor”), the Chapter 11 estate itself, and Mr. Ulysses T. Ware (“Mr. Ware”).

The core objective of this meticulously planned and ruthlessly executed Hobbs Act RICO fraud was to:

1. Plunder the Chapter 11 Estate of \$522 Million in Illicit Insider-Trading Profits:

Defendants conspired to knowingly, intentionally, and in bad faith steal, conceal, and misappropriate in excess of \$522 million in assets – representing illegal 15 USC § 78p(b), see Dkt. 65, 02cv2219 (SDNY) (Sand, J.), Aug. 13, 2003, order, short-swing insider-trading profits derived from criminal and illicit transactions in GPMT’s equity securities by KTS Clients—(i) unregistered broker-dealers and (ii) fiduciaries of the Chapter 11 Debtor. These profits, by operation of federal securities law, 15 USC § 78p(b) and bankruptcy law, 11 USC §§ 541(a)(1), and 542(a), rightfully belong to the Debtor’s Chapter 11 estate and are intended for distribution to legitimate creditors.

2. Deceive and Manipulate the Bankruptcy Court to Procure a Fraudulent Dismissal:

Through a calculated campaign of deliberate, intentional, and bad faith material misrepresentations, omissions, and the knowing assertion of baseless claims, Defendants intentionally deceived and manipulated the Bankruptcy Court into issuing a Dismissal

Order (Dkt. 28 in Case No. 03-93031) in May 2003. This Dismissal Order was procured under the patently false pretense that the Debtor's estate was without assets and that the Chapter 11 case was filed in "bad faith," thereby terminating the bankruptcy proceedings and paving the way for Defendants to abscond with the \$522 million in estate assets. See Dkt. 15 and Dkt. 16 for KTS' fraud on the court.

3. Undermine the Integrity of the Federal Judiciary and the Bankruptcy System:

Defendants' actions represent a grave assault on the integrity of the federal judiciary and the bankruptcy system. They have exploited the Bankruptcy Court as a tool for their fraudulent scheme, undermining public trust in the impartiality and fairness of federal courts and jeopardizing the very foundations of the bankruptcy process designed to ensure equitable and orderly administration of distressed estates.

We submit to the Executive Office of the U.S. Trustee and to U.S. Trustee Townsend that the *irrefutable evidence* detailed herein *unequivocally demonstrates* a deliberate, intentional, and bad faith fraud perpetrated upon the Bankruptcy Court, creditors, the Chapter 11 estate, and Mr. Ware. This is not a case of mere negligence or inadvertence; *this is a calculated and egregious criminal conspiracy—a Hobbs Act racketeering loan sharking and money laundering criminal enterprise and scheme to plunder a bankruptcy estate for personal and business gain, executed with the knowingly, deliberate, and active participation of a prominent international law firm, James H. Morawetz, Esq., and its clients.* We demand immediate and decisive action from the U.S. Trustee to investigate this matter fully, hold the perpetrators accountable, and rectify the profound injustice that has been inflicted.

II. OVERWHELMING AND IRREFUTABLE EVIDENCE OF DELIBERATE AND BAD FAITH FRAUD.

The evidence supporting our demand for investigation and remedial action is not merely suggestive; it is overwhelming, irrefutable, and comprised of multiple independent lines of proof, including:

A. FINRA's Definitive Regulatory Certification of Unregistered Broker-Dealer Status: Exposing the Illegal Foundation of KTS Clients' Claims.

1. **Authoritative Regulatory Determination:** Attached hereto as **Exhibit 3** is the "CERTIFICATION OF NO FINRA BUSINESS RECORDS" issued by Marcia E. Asquith, Executive Vice President, Board and External Relations, of the Financial Industry Regulatory Authority ("FINRA"), dated May 17, 2021. Ms. Asquith, *a high-ranking FINRA official with custodial authority over FINRA's records*, unequivocally certifies that "No documents related to the firms listed below were prepared, kept and maintained in the ordinary course of FINRA's business." The "firms listed below" explicitly include entities directly representing KTS Clients, such as "LH Financial Services."
2. **Binding Regulatory Finding of Unregistered Status:** This FINRA Certification is not a mere administrative statement; it is *a definitive regulatory finding* by the self-regulatory organization delegated oversight authority by the Securities and Exchange Commission ("SEC") over broker-dealers. *It constitutes conclusive evidence* that KTS Clients, at all relevant times, operated as **unregistered broker-dealers** in direct violation of 15 U.S.C. § 78o(a)(1).
3. **Void Ab Initio Contracts Under 15 U.S.C. § 78cc(b):** Section 29(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78cc(b), explicitly renders contracts, GX 1-4, and GX

5, made in or performed in violation of the Act, including the broker-dealer registration requirement of 15 U.S.C. § 78o(a)(1), **void ab initio** as regards the rights of the violator (in this case, KTS **unregistered broker-dealer** Clients, see Ex. 3, *infra*). This federal statutory provision and ***underpinning public policy*** eviscerates and vitiates any legal basis for KTS Clients' claims—Dkt. 11, 15, and 16, in the 03-93031 Bankruptcy Case. ***Their purported “creditor” status is a complete sham and a fraudulent legal fiction, built upon purported contracts, GX 1-4, and GX 5, that Congress has declared null and void initio and unenforceable from their inception.***

