AO 440 (Rev. 5/85) Summons in a Civil Action

United States District Court

SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA for the benefit of GEORGE SASSOUER, and GEORGE SASSOUER,

Plaintiffs,

V.

JEFFREY L. SAPIR, et al.,

Defendants.

SUMMONS IN A CIVIL ACTION

CASE NUMBER:

87 CIV. 7135

JUDGE HAIGHT

TO: (Name and Address of Defendant)

YOU ARE HEREBY SUMMONED and required to file with the Clerk of this Court and serve upon

PLAINTIFF'S ATTORNEY (name and address)

GEORGE SASSOUER, Esq.
51 Davis Avenue,
White Plains, New York, 10605
914-949-2169

an answer to the complaint which is herewith served upon you, within 20 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

J. MICHAEL McMAHON, CLERK

OCT 05 1987

CLERK

DATE

BY DEPUTY CLERK

FULL TITLE

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA for the benefit of GEORGE SASSOWER, and GEORGE SASSOWER,

Plaintiffs,

-against-

JEFFREY L. SAPIR; HAROLD JONES; HOWARD SCHWARTZBERG; IRA POSTEL; KREINDLER & RELKIN, P.C.; JEROME H. BARR; CITIBANK, N.A.; LEE FELTMAN; FELTMAN, KARESH, MAJOR & FARBMAN; "Z SURETY COMPANY", and "Y" SURETY COMPANY", names fictitious but intended to be those who have executed bonds on insure the faithful performances of JEFFREY L. SAPIR AND HAROLD JONES; and Hon. EDWIN MEESE, III, as Attorney General of the United States,

Defendants.

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA for the benefit of GEORGE SASSOWER, and GEORGE SASSOWER,

File # 87 Civ. 7135 [CSH]

Plaintiffs,

-against-

JEFFREY L. SAPIR; HAROLD JONES; HOWARD SCHWARTZBERG; IRA POSTEL; KREINDLER & RELKIN, P.C.; JEROME H. BARR; CITIBANK, N.A.; LEE FELTMAN; FELTMAN, KARESH, MAJOR & FARBMAN; "Z SURETY COMPANY", and "Y" SURETY COMPANY", names fictitious but intended to be those who have executed bonds on insure the faithful performances of JEFFREY L. SAPIR AND HAROLD JONES; and Hon. EDWIN MEESE, III, as Attorney General of the United States,

Defendants.

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Plaintiffs, United States of America for the benefit of GEORGE SASSOWER, and GEORGE SASSOWER, respectfully set forth and allege:

1. On October 27, 1986, the plaintiff, GEORGE SASSOWER, Esq., filed a petition in bankruptcy in the United States District Court of the Southern District of New York, pursuant to Chapter 7 of Title 11 of the United States Code, and plaintiff thereafter filed schedules which asserted that assets greatly exceeded his liabilities.

2a. Within a fortnight, the defendant, United States Trustee HAROLD JONES ["Jones"], an agent and/or employee of the United States Department of Justice, appointed JEFFREY L. SAPIR, Esq. ["Sapir"] to act as the Chapter 7 trustee of plaintiff's estate.

b. On information and belief, both Jones and Sapir executed surety bonds to insure their faithful performance of their duties for the benefit of the United States of America and for those injured as a result of their misconduct, the identities of such surety companies are unknown to plaintiff since both Jones and Sapir have refused to give plaintiff such information, and are herein identified as "Z SURETY COMPANY", and "Y" SURETY COMPANY".

c. On information and belief such surety bonds are insufficient to cover the losses sustained by the plaintiff through the perfidious conduct and neglect of Jones and Sapir, and for their misconduct, the United States Department of Justice bears fiscal responsibility.

d. During the period of time involved herein the United States Department of Justice was headed by the defendant, Hon. EDWIN MEESE III.

e. On information and belief such surety bonds that were issued on behalf of Jones and Sapir, expressly or impliedly, provide that those in the position of the plaintiff may bring suit on such surety bonds in the name of the United States of America (Bankruptcy Rule 2010[b]).

3a. Under Title 11, anyone residing, having a domicile, a place of business, or property in the United States, as does plaintiff, except a railroad, an insurance company, or similar institutions listed in 11 U.S.C. §109(b) may file a voluntary petition in bankruptcy, without regard to the solvency or liquidity of the person filing.

b. In order to have "standing", as a Chapter 7 creditor, there must be (1) a legally cognizable debt in favor of the creditor, and (2) a properly filed "proof of claim" based on same.

