UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

----------X

In re:

KB TOYS, INC., et al.,

Debtors.

Chapter 11

Case No. 04-10120 (DDS)
(Jointly Administered)

----------X

Re: **Docket No. 1984**

STATEMENT IN SUPPORT OF BIG LOTS STORES, INC. LIMITED OBJECTION TO THE MOTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR AUTHORITY TO PROSECUTE ACTIONS AND REQUEST FOR ALTERNATIVE RELIEF AS DEFENSE AGAINST MISPRISON OF A FELONY, WHILST THE PUBLIC ALONG WITH THE COURT IS DECEIVED AND DEFRAUDED, WITH NO TRUSTWORTHY WATCHDOG

1. **WHEREAS**: Big Lots Stores, Inc. (BIG LOTS), by and through counsel, seeks the Limited Objection to the Motion of The Official Committee of Unsecured Creditors for an Order Authorizing and Appointing The Committee to Commence and Prosecute Actions Against Insiders and Bain Capital, with Requests For Alternative Relief, stating as follows:

LIMITED OBJECTION BY BIGLOTS SUPPORTED BY THE FACTS

2. BIG LOTS does not object to the Creditors Committee's request for standing to pursue claims against the Insiders (as that term is defined the Committee's Motion) on behalf of certain of the captioned Debtors. (I, LASER HAAS, state everyone should be

cautioned about any and everything Traub Bonacquist & Fox seek to do as there are materially adverse conflicts undisclosed and many nondisclosures exists)

3. However, for the reasons set forth in BIG LOTS' Response to Motion of Debtors for Preliminary Injunction Staying Prosecution of Certain Actions and Request for Alternative Relief, filed in KB Toys, Inc., et al, v. Big Lots Stores, Inc., {Adversary Proceeding No. 0550475 (PPS)}, which is incorporated herein as though fully set forth, BIG LOTS objects to the Committee being granted standing in the Havens Corners Corp. (HCC) case to pursue claims on behalf of the HCC estate or to pursue BIG LOTS' direct claims. (Again , I Laser HAAS state that BIG LOTS and all others Should OBJECT, along with the "highly inadequate" Trustee watcher, U.S. Trustee's Representative (trial attorney) Mark Kenney (KENNEY), and all parties of interest here in the KB case along with everyone else, should be alarmed, cry out loud, as the Executives in KB have already taken theirs, and Trusting or allowing Paul Traub (TRAUB), KENNEY, the Law Firm of Morris, Nichols, Arsht & Tunnell (MNAT), or anyone else on either side here to protect your interest is to allow yourselves to be snowed upon by mountains of subterfuge and as such Trusting Michael Fox or TRAUB would be a fallacy in light of the FACTS that are admitted on the Record, in the Record, by their own responses and on the Stand in the EToys Case 01-706 which is detailed below and/of the issues mentioned herein proof positive of Non Disclosure, conflicts of Interest and a RICO type habitual pattern(s) of habits to commit subterfuge and FRAUD.)

STATEMENT OF LASER S HAAS OF FAILURE TO DISCLOSE IN KB CASE

4. **WHEREAS** in the ETOYS Bankruptcy in Delaware, before Her Honor Judge Walrath, there are over 20 document entries and notes of facts such as the December 22, 2004, Motion by I, Steven Haas (HAAS), also known as Laser Haas, pointing out non-disclosed, materially adverse Conflicts of Interest by the parties listed herein. Where KENNEY, the attorney for the U.S. Trustee's Office, and Frank Perch, Assistant U.S. Trustee in Delaware, had known about such FACTS from me for more than 2 years, and informed me that no violations had occurred. {The company I own, Collateral Logistics,

Inc. (CLI), was appointed by Court Order as the Liquidator in the eToys Bankruptcy Case (ETOYS), case number 01-0706, Delaware, with the Honorable Mary F. Walrath presiding.}

5. **WHEREAS**: In ETOYS, TRAUB {of the Traub, Bonacquist & Fox Law Firm (TB&F)} has admitted under Oath and Cross Examination both in Deposition and on the Stand in the eToys Case, that he did pay Barry Gold (GOLD), beginning in early 2001, four separate payments of $30,000 each, which both TRAUB and GOLD testified that GOLD needed to live on until the new venture they were starting together, Asset Disposition Advisors, LLC (ADA), got off the ground.

