

FILE NO. \_\_\_\_\_

STATE OF MINNESOTA

IN SUPREME COURT

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In Re Petition for Disciplinary Action  
against REBEKAH MARIYA NETT,  
a Minnesota Attorney,  
Registration No. 299571.  
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**PETITION FOR  
DISCIPLINARY ACTION**

TO THE SUPREME COURT OF THE STATE OF MINNESOTA:

At the direction of a Lawyers Professional Responsibility Board Panel, the Director of the Office of Lawyers Professional Responsibility, hereinafter Director, files this petition.

The above-named attorney, hereinafter respondent, was admitted to practice law in Minnesota on May 12, 2000. Respondent currently practices law in Hastings, Minnesota.

Respondent has committed the following unprofessional conduct warranting public discipline:

FIRST COUNT

Pattern of Bad Faith Litigation and Reckless and Harassing Statements

1. As more fully set forth below, respondent has engaged in an extensive pattern of bad faith litigation and the filing of pleadings intended to harass, embarrass, delay or burden third persons, in various courts. In the course of prosecuting these litigations, respondent made herself, and filed on behalf of her clients, statements and affidavits that she either knew to be false or were made with reckless disregard as to their truth or falsity concerning the integrity of judges, adjudicatory officers or public legal officers.

2. Respondent's misconduct with respect to the bad faith litigation and false or reckless statements was in connection with her representation of the Dr. R. C. Samanta Roy Institute of Science and Technology, Inc. (SIST) or related commercial entities.

Southwest Guaranty, Ltd. v. U.S. Acquisitions & Oil, Inc., SIST Matter

3. Respondent represented U.S. Acquisitions, SIST, and other related entities in defending a lawsuit brought by Southwest Guaranty, Ltd. That suit was originally venued in Wisconsin state court—Shawano County Circuit Court.

4. On August 11, 2010, respondent filed an August 10, 2010, amended notice of removal with the United States District Court for the Eastern District of Wisconsin seeking to have the state court action removed to federal court. In her amended notice of removal respondent stated, in part:

Shawano is Neo-Nazi territory where it is believed people of other races and religions have no right to life. Due to the fact that the President of SIST is a man originally from India, the mayor of the town, Lorna Marquardt, and other officials have conspired and devised countless schemes to destroy SIST properties and businesses and bring about the demise of SIST personnel. Given the underlying White Supremacist feelings and beliefs and Jim Crow mentality held by many persons in Shawano and surrounding areas, Lorna Marquardt has successfully ensnared and tied the media, the judiciary and law enforcement authorities together through their common race and religion and used them to pursue her obliteration aspiration. . . .

The intentional meddling in the business affairs in hopes of destroying SIST's financial capacity over a period of years, resulted in SIST's bankruptcy filing in March of 2009. Lorna Marquardt and other members of her secretive racist group including reportedly local judges and counsel/receiver Krueger and his boss, Van Lieshout, are responsible for SIST's bankruptcy. At this time, Defendants have requested a Senate investigation into the criminal activities and hate crimes of Marquardt and other officials.

\* \* \*

As outlined more fully in the Declaration of Naomi Isaacson, due to the massive conspiracy led by Lorna Marquardt, SIST has never received any justice in Shawano. Through their common race and religion, Shawano Mayor Lorna Marquardt has wrapped her tentacles around the judiciary system including Shawano Municipal judges, Shawano County judges, Wisconsin Appellate Court judges, and even this Court's colleague, the Federal District Court judge in Green Bay, William Griesbach. In all of Defendants' or related entities matters in front of Judge Griesbach, the attorney representing the opposing party has been a certain attorney who is Griesbach's former law clerk, named Wickham Schmidt. Griesbach grants this attorney whatever he asks for just like Habeck does for Krueger and Van Lieshout. This attorney has repeatedly asked for sanctions for baseless alleged 'discovery violations' and Griesbach has granted him sanctions numerous times. Defendant's experience of 'justice' in Shawano is comparable to the 'justice' Jews experienced under Hitler's regime. In the 'homemade' court in Shawano, no legal procedures are followed and members of the judiciary and attorneys act as if there is no law.

5. Respondent's statements as set forth above alleging that the judiciary and law enforcement have conspired with the Shawano Mayor, that local judges were members of a secretive racist group, that various judges have discriminated against SIST based upon their common race and religion, and that the courts followed no legal procedures and act as if there is no law, lacked a basis in law or fact and were made with knowledge of their falsity or with reckless disregard as to their truth or falsity.

6. On October 12, 2010, the Eastern District court directed that the matter be remanded back to Shawano County Circuit Court and ordered respondent, as a sanction for violation of Fed. R. Civ. P. 11, to pay Southwest Guaranty all of the reasonable attorney's fees and other expenses incurred in bringing a motion for Fed. R. Civ. P. 11 sanctions. In its order the court stated, in part:

However, the Court must address the amended notice of removal for a different reason. Inexplicably, the amended notice includes a number of detailed, serious, and bizarre allegations in the footnotes about certain members of the Shawano community, including judges, city officials, and the mayor of Shawano, Lorna Marquardt.

\* \* \*

Many of SIST's subsequent pleadings and motion papers are infected with similar allegations. SIST's allegations also implicate Southwest Guaranty and their counsel in this matter, Steven Krueger and David Van Lieshout. [Footnote omitted.] This prompted Southwest Guaranty to file a motion for sanctions under Rule 11 [footnote omitted].

\* \* \*

The objectionable allegations are so fantastic and delusional that no reasonable attorney would certify that they have evidentiary support. It is 'not enough that the attorneys' subjective belief and purpose are innocent; it is also necessary that such mental state be based upon reasonable inquiry, objectively analyzed, into the basis for the facts alleged and into the law.' *Harlyn Sales Corp. Profit Sharing Plan v. Kemper Fin. Services, Inc.*, 9 F.3d 1263, 1270 (7<sup>th</sup> Cir. 1993).

