

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
ETOYS, INC., <i>et al.</i> , ¹)	Case Nos. 01-0706
)	through 01-0709 (MFW)
Confirmed Debtors.)	
)	(Jointly Administered)

**AFFDAVIT OF STEVEN HAAS IN OPPOSITION TO MOTION OF
HEIMAN, GOUGE & KAUFMAN, LLP TO WITHDRAW AS COUNSEL FOR
COLLATERAL LOGISTICS, INC.**

Being duly sworn, Steven Haas, testifies as follows:

1. I am the president of Collateral Logistics, Inc. ("CLI"). I have personal knowledge of the facts attested to herein and if called to testify concerning same, I could and would do so competently.
2. As set forth in the letter of Steven Friedman to HEIMAN, GOUGE & KAUFMAN, LLP ("Heiman") of attached hereto as Exhibit "A". I believe that Heiman has abandoned CLI in this matter.
3. Since that time, I have tried to speak with Mr. Heiman but he is on vacation until August 10, 2004.
4. I have been diligently looking for counsel to take this case instead of Heiman. However, because of conflicts, I have been unable to locate substitute counsel.
5. I ask that the Court refuse to allow Heiman to be relieved as counsel. However, if the Court is inclined to grant Heiman's request to be relieved, I ask that all matters be continued for at least 90 days so I can locate new counsel and that counsel has a reasonable opportunity to familiarize him or herself with CLI's case and take appropriate steps to protect CLI's interests.

Sworn before me this the 26th day of July 2004.



Carol Diane Ross

Steven Haas
 Steven Haas

¹ The Debtors are the following entities: eToys, Inc., a Delaware Corporation, PMJ Corporation, a Delaware Corporation; eKids, Inc., a Delaware Corporation and eToys Distribution, LLC, a Delaware LLC.

STEVEN R. FRIEDMAN
ATTORNEY AT LAW

WELLS FARGO BANK BUILDING
433 NORTH CAMDEN DRIVE, SUITE 810
BEVERLY HILLS, CALIFORNIA 90210
TELEPHONE (310) 273-2505
FACSIMILE (310) 278-1315

July 15, 2004

Via Facsimile 302-658-1473

Henry Heiman, Esq.
Heiman, Gouge & Kaufman
800 King Street, Suite 303
P.O. Box 1674
Wilmington, Delaware 19899-1674

In Re: Steve Haas

Dear Mr. Heiman:

I am not retained to represent Mr. Haas or anyone else in this matter, as you well know. I have not substituted into the case, a fact you know with absolute certainty. I never indicated anything to the contrary. When I spoke to you, you expressed deep concern regarding potential malpractice action against you by Mr. Haas and also concern regarding payment.

In that conversation I plainly told you that suing you for malpractice was never discussed through that date. Further I indicated that I would tell Mr. Haas your concerns including those regarding payment.

Your letter is far from accurate, unless my conversation with your assistant does not qualify as communication with your office.

I told both you and her that I would tell Mr. Haas to provide you with any information you needed. When you and I spoke I thought that the initial disclosures needed to include a summary of the substance of the testimony of each witness disclosed. You did not agree and requested that I tell Mr. Haas to provide only the names (which you told me he previously provided) but also only the addresses and telephone numbers. You also informed me that the opposing counsel would agree to stipulate to extend discovery.

Thereafter I spoke to your assistant and she informed me that you had issued discovery and as a result were able to obtain an extension of time to respond. However she informed me that the other side was not willing to stipulate to extend out the time to conduct discovery.

I offered, as professional courtesy, to speak to Mr. Haas and lower the tone of his e-mails and try to get the two of you working together. I did as I said I would.

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ATTORNEY AT LAW

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I find your letter of this date simply outrageous. It is clearly and transparently a letter which seeks to shift responsibility for work you have not performed, for whatever reason, to another. Here either the client or myself.

As I am not an attorney of record how could I, as your letter states, either: 1) set and take depositions or 2) obtain an extension of time. Those are tasks which Mr. Haas' attorneys of record must, as a matter of law, accomplish.