B. Criminally Usurious Loan Contracts (GX 1-4): Illegal and Unenforceable Predicates for KTS Clients' Claims.

1. **Predatory Interest Rates Exceeding 2000% Per Annum:** The loan contracts (designated as GX 1-4 in the 03-93031 Bankruptcy Case) upon which KTS Clients predicate their claims are not merely commercially unreasonable; they are **criminally usurious** under New York Penal Law § 190.40, the criminal usury law, a class E felony, bearing predatory interest rates **exceeding 2000% per annum**. Such exorbitant and unconscionable rates are not merely indicative of civil usury; they fall squarely within the ambit of criminal usury, **a Class E felony** under New York law.⁵
2. **Void Ab Initio Under New York Law and Federal RICO law:** Under New York Penal Law, criminally usurious contracts, GX 1-4, and GX 5, are **null and void ab initio**,

⁵ Cf., 28 USC 586(a)(3)(F) duty and obligation of Ida Mae Townsend, Esq. with respect to criminal activities committed by KTS, its lawyers, its clients, the Appellees, and others acting in concert therewith.

unenforceable, and uncollectible by KTS' clients,⁶ from their inception and conferring no legally protected rights upon the lender. *Adar Bays, LLC v. GeneSYS ID, Inc.*, 28 F.4th 379, 392 (2d Cir. 2022). Furthermore, these criminally usurious debts constitute “unlawful debts” under the Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. § 1961(6)(B), further underscoring their illegality and unenforceability in federal court.

3. **Lack of Subject Matter Jurisdiction and Article III Standing:** Federal courts, including bankruptcy courts, lack subject matter jurisdiction to enforce criminally usurious contracts, *GX 1-4, and GX 5, which are deemed null and void ab initio, unenforceable, and uncollectible as against public policy*⁷ and fall outside the scope of federal jurisdiction. *Steel Co. v. Citizens for a Better Env't*, 523 U.S. 83, 94-95 (1998). Furthermore, KTS Clients, asserting claims based on these void and illegal contracts, lacked a “**legally protected interest**” and have not and cannot (a legal and factual impossibility) demonstrate a “**concrete injury in fact**,” thus indisputably failing to meet the irreducible constitutional minimum requirements for Article III standing. *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560-61 (1992).

⁶ However, KTS' fraudulent appearance in 03-93031, Dkt. 11, and its racketeering criminal activities to collect or enforce GX 1-4, and GX 5, Dkt. 15 and Dkt. 16, ipso facto has dire and devastating penal and 11 USC § 303(a) involuntary Chapter 7 liquidation pecuniary consequences—that is, their pleadings filed in 03-93031 constitute binding judicial admissions, factual stipulations, and confessions of KTS and its clients' criminal violations of federal law 18 USC §§ 1961(6)(B) (the collection of unlawful criminal usury debts, GX 1-4); cf., *U.S. v. Grote*, 961 F.3d 105 (2d Cir. 2019) (aff'd criminal conviction, sentence, and +\$3.5 billion in forfeiture judgment for unlawful debt collection activities). (emphasis added).

⁷ See *In re Venture Mortgage Fund, L.P.*, 282 F.3d 185 (2d Cir. 2002).

C. Dkt. 11: KTS Clients' Fraudulent Entry of Appearance and Knowing Misrepresentation of "Creditor" Status.

1. **Initial Act of Deception and Abuse of Process:** Attached hereto as **Exhibit 11A** is Document 11 from the 03-93031 Bankruptcy Case, "ENTRY OF APPEARANCE; REQUEST FOR SPECIAL NOTICE; REQUEST FOR SERVICE OF PAPERS; AND RESERVATION OF RIGHTS," filed by KTS on behalf of KTS Clients on April 10, 2003. This fraudulent pleading marks the inception of KTS Clients' fraudulent scheme within the 03-93031 Bankruptcy Court.
2. **False Representation of "Creditor" Status:** In Dkt. 11, KTS, acting with manifest bad faith and in violation of their ethical duties as officers of the court, GA Bar Rule 3.3 and 8.4, knowingly, in bad faith, and affirmatively—committed perjury, misrepresented KTS Clients as "interested parties and creditors." This deliberate misrepresentation—conspiracy to commit perjury on a federal court, was demonstrably false and misleading at the time it was made—and continues to be false which KTS' lawyers have never corrected the record, and KTS attorneys Dennis S. Meir and John W. Mills, III, knew or should have known it to be false had they conducted the required prefiling Bankr. Rule 9011(b)(1-4) and 28 USC § 1927 investigation.
3. **Knowing Lack of Article III Standing:** As sophisticated securities and bankruptcy law practitioners, KTS attorneys (Meir, Mills, Walker, and Kadaba) were intimately familiar with the requirements of Article III standing and the legal implications of 15 U.S.C. § 78o(a)(1) and 78cc(b). They knew or recklessly disregarded the fact that their unregistered broker-dealer clients, asserting claims based on null and void initio and illegal contracts, GX 1-4, and GX 5, lacked the constitutionally required standing to invoke the jurisdiction

of the Bankruptcy Court with respect to Dkt. 15 and Dkt. 16. Their fraudulent entry of appearance, Dkt. 11, therefore, *was a knowing, bad faith, reckless, irresponsible, unethical, and deliberate attempt to fraudulently gain access to the Bankruptcy Court and abuse its processes for their unregistered broker-dealer clients' unlawful objectives.*