Perhaps more troubling is that these allegations have absolutely nothing to do with the merits of this lawsuit, and more specifically, they have no bearing on whether this matter should be remanded. SIST seems to imply through these allegations that the Court should keep this case in federal court because SIST cannot receive justice in state court. [Footnote omitted.] . . . There is no basis for removal simply because the defendants are dissatisfied with the nature of proceedings in state court. Accordingly, the Court also finds that the allegations were included in the amended notice for an improper purpose. Fed. R. Civ. P. 11(b)(1) (pleading cannot be presented for an 'improper purpose, such as to harass, cause unnecessary delay, or needlessly increase the cost of litigation').

City of Shawano v. Darlene Sense Matter

7. Respondent represented Darlene Sense in an appeal to the Wisconsin Court of Appeals. The matter at issue was Sense's conviction for violating a municipal ordinance.

8. On November 24, 2010, respondent filed a November 22, 2010, brief in the Wisconsin Court of Appeals. In her brief, respondent made the following statements:

SIST has been targeted repeatedly with numerous complaints and false accusations and negative publicity because the president is from India. Local officials and specifically, mayor of Shawano, Lorna Marquardt have

positioned themselves against SIST's president time after time and seek every opportunity to harm any businesses in Shawano connected with SIST.

\* \* \*

It was quickly apparent that routine police business appeared to be a tactic to get into the facility [a hotel owned by a subsidiary of SIST] during a private party to scare and intimidate guests who value their privacy as such parties above anything else so that they might cancel their contract with the hotel if they became scared that their privacy could be jeopardized. (Tr. 20-21) Cancellation of their contract would have delighted the City officials as Midwest Hotels would then make less money.

9. On February 8, 2011, the Wisconsin Court of Appeals issued its opinion affirming the underlying conviction. In addition to affirming the conviction, the court sanctioned respondent by directing she pay \$200 to the clerk of court. The sanction was based upon technical deficiencies in the brief and upon the fact that the brief's statement of facts contained assertions without support in the record. The court stated, in part:

Fifth and finally, Sense's statement of facts contains several brazen assertions that are completely unsupported by the record. For instance, Sense states that the Best Western hotel's parent company 'has been targeted repeatedly with numerous complaints and false accusations and negative publicity because the president is from India.' Sense contends, 'Local officials and specifically, [the] mayor of Shawano, . . . have positioned themselves against [the parent company's president] time after time and seek every opportunity to cause harm to any businesses in Shawano connected with [the parent company].' Sense also alleges the police's routine compliance check was 'a tactic to get into the facility during a private party to scare and intimidate guests who value their privacy . . . so that they might cancel their contract with the hotel. . . . Cancellation of their contract would have delighted City officials[.]' Sense does not provide record citations for any of these allegations, presumably because they are completely unsupported by the record. [Footnote 3— Sense should have been on notice against making these allegations, given that the circuit court specifically pointed out there was no evidence of harassment by police or local officials.]

Accordingly, we sanction Attorney Rebekah M. Nett and direct that she pay \$200 to the clerk of this court within thirty days of the release of this opinion.

10. Respondent's statements in the briefs she submitted that were unsupported by the record lacked any basis in law or fact.

MMG Financial Corporation v. Midwest Amusement Park, LLC et al., Matter

11. Respondent represented Midwest Amusement Park, LLC. (Midwest), SIST, and other related entities in defending a lawsuit brought by MMG Financial Corporation (MMG). That suit was venued in the United States District Court for the Eastern District of Wisconsin.

12. On January 31, 2011, respondent filed a January 28, 2011, brief signed by her and entitled Defendant's Brief in Opposition to Plaintiff's Motion for Application of Property to Outstanding Judgment. Respondent had also previously filed a motion and supporting documents seeking an extension of time to file a notice of appeal of a prior order granting a default judgment to MMG for Midwest's failure to comply with discovery.

13. In respondent's January 28, 2011, brief she stated, in part:

Had discrimination based upon race and religion and negative propaganda not dictated the course of the litigation in the United States in this case, Defendants would have been successful and it would have been determined that Plaintiff owed Defendants money rather than vice versa. Now, the case is being tried in a more neutral forum, based upon facts. In Defendants' view, their experience of justice in the United States is comparable to the 'justice' Jews experienced under Hitler in Germany.

The injustices that Defendants' [sic] have experienced in this case have been submitted for review by agencies and organizations around the world. At this time, Defendants have requested review and investigation by the Senate Investigation Committee, the World Court of Justice, the Indian government, and human rights organizations around the globe. At this time, the government of India has demanded that the United States Department of Justice investigate this matter and issue a report back to the Indian Parliament. The time is coming when the rulings and course of events of this case could become a matter of scorn and derision

internationally for the travesties and miscarriages of justice which have occurred repeatedly throughout this case.

14. Respondent's statements, as set forth above, alleging that the course of the litigation was dictated by discrimination based upon race and religion and negative propaganda, lacked a basis in law or fact and were made with knowledge of their falsity or with reckless disregard as to their truth or falsity.

15. On February 15, 2011, the court issued an order on the motions brought by respondent. That order, among other things, directed respondent to show cause why she should not be sanctioned \$5,000 for "extreme and wanton violations of decorum and frivolous legal contentions and other arguments presented for improper purposes, in violation of Fed. R. Civ. P. 11(b)." The order stated, in pertinent part:

Midwest also asserts, although it is not germane to the instant motion, that it lost its action in this Court due to: (1) favoritism owing to the fact that Plaintiff's counsel was previously a law clerk in this Court; (2) race and religious discrimination; and (3) negative propaganda. In a scandalously outrageous statement, Midwest compares its treatment in this court to the experience Jews suffered in Nazi Germany. It asserts that it has submitted information about this case to numerous tribunals around the world, and states that this Court's rulings could become a matter of international scandal and outrage.