For a complete background into the validity and veracity of these Statements of Fact please refer to the following eToys documents:

a) the February 9th, 2005, Depositions of GOLD, TRAUB, Michael Fox (TB&F), and Michael Busenkell (MNAT), entered into evidence during the March 1st, 2005, Evidentiary Hearing (not yet docketed –but in the record of the Transcripts of February 1 2005 and March 1 2005 the FACTS have been admitted to);

b) Responses that were filed on or by January 25th, 2005 (eToys Dockets 2169, 2170, 2171 and 2173);

c) Court Hearing transcripts from February 1st, 2005, and March 1st, 2005 (eToys Dockets 2191 and 2230, respectively);

d) The U.S. Trustee's Motion to disgorge TB&F for $1.5 million, which the Trustee Motion being signed by KENNEY was remarked by the Trustee notes therein that such disgorge was inadequate but restricted due to the "draconian" 180 day Rule of 11 USC § 1144, where TRAUB, GOLD & MNAT, (reportedly) drafted such language in the PLAN that is to be interpreted as a "get our of jail Free card" post PLAN confirmation (eToys Docket 2195);

e) The, subsequent grossly insulting and inadequate offer by KENNEY to settle with TB&F for $750.000, even though TRAUB agreed, GOLD & TRAUB admitted along with MNAT defending them in violation of MNAT duty to the client of MNAT, the ESTATE of the non disclosure during the February 1st, 2005 Court Hearing (eToys Docket 2201 & the

other Docket and Responses mentioned above). (Along with evidence in Docket 2238 by eToys shareholder Robert Alber)

f) Much of this was in response to the CLI motion of December 22nd, 2004 (eToys Docket 2146), which had a hearing on December 22nd, 2004, that resulted in 1) acting U.S. Trustee in Philadelphia, Roberta DeAngelis, being replaced by Kelly Stapleton, 2) Goldman Sachs (GS) & R.R. Donnelley (RRD) divesting themselves of one another, and 3) Lawrence Friedman, Director of the U.S. Trustee Program, resigning as even he cannot believe what is going on in Wilmington, along with collectively, those documents from November, 2004, encompassing eToys Dockets 2104 thru to the present day, I offer as Proof Positive (PROVES) evidence of Fraud and Corruption, and ask all to review such. For every time I, or the eToys Shareholders, offer a document, they state that it is not documented correctly and seek to "Strike" such statements of fact: review of the eToys Court Dockets as listed on Pacer will establish this. Such collective documents shall be labeled as PROOF Positive since the FACTS which are admissions that PROVES that GOLD and TRAUB are related, that MNAT defends GOLD & TRAUB to the detrement of their own client(s), that KENNEY and the US Trustee office in Wilmington Delaware sit idle in light of 50 different incidents of False Oaths, False Declarations, Failure to Disclose, Scheme to Fix Fee's and more. That the this KB case needs to be aware of such FACTS as GOLD is directly tied to Bain Capital & KB and the subterfuge, the specious activities, occurring repetitively as habit and nature of this group/associates and the Public appointed WATCHDOG of KENNEY as US Trustee representative which are materially adverse conflicts to the KB case.