D. Dkts. 15 & 16 (Exhibits 15A & 16A): KTS' Emergency Motion to Dismiss and Supporting Brief – Active Perpetration of Fraud and Judicial Admissions of Illegality

1. **Escalation of Fraudulent Conduct and Affirmative Misrepresentations:** Attached hereto as **Exhibit 15A** is Document 15, “EMERGENCY MOTION TO DISMISS OR, IN THE ALTERNATIVE, FOR RELIEF FROM THE AUTOMATIC STAY,” and as **Exhibit 16A** is Document 16, its accompanying “BRIEF IN SUPPORT,” both filed by KTS on behalf of KTS Clients. These filings represent a significant escalation of Defendants’ fraudulent scheme and a deepening of their bad faith and fraudulent perjury and misrepresentations to the Bankruptcy Court.
2. **Persistent and Emphatic Misrepresentation of “Creditor” Status:** Throughout Dkts. 15 and 16, KTS unregistered broker-dealer Clients, through KTS, persistently and emphatically reiterate their false claim of being legitimate “creditors.” This misrepresentation and perjury is not a mere oversight; it is a calculated and deliberate tactic to deceive the Bankruptcy Court and to create a false predicate for their demands for dismissal or stay relief.
3. **Exploitation of the Bankruptcy Court and Abuse of Process:** In Dkts. 15 and 16, KTS Clients actively seek affirmative relief from the Bankruptcy Court – dismissal of the Chapter 11 case or, alternatively, relief from the automatic stay – based on demonstrably

false, **perjury**, and misleading representations. This constitutes a blatant exploitation of the Bankruptcy Court and a gross abuse of its processes for their own illicit ends.

4. **Binding Judicial Admissions of Criminal Usury and RICO Conspiracy:** Most damningly, in Dkts. 15 and 16, KTS' lawyers, acting as officers of the court and under penalty of Bankruptcy Rule 9011, *made and pleaded in court filings implicit, explicit, and unequivocal judicial admissions* that their clients' claims arise from "criminal usury unenforceable debts in violation of NYS Penal Law, sect. 190.40" (paraphrased) and are part of a "Hobbs Act, 18 USC 1951(a) conspiracy to collect and enforce criminal usury unlawful debts, GX 1, GX 2, GX 3, and GX 4, via the conspiracy to commit bankruptcy fraud, 18 USC §§ 2, 157, 371, 1341, 1343, 1951(a), 1956-57, 1961(6)(B), and 1962(a-d)." (paraphrased). These sworn statements, made directly to the Bankruptcy Court, *are irrefutable judicial admissions* of the illegal and fraudulent nature of their own claims and conduct. They constitute a confession to the very RICO violations and criminal usury schemes that Appellants now allege.

E. Concealment of +\$522 Million in Insider-Trading Profits: The Corrupt Motive for the Fraudulent Scheme.

1. **Deliberate Suppression of Material Estate Assets:** Defendants' fraudulent scheme was meticulously designed and executed to conceal from the Bankruptcy Court, the Chapter 11 estate, Mr. Ware, and creditors the existence of over \$522 million in insider-trading profits, assets rightfully belonging to the Debtor's Chapter 11 estate under 15 U.S.C. § 541 and subject to mandatory disgorgement under 11 USC 542(a) and 15 U.S.C. § 78p(b).⁸

⁸ See *Roth v. Jennings*, 489 F.3d 499, 506-10 (2d Cir. 2007) (Kearse, J.); and 15 USC §§ 78p(b) and 78cc(b). See Ex. 1, *infra*, Sand, J., Aug. 13, 2003, Dkt. 65, 02cv2219 (SDNY) Order.

2. **Motive to Misappropriate Estate Assets and Unjustly Enrich Perpetrators:** The motive for this elaborate fraud is clear: to steal, conceal, and misappropriate these substantial estate assets for the benefit of KTS Clients and potentially KTS itself, unjustly enriching the perpetrators at the direct expense of legitimate creditors and the integrity of the bankruptcy system. The \$522 million represents a massive windfall for Defendants, obtained through calculated deception and abuse of the federal courts.
3. **Fraudulent Dismissal Order, Dkt. 28 (Murphy, J.), as the Culmination of the Scheme:** The fraudulent Dismissal Order (Dkt. 28 in Case No. 03-93031), procured through Defendants' persistent misrepresentations and omissions, represents the culmination of their scheme. It served as the essential instrument to terminate the bankruptcy proceedings and to allow Defendants to escape accountability for their fraudulent conduct and to retain the ill-gotten gains of their scheme.

F. Ethical Dereliction by KTS Attorneys: Violation of GA Bar Rules 3.3(a) and 8.4 – A Stain on the Legal Profession

1. **Breach of Duty of Candor to the Tribunal (Rule 3.3(a)):** KTS attorneys Dennis S. Meir, John W. Mills, III, and others at KTS, as officers of the Bankruptcy Court, flagrantly violated Georgia Rule of Professional Conduct 3.3(a), “Candor Toward the Tribunal.” They in Dkt. 11, 14, 15, and 16 knowingly committed perjury, and knowingly in bad faith made false statements of material fact and law to the Bankruptcy Court, offered evidence they knew to be false, (see exhibits attached to Dkt. 15 and 16), and failed to disclose material facts necessary to avoid assisting a criminal or fraudulent act by their clients, see Ex. 1 and Ex. 3, *infra*.