4a. After receiving assurances that there would be no adverse repercussions for the filing of false and perjurious proofs of claim at the instance of (1) the defendant, Bankruptcy Judge HOWARD SCHWARTZBERG ["Schwartzberg"], to whom this proceeding had been assigned; (2) Sapir; and (3) the Office of United States Attorney, RUDOLPH W. GIULIANI ["Giuliani"], proofs of claim were executed by defendants, LEE FELTMAN, Esq. ["Feltman"], KREINDLER & RELKIN, P.C. ["K&R"], and IRA POSTEL, Esq. ["Postel"].

b. The aforementioned executed and caused to be filed two (2) proofs of claim each, or a total of six (6) proofs of claim were executed by them.

c. Since each of the aforementioned proofs of claim were false and perjurious, neither they nor those they purported to represent, had legal "standing" under the bankruptcy laws of the United States.

5a. On the civil side, Sapir had, as a matter of law, the fiduciary obligation to plaintiff's estate, a "person" within the meaning of Amendment V of the U.S. Constitution, to promptly controvert those proofs of claim which he knew or had reason to believe were false, perjurious, and/or defective, and to expeditiously make recovery of plaintiff's assets, which he totally and perfidiously failed to do in every respect.

b. Schwartzberg's obligations, as well as that of Jones, were to assure themselves that Sapir was giving obedience to the fiduciary obligations towards his estate, and all persons having legitimate interests in same, which included the plaintiff.

c. Both Schwartzberg and Jones knew that Sapir was a perfidious trustee, and did nothing, except to encourage such neglect and disobedience to duty.

6a. On the criminal side, the penal provisions contained in 18 U.S.C. §3057, §152, and §3284 are particularly pertinent and were specifically and repeatedly brought to the attention all of the defendants, except the surety companies and Hon. EDWIN MEESE III by the plaintiff.

b. 18 U.S.C. §3057 provides:

> "(a) Any judge, receiver, or trustee having reasonable grounds for believing that any violation under chapter 9 of this title or other laws of the United States relating to insolvent debtors, receiverships or reorganization plans has been committed, or that an investigation should be had in connection therewith, shall report to the appropriate United States attorney all the facts and circumstances of the case, the names of the witnesses and the offense or offenses believed to have been committed. ...

(b) The United States attorney thereupon shall inquire into the facts and report thereon to the judge, and if it appears probable that any such offense has been committed, shall without delay, present the matter of the grand jury, unless upon inquiry and examination he decides that the ends of public justice do not require investigation or prosecution, in which he shall report the facts to the Attorney General for his direction."

c. 18 U.S.C. §152 provides:

"Whoever knowingly and fraudulently conceals from a custodian, trustee, marshal or any officer of the court charged with the control or custody of property, or from creditors in any case under title 11 any property belonging to the estate of a debtor; or

Whoever knowingly and fraudulently makes a false oath or account in or in relation to any case under title 11; or

Whoever knowingly and fraudulently makes a false declaration, certificate, verification, or statement under penalty or perjury as permitted under section 1746 of title 28, United States Code in or in relation to any case under title 11; or

Whoever knowingly and fraudulently presents any false claim for proof against the estate of a debtor, or uses any such claim in any case under title 11, personally, or by agent, proxy, or attorney, or as agent, or attorney; or

Whoever knowingly and fraudulently receives any material amount of property from a debtor after the filing of a case under title 11 with intent to defeat the provisions of title 11; or

Whoever knowingly and fraudulently gives, offers, receives or attempts to obtain any money or property, remuneration, compensation, reward, advantage, or promise thereof, for acting or forbearing to act in any case under title 11; or

Whoever, either individually or as an agent or officer of any person or corporation, in contemplation of a case under title 11 by or against him or any other person or corporation, or with intent to defeat the provisions of title 11, knowingly and fraudulently transfers or conceals any of his property or the property of such other person or corporation; or

> Whoever, after the filing of a case under title 11 or in contemplation thereof, knowingly and fraudulently conceals, destroys, mutilates, falsifies, or makes a false entry in any recorded information, including books, documents, records, and papers, relating to the property or financial affairs of a debtor; or
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> Whoever, after the filing of a case under title 11 knowingly and fraudulently withholds from a custodian, trustee, marshal, or other officer of the court entitled to its possession, any recorded information, including books, documents, records, and papers, relating to the property of financial affairs of a debtor --
>
> Shall be fined not more than $5,000 or imprisoned not more than five years, or both.

c. 18 U.S.C. §3284 provides:

> "The concealment of assets of a debtor in a case under title 11 shall be deemed to be a continuing offense until the debtor shall have been finally discharged or a discharge denied, and the period of limitations shall not begin to run until such final discharge or denial of discharge."

7a. Between February 24, 1987 and March 2, 1987, the false, perjurious, and/or defective proofs of claim were filed by defendant, FELTMAN, KARESH, MAJOR & FARBMAN, Esqs. ["FKM&F"] on behalf of Feltman, K&R on behalf of itself and on behalf of defendants, JEROME H. BARR, Esq. ["Barr"] and CITIBANK, N.A. ["Citibank"]; and Postel on behalf of A.R. FUELS, INC. ["AR"].

b. On March 9, 1987, plaintiff filed a rejection of all of the aforementioned claims, requested a hearing on April 27, 1987, and in the months that followed plaintiff took every possible legal step within the bankruptcy proceeding to compel Sapir and Schwartzberg to adjudicate the validity of such claims, all without success, while the proceeding was under Chapter 7.

c. Of particular importance were those claims executed by Feltman, Postel, and K&R, which were based on the "phantom" judgments/awards of Referee DONALD DIAMOND ["Diamond"].