6. **WHEREAS**: TRAUB/TB&F ceased to pay GOLD when TRAUB placed GOLD in GOLD's position as "Wind Down Coordinator" of ETOYS. Which in it's self is an admitted confession to **18 U.S.C. § 155 FEE Agreements**. (No one has ever been prosecuted under this Statute and I assume it was inadvertent that TRAUB/TB&F volunteered to be the first!) See PROVES in case 01-706 in particular TRAUB's detailed answers in the March 1 2005 hearing Transcript that is in the record of ETOY where TRAUB and GOLD confessed this in detail to Court, under questioning by the Court ETOY docket number 2230. Wherefore MNAT, TRAUB, TB&F, Fred Rosner, certain committee members and many of the professionals that have received combined over $10

million in earnings are all Guilty of **18 USC § 156 Knowing Disregard of Bankruptcy Law or Rule**, along with aiding and assisting in multiple violations of **18 USC § 157 Bankruptcy FRAUD**, while defending the admitted violations, directly in conflict with their duties to their client(s) which not only violates the Code of Ethics, but, more importantly is a Felony through **18 USC § 4 MISPRISON of a FELONY** which states " whoever has knowledge ---- and does not reveal immediately, AS SOON AS POSSIBLE, make known the same ---is Guilty"

7. **WHEREAS**: TRAUB, GOLD and their friendly, associated Law Firm friends at MNAT that defend TRAUB & GOLD in spite of their confessions, where MNAT has also admitted to Non Disclosure failures such as pursuing Goldman Sachs & GE where MNAT works continually for Goldman Sachs & GE, where they, MNAT, TRAUB & GOLD did collectively draft the hiring letter of GOLD to allow GOLD to be said "Wind Down Coordinator" without applying to the Court for permission. See PROVES in case 01-706 ETOYS Delaware particularly the GOLD responses of January 25 2005. Which has a copy of the hiring letter therein, which allows circumvention of the **Rule(s) of 101(14), 327 & 2014** intentionally preplanning to gain control of the ESTATE, through subterfuge, without Court approval or review.

8. **WHEREAS**: GOLD became CEO of ETOYS and then Plan Administrator, which was offered by TRAUB and affirmed by MNAT. See Proof in PROVES in ETOYS case 01-706. Thus GOLD was the check n balance on MNAT & TRAUB, as they were all the violators of the "*sine qua non*" principle in and of the CODE which is based upon the premise of a diametrically opposed Creditor v Debtor intentionally and is the fundamental basic that the Bankruptcy Code and Ethics policy, conflict rules are designed upon and around.

9. **WHEREAS**: I, HAAS, did make statements to the U.S. Trustee's Office and the Administrator in Washington D. C. Lawrence Friedman, whereas Roberta DeAngelis was replaced, and after KENNEY did the insulting offer to settle, Lawrence Friedman, the

Director of the U.S. Trustee Program, has resigned from the Washington, D. C. U.S. Trustee office.

10. **WHEREAS**: GOLD works with Jack Bush (JB) (no relation to President George Bush that we are aware of even though JB is in Dallas Texas and we have done extensive research upon), the chief executive of IdeaForest, which is a wholly owned Bain Capital Subsidiary. See the proof in PROVES as this is admitted by GOLD in his testimony there (eToys Docket 2238)

11. **WHEREAS**: GOLD also, while working on many cases with JB, worked at Stage Stores (see In re: Stage Stores. See GOLD responses in January 25th, 2005 and his testimony which is in PROVES of ETOYS (eToys Docket 2238).

12. **WHEREAS**: Michael Glazer, CEO of KB Toys, is a Director at Stage Stores.

13. **WHEREAS**: Within the ETOYS items of PROVES both GOLD and TRAUB admit that they have worked for and/or with Gordon Brothers, which is directly tied to Back Bay Funding and Back Bay is in the KB case.

14. **WHEREAS**: Within ETOYS both TRAUB and GOLD admit of relationships to Fleet Financial (FLEET) and Foothill Capital, a wholly owned subsidiary of Wells Fargo. See PROVES.

15. **WHEREAS**: TRAUB also has connections to Madison Capital, as Ronald Sussman of the Manhattan Law Firm Kronish Lieb represents TRAUB, and that firm is the registered agent of Madison Capital.

16. **WHEREAS**: TRAUB has also worked with Angelo, Gordon (AG) in the past. See PROVES.