2. **Professional Misconduct Involving Fraud and Dishonesty (Rule 8.4):** Their conduct further constitutes “professional misconduct” under Georgia Rule of Professional Conduct 8.4, as it involved extreme and unprecedented criminal *dishonesty, fraud, deceit, and misrepresentation*. Their orchestration of a racketeering bankruptcy fraud conspiracy scheme to deceive the Bankruptcy Court, conceal assets, and procure a dismissal for their clients’ unlawful benefit is a profound breach of their ethical obligations and a stain on the legal profession.
3. **Abuse of the Privilege to Practice Law in Federal Court:** KTS attorneys have abused the privilege to practice law in federal court by weaponizing their legal expertise and the authority of their law firm to perpetrate a deliberate fraud upon the Bankruptcy Court. Their actions warrant not only disciplinary action by the Georgia Bar but also sanctions by the Bankruptcy Court itself, including disbarment from practice before the federal courts of the Northern District of Georgia, and criminal prosecution for their RICO crimes (18 USC §§ 2, 152, 157, 371, 1951(a), 1956-57, 1958-59, 1961(6)(B), and 1962(a-d)) activities.

III. PROFOUND HARM INFLICTED UPON THE BANKRUPTCY COURT, CREDITORS, ESTATE, AND ULYSSES T. WARE

Defendants’ calculated and bad faith fraud has inflicted profound and irreparable harm upon multiple parties and upon the integrity of the bankruptcy system itself:

1. **United States Bankruptcy Court for the Northern District of Georgia: Defilement of the Judicial Process:** The Bankruptcy Court was directly and intentionally targeted and victimized by Defendants’ Hobbs Act RICO loan sharking and money laundering fraudulent scheme. Its processes were abused, its integrity undermined, and its authority flouted. The fraudulent Dismissal Order (Dkt. 28)—and other equally fraudulent and

manifestly frivolous ultra vires and moot orders, Dkt. 256, 258, 263, 274, 275, and 278, all stands as a monument to this defilement of the judicial process and must be vacated to vindicate the Court's honor and restore public confidence in the impartiality and fairness of federal bankruptcy courts.

2. **Legitimate Creditors of the Chapter 11 Estate: Unjust Deprivation of Recoveries:**

Innocent and legitimate creditors of the Debtor's Chapter 11 estate have been directly and unjustly harmed and defrauded by Defendants' Hobbs Act RICO criminal racketeering criminal enterprise's scheme. The fraudulent dismissal, Dkt. 28, and other fraudulent reliefs, Dkt. 256, 258, 263, 274, 275, and 278, have irrevocably deprived Group Management, Mr. Ware, and others of their rightful opportunity to recover their valid claims from the +\$522 million in concealed insider-trading profits, assets specifically intended under bankruptcy law for distribution to creditors. Defendants' fraud has effectively stolen millions of dollars from the pockets of legitimate creditors to unjustly enrich themselves and their clients.

3. **Chapter 11 Estate of Group Management Corp.: Plundered and Depleted of Assets:**

The Chapter 11 estate of Group Management Corp. has been systematically plundered and depleted of its most valuable assets – **the +\$522 million in insider-trading profits** – through Defendants' racketeering fraudulent scheme. Assets intended to benefit creditors and facilitate an equitable reorganization have been stolen, concealed, diverted, and misappropriated through calculated deception and abuse of the legal system.

4. **Ulysses T. Ware and Group Management Corp.: Victims of Vexatious and**

Fraudulent Litigation: Mr. Ware and Group Management Corp. have been subjected to years of vexatious, bad faith, and fraudulent litigation at the hands of Defendants—see Dkt.

28, 256, 258, 263, 274, 275, and 278. They have been forced to expend significant resources and endure protracted legal battles to defend against baseless and illegal claims, all while Defendants were actively perpetrating a fraud upon the court and concealing the true nature of their unlawful scheme.

IV. DEMAND FOR IMMEDIATE AND DECISIVE INVESTIGATION AND REMEDIAL ACTION BY THE U.S. TRUSTEE

In light of the overwhelming and irrefutable evidence of deliberate and bad faith fraud detailed herein, on behalf of Group Management Corp. and Ulysses T. Ware, we formally demand that the Executive Office of the U.S. Trustee and the U.S. Trustee for Region 21, Ida Mae Townsend, Esq., immediately undertake the following critical actions:

1. **Initiate a Formal and Expedited Investigation:** Commence a formal and expedited investigation into the fraudulent conduct of Kilpatrick Townsend & Stockton, LLP, attorneys Dennis S. Meir, John W. Mills, III, J. Henry Walker, IV, Wab Kadaba, et al., and KTS Clients (Alpha Capital Aktiengesellschaft, Amro International, S.A., Markham Holdings, Ltd., and Stonestreet Limited Partnership) in connection with *In re Group Management Corp.*, Case No. 03-93031 (Bankr. N.D. Ga.). This investigation must include a comprehensive review of all relevant filings in the 03-93031 Bankruptcy Case, the attached FINRA Certification (**Exhibit 1**), Documents 11 (**Exhibit 11A**), 15 (**Exhibit 15A**), and 16 (**Exhibit 16A**), and any and all other evidence of fraud and unethical conduct.
2. **Refer KTS Attorneys for Disciplinary Investigation and Sanctions:** Immediately refer for interim suspension from all appearances and practice in the District Court (NDGA)

attorneys Dennis S. Meir, John W. Mills, III, J. Henry Walker, IV, Wab Kadaba, and Kilpatrick Townsend & Stockton, LLP to the District Court (NDGA) Lawyer Disciplinary Committee, and Georgia Bar Association for a thorough disciplinary investigation based on their egregious violations of Georgia Rules of Professional Conduct 3.3(a) and 8.4. Further, request that the Bankruptcy Court itself impose sanctions upon KTS and its attorneys, including but not limited to substantial monetary sanctions, disgorgement of fees earned in connection with the fraudulent scheme, and disbarment from practice before the federal courts of the Northern District of Georgia.

