

The Honorable Paul G. Hyman, Jr. presided over the 1997 bankruptcy of Baron's Stores, Inc. The Final Decree was issued on December 10, 1999. On March 11, 2005, I, Pro Se, filed an Emergency Motion to Reopen the bankruptcy of Baron's Stores, Inc. for "fraud on the court" for failure to disclose under Bankruptcy Rule 2014¹. On April 7, 2005, Judge Hyman reopened the bankruptcy of Baron's in order to determine if "fraud on the court" for failure to disclose had been perpetrated by three attorneys². Judge Hyman made all the rulings in the 1997 bankruptcy of Baron's. In 2005, he reopened the case, denied Summary Judgments, and in 2007, presided over the evidentiary trial. The same Judge, who was defrauded, now was in position to correct the rulings he previously made. Instead of doing what was just and right, under the law, as is his duty, Judge

¹ Rule 2014 of the Federal Rules of Bankruptcy Procedure states, in pertinent part: (a) Application for an Order of Employment. An order approving the employment of attorneys, accountants, appraisers, auctioneers, agents, or other professionals pursuant to § 327, § 1103, or § 1114 of the Code shall be made only on application of the trustee [or debtor in possession] The application shall state the specific facts showing the necessity for the employment, the name of the person to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant's knowledge, all of the person's connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee. The application shall be accompanied by a verified statement of the person to be employed setting forth the person's connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee. Fed. R. Bankr. P. 2014. *In re Jennings, 199 Fed.Appx. 845 (11th Cir. 10/04/2006)*

² Ronald C. Kopplow, Esq., Marc Cooper, Esq., Sonya L. Salkin, Esq. It should be noted that **Sonya Salkin is also a Region 21 Panel Trustee.**

Hyman chose to reinvent the Rules of the Bankruptcy Code enacted by Congress so that he could protect certain attorneys³. It obviously was too difficult for him to effect the prosecution of attorneys who appear before him on a regular basis. By reopening the bankruptcy, Judge Hyman opened “pandora’s box.” When he saw what lay inside at the evidentiary trial, and the magnitude of the wrongdoing, including his own, in addition to other lawyers involved in the cover-up, he chose to close the box rather than release the secrets. Judge Hyman has failed to maintain the integrity of the judicial process by refusing to correct errors contained in his Orders. As a result, he continues to deprive interested parties their right to object and be heard - **violating due process**. I was determined to investigate what secrets remained and how and why a decision of “no fraud on the court” could be made. My examination of the documents and understanding of the Rules uncovered the judicial misconduct, bias and impropriety of Judge Paul G. Hyman, Jr.

“Professionals must disclose all connections with the debtor, creditors and parties in interest, no matter how irrelevant or trivial those connections may seem. The disclosure rules are not discretionary. The Bankruptcy Court does not have authority to allow the employment of a professional in violation of 327, and the employment is void ab initio. Until proper disclosure has been made, it is premature to award fees for two reasons. First, the Bankruptcy Court cannot exercise its discretion to excuse non-disclosure unless it knows what it is excusing. Second, employment is a prerequisite to compensation and until there is proper disclosure it cannot be known whether the professional is validly employed. The Bankruptcy Court cannot simply disregard those rules and instead award compensation under quantum meruit

3 It is amazing that on December 1, 2004, Judge Hyman found that Linda Walden, a “**creditor elected Trustee**” and CPA committed **perjury** and **fraud on the court** on a minuscule fraction of evidence compared to what **three attorneys** did in the bankruptcy of Baron’s. It should be noted that Ms. Walden **is not** a Region 21 Panel Trustee and obviously did not enjoy the preferential treatment afforded attorneys by this Court - *In Re: James Walker*, Case No. 03-32158-BKC-PGH.

or other state law theories. Lack of Rule 2014 Statement “necessitates vacating the employment order.” The Bankruptcy Court has broad discretion to approve employment and award fees **after the true facts are known** but not when the attorney does not make a full, candid, and complete disclosure. The Bankruptcy Rules do not give the Bankruptcy Court **any discretion** to waive the requirement of a Rule 2014 Statement.⁴