17. **THEREFORE,** the statements by TRAUB to this Court that the parties mentioned herein the KB case and that those parties support his position(s) are extremely specious at a minimum and more likely part of the Grand Scheme upon or of everyone in this case being deceived, and misinformed, with massive non disclosures which the Code states should be looked upon as the same as perpetrating Fraud upon he Court, where Fraud is being placed upon the Court and parties of interest here in KB by TRAUB and the other parties involved mentioned herein.

18. **TO WIT:** I, HAAS desiring not to be guilty of MISPRISON of a Felony, having already informed the Court, Lawrence Friedman, and everyone else I can, in as much as MISPRISON requires that one bring it to the various, appropriate Parties' attention, having also done so before the Honorable Judge Walrath, I feel that I and the ETOYS shareholders have not completely and properly helped Her Honor Walrath as much as we would have liked to, being of no legal education, only recently in the last 4 months learning by the DOJ website the TRUSTEE handbook, which requires and legally by CODE of 28 U.S.C. § 586(a)(3)(F) commands the US Trustee Office to be Duty Bound to "Investigate & Refer" which is also supported by 11 U.S.C. §§ 1106(a)(3)&(4) where the Trustee, Examiner or (ESTATE or DEBTOR) has a duty to Investigate & Refer, especially in light of "Third Party Motions" such as the initial one by I, HAAS, CLI and those of Shareholders, Robert Alber, making KENNEY and all parties involved in the case "duty Bound" to investigate and notify the DOJ, even if they find no valid ground, they are required to notify the DOJ and the DOJ can then either concur or dissent with the Trustee Memo or Opinion, as the parties mentioned above have admitted to the failures to disclose and the Intentional placing of GOLD as "wind down coordinator" and CEO, while also admitting of 4 separate payments totaling $120,000 by TRAUB firm of TB&F to GOLD that ceased to occur once TRAUB placed GOLD in as CEO while circumventing the CODE is abundant, blatant, flagrant perversion of the system and law which gives support to more than 50 Felony violations, but we could find no attorney who would assist in pointing out these facts, so Her Honor Walrath stated she would do her own investigation while also taking the matter under advisement, for more than 2 months now, showing a detailed effort, that maybe could have been more efficiently done with the proper legal

procedures that I, HAAS trust the collective parties here are capable of . And I, HAAS, also being advised by my current attorney for CLI concerning my ETOYS claim, that he, my current attorney, may be calling a "Liquidation Expert," or a KB Executive, or other such appropriate party, to testify for support of my claim, where my counsel has advised me that this is both unwise and of no benefit, that such can only hurt my claim – whereby I, HAAS in turn find such candor as a reason to reject such advice, for the sake of jurisprudence. As I, HAAS have engaged all my adult life in the liquidation business in the pursuit of selling a honest liquidator, feeling that such is the correct path and I, HAAS am appalled, dismayed and greatly discouraged that integrity of pursuit now shows itself to be of no merit to the system or those that should benefit from the systems, such as creditors and debtors, because the system appears to be rampantly corrupted. Therefore I, HAAS, believe such, standing back, remaining silent -- may, might, or even intentionally be viewed as being somehow associated with, as solely for the benefit of my CLI claim, therefore being construed as a direct conflict of interest, which in essence would be allowing me to profit by keeping quiet of the facts and such would be MisPrison that would be an act like the rest of those named here and elsewhere (TRAUB, GOLD, TB&F, MNAT…), which is doing whatever one feels is in one's own interest at the expense of all others. As I, Laser HAAS did make the allegations, which in essence can send 10 people or more to prison, which can disgorge potentially more than $10 million in fee's, I, HAAS cannot, in good faith, remain silent (hypocritically so) for the sake of the implied benefit of my CLI claim. As I have witnessed a 'Ghost Committee' formed in ETOYS by those, that seek your trust here in the KB case, where TRAUB and his associated parties always seem to seek control of running the case, working hand-in-hand with each other when the Law provides they be separate, additionally requiring disclosing all associations between them. And where I pointed out these crimes to Giants in the Industry such as Judy Smith of Hasbro, Jim Brown of Fisher Price, and Scott Henkin of Fir Tree Funding, all of whom said nothing or told me they made an 'off the record' approval of the **COLLUSION**. (I cannot emphasize this word enough) Where I also told the Chief Counsel of RR Donnelley, about these civil and/or criminal transgressions. To date, they have all remained silent, allowing these travesties to continue unchecked, to the harm of the eToys Estate, and now to the materially adverse harm of this KB ESTATE and all Parties of Interest. Where it now