3. **Demand Criminal Investigation and Prosecution by the U.S. Attorney:** Formally refer this matter to the United States Attorney for the Northern District of Georgia, the Federal Bureau of Investigation (FBI), FINRA, and the Securities and Exchange Commission (SEC) for a full and comprehensive criminal investigation and prosecution of Kilpatrick Townsend & Stockton, LLP, attorneys Dennis S. Meir, John W. Mills, III, et al., and KTS Clients (Alpha Capital Aktiengesellschaft, Amro International, S.A., Markham Holdings, Ltd., and Stonestreet Limited Partnership) for potential violations of 18 U.S.C. §§ 152, 157, 371, *et seq.* (bankruptcy fraud, securities fraud, RICO violations, conspiracy, and related federal crimes). The scale and deliberateness of this fraud, involving the misappropriation of hundreds of millions of dollars and a calculated assault on the federal judicial system, demand a vigorous criminal response.
4. **Commit to Full Cooperation in Asset Recovery and Estate Administration:** Pledge the full cooperation and resources of the U.S. Trustee's office to assist GPMT and its counsel in all efforts to locate, trace, recover, and administer the +\$522 million in concealed insider-trading profits and any other assets of the Debtor's estate. ***This cooperation should***

include, but not be limited to, utilizing the U.S. Trustee's investigative powers and resources to identify and pursue all avenues of asset recovery and to ensure that these recovered assets are properly administered for the benefit of the defrauded creditors of the Chapter 11 estate.

V. DEMAND FOR IMMEDIATE MEETING TO DISCUSS REMEDIAL ACTION

We reiterate our demand for an ***immediate meeting*** with representatives of the Executive Office of the U.S. Trustee and U.S. Trustee, Region 21, Ida Mae Townsend, Esq., at your earliest possible convenience. We seek your ***unequivocal assurance*** that the U.S. Trustee's office will treat this matter with the urgency and seriousness it manifestly deserves and will commit to taking swift and decisive action to investigate and remedy this egregious fraud, hold the perpetrators accountable to the full extent of the law, and restore integrity to the bankruptcy system. The scale of this fraud and its corrosive effect on public trust demand nothing less than a swift, comprehensive, and forceful response from the U.S. Trustee.

RESPECTFULLY SUBMITTED,

Dated: January 31, 2025

GROUP MANAGEMENT and Ulysses T. Ware

/s/ Ulysses T. Ware

For Movants Ulysses T. Ware and Group Management

cc: U.S. Court of Appeals for the Eleventh Circuit, Office of the Judicial Council
Administrative Office of the U.S. Courts, Executive Director
Office of the U.S. Trustee, Region 21, (Ida Mae Townsend, Esq.)

Page **21** of **32**

Friday, January 31, 2025

(12-12) 01.31.25 (Part 14-12) re Memorandum of Request for Action by the Office of the U.S. Trustee, Region 21, Ida Mae Townsend, Esq., an officer of the court with GA Bar Rule 3.3 duty of complete candor to the 03-93031 tribunal.

Financial Industry Regulatory Agency (FINRA) on behalf of the Securities and Exchange Commission (Marcia E. Asquith, Esq.)

State Bar of Georgia, Office of the General Counsel (William D. NeSmith, III) on behalf of the Supreme Court of Georgia, Office of the Chief Justice, the Hon. Michael P. Boggs Edward T.M. Garland on behalf of Garland, Samuel, & Loeb, P.C., and affiliates Nall & Miller, LLP

Kilpatrick, Townsend, & Stockton, LLP on behalf of its clients, the 02cv2219 (SDNY) plaintiffs

Unregistered broker-dealers Arie Rabinowitz on behalf of LH Financial Services Corp., Trailblazer Merger Corp., I

Unregistered broker-dealers Frank V. Sica on behalf of Tailwind Management L.P., Colleen McMahon, and Michael S. Bertisch (see Ex. 10)

Enclosures:

Exhibit 1: CERTIFICATION OF NO FINRA BUSINESS RECORDS, dated May 17, 2021, by Marcia E. Asquith, Executive Vice President, FINRA

Exhibit 11A: Document 11, “ENTRY OF APPEARANCE; REQUEST FOR SPECIAL NOTICE; REQUEST FOR SERVICE OF PAPERS; AND RESERVATION OF RIGHTS,” *In re Group Management Corp.*, Case No. 03-93031 (Bankr. N.D. Ga.).

Exhibit 15A: Document 15, “EMERGENCY MOTION TO DISMISS OR, IN THE ALTERNATIVE, FOR RELIEF FROM THE AUTOMATIC STAY,” *In re Group Management Corp.*, Case No. 03-93031 (Bankr. N.D. Ga.).