8a. K&R, Postel, Feltman, and FKM&F had since the middle of 1985 claimed that Referee Diamond had rendered judgments and/or awards against plaintiff and others, although there was no record of same in the Office of the County Clerk of New York County.

b. Based on such "phantom" and unconfirmed awards, SAM POLUR, Esq. ["Polur"], HYMAN RAFFE ["Raffe"], and particularly plaintiff, had been continually harassed and threatened.

c. Based upon a "phantom" award, Feltman and FKM&F, had seized plaintiff's bank deposited assets in the City of New York, and still claiming that such unlawful award was totally unsatisfied, had issued property executions to the Sheriff of Westchester County, where plaintiff was residing and operating professionally.

d. Still falsely claiming same to be totally unsatisfied, Feltman and FKM&F issued restraining notices to third parties, and caused unlawful and barbaric orders to be signed by Referee DONALD DIAMOND directing the Sheriff of Westchester County to "break-into" plaintiff's residence, "seize all word processing equipment and soft-ware", and "inventory" plaintiff's possessions.

e. When, as a result of the seizure of plaintiff's bank deposited assets under such "phantom" "unconfirmed" awards, plaintiff stated he was compelled to keep his assets in his "non-interest bearing mattress", an application was made to Referee DONALD DIAMOND by Feltman and FKM&F, to compel the Sheriff of Westchester County to "break-into" plaintiff's residence, and "tear apart" such "non-interest bearing mattress".

f. Relief from such manifestly unconstitutional totalitarian tactics, could best be found in filing a petition in bankruptcy, which was a prime reason for plaintiff's resort to same.

9a. While Chapter 13 was vastly more suitable to plaintiff than Chapter 7, Chapter 13 has a limitation found in 11 U.S.C. §109[e] which provides that:

> "Only an individual ...on the date of the filing of the petition, noncontingent, liquidated, unsecured debts of less than $100,000 ... may be a debtor under chapter 13"

b. Consequently, the immediate determination of the amount of plaintiff's noncontingent and liquidated debts, and those who had "standing", became a matter of prime importance to the plaintiff, a matter which could only be determined by a judicial inquiry into the proofs of claim executed by Feltman, Postel, and K&R, which plaintiff continually contended were false, perjurious, deceptive and misleading.

c. Such judicial determination Schwartzberg, Sapir, Feltman, FKM&F, Postel, and K&R, all operating in conspiratorial consort, refuse to hold or make, while engaging plaintiff in a harassing "judicial dance" pursuant to such sham proofs of claim.

10a. Immediately after it became manifestly impossible for any truthful contention to be made that plaintiff's noncontingent and liquidated debts were more than $99,999.99, plaintiff filed his notice of conversion to Chapter 13, as was his unbridled right.

b. As a Chapter 13 debtor, plaintiff had trustee's powers, and consequently could neutralize the perfidious conduct and neglect of Sapir.

c. As a Chapter 13 debtor, plaintiff immediately set in motion a judicial inquiry into the aforementioned proofs of claim by Feltman, K&R, and Postel.

11a. K&R executed two (2) proofs of claim on behalf of itself and on behalf of Barr and Citibank, as the executors of the Estate of MILTON KAUFMAN ["Kaufman"].

b. These Proofs of Claim comprised approximately ninety-five percent (95%) of the unliquidated and contingent claims filed against petitioner's estate, and about thirty percent (30%) of the claimed noncontingent liquidated claims.

c. On their face, with possibly minor exceptions, these claims were unsupported by any "proof" of the claims, as required by law.

d. On September 15, 1987, during a short recess, after plaintiff had announced that he intended to call K&R to the stand to testify in support of its claims, the K&R representative after speaking to his office, "bolted" and "fled" from the courthouse building.

e. In examination of one of such Proofs of Claim, Schwartzberg was irresistibly compelled to remark that a ten million dollar ($10,000,000) asserted claim was absurd, untenable, and ludicrous, or words to that effect.

f. On October 1, 1987, rather than testify in support of its Proofs of Claim, K&R, who had "participated significantly in the case", unilaterally served a notice that it withdrew same, without receiving permission from the Court after "a hearing on notice", as mandated by law (see Bankruptcy Rule 3006).

g. At all times K&R, Barr, and Citibank, knew such Proofs of Claim which were executed and filed by K&R, were false, perjurious, misleading, misleading, and deceptive.