appears that such silence by them, the same silence they all caution me as I made the mistake of allowing GOLD and TRAUB to draft my CLI contract and those committee members are the ones that in the end will approve or disapprove of my future employment – that such silence is now harming this KB case anew with inept Justice or the pursuit thereof by KENNEY or of/by TRAUB, MNAT and others which will likely harm this KB ESTATE and others estates as well. And where the ETOYS shareholders pointed out, in eToys Docket 2138 and Exhibit A of eToys Docket 2178, that the reason RRD stayed silent as a Co-Committee representative was that GS had two of their associates on the RRD Board of Directors (showing that the subterfuge is rampant, broad and powerful) Her Honor Judge Walrath has reacted to this information steadfastly as Her Honor can, in light of my Pro Se endeavor to bring the facts before Her Honor. Which has such items as TRAUB and friends then tried to put in a settlement for GS with broad-based indemnification language and it was the motion I, HAAS, did in December, 2004, that caused a hearing to be held on December 22, 2004, which was supported and joined by the EToys Shareholders, that brought this to the attention of the Court, and to the eyes of public scrutiny. Subsequently, TRAUB and associates changed the make-up of the eToys Post Effective Date Committee (PEDC) and RRD, along with GS, divested themselves of one another as a result to the tune of $380 million (as detailed in Exhibit A of eToys Docket 2178). This course of action by RRD and GS was decided upon December 16th, 2004, and completed on January 6th, 2005.

19. **BE FOREWARNED.** All must be cautioned as the enemy here is much larger than TRAUB. TRAUB warned me and threatened my demise; both personally and in business. While the business par, my business demise, has occurred it is those above him with greater power and influence that I fear GREATLY, yet it has never been since my teen years, my ability to tuck tail and run – So I ask that you act collectively as by this statement I have again taken the heat upon me, collectively they cannot defeat you in the pursuit of HONOR. In ToyTime.com and ETOYS they could not have billed what they billed had I not been there to make substantially more return to the Estates, I made KB pay $3 million for the ETOYS name by utilizing a bluff, ruse, for at that time I had an inkling about the possibility of corruption so I bluffed TRAUB, KB on the ETOYS name and

based my contract payment on such. If I had known at that time the level of corruption, more detailed knowledge of the CODE which I learned by the Department of Justice website contradicted what I had been told by my attorney(s) and KENNEY all along, then I would have brought these conflicts to the Court's and public attention which would have made the ETOYS name sell to the other bid which was only $45,000 or maybe would never have been sold. KB had released a report in the Wall Street Journal that they acquired ETOYS for $5.4 million, and my participation in actuality caused a total of over $10 million by the KB collective purchase. Where TRAUB warned me I would find it hard to get work if I did not back OFF, where I was in essence, offered a bribe in such a slick manner had you been in the room, you would question what really occurred and in turning down that offer of future work with the gang of good ole boys and the $800,000, TRAUB and associates began the job against me of destroying me which has been done so well I have lost house, home and everything else. My physical well-being is all that is left to take and I hope by making his crimes public here the focus becomes his defense. Regardless you now have the FACTS. Where prior to ETOYS I had turned down work left and right, charging $100,000 per month for my services, my ability to procure work now is virtually nil. TRAUB is powerful and well connected, do not under estimate the power(s) that be here. Yet I also believe he is just the tip of the iceberg, and low on the food chain of the money-machine managers that are using the Bankruptcy Court as their own personal profit playground at all our expense; by 5% here, 20% there, and the sad Truth is that no one wants to rock the boat. I'm speaking of such entities as the Co-Chairmans of the Committee, the PEDC, and Major creditors in the ETOYS estate, the Claim buyers in the ESTATE and others that own KB. So be forewarned: TRAUB, his friends, and his associates, have such influence (through various means) that they can even make deals with members of the U.S. Trustee's Office. Insulting us ALL where with more than 50 obvious counts of Failure to Disclose, Misprision, Scheme to Fix Fees, and other violations. KENNEY has offered to settle the TRAUB felonies with a slap-on-the-wrist of $750,000, a mere pittance compared to the $3.5 million TB&F has made off the ETOYS Estate to date, not to mention the MILLIONS TB&F stands to make from the two IPO lawsuits they are currently pursuing against Goldman Sachs, Credit Suisse, FLEET and Merrill Lynch in the New York State Supreme Court. TRAUB: a man and Law firm so daring he placed his