Exhibit 16A: Document 16, “BRIEF IN SUPPORT OF EMERGENCY MOTION TO DISMISS OR, IN THE ALTERNATIVE, FOR RELIEF FROM THE AUTOMATIC STAY,” *In re Group Management Corp.*, Case No. 03-93031 (Bankr. N.D. Ga.).

Certificate of Service

I Ulysses T. Ware certify that I have this 31st day of January 2025 served each of the below persons or entities with a copy of this pleading via their public email accounts and submitted the same to the U.S. Bankruptcy Court (NDGA) to the Chief Bankruptcy Judge, Ellis-Munto for immediate provisional filing and docketing pursuant to 18 USC §§ 2071(a), (b), Bankr. Rule 5005(a)(2)⁹ and 5005(b)(1) with the U.S. Trustee.¹⁰

cc: Office of the U.S. Trustee, Region 21 (Ida Mae Townsend)

Kilpatrick, Townsend, & Stockton, LLP (via CEO Wab Kadaba, Esq., J. Henry Walker, IV, Dennis S. Meir, and John W. Mills, III)

Arie Rabinowitz, Kenneth A. Zitter, Alpha Capital, AG, Stonestreet, L.P. Markham Holdings, Ltd., AMRO International, S.A., Trailblazer Merger Corp, I, LH Financial Services Corp., convicted felon Edward M. Grushko, Joseph Hammer, and Barbara R. Mittman via Kilpatrick, Townsend, Stockton, LLP (Wab Kadaba, Esq. and J. Henry Walker, IV).

Baker & McKenzie, LLP (via Lawrance B. Mandala, Esq., Robert Alberal, Esq. and Thomas A. Leghorn, Esq.)¹¹

William D. NeSmith, III, State Bar of Georgia; Office of the Chief Justice, Supreme Court of Georgia, the Hon. Michael P. Boggs (via Paula Fredrick and William D. NeSmith, III--statutory agents in fact); and

⁹ ***With a Judge of the Court.*** A judge may personally accept for filing a paper listed in (1). The judge must note on it the date of filing and promptly send it to the clerk.

¹⁰ **(b) Sending Copies to the United States Trustee.**

(1) ***Papers Sent Electronically.*** All papers required to be sent to the United States trustee may be sent by using the court's electronic-filing system in accordance with Rule 9036, unless a court order or local rule provides otherwise.

¹¹ **Baker & McKenzie, LLP has primary liability in the sum certain amount of \$2.225 billion.**

John F. King, Georgia Insurance Commissioner on behalf of (undisclosed identities) John Doe Insurance Companies ##1-5 (via William D. NeSmith, III, Wab Kadaba, J. Henry Walker, III, Michael D. Hostetter, Edward T.M. Garland, the State Bar of Georgia, Office of the General Counsel, and Wendy L. Hagenau, statutory agents in fact);

FINRA (via Robert W. Cook, Robert L.D. Colby, Sarah Jeffries, and Marcia E. Asquith) on behalf of the Securities and Exchange Commission (11 USC 1109(a) statutory party in interest); and

Acting Director of the FBI (via Ida Mae Townsend, Esq.)

/s/ Ulysses T. Ware

January 31, 2025

Exhibit 1—Dkt. 65, Aug. 13, 2003, Sand, J.) (deceased), 02cv2219 (SDNY): Unappealed Judicial ruling (collateral, equitable, and judicial estoppel) of 15 USC §78p(b) **statutory insider status** (disgorgement of all profits requirement to the Chapter 11 estate) for each of KTS' **unregistered broker-dealer** clients (see Ex. 3, infra) with respect to the Chapter 11 debtor's, Group Management Corp.'s, publicly-traded equity securities.¹²

¹² Judge Sand's Aug. 13, 2003, ruling, binding **a lawful court order**—(A) subject to enforcement against Hagenau, KTS, its client, et al., via civil and criminal contempt (18 USC §§401(2), 401(3)) absolutely binding on the 03-93031 Chapter 11 Bankruptcy Court (NDGA) (Hagenau, C.J.), which (B) **conferred fiduciary duty status** on all 18 USC §1962(d) racketeering to commit bankruptcy fraud unindicted coconspirators to wit, Hagenau, KTS, its partners, each of **KTS' unregistered broker-dealer clients, et al.**—that is, Hagenau, KTS, its partners, and its clients are subject to (i) **an existing and extant and current equitable lien on their personal and individual assets**, (ii) current and extant constructive trust impressed on their assets, (iii) and U.C.C. Article 1 encumbrance and lien on their assets in the amount of **+\$522M plus interest** running from the date of Judge Sand's 15 USC §78p(b) court order, August 13, 2003, (i.e., stolen and concealed property and assets of the 03-93031 Chapter 11 estate).