I first note that the gratuitous and continued attacks on this Court's ethics and impartiality are startling and are subject to sanction. The vitriol expressed by Midwest and its counsel have crossed the line and are not worthy of any attorney, principally because no reasonable attorney could suppose the complaints to have any merit whatsoever. In addition, the opinions Midwest expresses are not worthy of any professional, because no one with a high school education could suppose that losing a civil case about go-karts would have any relationship to the things Jews suffered under Hitler. Most vexing is the fact that the bitter language leveled at the Court comes only weeks after its rulings in this action were affirmed by the Seventh Circuit United States Court of Appeals. One can only draw the inference that Midwest believes the Seventh Circuit is also party to the conspiracy against it. This kind of outrageous conduct should not go unpunished. Midwest's counsel is therefore ordered to show cause within 21 days why she should not be subject to a sanction of \$5,000 for her

extreme and wanton violations of decorum and frivolous legal contentions and other arguments presented for improper purposes, in violation of Fed. R. Civ. P. 11(b).

16. On March 8, 2011, respondent signed and filed with the court a Response to Rule to Show Cause Regarding Sanctions. In that response respondent stated, in part:

It is self-evident to Defendants who are the victims living in the midst of prejudice that by this Court's latest decision to grant default judgment and now by its Order requiring counsel to show cause why she should not be fined, that this judge is simply supporting his decision not to recuse himself and that he is standing first for his religion rather than the U.S. Constitution in order to suppress and cover up what is happening. . . . This Court is united under common race and religion to rule against SIST, and it is hiding behind what it terms as 'outrageous statement' and 'attacks on this Court' that 'no reasonable attorney could suppose the complaints to have any merit whatsoever.' Such statements are incorrect. To the uninvolved observer who believes in the existence of true justice in our judicial system, such statements do seem implausible. However, once an impartial attorney or observer has the opportunity to review the evidence and to see the grand scheme of discrimination against Defendants under color of law with one's own eyes, then that attorney will know and believe that such statements do have much meaning and truth just as the undersigned has learned.

[T]his Court is simply supportive of the common political campaign being carried out against Defendant Dr. R.C. Samanta Roy Institute of Science and Technology, Inc. under the common cause of shared race and religion of the perpetrators. The undersigned counsel said what she believes and feels, but because the Court doesn't like it, the Court threatens to fine me as punishment. Such punishment is harsh, oppressive and inappropriate, especially in the face of the surmounting discrimination.

17. Respondent's statements as set forth above alleging that the judge is standing on his religion rather than the U. S. Constitution, that the court is united under common race and religion to rule against SIST, that the court has engaged in a grand scheme of discrimination, and that the court is supportive of a political campaign

against the defendant, lacked a basis in law or fact and were made with knowledge of their falsity or with reckless disregard as to their truth or falsity.

18. On March 16, 2011, the Eastern District court issued an order sanctioning respondent in the amount of \$5,000. That order stated, in part:

Counsel would have been better to ignore this Court's order to show cause than respond to it. In her response, she repeats her claims of bias and suggests that the Court is 'united under common race and religion to rule against SIST' ('Samanta Roy Institute of Science and Technology') and that this Court's rulings are part of a 'grand scheme of discrimination.' (Dkt. # 200 at 2.)

\* \* \*

I conclude that a sanction is warranted in order to uphold the dignity of the institution and punish the behavior described above. To accuse a federal judge of making rulings based on religious or racial animus is among the most serious charges imaginable against an officer who has sworn to uphold the Constitution and decide cases on their merits alone. Despite the seriousness of the charge, Defendants have been able to muster only conclusory allegations of bias, and these allegations had nothing whatsoever to do with race, religion or Nazi-style persecution. Specifically, they argued that I should recuse myself because my former law clerk represented the Plaintiff and because mine was one of many names found on a 'hit list' of dubious provenance. Race and religion simply had no role in this lawsuit (to repeat, a lawsuit about a few dozen go-karts), but now, after default judgment has been entered against her clients, counsel has manufactured an unfortunate set of allegations that are an affront to the dignity of the legal profession and intended to undermine the respect and confidence essential to the proper functioning of this Court.

\* \* \*

Here, I conclude that the arguments suggesting that this Court is part of a conspiracy based on race and/or religion is not warranted by existing fact or law and is made for the improper purpose of badgering and harassment. *See* Fed. R. Civ. P. 11(b)(1)-(2). (Very likely it is also part of an effort to manufacture evidence of bias to support, *ex post facto*, the Defendants' motion to recuse.) A stiff sanction is warranted not only

because of the inherent gravity of the violation but because counsel's remarks have forced the Court to divert itself from its other cases, which prolongs the proceedings of other parties. This case was tried by an attorney who has since been disbarred, and now Defendants' new counsel [Rebekah Nett] has been sanctioned. This is not how litigation should be conducted. Defendants' counsel Rebekah Nett is hereby sanctioned in the amount of \$5,000, payable to the Court within 21 days.

19. Respondent appealed the sanction to the Seventh Circuit Court of Appeals. On February 16, 2012, the sanctions order was upheld. The Seventh Circuit court stated, in part:

The second appeal, No. 11-1899, is from an order ordering Rebekah M. Nett to pay \$5,000 as a sanction for filing papers containing insulting or scurrilous language—in particular, assertions that the basis for the adverse decisions must be racial or ethnic bias, which Nett asserted was just like Nazi persecution of the Jews. The assertion that the judicial decisions in this litigation is similar to Nazi atrocities is outrageous. The appellate brief asserts that sanctions are unwarranted because 'the comments were just stating the facts' (App.Br.16) and 'counsel cannot be sanctioned for making truthful statements' (*id.* at 20). This is unprofessional conduct, to say the least. Any repetition in a document filed in this court will lead to further sanctions. If Nett has not already paid the sanction, she must do so within 14 days, and furnish both the district court and this court with proof of payment. Failure to do so will lead to suspension from this court's bar pending formal disciplinary proceedings.