12a. Postel had executed and filed two (2) Proofs of Claim on behalf of A.R., which A.R. itself did not desire to execute because of its knowledge that they were manifestly false, perjurious, misleading, and deceptive.

b. Such false, perjurious, misleading, and deceptive Proofs of Claim had been executed by Postel at the instance and request of FKM&F and K&R, who also knew of the manifest falsity of same.

c. These Proofs of Claim, which did not have annexed to them any "proof" as required by law, were because of same, null and void, and constituted approximately forty percent (40%) of the alleged noncontingent and liquidated claims filed against plaintiff's estate.

d. Plaintiff called Postel to testify on September 15, 1987, pursuant to a notice theretofore served upon him that a hearing would be held on that day.

e. Within ten (10) minutes after Postel took the stand, a bloodied Postel announced he had to catch a train out of White Plains, and that he would return on October 1, 1987, with all his files ready to continue his testimony.

f. Prior to resuming his testimony, Postel, who also had "participated significantly in the case" without receiving judicial permission after "a hearing on notice", as required by law, also filed withdrawals of the Proofs of Claim that he had executed and filed.

g. A portion of Postel's testimony of September 15, 1987, reads as follows:

> "Q. Did you at any time make a motion to confirm that $25,000 [Referee DONALD DIAMOND award].
> A. I didn't think it was necessary.
> Q. Yes or no.
> A. As I advised the court before, no motion was made to confirm.
> Q. ... Did you ever send me any documents which showed that $25,000 was due A.R. Fuels? Yes or no?
> A I think I did. I mean, I've sent you so many documents ---
> Q. But did you ----
> A I don't recall what's in every document that I sent to you, Mr. Sassower.
> ...

Q. You've been here a number of times and have you heard me refer a number of times to phantom judgments, phantom orders and phantom claims? Have you heard that before?

A. You use that word in your daily lexicon of vocabulary.

Q. ... At any time did you present to the court or to me any substantiation in writing that there exists the $25,000 award, claim, judgment against me?

A. I believe you were served with copies of every order issued by Referee Diamond.

Q. ... Could you give me a copy of an order issued by anybody against me in favor of A.R. Fuels?

A. I don't have them with me. Mr. Sassower. I did not come here today anticipating that this was an evidentiary hearing.

Q. ... Did you not think it was proper on this claim in view of the fact that there was a contemporaneous motion for summary judgment to come forth with evidence to show His Honor something actually exists? Yes or no?

A. ... The answer is no, I didn't feel I had to bring those with me.

Q. ... Are you saying, Mr. Postel, that you are prepared to show His Honor today or tomorrow something you sent me showing a claim against me by A.R. Fuels for $25,000?

A. At the next --- at the adjourned date of this hearing, yes, I shall be.

Q. And you didn't bring it today?

A. No, I did not.

Q. Is this document, would you say --shows $25,000 against me by A.R. Fuels -- is this document filed in the County Clerk's Office? Yes or no?

A. I believe it is. I believe the order of Judge Diamond assessing fees --

Q. Of twenty-five --

A. (Continuing) --- are filed in the Clerk's Office.

Q. Do you, in your file, have a copy of any order --

THE COURT: Clerk's Office; you mean, County Clerk's Office?

MR. Sassower: Right.

THE COURT: Okay.

Q. Do you have in your file a copy of the County Clerk's order which assesses against me $25,000 in favor of A.R. Fuels? Yes or no?

A. I have copies of all of Judge Diamond's orders.

Q. Filed in the County Clerk's Office?
A. Every order that I think Judge Diamond issued has been filed in the County Clerk's Office.
Q. Do you have an order filed in the County Clerk's Office for $25,000 against me in favor of A.R. Fuels?
A. I believe I do.
Q. Okay. And you will produce that?
A. I shall.
Q. When was this order rendered in favor of A.R. Fuels against me? Date?
A. To the best of my recollection, it was some time in the spring or summer of 1985. I could be wrong, but that's the best of my recollection. There may have also been one in the fall of '85.
Q. We're talking about $25,000 and it's the only claim.
A. I think it's cumulative; there's several judgments that add up to $25,000.
Q. Several --
A. Several assessments.
...
Q. ... were you there when Referee Diamond assessed $25,000 in favor of A.R. Fuels against me? Where you there?
A. I believe I was.
Q. And who else was there at that time?
A. Referee Diamond.
Q. And who else?
A. Could have been Mr. Gerstein; could have been Mr. Schneider, could have been other people from the bank.
Q. Was I there?
A. No, you were not.
Q. Okay.
A. I believe that was the reason for the assessment, because you were not there.
Q. ... Prior to the assessment of $25,000 -- whether it was a one-lump sum or as a matter of a cumulative amount --- was a motion made to assess me $25,000 in favor of A.R. Fuels? Yes or no?
A. No.
Q. So that -- was any telephone call made to me and say, we're having a proceeding before Referee Diamond and he's going to assess --- the purpose of that is to assess against me for $25,000 or any sum of money?
A. You were notified of the hearings: I don't know if you --
Q. When?
A. Prior --

Q. In writing?

A. Prior to the hearings that were being hold before Referee Diamond, Mr. Sassower. You had notice of every one of them. Whether or not you decided to attend was your decision. Nobody else --

Q. Have you got copies of those notices?

A. I'm sure I do.

Q. Fine. Will you produce them?

A. Not here. They're probably in my office. I don't have my files here.

...

