

December 29, 2013

Anne M. McCormick
Acting Associate General Counsel
Executive Office United States Trustee's
Department of Justice
441 G Street, N.W., Suite 6150
Washington, D.C. 20530

Dear Associate General Counsel Anne M. McCormick:

This fax is in response to your letter of December 16, 2013 emailed to me on December 18, 2013; which relates to your response to my fax of October 2012 that complained of Breach of Fiduciary Duty of your personnel (specifically Roberta DeAngelis and Mark Kenney). Your agency stipulates in your letter that it has certain responsibilities in monitoring the bankruptcy system and supervision of your staff.

Additionally, your letter details the fact that your agency has done an apparent painstaking review of the facts concerning the eToys case and my appeals, all the way to the Third Circuit Court. You also make note of the fact that your agency was an active participant in the litigation of the eToys cases (DE Bankr. 01-706, various District Court appeals and the Third Circuit case 07-2360).

Furthermore, you point out the fact, in your December 16, 2013 letter that you are fully aware of the bankruptcy court denied claims in the eToys cases; and that you are well apprised of the Delaware Bankruptcy Courts December 6, 2012 Order instructing the Clerk of Court to permanently bar my redress of grievances in that realm of justice.

Then, your letter concludes with the following remarks that you understand I'm not satisfied with the court's ruling; but this is not your concern due to the fact your agency has no supervisory powers over the court; and instruct me to go back to the appellate platform that has heretofore failed miserably (due in no small part to your agency's staff Breaching of their Fiduciary Duties).

Finally, as per your conclusion germane to your internal investigation of the performance of your staff – specifically Roberta DeAngelis and Mark Kenney – you find my allegations of their ineptitude, inadequacy and or duplicity to be meritless. Hence you also conclude that Bain Capital could not benefit from their breach that couldn't occur; and determine you can't be of further assistance.

Evidently, the docketed evidences are of little consequence to your investigations!

Whereas, yours truly will now take the time to rebut your purported opinions with the facts that are in evidence in the docket record; and are empirically contrary to your contentions of good faith and due diligence by your agency.

First of all, it is necessary to remind you of the axiomatic, as is asserted upon the United States Trustee's website here http://www.justice.gov/ust/eo/ust_org/index.htm which stipulates the following policies;

The United States Trustee Program is a component of the Department of Justice that seeks to promote the efficiency and protect the integrity of the Federal bankruptcy system. To further the public interest in the just, speedy and economical resolution of cases filed under the Bankruptcy Code, the Program monitors the conduct of bankruptcy parties and private estate trustees, oversees related administrative functions, and acts to ensure compliance with applicable laws and procedures. It also identifies and helps investigate bankruptcy fraud and abuse in coordination with United States Attorneys, the Federal Bureau of Investigation, and other law enforcement agencies.

That being established, we shall now look at the following "failures" to preserve and protect the integrity of the Federal bankruptcy system; and your staff's ineptitude, willful blindness and Breach of Fiduciary Duty; which are docketed in the record.

eToys Bankruptcy Case Parties

One March 7, 2001, the eToys bankruptcy case was filed. At that time Morris Nichols Arsht & Tunnel ("MNAT") applied to be the "Professional Person" /firm to represent eToys as the "Debtor" counsel. Your agency didn't object to that application; and has failed to seek the disqualification of MNAT even after it confessed lying under oath more than a dozen times – whilst concealing Goldman Sachs conflicts of interest.

Additionally, Paul Traub's New York firm of Traub Bonacquist & Fox ("TBF") did apply to the Delaware Bankruptcy Court ("DE BK Ct") to be the approved counsel for the Official Committee of Unsecured Creditors. There were no secured creditor's such as Foothill Capital/Wells Fargo who loaned \$40 million to eToys in November 2000 and transacted over \$100 million prior to March 7, 2001. Your agency failed to object to Paul Traub's application and has failed to seek his disqualification after confessions to lying under oath (intentionally); and his concealment (deliberate) of conflicts of interests.

On February 15, 2005, your agency put forth a Motion to Disgorge TBF for \$1.6 million; as a result of the various confessions to lying under oath and admittances of one of the conflicts of interests that weren't disclosed. As your agency well knows, failures to disclose MUST result in disqualification (In re Middleton Arms).

December 29, 2013

Furthermore, in the Disgorge Motion (eToys docket item 2195) your agency is testified that Traub's firm was forewarned not to do the very crime it went he did in secret (See Disgorge Motion parts 19 & 35). TBF as Creditor's counsel inserted Paul Traub's partner (Barry Gold) as a post-petition President/CEO of eToys (secretly). Thereby destroying the diametric lines requisite of Congress.

Prior to the Disgorge Motion, EOUST Director Friedman had been in personal contact with me and had replaced Roberta DeAngelis as Region 3 Trustee. Then the Disgorge Motion transpired; but was made moot by a subsequent "Stipulation of Settlement" signed by Mark Kenney on February 24, 2005. In that bad faith effort your Mark Kenney made an open promise to Breach Fiduciary Duty promising that;

"WHEREAS, the United States Trustee shall not seek to compel TBF to make additional disclosures;"

It being readily apparent that there was something greater to hide, yours truly complained and dug deeper, discovering the Kay Bee Toys case (DE Bankr. 04-10120) \$100 million in fraud. EOUST Director Friedman emailed me his personal promise to resolve these troubling matters; but chose discretion over valor and resigned.

No one in the EOUST informed me that Roberta DeAngelis was promoted to the post of Acting General Counsel of the EOUST; and was investigating herself. In the Third Circuit Appeal case 07-2360, your agency is upon the open record with Roberta DeAngelis, Andy Vara, Mr. Sutko and Mark Kenney do stipulate in their very 1st footnote that the US Trustee has not and will not address MNAT issues.

Concerning your agencies Breach of Fiduciary Duty, we have the Kay Bee Toys \$100 million in fraud, where Bain was paid \$83 million by Michael Glazer, who paid himself \$18 million, before filing bankruptcy; Paul Traub's firm asked to prosecute his cohorts and Mark Kenney signed the request to Strike and Expunge my informing the court of fraud from the record. Included therein was an Affidavit from the former Chairman of the eToys Creditors testifying that Paul Traub's firm deceived his clients.

Your contentions of lacking in merit are woefully disingenuous; and – unless you turn around and do your job – I will do it for you (*embarrassing you along the way*).

Sincerely
/s/ Laser Steven Haas
eToys/Kay Bee Whistle Blower