20. Respondent failed to pay the \$5,000 sanction and on March 26, 2012, the Seventh Circuit Court of Appeals issued an order suspending respondent from the Seventh Circuit bar and recommending that all courts within the circuit also suspend respondent's license to practice before them.

21. On May 14, 2012, the United States District Court for the District of Minnesota, pursuant to D. Minn. L. R. 83.6(b)(1), and in light of respondent's suspension from the Seventh Circuit bar, issued an order holding that respondent had automatically forfeited her right to practice law before the U. S. District Court for the District of Minnesota, effective July 13, 2012. The Court granted respondent a 60-day

period of time in which to conclude any required work on cases currently pending before the Bankruptcy Court of the District of Minnesota, subject to certain conditions outlined in the May 14 order.

Midwest Oil of Minnesota Bankruptcy Matter

22. Respondent represented Midwest Oil of Minnesota, LLC (Midwest), a SIST-related entity, in bankruptcy proceedings initiated by Midwest in the State of Minnesota.

23. On February 14, 2011, respondent brought a motion seeking recusal of Judge Robert J. Kressel, a stay of the proceedings, the removal of "Trustee Kreuziger (sic)" or in the alternative to transfer venue.

24. In a February 14, 2011, memorandum of law in support of the motion, respondent made the following statements:

[T]rustee [sic] Kreuziger filed his motion based upon speculation, and with venom, he went after Debtor based upon his personal biases.

\* \* \*

Judge Kressel obviously upholds his Catholic religion before his duty to law and country. Before he entered the courtroom, he had already made up his mind what he was going to do with Debtor's case. He had pre-aligned himself with the U.S. Trustee and entered the courtroom with his decision already showing in his face. . . . Judge Kressel demonstrated himself to be a believer of the negative propaganda against Debtor, a partial and biased judge with respect to Debtor, and a religious bigot.

\* \* \*

Judge Kressel already made up his mind what he was going to do with Debtor's case before he entered the courtroom with his decision already showing in his face. . . . Judge Kressel is apparently a believer of the false and negative propaganda against Debtor – thereby revealing his partiality and improper bias as a judge. There was no question that he had crossed the line from impartial judge to bigotry.

\* \* \*

Despite the fact that Debtor presented clear evidence that the speculations and allegations by the U.S. Trustee were false and erroneous, Judge Kressel totally disregarded Debtor's evidence and aligned himself with the U.S. Trustee. Judge Kressel [sic] demeanor, ruling, and conduct in the courtroom, and violations of Debtor's due process rights made is [sic] clear that Judge Kressel is biased against this Debtor.

25. Respondent's statements as set forth above alleging that "Trustee [sic] Kreuziger" acted out of bias, that Judge Kressel upholds his religion before his duty to law and country, that Judge Kressel had pre-aligned himself with the U. S. Trustee, that Judge Kressel is a biased judge and a religious bigot, that Judge Kressel had made up his mind before he entered the courtroom, that Judge Kressel was partial and exercised improper bias, that Judge Kressel disregarded evidence, and that Judge Kressel was biased against the debtor lacked a basis in law or fact and were made with knowledge of their falsity or with reckless disregard as to their truth or falsity.

26. On March 9, 2011, the bankruptcy court issued an order denying the motions. The court stated, in part:

First I note that the motion and memorandum are unsupported by any factual record. Local Rule 9013-2(a)(2) provides that when a motion is filed, the moving party shall serve and file 'if facts are at issue, an affidavit or verification of the motion . . . .' Since the debtor has not filed such an affidavit or verification, all of the purported facts stated in its motion and its memorandum are unsupported unless otherwise properly part of the record. The debtor has not indicated, pursuant to Local Rule 9013-2(c), that it anticipates offering oral testimony.

That part of the debtor's motion which requests that I disqualify myself is based on one hearing in an earlier chapter 11 case filed by the debtor which ultimately lead to my dismissal of that case. The debtor has made a number of assertions, including that I uphold my 'Catholic religion before my duty to law and country.' It alleges that I 'pre-aligned' myself with the U.S. Trustee [footnote omitted], glared at the debtor and its attorney, berated the debtor's attorney for his substandard brief, and violated the debtor's due process rights by dismissing the case without an evidentiary hearing. Midwest Oil contends that by these actions, I demonstrated myself to be 'a believer of the negative propaganda against Debtor, a

partial and biased judge with respect to Debtor, and a religious bigot.' These allegations are perplexing, to say the least. Midwest Oil does not explain why it believes that I would be biased against it, or why my religious faith would conflict with my duties as a judge in its bankruptcy case. For the most part, what the debtor seems to be saying is that because I granted the United States Trustee's motion to dismiss its case, that I must hold some sort of bias against it. Of course, if the decision itself was erroneous or if the debtor received less notice than was fair, the debtor's remedy was to appeal.

Implicitly, the debtor makes the factual statement that I practice the Catholic religion, but provides no support for that actual statement nor does it offer any factual support for the allegation that I 'uphold my Catholic religion before my duty to law and country.' It would be difficult to explain because I am sure none of the debtor's employees or its attorney know what my religious beliefs are. Likewise, I do not know anything of the religious beliefs of any of the debtor's principals. I do not hold any personal biases, religious or otherwise, against Midwest Oil that would require me to disqualify myself under 28 U.S.C. § 455(b). . . .

Midwest Oil provides no support for its allegation that I allow my faith to interfere with my judicial duties. The only specific facts Midwest Oil has alleged in support of its request for recusal are: 1) that I previously ruled against Midwest Oil; and 2) that I made remarks critical of its attorney at a previous hearing and 'glared' at the debtor and its attorney. [Footnote omitted.] Neither of these would be sufficient grounds for recusal.