THE WITNESS: Your Honor, can I interject? There is an express train at 12:07 which I would like to make which would then get me back into the City at about 12:40 and I can get to my office to make my one o'clock appointment.

...

MR. Sassower: ... what I'm going to suggest ---what I'm going to suggest ... that he send to you a copy of all his documents that I've asked for and that after receiving those documents, Your Honor feels that a further hearing is necessary ---

...

Q. And you will be prepared next time to bring all your papers and all your documentation to support this $25,000 claim? Yes or no?

A. I will bring all the files that I have.

...

Q. ... were you aware of a complaint by me against A.R. Fuels in 1986 in the Supreme Court, Westchester County? Yes or No? Here's a copy of the complaint. ... Did you receive from me for $100,000 based on work, labor and services performed by me for A.R. Fuels?

A. I believe I've seen that, yes. ... And I truly forgot the claim of the $100,000 ...

Q. So that if you were to re-file that proof of claim today, if His Honor gave you permission, you would include as --- you know what a counterclaim or offset is?

A. Yes.

Q. Would you include --- would you say the $100,000 was omitted from notice of claim inadvertently?

A. Yes.

Q. But you were aware of a claim made by me to A.R. Fuels where A.R. Fuels was to be reimbursed from the insurance company? Generally?

A. Generally, but not specifically as it relates to you.

Q. Okay. But in any event, would you, if you were given permission to re-file that proof of claim, would you have included as a possible offset or counterclaim of that $20,000.

A. I would have included it as a possible claim that you have.

...

MR. SASSOWER: Let him send all the proof; Let him send all the proof -- all documentation to Your Honor and to me. After Your Honor looks at the documentation and you feel that a further hearing -- ...

...

THE COURT: Send in whatever proofs of claim --

MR. SASSOWER: Right.

THE COURT: I'll follow that procedure. Let's see what you have that shows that the orders were entered. Send them in in one file; have it delivered and I will set it/down meanwhile for a hearing --- a continuation of this hearing. So at least give me an opportunity to look over what he's submitting.

THE WITNESS: Fine. I have no objection.

MR. SASSOWER: 10/1, 2:00 p.m. And when will you send this documentation in?

THE WITNESS: I'll try to get it out by the end of the week --

MR. SASSOWER: Okay. ..."

h. Such "phantom" documentation did not come the end of that week, the end of the week that followed, or the end of third following week.

On October 1, 1987, Mr. Postel announced that he withdrew his claims on behalf of A.R. Fuels, Inc., without ever showing any evidence of such "phantom" awards by Referee DONALD DIAMOND

i. Mr. Postel's testimony of September 15, 1987 was manifestly perjurious, but as he stated on June 19, 1987, Schwartzberg was "fixed", and anything could be done or said by himself, FKM&F, and/or K&R with impunity.

13a. Feltman's two (2) proofs of claim, executed on February 24, 1987, was manifestly false and perjurious, in addition to be improper in form, and known to be such by both Schwartzberg and Sapir immediately upon the filing of same, and continually since that time.

b. Omitted from the Feltman's proofs of claim was the judgment that plaintiff had against PUCCINI CLOTHES, LTD. ["Puccini"], which with interest was approximately $40,000.

c. Also excluded from the Feltman proofs of claim were the monies collected by the Sheriff of the City of New York from plaintiff's bank accounts under his sham Order of Referee DONALD DIAMOND.

d. The $40,000 was more than all the noncontingent and liquid claims set forth by Feltman, and therefore assuming arguendo the validity of same, Feltman and FKM&F are debtors, not creditors, of plaintiff's estate.

e. The hearing on Feltman's Proofs of Claim is supposed to begin before a "fixed" Schwartzberg, on October 6, 1987.

14a. The objective evidence that the perfidious Sapir was betraying his trust estate and that he was operating in conspiratorial consort with FKM&F began to surface in March 1987.

b. Objective evidence also began to surface, shortly thereafter, that Schwartzberg had been or could be "fixed" by FKM&F and K&R, who openly boast that they can "fix" the federal judges in the Second Circuit, nisi prius and appellate.

c. Indeed, as part of a compelled settlement with Raffe, FKM&F had conditioned same on Raffe's execution of general releases in favor of the federal judiciary.

d. On June 19, 1987, at a meeting solicited by Postel and attended by Raffe and plaintiff, Postel set forth some of the evidence to convince plaintiff that Schwartzberg had and could be "fixed", and at the completion thereof, Raffe stated "he is a crook, all judges are crooks", which was a remark clearly appropriate in view of the presentation made by Postel.

e. Plaintiff insisted that Schwartzberg would not tolerate the blackmail and extortion payments being made by Raffe to FKM&F based on the activities at the Schwartzberg forum.