So I will make it absolutely clear. You are the attorney of record. *Do your job.*

To the extent there is a problem, honesty is better than this transparent effort to shift responsibility for duties clearly owed by you. Nothing makes that clearer than the fact that you felt the necessity to file a motion to be relieved of the duties you here state you have abandoned.

I may be uninformed but it has always been my understanding that an attorney owes duties regardless of pay and certainly until you have been relieved either by substitution or motion. Further it is a breach of duty to simply not do your job to the best of your ability. Henry you know as well as I that no attorney can simply abandon the client.

As you admitted that the critical evidence is the possession of the defendants I certainly hope you have requested the documents and information in the written discovery. Either way a notice of deposition and subpoenas for production of documents served today or tomorrow would still be timely according to your letter.

Also I understood from your associate that you had agreed to extend time out for the other side to respond to your written discovery. It seems that such an agreement would reasonably include (or should now include if it was overlooked) an agreement to take the depositions *after* the discovery was provided to you. How can you take a complete deposition without the written discovery responses and document production which would be the source of the clearest and most significant testimony?

As I expressed to you on the telephone, I and another attorney were looking at the case for the purpose of trial, but have not been engaged, partly because of the state of the case. I strongly urge you to: 1) Notice the depositions and take all necessary steps to protect the interests of the *client* (the motion takes care of your interests); 2) Amend the claim so that it reflects the true amount of the claim (\$3 million vs. the current \$750,000); and seek the extension of discovery you told me the other side was prepared to give.

I will provide a copy of this letter to Mr. Haas, although he is aware of what has transpired. Please provide me with an *accurate* update.

I always seek to fix problems and not the blame. Please do not send another letter like

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ATTORNEY AT LAW

July 15, 2004

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today's letter again.

Take the action you deem necessary and appropriate. You have my thoughts, use them or not, as you see fit.

I am happy to help, if I can, but that is no substitute to issuing a timely production notice, or a subpoena for production and a timely notice of deposition.

Govern yourself accordingly.

Very truly,


Steven R. Friedman

SRF/jb

cc: Steven Haas

P.S. Though your letter recites that there is an enclosure to your letter, no enclosure was transmitted.

Transmission Report

Date/Time
Local ID
Local Name
Company Logo

7-15-04; 4:30PM
13102781315
13102781315
Steven A. Friedman

This document was confirmed.
(reduced sample and details below)
Document Size Letter-S

STEVEN R. FRIEDMAN
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July 15, 2004

Via Facsimile 302-658-1473
Henry Helman, Esq.
Helman, Gouge & Kaufman
800 King Street, Suite 303
P.O. Box 1674
Wilmington, Delaware 19899-1674

In Re: Steve Haas

Dear Mr. Helman:

I am not retained to represent Mr. Haas or anyone else in this matter, as you well know, I have not submitted into the case, a fact you know with absolute certainty. I never indicated anything to the contrary. When I spoke to you, you expressed deep concern regarding potential malpractice action against you by Mr. Haas and also concern regarding payment.

In that conversation I plainly told you that suing you for malpractice was never discussed through that date. Further I indicated that I would tell Mr. Haas your concerns including those regarding payment.

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Total Pages Scanned : 3 Total Pages Confirmed : 3

Table with 8 columns: No., Doc, Remote Station, Start Time, Duration, Pages, Mode, Comments, Results. Row 1: 1, 841, 1-3026581473, 7-15-04; 4:29PM, 48", 3 / 3, EC, CP 28.8

- tes :
: Error Correct
: Broadcast Send
: Completed
: Host Scan
: Host Fax
RE: Resend
MP: Multi-Poll
AM: Receive to Memory
HP: Host Print
HR: Host Receive
RD: Polled by Remote
PG: Polling a Remote
OR: Document Removed
FO: Forced Output
FM: Forward Mailbox Doc.
MB: Receive to Mailbox
PI: Power Interruption
TM: Terminated by user
WT: Waiting Transfer
WS: Waiting Send