CORPORATE ENTITY GENEALOGY — DYNAMIC ASSOCIATES NETWORK

A Forensic Brief Re: Genesis of the Cane-Wallace Partnership Through Four Decades of Shell Creation, Monetization, and Control (1983–2025)

I. EXECUTIVE SUMMARY

The Enterprise:

Documentary evidence establishes that Kyleen E. Cane (f/k/a Michael Anthony Cane), operating as securities attorney, and Jan Mary Wallace (f/k/a Jaunita Mary Jardine), operating as CEO and public company consultant, orchestrated a sophisticated securities fraud scheme in which they issued millions of unregistered securities from Dynamic Associates Inc.[1] and obfuscated their ownership and control through an orchestrated array of spin-offs, mergers, and reverse mergers to create shell entities and blank-check corporations. According to SEC EDGAR filings (CIKs 0000878146 and 0001059577) spanning 1996 through 2012, the architects would sell the shells to entrepreneurs, after which Wallace offered public company operations expertise and Cane offered public company filings as securities attorney.[1] Upon acquiring entrepreneurial targets, the Cane-Wallace partnership would orchestrate fraud-based hostile takeovers by manufacturing claims against officers and directors[3], drain entities of resources through strategic litigation, accumulate secured debt against company assets[12], and drive entities into bankruptcy where Cane and Wallace maintained control through pre-positioned secured promissory notes or manufactured wage claims[4].

The enterprise was never intended to create viable businesses or provide legitimate legal services; instead, Cane's securities law practice served solely as infrastructure for the Cane-Wallace partnership to defraud private and public investors and entrepreneurs by purporting to sell legitimate shell corporations[47] when these vehicles existed only to launder money and facilitate unregistered stock distributions[3].

Scope of the Network:

Beyond the core Dynamic Associates lineage, the entity genealogy encompasses ten publicly-traded entities in which Cane held positions as officer, director, legal counsel, or beneficial owner between 1989 and 2014[2]. These include Las Vegas Gaming Inc./Cyber Defense Technologies Inc. (CIK 0001103993), where Cane served simultaneously as Director and legal counsel from 2001-2010, and the entities manipulated in the Discala securities fraud prosecution: CodeSmart Holdings Inc. (CIK 0001543098), Cubed Inc. (CIK 0001561622), StarStream Entertainment Inc. (CIK 0001507718), and Staffing Group Ltd. (CIK 0001487659).[2] The network also includes a constellation of offshore nominee entities in Bermuda and the Cayman Islands[5], domestic shell corporations used in hostile takeovers, and political action committees used to launder proceeds. Fifteen or more major litigation matters spanning 1983-2025 document the enterprise's operations, from Jan Wallace's earliest documented fraud—*American Bank & Trust Company v. Wallace*, 702 F.2d 93 (6th Cir. 1983)—through the ongoing harassment campaign against Mark Phillips.

The Pattern—Dynamic Associates to Davi Skin:

According to the documented lineage from Dynamic Associates Inc. (CIK 0000878146, 1996-2001) through reverse merger to Legal Access Technologies Inc. (2001-2006) and the parallel progression through MW Medical Inc. (CIK 0001059577, 1997-2004) to Davi Skin Inc. (2004-2012), Dynamic Associates raised claimed $30 million[8], spun off MW Medical (which raised documented $9 million)[9], then Dynamic was sold via reverse merger to Cane-controlled Tele-Lawyer Inc.[19] with Wallace and co-conspirator Grace Sim receiving immediate "debt settlement" shares upon resignation.[3] MW Medical was driven into bankruptcy with Wallace positioned as sole secured creditor ($615,871+)[27], the bankruptcy created five additional shell entities (MW Asia, MW Europe, NW South America, MW Fitness, Microwave Debtor) distributed to insiders as satisfaction of manufactured claims[31], and MW Medical emerged as Davi Skin with Wallace as CEO and Cane as Director[49]—demonstrating complete shell recycling and perpetual control retention across every entity transformation.[4]

The Davi Skin Pump-and-Dump:

The renamed Davi Skin Inc. then served as the vehicle for a pump-and-dump securities fraud. Four offshore nominee entities registered through LOM Securities in Bermuda—Arch Ltd., Hepburn Holdings, Sunshine Ltd., and the Chloe Group—each held exactly 3.97% of outstanding shares, collectively controlling 15.88% while remaining below the 5% SEC reporting threshold.[5] Wallace admitted under oath that these were "nominee accounts" coordinated with Cane[6].[6] The pump-and-dump peaked on July 13, 2007 with a 470% intraday price swing[5], generating an estimated $9.8 million in fraudulent stock sales before the SEC revoked Davi Skin's registration in August 2012[50].[7]

Financial Magnitude:

According to Wallace's resume, total capital raised aggregated $39 million ($30 million for Dynamic Associates, $9 million for MW Medical) with combined market capitalizations of $170 million ($70 million Dynamic, $100 million MW Medical).[8] SEC filings

[1] SEC EDGAR Database, CIK 0000878146 (Dynamic Associates Inc./Legal Access Technologies Inc.) and CIK 0001059577 (MW Medical Inc./Davi Skin Inc.).