partner and friend (GOLD) as CEO of the Debtor, while he was Creditor Committee Counsel, thus circumventing **U.S.C 101(14), 327, 2014, 2016** (see the PROVES in ETOYS case). In particular I ask all to consider the GOLD response of January 25th, 2005, in the ETOYS case, where the hiring letter that MNAT and TRAUB drafted allowed GOLD as a contract choice to choose or not choose to apply for Court approval, which is concrete proof of INTENT to DECEIVE the aforementioned Statute(s), along with many other Statutes, in a blatant, flagrant manner. Thus snubbing all parties involved, including the creditors, and the shareholders, while perpetrating FRAUD upon the Court. Where this crime that violates the "*sine qua non*" basics of the CODE, which is built upon the premise of a diametrically opposed Creditor v Debtor, that such crime is so unbelievable that there is no black and white Code, Rule or law to address such collusion, and conspiracy, directly. Where the Trustee Department, through TRAUB's power and influence, is basically slapping TRAUB, GOLD and MNAT on the wrist because they have crushed Pro Se me, HAAS, so well, that I am insignificant, and even though I, HAAS caught a slip-up, which took me 3 years to find concrete proof positive of the FRAUD that TRAUB, MNAT and GOLD could accomplish; in Public Record documents by doing searches outside of regular channels, that being the ADA ownership documents, when it was formed, pre ETOY hiring of GOLD, which ADA search showed both Affidavits by TRAUB In re Homelife and GOLD In re Bonus Sales, which cases are in the Delaware district and KENNEY had detailed knowledge of the TRAUB, GOLD relationship as participant in cases with TRAUB & GOLD. Where TRAUB, MNAT, GOLD and friends can just make a deal with HAAS's Counsel(s) and ignore him. Which is evident by the FACT that KENNEY is still here and they, TRAUB, MNAT, GOLD and friends are still perpetuating FRAUD upon all parties. I fear for my physical well being and stay hidden, roaming from under the radar, locale to locale. So it will take an HONORABLE collective effort by those violated here in the KB case to correct things and protect the Assets accordingly For no one knows HOW deep, how far, to whom, where or how Strong the corruption is. It was strong enough that after replacing Roberta DeAngelis as the Trustee in Philadelphia, Lawrence Friedman has resigned as Director of the U.S. Trustee Program, and the Department of Justice is still allowing KENNEY, TRAUB, GOLD, MNAT to roam free, without statements against their obvious FRAUD, corruption, Racketeering, COLLUSION and conspiracies, which

FACTS and PROVES exist publicly and no DOJ effort or Trustee effort is acting jurisprudent in the correction thereof, where I feel The US Trustee Office in Washington DC may be concerned with doing a CYA endeavor as the Code of **11 USC 324(a)** requires that removing a Trustee from one case immediately removes him/her from all cases, as such cases such as KB, Gadzooks and others are hurt by allowing the Fraud's to continue.