To prevent the further payment of such blackmail and extortion payments, and to obtain return of those already made, that very same day, Raffe had his secretary mail to plaintiff the documentary evidence of same.

f. Based upon Postel's very convincing presentation that Schwartzberg had been and could be "fixed", and Raffe's evidence of blackmail and extortion, attributable in part to the Schwartzberg tribunal, plaintiff filed a recusal affirmation, an application which Schwartzberg denied.

g. Repeated requests, and further recusal affirmations followed, all of which were denied or ignored by Schwartzberg.

h. Nevertheless, the objective irresistible compelling evidence was that Schwartzberg had been "fixed" and was being manipulated by FKM&F to act according to their depraved desires, almost without significant exception.

15a. Consequently, on August 7, 1987, assured that no legitimate assertion could be made that plaintiff's noncontingent, liquidated, and unsecured debts were more than $100,000, plaintiff filed his Notice of Conversion to Chapter 13, and immediately thereafter filed an involuntary petition of bankruptcy against Puccini.

b. The judicial trust assets of Puccini were made the subject of massive larceny by K&R and its entourage, and such assets serve the insatiable monetary appetites of corrupt officials, including some in the judiciary, and their cronies.

c. As against Puccini, the claims of petitioner's estate include (1) a judgment of $27,912.42, with interest from April 26, 1982; (2) an unliquidated claim of $3,000,000; (3) an attorney's lien on a judgment of Raffe against Puccini of $475,425.86; and (4) an attorney's lien on the stock of Raffe in Puccini.

d. Petitioner made direct claim against Raffe's stock in Puccini, made monetary claims against K&R, FKM&F, RASHBA & POKART, and NACHAMIE, KIRSCHNER, LEVINE, & SPIZZ, P.C., all payable to plaintiff's estate, wherein Sapir was trustee.

17a. To abort this legitimate assault, with irresistible compelling merit, in the recovery of plaintiff's assets for the benefit of the estate, which the perfidious Sapir steadfastly refused to do, once again the FKM&F entourage gave Schwartzberg his "marching orders" which included the direction for reconversion to Chapter 7.

b. By motion dated August 14, 1987, with notice given only to Sapir and plaintiff, FKM&F moved to reconvert to Chapter 7, perjuriously contending that plaintiff's noncontingent and liquid debts were $355,375.96, when in fact, even without including offsets and counterclaims, they were in the neighborhood of $15,000, or about 4% of the amount claimed.

The almost $21,000,000 of contingent and non-liquid claims, were all sheer fiction.

c. Having a corrupt Schwartzberg presiding, and a perfidious Sapir as trustee, FKM&F, K&R, and Postel, could say, contend, and do anything with impunity, notwithstanding the mandate of 18 U.S.C. §3057.

18a. In a Chapter 13 proceeding, the only true jurisdictional condition is the $100,000/$350,000 limitation for unsecured/secured claims.

c. The feasibility of a Chapter 13 plan is prospective in nature and obviously the amount due to filed creditors should first be determined, which Sapir had steadfastly failed and refused to ascertain in any judicial proceeding, although he had actual knowledge that some of them, particularly by Feltman were false and perjurious.

d. Without judicial permission for an extension of time, plaintiff had until August 25, 1987 to file his plan, which was the return date of FKM&F's motion.

e. In contemporaneous motions plaintiff requested that the legitimacy of the claims of Postel and K&R be first determined, and that plaintiff's time to file his plan be extended accordingly, but such requests were not granted by Schwartzberg.

f. As heretofore noted, the Postel and K&R filed proofs of claim which represented approximately 70% of the claimed noncontingent and liquid claims, and approximately 95% of the contingent and unliquidated claims.

The Feltman proofs of claim, manifestly perjurious in material respects, plaintiff had and does claim them to be null and void.

19a. A "regular and stable income", as defined by statute (11 U.S.C. §101(24) means:

> "income ... sufficiently stable and regular to enable such an individual to make payments under Chapter 13 of this title."

b. Where the monies due to plaintiff were very substantial and far exceeded the $15,000 which could possible be claimed, plaintiff was ready to bond the full payment of same for the purposes of his Chapter 13 plan.

c. Even a corrupted Schwartzberg could not stomach the assertion that the noncontingent and liquid claims against plaintiff were $355,375.96, or an exaggeration of about twenty-three (23) times the true amount, and consequently, on August 25, 1987, without any plan having been filed, without any determination of the validity of the proofs of claim executed by Feltman, K&R, or Postel, and without notice of hearing (see 11 U.S.C. §1307, §102([A][1]), Schwartzberg directed plaintiff to take the stand and prove "regular and stable income" and refused all requested adjournments by plaintiff, who was completely unprepared for the subject, as all cases and authorities clearly recognized was not an issue at that time.