Ex. 1—(Dkt. 65, 02cv2219)—(18 USC § 1961(1) Racketeering Overt and Predicate Act) Aug. 13, 2003, Dkt. 65 02cv2219 (SDNY), Sand, J. (deceased) **binding judicial ruling and court order**—Judge Sand in ex parte communications found each KTS client to be a 15 USC § 78p(b) statutory insider of Group Management Corp, and therefore triggered the Section 16(b)/11 USC §542(a) disgorgement/turnover requirement, which was not appealed by KTS’ clients, and is therefore, **ipso facto, as a matter of law and fact res judicata and collateral estoppel against KTS, Kadaba, the SBGA, NeSmith, Fredrick, Hagenau, and the 03-93031 (BC NDGA) bankruptcy court pursuant to FRE 201(b) judicial notice.**

Appx 34-2—GX 24 (Dkt. 65, 02cv2219)—found each 02cv2219 plaintiff to be a 15 USC 78p(b) statutory insider of GPMT, and their and their agents required to disgorge back to GPMT +\$500 million in trading profits.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ALPHA CAPITAL AKTIENGESELLSCHAFT, :
AMRO INTERNATIONAL, S.A., :
MARKHAM HOLDINGS, LTD., and :
STONESTREET LIMITED PARTNERSHIP, :
:
Plaintiffs, :
:
-against- :
:
GROUP MANAGEMENT CORP., :
formerly known as IVG CORP., :
formerly known as INTERNET :
VENTURE CORP., :
:
Defendant. :
-----X

#65



02 Civ. 2219 (LBS)
ORDER

SAND, District Judge.

In a telephonic conference on July 2, 2003, this Court ordered that Defendant Group Management comply with a conversion request by Plaintiff Stonestreet L.P., contingent on the provision by Plaintiff of an affidavit stating, *inter alia*, that Stonestreet beneficially owned less than 9.9% of Group Management’s common stock, as well as an opinion letter stating that the conversion would therefore be in compliance with Rule 144(k). See Tr. July 2, 2003. Plaintiff subsequently provided an unsworn statement to the effect that Stonestreet’s ownership was below the appropriate level; when Defendant still failed to honor the conversion request, the Court ordered on July 23 that i) Plaintiff provide a sworn affidavit, as required by July 2 Order; and ii) that Defendant honor the Stonestreet conversion request within two business days thereafter, on pain of contempt.

On August 1, 2003, the Court received from Plaintiff copies of an affidavit and opinion

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MICROFILM
-8:00 AM
AUG 14 2003

The conspiracy to commit securities and bankruptcy fraud by KTS during the In re Group Management Corp, 03-93031 (BC NDGA) Chapter 11 proceedings. KTS' clients' judicially admitted in ex parte communications with the 02cv2219 (SDNY) district court (Sand, J.) that KTS did in fact knowingly violated 18 USC 2, 157, 371, 924(c), 1201-02, 1341, 1343, 1503, 1951(a), 1956-57, 1958-59, 1961(6)(B) and 1962(d) by concealing and suppressing its clients' ownership of GPMT's stock.

letter relating not to Plaintiff Stonestreet, but rather to Plaintiff Alpha Capital. Plaintiff

explained, upon inquiry from Chambers, that Stonestreet in fact beneficially owned more than 9.9% of Group Management's stock.

Given the above facts, the Court observes that the conditions set in the July 2 Order regarding the Stonestreet conversion request have not been met, and that Defendant is therefore not in contempt of that Order, or of the follow-up Order of July 23. Nonetheless, pursuant to other orders of this Court, including the Order and Judgment of November 25, 2002, Defendant is still bound to honor appropriate conversion requests from Alpha Capital, and Plaintiff has submitted both an affidavit and opinion letter regarding the legality of the current Alpha conversion request. Accordingly, failure by Defendant to honor that request within ^{four (4)} ~~two~~ business ^{AS} days of this Order shall constitute contempt.

SO ORDERED.

Dated: New York, New York
August 15, 2003

MS

Andrew B. Sand
U.S.D.J.

Exhibit 2--Dkt. 90 (Binding Final Judgment)—02cv2219 (SDNY) Prevailing Parties Chapter 11 Debtor Group Management and 11 USC §1109(b) statutory party in interest Ulysses T. Ware’s Final Judgment—December 20, 2007, Dkt. 90, Case No. 02cv2219 (SDNY), District Judge Leonard B. Sand, Fed. R. Civ. P. Rule 41(a)(2) voluntary, ex parte ***Dismissal with Prejudice*** of the 02cv2219 (SDNY) Lawsuit ***After the Statute of Limitation Had Run on All Claims Final Judgment conferred final judgment prevailing party status on Group Management and Ulysses T. Ware.***¹³

¹³ KTS’ ***unregistered broker-dealer clients***’ Dec. 20, 2007, ***voluntary*** Rule 41(a)(2) ***dismissal with prejudice*** of the 02cv2219 (SDNY) lawsuit—final judgment on the merits for the Chapter 11 debtor, Group Management, and 11 USC §1109(b) statutory party in interest Ulysses T. Ware, is currently and will be enforced against Hagenau, KTS, its clients, and each 18 USC §1962(d) unindicted coconspirator ***resisting*** the ***legal and equitable preclusive effects***—that is, the immediate 11 USC §542(a) turnover of all Chapter 11 estate assets, of the binding court order, see 18 USC §§401(2), and 401(3), and Fed. R. Crim. P. 42.

el

90

U.S. DISTRICT COURT
FILED
DEC 20 2007
S. D. OF N. Y.

United States District Court
Southern District of New York

Alpha Capital Aktiengesellschaft, Amro
International, S.A., Markham Holdings, Ltd.,
and Stonestreet Limited Partnership,

Plaintiffs,

-against-

Group Management Corp., formerly known
as IVG Corp., formerly known as Internet
Venture Group, Inc., Elorian Landers and
Becky Landers,

Defendants.