\* \* \*

The debtor seems to have a fundamental misunderstanding of the position and role of Colin Kreuziger. The bulk of its memorandum indicates that the debtor is under the impression that Kreuziger is a trustee. He, of course, is not. This is a chapter 11 case--there is no trustee. Thus, the debtor's reliance on 11 U.S.C. § 324(a) and the many cases interpreting it are totally inapplicable. Kreuziger is an attorney employed by the United States Department of Justice to represent Habbo G. Fokkena, the United States Trustee for the region which includes Minnesota. . . .

Factually, the debtor's motion fails as well. Again, the debtor has supplied no record, but makes unsupported allegations and accusations in its attorney's memorandum about Kreuziger's role in its earlier case. The allegations against Kreuziger are baseless.

Yehud-Monosson USA, Inc. Bankruptcy Matters

27. Respondent represented Yehud-Monosson, USA, Inc. (Yehud), a SIST-related entity, in various bankruptcy proceedings initiated by Yehud in the states of New York and Minnesota.

28. On March 23, 2011, Yehud filed for bankruptcy in the United States Bankruptcy Court for the District of Southern New York.

29. On April 5, 2011, the United States Trustee brought a motion for transfer of the case to the Bankruptcy Court for the District of Minnesota.

30. On April 12, 2011, respondent filed an objection to the trustee's motion for transfer. In that objection, respondent stated, in part:

From the trail of injustice experienced by Midwest Oil of Minnesota, LLC, it is clear that Midwest Oil of Minnesota, LLC has been denied justice and has been denied its right to reorganize as contemplated by the Bankruptcy Code due [to] biases, prejudices, and political agendas of the U.S. Trustee's Offices assigned to these matters.

\* \* \*

Sending this Debtor back to Minnesota is like sending the Jews back to Germany during the Holocaust.

As has been set forth in the Declaration of Naomi Isaacson, Minnesota has been saturated with negative propaganda and publicity against the parent company of this Debtor, its predecessors, affiliates, and personnel. This combination of the saturation of negative propaganda combined with judiciary who make decisions based upon their biases, prejudices, and bigotry, renders it impossible for this Debtor to receive a fair trial in Minnesota.

\* \* \*

As set forth more fully in the Declaration of Naomi Isaacson, the fact that one of the predecessors of this Debtor had four bankruptcy filings is due to racial and religious prejudice, bigotry, and bias.

\* \* \*

This debtor has always complied with its obligations and responsibilities in bankruptcy court. This debtor is merely seeking to achieve its goal of adjudicating its adversary claims and reorganizing its business. At every turn, debtor is being blocked by those sitting in positions of power who instead of pursuing justice as they should be doing, instead seek to harm debtor for their own political motives.

31. Respondent's statements that Midwest Oil had been denied justice due to the biases, prejudices and agendas of the U. S. Trustee' Office, that sending the debtor back to Minnesota is like sending the Jews back to Germany during the Holocaust, that the judiciary makes decisions based upon their biases, prejudices, and bigotry, that the need for the four bankruptcy filings of Midwest's predecessors is due to racial and religious prejudice, bigotry, and bias, and that debtor is being blocked by those in power who are seeking to harm the debtor for their own political motives, as set forth above lacked a basis in law or fact and were made with knowledge of their falsity or with reckless disregard as to their truth or falsity.

32. On April 13, 2011, the New York Court transferred the Yehud bankruptcy to the United States Bankruptcy Court for the District of Minnesota.

33. On October 7, 2011, the Minnesota Bankruptcy Court issued an order directing Yehud to turn over to the Chapter 7 trustee certain specified books, records, and documents.

34. On October 17, 2011, the Chapter 7 trustee filed an affidavit indicating that not all of the books, records, and documents had been turned over by Yehud pursuant to the October 7 order.

35. On October 21, 2011, respondent filed a response to the Chapter 7 trustee's affidavit. That response had attached to it, and relied upon, an affidavit of Naomi Isaacson, Yehud's president. Isaacson's affidavit stated, in part:

One can only conclude that she [the Chapter 7 Trustee] is abusing her power to join the discrimination rampage against this Debtor. From the day this Debtor filed for bankruptcy, this case has never been based upon the law. This case has been based upon bias and racial and religious

discrimination. All decisions that have been made have been made for the sole purpose of protecting the atrocities committed by other members of their common race and religion.

\* \* \*

For what reason is Nauni Manty [the Chapter 7 Trustee] lying to the Court? Is it so she can create another false paper trail against this Debtor and do her part to harass, oppress, and deprive a minority just because she wears a paper crown?

\* \* \*

Obviously, Nauni Manty loves power and feels free to abuse that power liberally since she belongs to a majority and the Court actors are members of her common race and religion. . . . All of this was done illegally and without any basis in law. One can only conclude that since she was given a paper crown by a racially bigoted Trustee Colin Kreuziger with the blessing of Judge O'Brien, the Jesuit, she is doing as much as she can to protect their common race and religion and rob, injure, and malign the Debtor and its sister entities.

\* \* \*

The decisions have no legal or factual justification. What was the purpose underneath? Who is she [the Chapter 7 Trustee] working for? Is it because of their common race and religion or what other explanation can there be? Where can the Debtor go with it when Nauni Manty, the court and the judges are all of the same race and religion working toward a common objective of harming the Debtor?

\* \* \*

It is an ignominy that there is no justice for the minority in the United States. In Debtor's experience, 'justice' is determined by one's race and religion. This case itself is a travesty of justice and a demonstration of the freedom and democracy that exists in a so-called democratic society right here in Minnesota, in bankruptcy court with its judges Robert Kressel, Dennis O'Brien, and now, Nancy Dreher. Debtor has no choice but to tell the world what is happening. Catholic Christians are the bigots of the past, present, and future where they are working undercover around the world to rule and determine the destiny of peoples of other races and religions. History proves over and over that they have exercised their

power in the past to exterminate people of different races and religions. At the present, they also exercise their power to oppress the minority and to force them to be converted or face the consequences. They are cruel, they are brutal, and they are evil. Their bible is nothing but dirty toilet paper.