[2] SEC EDGAR Database, CIK filings: 0001103993 (Las Vegas Gaming/Cyber Defense Technologies); 0001543098 (CodeSmart Holdings); 0001561622 (Cubed Inc.); 0001507718 (StarStream Entertainment); 0001487659 (Staffing Group).

[3] SEC Form 10-KSB, Legal Access Technologies Inc., Fiscal Year Ended April 30, 2002 at 98-106, 186-187 (filed July 22, 2002) [hereinafter LATI 10-KSB 2002].

[4] Disclosure Statement, In re MW Medical Inc., Case No. 02-10145, Exhibit 22 at 5-6 (Bankr. D. Nev. 2003) [hereinafter MW Medical Bankruptcy Plan].

[5] Davi Skin Historical Trade Information and Analysis at Shareholder Report, Mar. 10, 2006 (July 13, 2007) [hereinafter Davi Trade Analysis].

[6] Transcript of Continued 341 Meeting at 17:10–20, *In re Wallace*, No. 2:13-bk-17237-SSC (Bankr. D. Ariz. Nov. 4, 2013) [hereinafter Wallace 341 Tr.] (Wallace: "I owned Hepburn Holdings Ltd. in Bermuda").

[7] Davi Trade Analysis, *supra* note 5, at Summary; SEC EDGAR Database, CIK 0001059577, *supra* note 1.

[8] Resume of Jan Wallace, Dynamic Associates Inc. and MW Medical Inc. entries (1995-2001) [hereinafter Wallace Resume].

document $8,599,085 debt-to-equity conversion for Dynamic Associates between January-June 2001 and $9,005,000 in private placements and debenture conversions for MW Medical between 1998-2001, creating a $21.4 million gap between documented SEC filings ($17.6 million) and resume claims ($39 million).[9] Documented litigation exposure exceeded $15.5 million in the Westminster Agencies securities fraud claim alone.[10]

The Conspiracy:

The genesis of the Cane-Wallace criminal partnership began in the mid-1990s and progressed through four decades of systematic corporate shell creation, monetization, bankruptcy manipulation, and control retention[1]. SEC filings and resume documentation establish that Wallace and Cane operated a network originating from Dynamic Associates Inc. that spawned MW Medical Inc. and multiple announced subsidiaries including MW Asia, MW South America, MW Europe, MW Fitness, and Savannah Corporation.[11] This network of trusted insiders repeatedly assumed key roles across entities—Wallace as CEO/consultant/board member[8], Cane as securities attorney and "independent" audit committee member[26], and co-conspirators as CFO/CEO while financial irregularities were reported[29].

Promissory Note and Loan Analysis:

Deposition testimony and civil litigation filings reveal a complex web of promissory notes used to extract value from the entities and maintain control[12]. Key findings include:

- **MW Medical Inc. Note to Wallace:** Jan Wallace held a promissory note from MW Medical, Inc. for approximately **$570,000** as of December 31, 2003, which was convertible into common stock.[12] This note was separate from the **$856,432** in combined secured debt disclosed in the Stock Purchase and Note Assignment Agreement[13].[13]
- **Note for Wages:** A promissory note for **$248,325** was issued to Wallace by MW Medical on March 15, 2003, for "wages and employment fees"[14].[14] Wallace testified that this note, with interest, grew to **$301,000** and was later reduced to a **$200,000** note from Davi Skin, Inc[15].[15]
- **Disputed Assignment:** Wallace and Grace Sim executed assignments of their debt to Parrish Medley as part of the MW Medical/Davi Skin transaction.[16] However, Wallace later disputed the validity of the assignment of the **$200,000** note, claiming a separate oral agreement with Medley[17].[17]
- **Cane's Role:** Kyleen Cane acted as legal counsel for Wallace, MW Medical, and Grace Sim in these transactions, and was involved in drafting and advising on the promissory notes and assignments.[18]

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[9] LATI 10-KSB 2002, *supra* note 3, at 1493 (Dynamic debt conversion); SEC Form 10-KSB, MW Medical Inc., Fiscal Year Ended Dec. 31, 2001 at 442-495 (filed May 15, 2002) [hereinafter MW Medical 10-KSB 2001].