Order of Dismissal
Without Prejudice

02 Civ. 2219(LBS)

Pursuant to the provisions of Rule 41(a)(2) of the Federal Rules of Civil Procedure, upon
request of Plaintiff Alpha Capital Aktiengesellschaft, this case is dismissed without prejudice.

DEC 20 2007 -12 00 PM

Dated: New York, New York
December , 2007

CERTIFIED AS A TRUE COPY ON

THIS DATE 6/13/19

BY [Signature]

Clerk
 Deputy

Law Offices of Kenneth A. Zitter

By: [Signature]

Kenneth A. Zitter, Esq.
Attorneys for Plaintiff
Alpha Capital Aktiengesellschaft
260 Madison Avenue - 18th Floor
New York, New York 10016

[Signature]

U.S.D.J.

12/18/07

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12-18-07

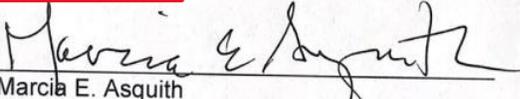
Exhibit 3—FINRA’s May 17, 2021, binding regulatory factual finding of unregistered broker-dealer status for KTS’ clients who fraudulently appeared in the 03-93031 Chapter 11, see Dkt. 11, 15, and 16 via KTS’ lawyers Dennis S. Meir and John W. Mills, officers of the court, pursuant to and in violation of 18 USC §§ 2, 152, 157, 371, 1951(a), 1956-57, 1961(6)(B), and 1962(a-d)—a pattern of racketeering activities.

CERTIFICATION OF NO FINRA BUSINESS RECORDS

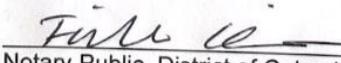
I, Marcia E. Asquith, being first duly sworn, depose and state as follows:

1. I am the Executive Vice President, Board and External Relations. In that capacity, I oversee the functions of the Office of the Corporate Secretary at the Financial Industry Regulatory Authority, Inc. ("FINRA"). I am familiar with and am a custodian of FINRA business records, including interpretations, policies and rules adopted by the FINRA Board of Governors.
2. No documents related to the firms listed below were prepared, kept and maintained in the ordinary course of FINRA's business:

- a) Alpha Capital, AG
- b) Stonestreet, L.P.
- c) Markham Holdings, Ltd.
- d) Amro International, S.A.
- e) LH Financial Services


Marcia E. Asquith
Executive Vice President, Board and External
Relations and Corporate Secretary

Subscribed and sworn to before me this 17th day of May, 2021.


Notary Public, District of Columbia

My commission expires: 5/31/2021



Exhibit 4--*U.S. v. Ware*, 04cr1224 (SDNY), Nov. 2007, Tr. 204-06, sworn testimony of KTS' clients' official agent, unregistered investment advisor and unregistered broker-dealer Arie Rabinowitz confessing to being unregistered broker-dealers. see Dkt. 11 (03-93031) (BC NDGA), KTS' entry of appearance.

**UNITED STATES v. WARE, CASE NO. 09-0851 (2D CIR.) (2010)
ON APPEAL FROM UNITED STATES v. WARE, 04cr1224 (Sweet, J.)
18 USC 401(3) CRIMINAL CONTEMPT PROSECUTION
APPELLANT WARE'S OPENING BRIEF**

1 Moreover, being unregistered brokers-dealers operating in violation of 15 U.S.C.
2 578o(a)(1), Tr. 204-05, Rabinowitz testified as follows at Tr. 204:

3

4 **ADMISSION OF BROKER-DEALER STATUS BY**
5 **ARI RABINOWITZ UNDER CROSS EXAMINATION.**

6

7 **Mr. Ware: What is the name of your company?**

8 **Rabinowitz: LH Financial Services.**

9 **Mr. Ware: What business is that company?**

0 **Rabinowitz: We are in the private placement business.**

1 **Tr. 206**

2 **Mr. Ware: Approximately how many companies have you assisted Alpha Capital**
3 **with over, let's say, the last five years?**

4 **Rabinowitz: A good few hundred.**

5 **Mr. Ware: A good few hundred?**

6 **Rabinowitz: Yes,**

7 Rabinowitz' testimony of being in the private placement business, and assisting
8 Alpha Capital with "a good few hundred" transactions: pursuant to 15 U.S.C.
9 §77b(a)(12) Rabinowitz and Alpha were "dealers" not eligible for any exemption
0 under Title 15 Section 4, and thus not eligible for 17 C.F.R. §240.144(k)/(Rule 144(k)
1 regarding the purchase of the Notes of IVG/GPMT (GX 1-4).

Page 4 of 12
Appellant Ware's Statement of Facts
U.S. v. Ware, 09-0851cr (2d Cir.)
Opening Appeal Brief

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Friday, January 31, 2025

(12-12) 01.31.25 (Part 14-12) re Memorandum of Request for Action by the Office of the U.S. Trustee, Region 21, Ida Mae Townsend, Esq., an officer of the court with GA Bar Rule 3.3 duty of complete candor to the 03-93031 tribunal.

End of document

Page **32** of **32**

Friday, January 31, 2025

(12-12) 01.31.25 (Part 14-12) re Memorandum of Request for Action by the Office of the U.S. Trustee, Region 21, Ida Mae Townsend, Esq., an officer of the court with GA Bar Rule 3.3 duty of complete candor to the 03-93031 tribunal.