d. As stated in plaintiff's thereafter filed plan, wherein plaintiff proposed, under guarantees, to pay all claims in full, with full interest:

> "In order to have an acceptable and approvable plan, according to all reported cases, provided the jurisdictional $100,000/$350,000 limits are met, the plan first must be filed, and then its prospective feasibility is adjudicated (e.g. Matter of Bradley, 18 B.R. 105; Matter of Moore, 17 B.R. 551; Matter of Cole, 3 B.R. 346; Matter of Mozer, 1 B.R. 350; 57 ALR Fed, 339, 349-350).

e. A corrupted judge, as is Schwartzberg, "knows no law", disregarded plaintiff's testimony on the subject, dictated and caused to be typed his decision before plaintiff submitted his plan, and refused all requests that plaintiff be given a few days more to submit documentary evidence on the subject.

As plaintiff stated in his plan, which was to be fully secured:

> "Affirmant had a 'regular income' prior to and on (a) October 27, 1986, when he filed his petition in bankruptcy; (b) February 23, 1987, when the Appellate Division, Second Department, disbarred him from the state tribunals; (c) August 7, 1987 when he filed his conversion notice from Chapter 7 to Chapter 13; (d) at present; and (e) in the future.
>
> Affirmant's activities, during the past two (2) years, were such, as to assure him of a 'regular income', in the future, as a result of his own past efforts.
>
> Thus, for example, in the few weeks immediately prior to August 7, 1987, as a result of affirmant's legitimate efforts, he earned the approximate sum of $20,000, the liquidation of which will become part of this plan.
>
> As a result of affirmant's efforts, years ago, there is good potential for the receipt of a very substantial amount of monies in the future, which will also become part of this plan.
>
> Immediate regular income, as an attorney, in the state, as well as the federal bar, will fully resume to your affirmant within a very short time after an accounting is filed for PUCCINI CLOTHES, LTD. ['Puccini'], for at that time, affirmant should be readmitted to the state bar 'Captain Alfred Dreyfus fashion'.
>
> Affirmant's disbarment, as were his trial-less incarcerations, and the other in terrorem actions, were only an attempt to compel affirmant to submit to a 'code of criminal silence' about the activities of FKM&F and K&R -- 'the criminals with law degrees' "

20. To insure that the perfidious conduct of Sapir would be permitted to continue, without interference, Schwartzberg denied to plaintiff the right to intervene, although conceding that plaintiff had the right to all surplus after payment to filed creditors, and payment of administrative expenses, and notwithstanding plaintiff's "exemption rights" (11 U.S.C. §522).

21. Incorporated by reference is plaintiff's filed plan of August 28, 1987 and papers in support of his Order to Show Cause dated September 16, 1987.

AS AND FOR A FIRST CAUSE OF ACTION FOR EQUITABLE RELIEF AND DAMAGES AGAINST THE DEFENDANTS JEFFREY L. SAPIR, ESQ., HAROLD JONES, ESQ., the "Z SURETY COMPANY", the "Y SURETY COMPANY", AND EDWIN MEESE III, AS ATTORNEY GENERAL OF THE UNITED STATES.

22. Plaintiff repeats, reiterates, and realleges each and every allegation of this complaint marked "1" through "21" inclusive, with the full force and effect as though more fully set forth at length herein, and further alleges:

23. At various intervals, the plaintiff informed and advised the defendant HAROLD JONES, Esq., of the perfidious course of conduct being followed by defendant JEFFREY L. SAPIR, Esq., with particulars, and he has failed and refused to take any remedial steps, and HAROLD JONES, Esq. has even failed to acknowledge the plaintiff's communications.

24. That by reason of the aforementioned the defendants, HAROLD JONES, Esq. and JEFFREY L. SAPIR, Esq., must be removed from their positions with respect to plaintiff's estate, new trustees appointed who will render faithful and undivided interest to plaintiff's trust and estate, which includes the diligent recovery of plaintiff's assets.

25. By reason of the aforementioned failures of HAROLD JONES, Esq. and JEFFREY L. SAPIR, Esq., the plaintiff has been damaged to the extent of ten million dollars ($10,000,000), but because their activities are part of a more extensive "racketeering enterprise", as defined in 18 U.S.C. §§1961-1967, to be set forth more extensively in related documents, demand is made against them, their insurance carriers, and the Department of Justice in the sum of thirty million dollars ($30,000,000).

AS AND FOR A SECOND CAUSE OF ACTION AGAINST THE DEFENDANTS BANKRUPTCY JUDGE HOWARD SCHWARTZBERG AND JEFFREY L. SAPIR, ESQ.

