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RE: Presentation of Facts of U.S. Government Willful Blindness to Goldman Sachs Bad Faith Acts

Honorable Senator Sherrod Brown
Chairman Senate Banking Subcommittee
Of Financial Institutions and Consumer Protection

Dear Honorable Senator Sherrod Brown,

There are troubling matters extraordinary that I believe to be apropos to the hearing scheduled for November 21, 2014; concerning the dodging of federal duties. While the Carmen Segarra tapes are telltale, you will see, by the case facts noted below, how such may only begin to scratch the surface of federal regulatory and prosecutorial preclusions to reviewing Goldman Sachs ilk.

I, testify to the facts herein – Under Penalty of Perjury – this, the 4th day of November 2014!

Goldman Sachs Frauds and United State Agents/Agencies Refusal to Address

Unfortunately, I've witnessed firsthand, how Goldman Sachs and Bain Capital violate rules, while authorities turn a blind eye. A federal court appointed my CLI as fiduciary over the bankruptcy of eToys (DE Bankr. 01-706 {2001}). From inception, I've been reporting felony violations, to various federal agents/agencies; but the Securities Exchange Commission, Public Corruption Task Forces, U.S. Trustee and other DOJ programs are continuously willfully blind to many foul deeds.

In 1999, eToys.com initial public offering ("IPO") was managed by Goldman Sachs. The stock price soared to above \$80; but eToys received less than \$20 in a pump-n-dump "*Spinning*" scheme.

Doing our job, we went after Goldman Sachs. The venue of the New York Supreme Court was chosen by eToys Creditors counsel Traub Bonacquist & Fox. That firm was nominated by post-bankruptcy petition President/CEO of eToys, Mr. Barry Gold and eToys Debtor's counsel MNAT (who were betraying their court approved clients for Goldman Sachs and Bain Capital's sake).

A New York Times March 2013 OpEd "*Rigging the IPO Game*", by journalist Joe Nocera, properly documents the IPO scam. He managed to find an email *Smoking Gun*, hidden under SEAL, of the Goldman Sachs executive Lawton Fitt wager that eToys stock would go to \$80. Subsequent to Joe Nocera's reporting, the New York Supreme Court case of eToys (ebc1) suing Goldman Sachs for hundreds of millions, is no longer (entirely) under SEAL; and Toys R Us cancelled its IPO.

Additionally, there never was any proper review of Foothill Capital, a Division of Wells Fargo, loaning eToys \$40 million in November 2000 and transacting more than \$100 million prior to the eToys March 2001 bankruptcy filing. An on-point case is that of John Gellene and the Wisconsin bankruptcy of *In re Bucyrus* (E.D. Wisc. 94-20786 {1994}). It details lying in bankruptcy as felonious when doing so to hide preferential treatments of secret clients.

Integrity of the judicial process was also violated, in part, due to the element of the MNAT partner – Colm Connolly – becoming the DE United States Attorney on August 2, 2001. (Proof the Connolly timeline coincides specious, is visible upon his DOJ Office of Legal Policy archived resume).

Mr. Connolly, as federal prosecutor, never disclosed direct links to “*targets*” of federal inquiry!

MNAT and Goldman Sachs are not alone in the collusion to defraud the eToys estate. It remains a continuous “*undisclosed*” conflict of interest crime - to this very day - that another MNAT (secret) client is Bain Capital. The plot to acquire eToys for \$5.4 million was initially thwarted when I put a halt to the paltry auction sale and forced Bain Capital/Kay Bee to bid tens of millions of dollars.

Reprehensibly, Goldman Sachs and Bain Cap., via MNAT, had assistance from the Creditors counsel Paul Traub (*who arranged with MNAT to force me out of eToys - substituting Barry Gold*). It is now confessed that Barry Gold was a paid associate of the Traub Bonacquist & Fox firm; and a personal partner of Paul Traub in Asset Disposition Advisors (created in April 2001). This nefarious seizing of the entire eToys estate – within and without – resulted in depletion of \$40 million!