36. Isaacson's statements as submitted to the Court by respondent that the Chapter 7 trustee was engaged in a discrimination rampage, that all the decisions made in the bankruptcy case were made for the sole purpose of protecting the atrocities committed by other members of their common race and religion, that the Chapter 7 trustee's purpose was to harass, oppress, and deprive a minority, that the Chapter 7 trustee, Colin Kreuziger, and Judge O'Brien are racially bigoted and are robbing, injuring, and maligning the debtor based on their common race and religion, that the court and all of the judges are of the same race and religion working toward a common objective of harming the debtor, and that "justice" is determined by one's race and religion, as set forth above, lacked a basis in law or fact and were made with knowledge of their falsity or with reckless disregard as to their truth or falsity.

37. On November 2, 2011, the Chapter 7 trustee brought a motion seeking to have Yehud held in contempt for failure to turn over the books, records, and documents required by the October 7 order.

38. On November 11, 2011, respondent filed objections to the Chapter 7 trustee's motion for contempt. In those objections, respondent incorporated by reference a November 10, 2011, affidavit of Naomi Isaacson. That affidavit stated, in part:

Obviously, Nauni Manty feels that since she wears a paper crown and since she and the Court are of the same race and religion, the Court will join her crusade to oppress a minority under the color of law. No other rational explanation exists for such belligerent, irrational, and discriminatory behavior. But, since when has a minority ever seen justice in the United States particularly in a state like Minnesota that is infested with bigoted Catholics and Lutherans whose history of murder, torture, and deceit speak louder than words as to their concept of 'justice'? I have

yet to see a case where a minority has seen justice or experienced freedom. The minority is always guilty and even though they are not guilty Nauni Manty and her kind find a way to make them guilty by fabrication and lies. This case is a prime example of this conduct.

\* \* \*

Obviously, like her dirty bible, Nauni Manty is full of lies and deceit.

\* \* \*

Obviously, Nauni Manty loves power and feels free to abuse that power liberally since she belongs to a majority and the Court actors are members of her common race and religion.

\* \* \*

Nauni Manty's next prevarication is that Debtor has not produced its accounting records. Besides proof of all income and expense, what other accounting records would exist? For a company that was only in business for less than three months before it was illegally converted to a Chapter 7 based upon a falsified affidavit of an IRS agent from St. Paul in conspiracy with Jesuit Judge Dennis O'Brien and Jesuit Trustee Colin Kreuziger, what other accounting records would exist?

\* \* \*

Who is she [Nauni Manty] working for? Is it because of their common race and religion or what other explanation can there be? Where can the Debtor go with it when Nauni Manty, the court and the judges are all of the same race and religion working toward a common objective of harming the Debtor?

\* \* \*

It is an ignominy that there is no justice for the minority in the United States. In Debtor's experience, 'justice' is determined by one's race and religion. This case itself is a travesty of justice and a demonstration of the freedom and democracy that exists in a so-called democratic society right here in Minnesota. Only time and history will reveal who Nauni Manty is really working for to go to such lengths to fabricate incomprehensible lies against this Debtor. Her actions have revealed, time repeated, there is no justice for the minority in America and will be no justice so long as Nauni Manty and her kind run the show hiding behind their dirty book of lies.

39. Isaacson's statements as set forth above and as adopted by respondent in her November 11, 2011, objections filed with the court that the court and the Chapter 7 trustee, because of their common race and religion, joined together to oppress a minority, that the Chapter 7 trustee and "her kind" find a way to make minorities guilty by lies and fabrication, that Judge Dennis O'Brien and Colin Kreuziger are Jesuits, that justice is determined by one's race and religion, and that there will be no justice so long as the Chapter 7 trustee and her kind run the show hiding behind their dirty book of lies, lacked a basis in law or fact and were made with knowledge of their falsity or with reckless disregard as to their truth or falsity.

40. On November 17, 2011, respondent filed with the court a response to the Chapter 7 trustee's reply to debtor's objections to motion for contempt. Attached and incorporated in that response were two affidavits of Naomi Isaacson – the November 10, 2011, affidavit referred to above and a second affidavit dated November 16, 2011. The November 16, 2011, affidavit stated, in part:

This case was wrongfully converted from an 11 to a 7 on June 16, 2011. The very same day, the dirty Catholic inquisitor Nauni Manty was appointed as Chapter 7 trustee. Nauni Manty showed up at 236 Grand Avenue location on her high horse with her thugs the same day. Since that day, Nauni Manty has never paid a single bill related to Debtor estate. All of the money has been taken for her and her thugs. Yet, she is so greedy that she wants some more money. Unfortunately, beating a dead horse is not going to cause it is [sic] vomit gold.

41. Isaacson's statements as set forth above and as adopted by respondent in her November 11, 2011, objections filed with the court that the Chapter 7 trustee is a dirty Catholic inquisitor, and that all of the debtor's money has been taken for the Chapter 7 trustee and her thugs, lacked a basis in law or fact and were made with knowledge of their falsity or with reckless disregard as to their truth or falsity.

42. On November 17, 2011, a hearing was held on the trustee's contempt motion. While the paper notice sent to respondent scheduled the hearing for 1:30 p.m.,

the motion was placed on the court's calendar—which was available to the public on the Internet—for 1:00 p.m.