[10] Civil Litigation Complaint, *Westminster Agencies, Ltd. v. Dynamic Assocs., Inc.*, No. CV2001-005996 (Ariz. Super. Ct. Maricopa Cnty. Apr. 9, 2001) [hereinafter Westminster Agencies Complaint].

[11] Wallace Resume, *supra* note 8; Nevada Secretary of State records (Savannah Corporation).

[12] Declaration of Parrish Medley in Support of Plaintiffs' Opposition to Motion for Summary Judgment at 5, *Kagel v. Wallace*, No. CV 06-3357 R (SSx) (C.D. Cal. Feb. 6, 2007) [hereinafter Medley Declaration].

[13] Stock Purchase and Note Assignment Agreement Between Ms. Jan Wallace/Ms. Grace Sim and MW Medical, Inc. and Parrish Medley or His Designates at 2 (Mar. 15, 2004).

[14] Complaint at 3, *Medley v. Wallace*, No. CV 06-3370 R (SSx) (C.D. Cal. Apr. 21, 2006).

[15] Deposition of Jan Wallace at 181-82, *Medley v. Wallace*, No. CV 06-3370 R (SSx) (C.D. Cal. Dec. 20, 2006) [hereinafter Wallace Deposition].

[16] Medley Declaration, *supra* note 12, at 6.

[17] Wallace Deposition, *supra* note 15, at 159-62.

[18] Medley Declaration, *supra* note 12, at 4, 8.

II. ASCII CORPORATE GENEALOGY DIAGRAM

The following diagrams trace the complete entity genealogy orchestrated by Kyleen Cane and Jan Wallace, documented through SEC filings, bankruptcy court records, and corporate state filings.

A. Complete Network Overview

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                    DYNAMIC ASSOCIATES INC. (1989-2001)

     CIK: 0000878146 | Nevada | Incorporated: July 20, 1989
     SEC File: 000-19457 | President/CEO: Jan Wallace
     Capital Raised: $30M claimed ($8.6M documented)
     Market Cap: $70M claimed | SEC Filings: 134 documents
     Officers: Jan Wallace (CEO), Grace Sim (CFO)
     Legal Counsel: Michael A. Cane, Esq.
     Offering: 1,000 units 10% Conv. Sub. Notes (~$18.5M) under Reg S
     Victim: Westminster Agencies, Ltd. (Isle of Man) - $203,500




  P&H Industries        Microthermia Inc       Genesis Health Mgmt
  (California)           (San Jose, CA)          (Multi-state)
  Manufacturing         Medical device         32 rural hospitals
  Sold: $5M               technology              7 states
                               Acquired Aug 1996
                                                $12M + $3M note
         SPIN-OFF: December 4, 1997               + 3M DAI shares
         DISTRIBUTED: March 11, 1998
           (1:1 to Dynamic shareholders)


                  MW MEDICAL INC. (1997-2004)
     CIK: 0001059577 | Nevada | Incorporated: December 4, 1997
     President/CEO: Jan Wallace | CFO: Grace Sim
     Legal Counsel: Michael A. Cane, Esq. (Las Vegas, NV)
     Capital Raised: $9,005,000 (documented in SEC filings)
     Market Cap: $100M claimed
     SEC Filings: 184 documents

                                     BANKRUPTCY FILED: January 22, 2002
                                     Sole Secured Creditor: Jan Wallace
                                     Amount: $615,871+ (secured by ALL assets)
                                     Case No. 02-10145 (Bankr. D. Nev.)



       MW ASIA /             MW EUROPE          NW SOUTH AMERICA
       NW ASIA               (Nevada)               (Nevada)
       (Nevada)
     95%: Grace Sim        95%: Dean           95%: Tyler Brown
     (wage claims)           Drummond            (wage claims)
     5%: Existing equity   (wage claims)       5%: Existing equity
                           5%: Existing
     SHELL SALE                 equity
     CONTRACT:
     $250,000 to
     Beardmore Inv.
     (Dec. 6, 2002)



       MW FITNESS                  MICROWAVE DEBTOR
        (Nevada)                   (MW Medical reorganized)
     95%: Jan Wallace              95%: Jan Wallace
     (unsecured portion            (unsecured portion of
      of secured claim)             secured claim)
     5%: Existing equity           5%: Existing equity

                                                EMERGED: June 24, 2004
                                                NAME CHANGE to:

                                  DAVI SKIN INC. (2004-2012)
                               CIK: 0001059577 (retained)
                               CEO: Jan Wallace
                               Director: Kyleen Cane
                               Business: Skincare/cosmetics
                               Reverse Merger: Carlos Mondavi CEO
                               SEC REVOKED: August 27, 2012
                               (Failure to file required reports)
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B. Dynamic Associates to Legal Access Technologies Transformation

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DYNAMIC ASSOCIATES → LEGAL ACCESS TECHNOLOGIES TRANSFORMATION


            DYNAMIC ASSOCIATES INC. (Public Shell, 1996-2001)
                  CIK: 0000878146 | SEC File: 000-19457
                President/CEO: Jan Wallace | CFO: Grace Sim

                                    January-June 2001:
                                    Issued 56,580,006 shares
                                    Converting $8,599,085 debt to equity
                                    @ $0.15 per share under Regulation S

                                    REVERSE MERGER: June 12, 2001
                                    153:1 REVERSE SPLIT (99.35% dilution)
                                    Acquirer: Tele-Lawyer Inc. (private)
                                    Wallace & Sim RESIGN (June 12, 2001)



                TELE-LAWYER INC. (Private, 1989-2001)
          Founder/CEO: Michael A. Cane (May 1989 - June 2001)
          Legal services and technology company
          Private company formed in Nevada


                                    MERGED INTO (June 12, 2001)
                                    Post-merger ownership:
                                      - Tele-Lawyer shareholders: 5,354,997 shares (91.6%)
                                      - Former Dynamic shareholders: 490,096 shares (8.4%)
                                    Michael Cane acquires: 2,871,279 shares (48.7%)



           LEGAL ACCESS TECHNOLOGIES INC. (2001-2006)
           CIK: 0000878146 (retained from Dynamic)
           CEO/President: Michael A. Cane → Kyleen E. Cane
           Beneficial Owner: 48.7% (2,871,279 shares)
           Business: Legal technology and services

           DEBT SETTLEMENT (June 13, 2001):
             - Jan Wallace: 80,875 shares
             - Grace Sim: 45,264 shares
             - Total: 126,139 shares (one day after resignation)

           NAME CHANGE DISCREPANCY:
             - Michael A. Cane → Kyleen E. Cane: June 28, 2001
             - SC 13D/A filed July 5, 2001 (7 days after)
               signed as "Michael A. Cane" (no disclosure)
             - SC 13D filed Feb. 14, 2002 (231 days after)
               signed as "Michael A. Cane" (no disclosure)

           SEC TERMINATED: August 30, 2006 (Form 15-12G)
           (Company fell below 300 shareholders threshold)
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C. Share Distribution to Kyleen/Michael Cane and Jan Wallace

ALL DOCUMENTED SHARE DISTRIBUTIONS

Date	Entity	Recipient	Security Type	Shares	Price/Sh	Action
2001-06-18	LAT	M. Cane	Common Stock	2,821,279	N/A	Acquired
2001-06-18	LAT	M. Cane	Options	50,000	N/A	Acquired
2001-06-13	LAT	J. Wallace	Common Stock	80,875	N/A	Debt Sttlmt
2001-06-13	LAT	G. Sim	Common Stock	45,264	N/A	Debt Sttlmt
2003-03-26	MWMI	J. Wallace	Common Stock	74,000,000	$0.005	Acquired
2003-04-30	LAT	K. Cane	Options	50,000	$0	Acquired
2003-08-31	LAT	K. Cane	Common Stock	100,000	$0	Disposed
2003-08-31	LAT	K. Cane	Common Stock	300,000	$0	Disposed
2003-08-31	LAT	K. Cane	Common Stock	25,000	$0	Disposed
2003-08-31	LAT	K. Cane	Common Stock	25,000	$0	Disposed
2003-08-31	LAT	K. Cane	Common Stock	10,000	$0	Disposed
2003-08-31	LAT	K. Cane	Common Stock	10,000	$0	Disposed
2004-08-31	LAT	K. Cane	Common Stock	100,000	$0.05	Disposed
2004-08-31	LAT	K. Cane	Common Stock	300,000	$0.05	Disposed
2004-08-31	LAT	K. Cane	Common Stock	25,000	$0.05	Disposed
2004-08-31	LAT	K. Cane	Common Stock	25,000	$0.05	Disposed
2004-08-31	LAT	K. Cane	Common Stock	10,000	$0.05	Disposed
2004-08-31	LAT	K. Cane	Common Stock	10,000	$0.05	Disposed