CONCLUSION: DISQUALIFY TRAUB, APPOINT A TRUSTEE OR AN EXAMINER

20. **KENNEY** and the Delaware Office of the U.S. Trustee cannot be trusted. This is evidenced by the U.S. Trustee's Motion in the ETOYS case on February 15th, 2005, advising the Court to disgorge TB&F of $1.5 million, which KENNEY and Frank Perch state is inadequate, due to the 'draconian" 180 day **Rule § 1144**. (WHICH I pray gets amended to stop such scheming in the future). Then, less than 2 weeks later, KENNEY and his associates make a deal to lessen that "**inadequate**" Motion to Disgorge to be reduced to only $750,000 while offering TRAUB and his firm a settlement containing broad-based indemnification language. That can be interpreted as a "get out of jail Free card" where I beseech those here to seek a comfort order that does not limit the punishment, penalties or pursuits against the perpetrators to just the disqualification and disgorgement the Court is permitted here as I sincerely make the argument that to just disqualify & disgorge all monies is an inadequate punishment, as the CODE requires that such penalties be of a "sufficient deterrent" to assure repetitive behavior does not occur, as the behavior is already repetitive and disturbingly rampant to make a justifiable case for Racketeering, a comfort order at a minimum should be in place. These scheme's and endeavors are prevalent throughout the system and may not be limited to only the parties that are PROVES against as mentioned above. The mere fact that KENNEY and the Delaware office are so blatant & flagrant in their lack of controlling implies the corruption may be extremely deep and as such needs extreme deterrents to regain control and justice.

21. **TRAUB** has direct ties, NON disclosed, with deep materially adverse affects to the Bankruptcy case of KB, where TRAUB and several Attorneys with his Firm (TB&F), by and through his company ADA, is connected by/with GOLD to Bain Capital, Foothill Capital, Fleet Bank and Angelo, Gordon. None of these business relationships are Disclosed in the KB Toys case, only through the Depositions taken in the ETOYS case, therefore KENNEY must be removed and TRAUB/TB&F should be disqualified and disgorged. Of Course he has represented Gordon Brothers and many arms thereof, connected to Gordon Brothers and protector of GS, TRAUB therefore is connected to Back Bay Capital. Therefore, when TRAUB is stating these Creditors, Claim buyers and/or their friends such as GS, BACK BAY or Angelo, Gordon approve of TRAUB's motion(s)/actions it is BOGUS. They are statements only with the intent to DEFRAUD in any and all matter(s).

22. In the ETOYS case, Debtors Counsel **MNAT** has defended both TRAUB & GOLD at the expense of their clients: a direct violation of the Code of Ethics. MNAT has also admitted to numerous Conflict of Interest violations in the ETOYS cases (albeit only after being nailed with incontrovertible evidence). Such crimes of Failure to Disclose by the very same individuals are also happening here. To wit: one of the MNAT Attorneys in the eToys case, Gregory Werkheiser (GW), represents ASM Capital in the KB Toys case, and I have been advised that ASM Capital may have bought up enough claims in the KB Toys case so as to be able to influence the Plan of Reorganization voting in a manner which directly benefits TRAUB and all of his cronies: GOLD, KENNEY, etc... In fact, during the last few months of the KB Toys case, GW has been petitioning TRAUB to allow GW's client, ASM Capital, for a seat on the Creditors Committee. Some I have spoken with presume that GW's defense of TRAUB in the ETOYS case, along with a potential promise by ASM Capital to vote for the PLAN in the KB Toys case, virtually assures ASM Capitals inclusion in the Creditors Committee in the KB Toys case. Proof Positive that money, power and influence can alter Justice to the point that the Court is superfluous, unless the Court, in its wisdom, looks beyond the obvious, and considers carefully what I am attempting in my best manner to express, imply, and allege in this document.

23. **Fredrick Rosner** is almost always where TRAUB is, has defended TRAUB, and has warned me and the ETOYS shareholder. Fredrick Rosner does such in dereliction of his duty to his client THE PLAN in ETOYS.