43. The November 17, 2011, hearing commenced at 1:00 p.m. in the absence of respondent, who did not appear until after the hearing had concluded—just prior to 1:30. At the hearing the presiding judge, Judge Dreher, raised concerns over the apparent lack of proof that Isaacson had received or was aware of the October 7, 2011, order directing the turnover of specific books, records, and documents to the trustee. Judge Dreher indicated that she would order the matter continued to the first week of December to “[P]ermit [the Trustee] to make a record with respect to service—that meets the test for contempt of knowledge of the person who’s about to be thrown into jail should that occur.”

44. On November 18, 2011, Judge Dreher issued an order rescheduling the contempt hearing for December 6, 2011, at 3:00 p.m. and permitting the trustee the opportunity to make a record that Isaacson had received notice or otherwise had knowledge of the court's October 7, 2011, turnover order. Notably, Judge Dreher's order made no findings as to any other elements that would have to be proven by the trustee in order to find Isaacson in contempt or any findings or conclusions that Isaacson was in contempt.

45. On November 25, 2011, respondent filed a motion to vacate the November 18 order. In her memorandum in support of that motion respondent stated, in part:

In fact, Chapter 7 Trustee Nauni Manty had actually scheduled the hearing with Nancy Dreher, the Catholic judge, for 1:00 p.m. but sent notice to the Debtor that the hearing was set for **1:30 p.m.** Debtor seriously questions Chapter 7 Trustee Nauni Manty's motive in informing Debtor of the wrong time for the hearing. Was it to the make the job of the black-robed bigot that much easier? So, rather than forcing the Court to hear the case on its merits, the matter can just go by default? Debtor is suspicious of the Chapter 7 Trustee Nauni Manty's motive given her track record of lies, deceit, treachery, and connivery, particularly, since the

Chapter 7 Trustee Nauni Manty, the U.S. Trustee Colin Kreuziger, and Nancy Dreher, the Catholic judge, have been communicating with each other about this Debtor on an ex parte basis. U.S. Trustee Colin Kreuziger, Chapter 7 Trustee Nauni Manty, and Nancy Dreher, the Catholic judge, are of the same race and religion and their track record demonstrates their conspiracy and deceitful practices to hurt the Debtor. Even though all documents have been produced, Jesuitess Nauni Manty keeps repeating the same lie that records are missing. Across the country the court systems and particularly the Bankruptcy Court in Minnesota, are composed of a bunch of ignoramus, bigoted Catholic beasts that carry the sword of the church. Judge Dennis O'Brien is a Jesuit, Judge Nancy Dreher is a Catholic Knight Witch Hunter, U.S. Trustee Colin Kreuziger is a priest's boy, and the infamous Chapter 7 Trustee Nauni Manty is a Jesuitess. Debtor and its representatives have never experienced any justice at the hands of these inquisitors. Since Debtor has been vocal in exposing their dirty deeds, these dirty Catholics have conspired together to hurt Debtor.

\* \* \*

Shockingly, on November 18, 2011, however, Nancy Dreher, the Catholic judge, issued an Order that effectively already finds that Debtor is in violation of the October 7th Turnover Order. . . . Given what these dirty Catholics are capable of and particularly since there is no law to protect the minority, Debtor is concerned about what their secret plans are for the December 6, 2011 hearing. Catholic deeds throughout the history have been bloody and murderous. . . .

For Nancy Dreher, the Catholic judge, to issue such an Order when she knew that the Debtor was not present due to being intentionally misled by Chapter 7 Trustee Nauni Manty is unfathomable. One can only conclude that Nancy Dreher, the Catholic judge, is part of the conspiracy to deprive Debtor of its due process rights since she went ahead and issued an Order when she clearly knew the reason Debtor's counsel was not present at the hearing. . . . What was the reason for the haste to hold this hearing? What secret discussions occurred during their secret meeting? . . .

Given the track record of injustice in this case, it seems that Debtor will never see justice until the matter is addressed in an international court in Beijing, China.

46. Respondent's statements as set forth above that Judge Dreher is a Catholic judge, that Judge Dreher is a black robed bigot, that the Chapter 7 trustee had engaged in lies, deceit, treachery, and connivery, that improper *ex parte* contacts had occurred, that the fact that the U.S. trustee Colin Kreuziger, Chapter 7 trustee Nauni Manty, and Nancy Dreher are of the same race and religion demonstrates their conspiracy and deceitful practices to hurt the debtor, that across the country the court systems and particularly the bankruptcy court in Minnesota, are composed of a bunch of ignoramus, bigoted Catholic beasts that carry the sword of the church, that Judge Dennis O'Brien is a Jesuit, Judge Nancy Dreher is a Catholic Knight Witch Hunter, U.S. trustee Colin Kreuziger is a priest's boy, and the Chapter 7 trustee Nauni Manty is a Jesuitess, that since debtor has been vocal in exposing alleged dirty deeds, these dirty Catholics have conspired together to hurt debtor, that Judge Dreher's November 18, 2011, order found debtor in violation of the turnover order, and that Judge Dreher is a Catholic judge who is part of a conspiracy to deprive debtor of its due process rights, lacked a basis in law or fact and were made with knowledge of their falsity or with reckless disregard as to their truth or falsity.

47. On November 29, 2011, a hearing was held on respondent's November 25 motion to vacate. At that hearing, respondent repeated her argument that the November 18 order constituted a finding of contempt. The motion to vacate was denied.

48. On December 6, 2011, a hearing was held on the trustee's contempt motion. Respondent appeared at that hearing but Isaacson did not. At approximately 2:00 p.m.—one hour before the hearing began—respondent filed with the court a response to the Chapter 7 trustee's reply in support of motion for contempt. Respondent also filed, in support of the response, a declaration of Naomi Isaacson. That declaration stated, in part:

I want the Court to know, President Obama to know, Attorney General Eric Holder to know, United Nations to know, foreign media to know, and the world to know that Chapter 7 Trustee Nauri Manty keeps boldly lying because the judges and Court are controlled by her own race and Catholic religion. In the United States, under the Constitution, church and state are supposed to be separate. But now like the Dark Ages, the Catholic Church obviously is in control of the Bankruptcy Court and the media.