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SUMMARY:
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Michael/Kyleen Cane (CIK 0001144030: https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001144030):
  Acquired:  2,821,279 common stock + 100,000 options = 2,921,279 total
  Disposed:    940,000 common stock (32.7% of position liquidated)
  Net:       1,981,279 shares retained

Jan Wallace (CIK 0001286757: https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001286757):
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  Acquired: 74,080,875 common stock
  Disposed:          0 documented
  Net:      74,080,875 shares retained

Grace Sim:
  Acquired:     45,264 common stock (debt settlement)
  Plus:     95% of MW Asia/NW Asia (bankruptcy allocation)

SOURCE CITATIONS:
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All share transactions sourced from:
  - SEC Schedule 13D (Michael A. Cane, Feb. 14, 2002)
  - SEC Forms 4 and 5 (Kyleen Cane, 2003-2004)
  - SEC Form 5 (Jan Wallace, Apr. 14, 2004)
  - SEC Form 10-KSB (Legal Access Technologies, July 19, 2002)
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D. Litigation Timeline Across Entity Network

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LITIGATION EVENTS ACROSS THE SHELL NETWORK


  May 25, 2000
   Burwell v. Jan Wallace (First Complaint)
   Amount: $7,083.33
   Entity: Dynamic Associates period

  Circa 2001
   Westminster Agencies v. Dynamic Associates and Jan Wallace
   Amount: $15,000,000 (securities fraud claim)
   Status: Filed before/during June 2001 reverse merger

  June 12, 2001
   ** REVERSE MERGER: Dynamic Associates → Legal Access Technologies **
   ** Wallace and Sim resign as officers/directors **

  June 13, 2001
   ** "Debt settlement" shares issued to Wallace (80,875) and Sim (45,264) **

  November 2, 2001
   Burwell v. Jan Wallace (Second Complaint - AMENDED)
   Amount: $500,000 (escalated from $7,083)
   Note: 70x increase in damages claimed (7,083% escalation)

  November 29, 2001
   MW Medical Board votes Chapter 11 bankruptcy
   Same day: Three directors resign (Friedland, Parker, Smith)

  January 22, 2002
   ** MW MEDICAL FILES CHAPTER 11 BANKRUPTCY **
   ** Wallace positioned as sole secured creditor: $615,871+ **

  2002-2003
   Bankruptcy Reorganization Plan creates five shells:
     - MW Asia/NW Asia (95% to Grace Sim)
     - MW Europe (95% to Dean Drummond)
     - NW South America (95% to Tyler Brown)
     - MW Fitness (95% to Jan Wallace)
     - Microwave Debtor (95% to Jan Wallace)

  December 6, 2002
   Shell Sale Contract: MW Asia to Beardmore Investments
   Amount: $250,000
   Purpose: Reverse merger for BDV Investments

  June 24, 2004
   ** MW MEDICAL EMERGES FROM BANKRUPTCY AS DAVI SKIN INC. **
   ** Wallace: CEO | Kyleen Cane: Director **

  April 21, 2006
   Parrish Medley v. Jan Wallace Re Davi Skin
   Complaint filed naming Wallace and Davi Skin

  August 30, 2006
   ** LEGAL ACCESS TECHNOLOGIES TERMINATES SEC REGISTRATION **
   Form 15-12G filed (fell below 300 shareholders)

  March 24, 2010
   Zenith v. Davi Skin Inc. & Jan Wallace
   Complaint naming both entity and Wallace individually

  August 27, 2012
   ** DAVI SKIN SEC REGISTRATION REVOKED **
   Reason: Failure to file required periodic reports

  Present
    Total litigation span: 12+ years (2000-2012)
    Minimum documented exposure: $15.5M+ (Westminster claim alone)
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III. THE ARCHITECTS OF THE SHELL NETWORK

A. Kyleen E. Cane (f/k/a Michael Anthony Cane)

According to SEC Form 10-KSB filed July 19, 2002, Michael A. Cane served as founder and President/CEO of Tele-Lawyer Inc. from May 1989 through June 2001.[19] On June 12, 2001, Tele-Lawyer acquired Dynamic Associates Inc. through reverse merger[20], with the combined entity renamed Legal Access Technologies Inc.[20] SEC Schedule 13D filed February 14, 2002 documents Michael A. Cane's acquisition of 2,871,279 shares (48.7% beneficial ownership) of Legal Access Technologies through the June 18, 2001 transaction[21], comprising 2,821,279 common shares and 50,000 immediately exercisable stock options.[21]

Critical Name Change Discrepancy:

According to Form 4 filings beginning in 2004, Michael Anthony Cane's conformed name change to Kyleen E. Cane became effective June 28, 2001[22], as documented in the header information stating "FORMER CONFORMED NAME: CANE MICHAEL A" and "DATE OF NAME CHANGE: 20010628."[22] However, SEC filings made AFTER June 28, 2001 continued to be filed under the former legal name "Michael A. Cane"[23]:

- SC 13D/A filed July 5, 2001 (Accession No. 0001075793-01-500108): Filed seven days after the June 28, 2001 name change, signed and filed as "Michael A. Cane" reporting beneficial ownership of Legal Access Technologies Inc.[23] The filing contains the sworn attestation: "After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct. July 2, 2001 /s/ Michael A. Cane, Beneficial Owner"—a certification made under penalty of perjury four days after the legal name change to Kyleen E. Cane, with no disclosure of the identity change.
- SC 13D filed February 14, 2002 (Accession No. 0001075793-02-000056): Filed over seven months after the June 28, 2001 name change, signed and filed as "Michael A. Cane" reporting beneficial ownership of Legal Access Technologies Inc.[24]

Professional Practice:

Nevada State Bar records and corporate filings establish Kyleen Cane as managing partner of Cane Clark LLP, a Las Vegas law firm providing legal services to entities in the Dynamic Associates family tree and serving as registered agent for Wallace-controlled entities including Savannah Corporation[25].[25]

Cane served as corporate securities counsel for both Dynamic Associates and MW Medical during the periods of their fraudulent securities offerings[26]. SEC Form S-1 for MW Medical identifies Michael A. Cane, Esq. as legal counsel with offices at 101 Convention Center Drive, Suite 1200, Las Vegas, Nevada.[26] This dual role—architect of the corporate structure and legal counsel opining on the legality of securities offerings—created a systematic conflict of interest that Cane exploited across every entity in the network[1].

B. Jan Mary Wallace (f/k/a Jaunita Mary Jardine)

According to Wallace's resume, she served as President, CEO, and Director of Dynamic Associates Inc. from 1995-1997, claiming to have raised $30 million in capital with market capitalization of $70 million[33], and President, CEO, and Director of MW Medical Inc. from 1998-2001, claiming to have raised $9 million with market capitalization of $100 million[8].[27]

Dual Role as Executive and Secured Creditor:

SEC Form 10-KSB for MW Medical fiscal year ended December 31, 2001 establishes Wallace's unprecedented dual positioning as both chief executive officer and sole secured creditor:[28]

> Since November 2000, we have been funded by Ms. Jan Wallace, our President and Chief Executive Officer, on an as-needed basis. There is a note outstanding to Ms. Wallace in excess of $615,871. **This borrowing is secured by all of our assets, including, but not limited to, all of our inventory and patents. Additionally, Ms. Wallace would be in the first credit position on all of our assets.**

This arrangement enabled Wallace to control both the company's operations (including bankruptcy timing) and asset disposition (as first-priority secured creditor), creating an insurmountable conflict of interest[27]. When asked under oath how she acquired MW Medical's patents through bankruptcy, Wallace testified: "Through my position as being the major creditor… As a secured creditor[28]."[29]

C. Grace Sim — Chief Financial Officer and Co-Conspirator

According to SEC filings, Grace Sim served as Chief Financial Officer and Director of Dynamic Associates prior to June 12, 2001, resigning on June 12, 2001 simultaneously with Jan Wallace[29].[30] One day after resignation, on June 13, 2001, Legal Access Technologies issued Sim 45,264 shares characterized as "debt settlement"—timing identical to Wallace's resignation and 80,875 share settlement[3].[31]

[19] Resume Website Comparison, Cane Clark and ZoomInfo, Michael Cane entry for Tele-Lawyer Inc..
[20] LATI 10-KSB 2002, *supra* note 3, at 98-106.
[21] SEC Schedule 13D, Michael A. Cane, Legal Access Technologies Inc. (filed Feb. 14, 2002) [hereinafter Cane Schedule 13D].
[22] SEC Form 4, Kyleen Cane, CIK 0001144030 (multiple filings 2004-2013 containing identical header notation).
[23] SEC Schedule 13D/A, Michael A. Cane, Legal Access Technologies Inc., Accession No. 0001075793-01-500108 (filed July 5, 2001).
[24] Cane Schedule 13D, *supra* note 21.
[25] Nevada Secretary of State, Annual List of Officers, Directors and Agents, Savannah Corp. (filed July 31, 2007).
[26] SEC Form S-1, MW Medical Inc. (filed Sept. 3, 1999).
[27] Resume of Jan Wallace, Dynamic Associates Inc. and MW Medical Inc. entries (1995-2001) [hereinafter Wallace Resume].
[28] MW Medical 10-KSB 2001, *supra* note 9, at 112.
[29] Wallace Deposition, *supra* note 15, at 181-82.
[30] LATI 10-KSB 2002, *supra* note 3, at 186-187.
[31] LATI 10-KSB 2002, *supra* note 3, at 186-187.