MNAT represents Bain Capital in Delaware and Traub/ Gold worked under Bain Director Michael Glazer of Stage Stores (owned by Mitt Romney at that time). Mr. Glazer was also the CEO of Kay Bee too. He is publicly known to have taken a consideration of \$18 million, while paying Bain Capital \$83 million, prior to filing bankruptcy of Kay Bee. MNAT represents Bain of the \$83 million and Paul Traub sought to be prosecutor of Glazer & Bain; while the DOJ expunged my evidences.

On February 15, 2005, the eToys *Smoking Guns* forced the U.S. Trustee to do a Disgorge Motion, for \$1.6 million, against Traub’s firm, for the failure to disclose the Barry Gold conflict. Additionally, in parts 18, 19 and 35 of the Disgorge Motion, it stipulates Traub’s firm admitted to deliberate lies to federal court. The U.S. Trustee also testified to the odious fact that the parties asked to handpick my executive replacement and were warned (in *advance*) – not to be conflicted! Addressing just one, of 100 crimes, the Disgorge Motion concluded *Fraud on the Court* occurred.

Resultant of evidences undeniable, MNAT and Traub belatedly admitted failure to disclose their conflicts of interest. The Delaware Bankruptcy Court addressed the matters on October 4, 2005 and made a finding of fact in its Published Opinion that the parties had an “actual” conflict of interest that did “harm” to the eToys estate. Even though the parties admitted lying under oath 33 times, the Chief Justice overlooked unambiguous laws, stated no perjury was documented while refusing to disqualify the conflicted counsels (see *In re Middleton Arms*).

In December 2012, the eToys court is on transcript record refusing to allow me to inform the court about the massive other frauds unaddressed. The justice concluded she had to get back to Tweeter. Certifying an inane forgery by MNAT the court concluded that I waived an estimated \$3.7 million in fees. Then the court permanently barred me from seeking justice in eToys. Having no other choice, I filed a RICO case against the defendants in October 2013. Reveling in their impunity, the cohorts continue retaliating and lying under oath, doing frauds on the court in the Ninth Circuit.

Intolerably, the parties are rushing to cover up the eToys cases (open for 13 & ½ years). In spite of counts and claims worth hundreds of millions with evidence that includes confessions; Goldman Sachs, *in essence*, settled eToys case suing Goldman Sachs - for a paltry \$7.5 million.

There was personal correspondence with a Justice Deputy Director, who promised he was on top of the issues. Then I reported the Kay Bee \$100 million fraud to him. Choosing discretion over valor, he resigned! Remaining agents/agencies assisted the fraud parties' felony Retaliation of this whistleblower; as they handed the keys of the vault being fleeced - to the robbers' elite!

After I filed a time stamped proof on December 7, 2007 - of Colm Connolly's venality - to the Los Angeles U.S. Attorney's office that housed a Public Corruption Task Force, that special unit was abruptly shut down. The Los Angeles Times reported in its story "*Shake-up roils federal prosecutors*" - that federal agents were also threatened to keep silent as to the reasons why!

Federal agents and agencies in charge are unrelenting in turning a blind eye to felony Bribery, Obstruction, Collusion, Mail & Wire Fraud, Bankruptcy Fraud, Ponzi Schemes, Perjury, intentional fraud on the courts and more. This, in spite of how egregious the bad faith parties are, being told, by federal police - **in advance** - not to do the very crimes they collusively did anyway.

Extensive, sophisticated misconducts - protected by fed agent/ agencies willful blindness - also resulted in issues of mayhem and precocious homicides. Manifestly, the Palm Beach Links, Stanford, Fingerhut, Frank Vennes, Lancelot, Tom Petters Ponzi, Marc Dreier and eToys frauds, with untimely deaths connected, are directly linked to the cases named here.

Larry (Reservitz) Reynolds even laundered \$12 Billion while inside Witness Protection!

In conclusion, there are many troubling matters of federal agents/ agencies breaching fiduciary duties by refusing to address conflict of interest, bad faith acts and illegalities of Wall Street firms like Goldman Sachs. The revolving doors of agencies with conflicted parties is a thwart to justice.

Seeking arrest of the manifest injustice, I petition that this letter become part of the Subcommittee official record and make myself available for the committee's further inquiry; if it so desires?

Respectfully submitted;
Laser Steven Haas
eToys Fraud Whistleblower