26. Plaintiff repeats, reiterates, and realleges each and every allegation of this complaint marked "1" through "25" inclusive, with the full force and effect as though more fully set forth at length herein, and further alleges:

27a. The statutory mandate to defendants Bankruptcy Judge HOWARD SCHWARTZBERG and JEFFREY L. SAPIR, Esq. under 18 U.S.C. §3057 is clear, in that they having "reasonable grounds" for believing that violations of the bankruptcy laws have taken place by LEE FELTMAN, Esq.; FELTMAN, KARESH, MAJOR & FARBMAN, Esqs.; KREINDLER & RELKIN, P.C.; IRA POSTEL, Esq. and others in their corrupt entourage, "report" must be made by Bankruptcy Judge HOWARD SCHWARTZBERG and/or JEFFREY L. SAPIR, Esq., to the United States Attorney with "all the facts and circumstances of the case".

b. Indeed, Bankruptcy Judge HOWARD SCHWARTZBERG and JEFFREY L. SAPIR, Esq., have actual knowledge that massive violations of the bankruptcy laws have taken place and committed by the aforementioned attorneys and law firms.

c. The statute does not exempt a corrupted judge nor a perfidious trustee from such mandated duty, which should be directed by this Court.

AS AND FOR A THIRD CAUSE OF ACTION AGAINST THE DEFENDANTS IRA POSTEL, ESQ., KREINDLER & RELKIN, P.C., JEROME H. BARR, ESQ., CITIBANK, N.A., LEE FELTMAN, FELTMAN, KARESH, MAJOR & FARBMAN, ESQS., AND JEFFREY L. SAPIR, ESQ., FOR MONEY DAMAGES.

28. Plaintiff repeats, reiterates, and realleges each and every allegation of this complaint marked "1" through "27" inclusive, with the full force and effect as though more fully set forth at length herein, and further alleges:

29. There were filed by or on behalf of the defendants, IRA POSTEL, Esq., KREINDLER & RELKIN, P.C., JEROME H. BARR, Esq., CITIBANK, N.A., LEE FELTMAN, FELTMAN, KARESH, MAJOR & FARBMAN, Esqs., in conspiratorial consort with each other, proofs of claim against the debtor's estate of plaintiff in bankruptcy court which were false, fictitious, perjurious, and/or wilfully exaggerated, in order to defeat, impair, impede, and prejudice the legitimate rights of the plaintiff under the bankruptcy laws of the United States, and a failure to turn over to Sapir the assets of the debtor's estate (11 U.S.C. §542), all with the express and/or implied approval of the defendants Bankruptcy Judge HOWARD SCHWARTZBERG and JEFFREY L. SAPIR, Esq., who the aforementioned had caused to be corrupted.

30. By reason of the aforementioned the plaintiff has been damaged to the extent of ten million dollars ($10,000,000), but because the activities of IRA POSTEL, Esq., KREINDLER & RELKIN, P.C., JEROME H. BARR, Esq., CITIBANK, N.A., LEE FELTMAN, FELTMAN, KARESH, MAJOR & FARBMAN, Esqs., and JEFFREY L. SAPIR, Esq., are part of a more extensive "racketeering enterprise", as defined in 18 U.S.C. §§1961-1967, to be set forth more extensively in related documents, demand is made against them, in the sum of thirty million dollars ($30,000,000).

AS AND FOR A FOURTH CAUSE OF ACTION AGAINST THE ALL THE DEFENDANTS.

31. Plaintiff repeats, reiterates, and realleges each and every allegation of this complaint marked "1" through "30" inclusive, with the full force and effect as though more fully set forth at length herein, and further alleges:

32. Because of the corruption of Bankruptcy Judge HOWARD SCHWARTZBERG, and the perfidious conduct of JEFFREY L. SAPIR, Esq., neither the debtor's estate, the debtor, nor anyone not part of the Feltman-Kreindler corrupt entourage were given due process and many other fundamental constitutional rights, and the proceedings were and are null and void except for claim for damages, including by the plaintiff herein.

AS AND FOR A FIFTH AND AND ALTERNATE CAUSE OF ACTION AGAINST THE ALL THE DEFENDANTS.

33. Plaintiff repeats, reiterates, and realleges each and every allegation of this complaint marked "1" through "32" inclusive, with the full force and effect as though more fully set forth at length herein, and further alleges:

34. By reason of the activities of Bankruptcy Judge HOWARD SCHWARTZBERG, he was made a third party defendant, but nevertheless, he proceeded to adjudicate his own rights and liabilities in such action, as well as the rights and liabilities of those unlawfully associated with him and his activities.

35. As a matter of law, no judge can adjudicate a matter wherein he is named as an active defendant or respondent, or is a Dennis v. Sparks (449 U.S. 24) witness, and all such adjudications must be declared null, void, and without legal effect.

WHEREFORE, by reason of the aforementioned, relief, including money damages, are respectfully requested in accordance with this complaint, wherein the jurisdiction of this Court is invoked pursuant to the provisions of Title 28, United States Code, §§1331, 1343, this being a suit in law and equity, which is authorized by law directly under the Constitution of the United States and statute, wherein the amount in controversy is more than $10,000, exclusive of interest.

Dated: October 5, 1987

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