A Federal Judge must abide by a Canon of Ethics. In the matter of Baron’s, Judge Hyman violated the Canon of Ethics by failing to maintain the honesty, sincerity, uprightness and independence of the judiciary. These lapses of integrity display a pattern of improper activity. Judge Hyman has had **many** opportunities to correct these lapses and has failed to do so. The failures would lead one to believe that these lapses are intentional. The improper activity has had detrimental effects on not only me, but all interested parties, including but not limited to the creditors and employees of Baron’s Stores, Inc. Following is a series of improper activity and/or judicial misconduct on the part of Judge Paul G. Hyman, Jr. in the bankruptcy of Baron’s:

- 1) Judge Hyman violated the Bankruptcy Code and Bankruptcy Rules by waiving the requirements enacted by Congress⁵ (Ex. A, B, C, D)
- 2) Judge Hyman hired professionals under a General Retainer Agreement (Ex. B) and paid them under a Contingency Agreement including pre-petition costs (Ex. E)
- 3) Judge Hyman waived the requirement of Bankruptcy Rule 2016 (Ex. E)
- 4) Judge Hyman paid a conflicted attorney whom, by his own admission, represented the Unsecured Creditors Committee and was defacto Debtor’s Counsel (Ex. F)
- 5) Judge Hyman denied me due process by ignoring my Affidavit whereby alerting the Court to the conflicts of interests of the attorneys (Ex. G)

⁴ *In re Triple Star Welding, Inc.*, 324 B.R.778 (9th Cir. 04/28/2005)

⁵ *In re Triple Star Welding, Inc.*, 324 B.R.778 (9th Cir. 04/28/2005)

- 6) Judge Hyman signed an Order containing false information pursuant to the hearing on my Affidavit (Ex. H)
- 7) Judge Hyman bifurcated the case into liability and remedy after liability was established by the attorneys “admission against interests.” Judge Hyman ignored the admissions by the attorneys thereby preventing me from discovery of nineteen witnesses who knew or should have known about the intent of the attorneys’ fraud (Ex. B, C, I)⁶
- 8) Judge Hyman ignored my request for fiduciary assistance on behalf of a bereft Debtor, and caused me further financial damage (Ex. J, K)
- 9) Judge Hyman acted as a witness at the evidentiary trial (Ex. L)

The very protection the Court has from appointing professionals in bankruptcy cases are the Rules of Disclosure enacted by Congress to protect honest debtors and creditors from professionals who choose to play fast and loose with the Court. Examining the history of Congress reveals that it knew the problem existed, especially in the bankruptcy courts, and thus stated its concerns *in the Matter of Arkansas Co.* (3dCir.1986).

“It is significant that Congress chose to place the requirement of court approval for the employment of an attorney, accountant, or other professional directly in the Bankruptcy Code in 1978. 11 U.S.C. 1103(a). The legislative history makes clear that the 1978 Code was designed to eliminate the abuses and detrimental practices that had been found to prevail. Among such practices was the cronyism of the “bankruptcy ring” and attorney control of bankruptcy cases. In fact, the

6 In the Motion for Protective Order it is **stipulated by the attorneys that they did not make disclosure to anyone**. At the hearing on the Motion for Protective Order it is again stated that **the attorneys did not make disclosure to anyone**, and yet Judge Hyman failed to address the attorneys’ “admission against interests.” Such admission should have caused Judge Hyman to be outraged that he was defrauded by the attorneys in 1997 when he appointed them and paid them approximately **\$1 million in fees and costs**, (including pre-petition costs) pursuant to the attorneys averment that they complied with Bankruptcy Rule 2014, and now, more than nine years later, they have admitted that they never complied with Rule 2014 under Bankruptcy Code 327. Such admission should have caused Judge Hyman, Sua Sponte, to deny the attorneys’ Motion for Protective Order so that the intent of the attorneys’ fraud on the court could be explored through discovery of the nineteen witnesses I wanted to depose. The Judicial Council should be quite concerned as to why Judge Hyman did not take immediate and appropriate action to protect the bankruptcy process and the integrity of the Court.

House Report noted that “in practice...the bankruptcy system operates more for the benefit of attorneys than for the benefit of creditors.”

Congress’ fear as stated in the Matter of Arkansas Co. became a reality in the bankruptcy of Baron’s. What Congress could not have imagined was that the Court itself would engage in the “cronyism” by protecting certain members of the bankruptcy bar rather than protect the public from such “cronyism.” The Federal Courts have the power to improve or destroy the lives of individuals, including through precedents, the lives of millions of Americans. It is the duty of the Judicial Council to fully and impartially investigate my allegations so that I and the public will be confident that a fair process does exist when a Grievance is filed against a Federal Judge with oversight by the Federal Judiciary.