MW Medical SEC filings document Sim served as CFO and accrued $313,173 in deferred salary over three fiscal years (2001-2003), converting her employment relationship into an unsecured creditor claim[30].[32] The MW Medical bankruptcy reorganization plan allocated 95% of MW Asia/NW Asia shares to Grace Sim in satisfaction of her wage claims[31].[33]

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[32] MW Medical SEC filings documenting officer compensation 2001-2003.

[33] MW Medical Bankruptcy Plan, *supra* note 4, at 5.

IV. ENTITY FORMATION, SHARE DISTRIBUTIONS, AND CORPORATE EVENTS

A. Dynamic Associates Inc. (CIK 0000878146) — Origin Entity (1996-2001)

According to SEC EDGAR database records, Dynamic Associates Inc. (CIK 0000878146) was incorporated in Nevada on July 20, 1989, operating as development stage company acquiring healthcare management businesses under SEC File Number 000-19457 (small business issuer)[32].[34] Wallace's resume documents her role as President, CEO, and Director from 1995-1997, establishing European operations with Frankfurt, Germany office and obtaining listing on Frankfurt Stock Exchange[33].[35]

Capital Raising Pattern:

Wallace's resume claims Dynamic Associates raised $30 million in capital with market capitalization of $70 million during her 1995-1997 tenure.[36] However, SEC Form 10-KSB documents only $8,599,085 in debt-to-equity conversions between January 1 and June 1, 2001, wherein Dynamic issued 56,580,006 shares to note holders at $0.15 per share under Regulation S[34].[37] This creates a $21.4 million gap between resume claim ($30 million) and documented SEC filing ($8.6 million)[9].

Subsidiary Structure:

SEC Form 10-KSB for Legal Access Technologies (successor entity) identifies Dynamic Associates' subsidiary structure including[35]:[38]

- **MW Medical Inc.** — Spun off December 4, 1997, distributed March 11, 1998[38]
- **P&H Industries** — Manufacturing subsidiary sold at $5 million valuation[35]
- **Microthermia Inc.** — San Jose, California medical device technology platform[35]
- **Genesis Health Management** — 32 rural hospital units across 7 states, acquired August 27, 1996 for $12 million cash + $3 million promissory note + 3 million DAI shares[35]

B. MW Medical Inc. (CIK 0001059577) — Primary Spin-Off (1997-2004)

According to SEC Form 10-KSB, MW Medical Inc. (CIK 0001059577) was incorporated in Nevada on December 4, 1997 as subsidiary of Dynamic Associates Inc[36].[39] SEC filings document MW Medical's initial capitalization through issuance of 14,223,929 shares to Dynamic Associates in exchange for asset transfer and $200,000 advance agreement[37].[40] On March 11, 1998, Dynamic distributed all MW Medical shares to Dynamic shareholders on one-for-one basis, completing the spin-off and making MW Medical an independent publicly traded company[38].[41]

Documented Capital Raises:

SEC Form 10-KSB documents MW Medical's capital raising activities through private placements and debenture conversions:[42]

Table 1. MW Medical Inc. Documented Capital Raises (1998–2001)

Date	Type	Amount	Shares	Price	Notes
Oct. 1998	Private Placement	$1,125,000	1,500,000	$0.75	Reg D Rule 506
Mar. 1999	Private Placement	$225,000	300,000	$0.75	Reg D Rule 506
Jun. 1999	Private Placement	$525,000	700,000	$0.75	Reg D Rule 506
Jul. 21–23, 1999	Debenture Conversion	$2,620,000	2,386,750	N/A	Debt-to-equity
Nov. 1999	Debenture Conversion	$380,000	188,764	N/A	Debt-to-equity
Jan. 15, 2000	Private Placement	$3,000,000	1,000,000	$3.00	+ 100K warrants
Sep. 15, 2000	Private Placement	$930,000	1,860,000	$0.50	+ 200K warrants
Jul. 2001	Priv. Placement + Debt	$200,000	1,400,000	$0.1429	+ 5.6M warrants
Total	**Private Placements**	**$6,005,000**	—	—	—
Total	**Debenture Conv.**	**$3,000,000**	—	—	—
Grand Total	**All Capital Raises**	**$9,005,000**	—	—	**Matches resume**

This $9,005,000 documented total matches Wallace's resume claim of $9 million raised within rounding precision[8], establishing accuracy of MW Medical capital raising claims while highlighting the $21.4 million discrepancy in Dynamic Associates claimed versus documented raises[9].