49. Isaacson's statements as set forth above and as adopted by respondent in her December 6, 2011, response filed with the court that the judges and court are controlled by the Catholic Church, lacked a basis in law or fact and were made with knowledge of their falsity or with reckless disregard as to their truth or falsity.

50. On December 8, 2011, the court issued an order finding Isaacson in contempt based upon her knowing and willful failure to comply with Judge O'Brien's October 7, 2011, turnover order.

51. On December 7, 2011, Judge Dreher issued an order to show cause directing respondent to appear at a hearing on January 4, 2012, to show cause why sanctions should not be imposed upon her for violation of Fed. R. Bankr. P. 9011(c)(2) with respect to certain specified statements she made in the memorandum in support of motion to vacate order dated November 18, 2011, filed with the court on November 25, 2011 (*see* ¶ 43 above).

52. On December 30, 2011, respondent filed a response of Rebekah M. Nett to order to show cause with the court. That response stated, in part:

Debtor believes that the outcome of this case has been essentially predetermined all along and that the Court and trustees are all bound and determined to simply harm and destroy the Debtor because of who its shareholder is. (It's [sic] shareholder is Dr. R.C. Samanta Roy Institute of Science and Technology, Inc. – a non-profit organization ("SIST"). The president of that organization is Dr. Avraham Cohen, a person outside the mainstream who has been attacked by Jesuit controlled mainstream media for three and one-half decades.

\* \* \*

The result of this scenario has been that Debtor's principals (the same principals as those of its parent company) absolutely know that all decisions against them in every situation are due to organized discrimination and prejudice. . . .

Debtor's principal officers have therefore formed a strong belief through all of this that just as Dr. Cohen has been subject to repeated accusations and negative media for three and a half decades, so to they are being targeted through the legal system because of who they are rather than on the merits of their cases. Through this experience, Debtor has learned that our legal system is no longer founded simply on principles of liberty and justice for all under the Constitution of the United States Republic.

In particular they strongly believe that this Debtor's case, which was converted from a Chapter 11 to a Chapter 7, was converted illegally and contrary to bankruptcy code 11 U.S.C. §303(a) (Debtor's parent company is a non-profit company) only for the purpose to harm Debtor. The fact that the appellate courts (8th Circuit Bankruptcy Appellate Panel for Yehud-Monosson's case and 3rd Circuit for this Debtor's parent company's case) have affirmed the MN Bankruptcy Court's decision to convert the case of this Debtor and the Delaware Bankruptcy Court's decision to dismiss *sua sponte* the consolidated bankruptcies of this Debtor's parent company and numerous subsidiaries simply proves to Debtor Yehud-Monosson's principals that the conspiracy extends to the appellate courts also.

\* \* \*

Debtor is arguing that it is a targeted entity, and the Court and Trustee are working for this infiltrated system to bring about the Debtor's harm rather than justice.

\* \* \*

Obviously, from the history and this Debtor's experiences, Debtor believes it will never receive any fair treatment in this system.

\* \* \*

As set forth herein, Debtor's comments regarding our court system and targeting of Debtor for harm are unfortunately statements founded in truth.

53. Respondent's statements as set forth above that the outcome of the case was predetermined, that the court and trustees are bound and determined to harm and destroy the debtor because of the identity of its shareholder, that the rulings of the court are due to organized discrimination and prejudice, that the conspiracy extends to the appellate courts, and that the debtor is a targeted entity and the court and trustee are working to harm the debtor rather than to do justice, lacked a basis in law or fact and were made with knowledge of their falsity or with reckless disregard as to their truth or falsity.

54. On January 4, 2012, a hearing was held on the December 7, 2011, order to show cause. During the course of the hearing Judge Dreher found that respondent had not conducted a reasonable investigation of the facts before making the specific statements set forth in the bankruptcy court's December 7 order and that respondent had violated her obligations under Fed. R. Bankr. P. 9011(c)(2).

55. That same day, the court issued a written order sanctioning respondent with a monetary sanction of \$5,000 payable to the Clerk of U. S. Bankruptcy Court; enjoining respondent from filing in the future any document that refers to the religious beliefs, or lack thereof, of the court and others; requiring respondent to attend 10 hours of legal ethics training within twelve months, and referring respondent to the United States District Court for the District of Minnesota for possible removal from the roster of attorneys admitted to practice before that court.

56. On January 18, 2012, respondent filed a notice of appeal from the court's January 4, 2012, sanctions order.

57. On May 11, 2012, an order was issued by the United States District Court for the District of Minnesota affirming the January 4, 2012, order for sanctions. In that order, the court stated, in part:

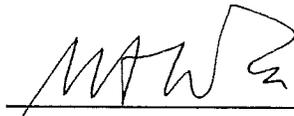
Further, the conduct for which Nett was sanctioned was the complete shirking of her responsibilities under Rule 9011. Before signing the memorandum and presenting it to the court, Nett was obligated to

conduct a reasonable investigation into the factual basis for the statements made in the memorandum. Instead, she stuck her head in the sand and signed off on the memorandum drafted by her client.

58. Respondent's conduct in repeatedly filing pleadings containing allegations that are without a basis in law or fact, that were false and made with knowledge of their falsity or with reckless disregard as to their truth or falsity, and that served to harass persons on the basis of their race, creed, and religion violated Rules 3.1, 4.4(a), 8.2(a), 8.4(d), and 8.4(g), Minnesota Rules of Professional Conduct.

WHEREFORE, the Director respectfully prays for an order of this Court imposing appropriate discipline, awarding costs and disbursements pursuant to the Rules on Lawyers Professional Responsibility, and for such other, further or different relief as may be just and proper.

Dated: August 8, 2012.



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