24. **His Honor** in this case has shown little tolerance for the shenanigan(s), which is evident by the Transcripts in the Record, where His Honor on the record stated he sensed the stonewalling by the TRAUB firm, who works with Thomson, which runs Westlaw, whose record does not reveal the conflicts that I found online by other methods. His Honor would be astounded to hear that TRAUB's firm earned $3.5 million in ETOYS while still having a chance to bill more, even after he has admitted to failure to disclose, where TRAUB admitted he paid the person he placed in as CEO of the Debtor ETOYS $120,000 pre-petition. eToys had a $40 million line of credit with Foothill Capital that began in November, 2000, was paid off pre-petition, and never presented to the Court for review. MNAT, ADA, TB&F, Angelo&Gordon, Foothill Capital/Wells Fargo, and most of the other regulars are here in KB, and most are involved in the GADZOOKS case in Texas. There seems to be a band that follows together, buys claims, and votes, then controls the ESTATES from multiple angles. Good business acumen, however illegal and corrupted. TRAUB, MNAT, GOLD and others in ETOYS have billed more than $10 million more in Fees by themselves and the others and that is why he wanted the $3 million set aside in this case. You actually should be thankful he did not ask for $10 million. (though an examiner should look for items that I would, which takes too much time to explain here). Someone needs to review this with a special mindset.

25. **WHERE** I pray the Court shall make proper note that the Court now has **black & white proof** through the record of ETOYS and my statement here, at great risk to myself and my very, valuable CLI claim in ETOYS of the non-disclosure(s), Fraud, Collusion, Corruption and Racketeering in the ETOYS case which are just the tip of the shenanigans going on both there and here.

26. **WHEREAS** I pray this Court, those interested here with merit and honor, and the collective power thereof, here in KB, with the legal as ones materially interested and materially being violated here do what I Pro Se cannot do, where I and the shareholders in

ETOYS have been attempting to do for Her Honor Judge Walrath. Which is to legally present the facts correctly, in proper procedural format and therefore seek jurisprudent justice of TRAUB along with those that manipulate the system at all of our expense, and that such may result in the reconstruction of the U.S. Trustee's office in Wilmington, Delaware, and the Trustee's Dept as a whole, that shamelessly allowed this perversion of justice to occur, and continue to the present day. For they are either participating in these unethical acts, or they are the most inept, pathetic group of hooligans one can have represent the public trust.

27. **PLEASE,** Your HONOR, say NO to such Fraud here? I Pray you and all, with the deepest sincere desire for justice and jurisprudence. Disqualify, disgorge, act in accordance with**11 USC § 105** "sua sponte" as permitted by the code for In re Bucyrus. In the aforementioned case, Gellene's incarceration, along with his firm's $1.9 million disgorgement, is a misdemeanor compared to all that goes on here (and elsewhere). Appointment of a Trustee or Examiner must be pursued in a manner that seeks an honorable appointee, which you cannot find in the current hierarchy in the Wilmington, Delaware, U.S. Trustee's Office. It is better, more prudent; to bet all are involved in the scheme than to assume that any are not. For KENNEY is solely here in accordance with Janet Reno's Reform Act of 1994: To protect the interest of the public. KENNEY must have the words public and perpetrator confused in his mind, and therefore his actions, and needs help in reading or/and understanding the Code. As he is not a Trustee he can be removed by **11 U.S.C 324(a)** as the "cause" is the fact that he has known about this since In re: Homelife in 2001 (case number 01-2412, Delaware), Objected against it in In re: Bonus Sales in 2003 (case number 03-12284, Delaware), and in the details above, and in PROVES in In re: ETOYS for 3 years by my, HAAS, direct conversations with KENNEY. I , HAAS pray the Court to do the right thing, the corruption must be stopped.

Dated: April 25, 2005

Respectfully submitted,

/s/ Steven Haas

A/K/A Laser Haas