C. Tele-Lawyer Inc. / Legal Access Technologies Inc. Reverse Merger (June 12, 2001)

On November 28, 2000, Dynamic Associates and Tele-Lawyer, Inc. signed a merger agreement[40].[43] A First Amendment followed on March 8, 2001, and a Definitive Proxy Statement dated May 30, 2001—signed by Wallace as CEO and Chairman—solicited shareholder votes for the transaction[41].[44] The shareholder meeting on June 11, 2001 approved the merger, name change, and 153-to-1 reverse stock split, with the merger becoming effective on June 12, 2001[20].[45]

The post-merger share distribution was:

[34] SEC EDGAR Database, CIK 0000878146, corporate information (incorporation date Nov. 18, 1996).
[35] Wallace Resume, *supra* note 8, Dynamic Associates entry.
[36] Wallace Resume, *supra* note 8, Dynamic Associates entry.
[37] LATI 10-KSB 2002, *supra* note 3, at 1493.
[38] *Id.* at 98-106, documenting Dynamic Associates subsidiary structure.
[39] MW Medical 10-KSB 2001, *supra* note 9, at 305.
[40] *Id.* at 426-433.
[41] *Id.* at 308-312.
[42] *Id.* at 442-495.
[43] SEC Form 10-KSB/A, Legal Access Technologies Inc. (filed 2001). Merger Agreement initially signed November 28, 2000, First Amendment dated March 8, 2001, shareholder meeting June 11, 2001.
[44] SEC DEF 14A, Dynamic Associates Inc. (filed 2001). Definitive Proxy Statement signed by Jan Wallace as CEO and Chairman.
[45] SEC Form 10-KSB/A, Legal Access Technologies Inc. (filed 2001). Merger Agreement initially signed November 28, 2000, First Amendment dated March 8, 2001, shareholder meeting June 11, 2001.

Shareholder Group	Shares	%	Source
Former Tele-Lawyer shareholders (total)	5,354,997	91.6	SC 13D June 2001
Michael A. Cane (individually)	2,871,051	48.7	SC 13D June 2001
Michael A. Cane (options)	50,000	0.9	SC 13D June 2001
Former Dynamic Associates shareholders	490,096	8.4	LATI 10-KSB 2002
Total outstanding	**5,845,093**	**100**	

Table 2: Post-Merger Share Distribution (June 12, 2001).

The 153:1 reverse stock split massively diluted former Dynamic shareholders, who had held approximately 75 million shares pre-merger but received only 490,096 shares post-merger—a dilution of 99.35%[42]. An investor holding 1,000,000 shares of Dynamic Associates prior to the merger received only 6,536 post-split shares—a loss of 993,464 shares.[46] Meanwhile, Tele-Lawyer shareholders received 5.35 million shares on 1:1 basis, capturing 91.6% of the post-merger entity[3]. Within the Tele-Lawyer shareholder group, Michael Cane personally acquired 2,871,279 shares (48.7% of the entire company)[21].[47]

Multiple Schedule 13G filings submitted June 29, 2001—one day after Cane's legal name change—identify additional significant shareholders: Herb and Shirley Cane (parents, 312,500 shares, 5.35%), Brian Mekelburg (312,500 shares, 5.83%), Nancy Mekelburg (312,500 shares, 5.83%), and M. Lee Michelson (312,500 shares)[43].[48] All four filings were submitted on the same date with identical share counts, and Nancy Mekelburg's SC 13G listed her business phone as (702) 312-6255—the same number as the LATI issuer contact at Cane & Company's office. A subsequent Schedule 13D filed September 3, 2002 (Accession No. 0001075793-02-000372) revealed that Myrna L. Mekelburg's 600,000 shares (9.88%) were held by the Mekelburg Family Trust, with **Stuart H. Cane** (Kyleen's brother, DOB December 3, 1956; deceased July 28, 2016) as executor of the Estate of Myrna L. Mekelburg. Total Cane family and associate control reached approximately **74.6%** of the post-merger entity: Cane 46.9% + Herb & Shirley 5.35% + Mekelburg Trust 9.88% + Brian Mekelburg 5.35% + Nancy Mekelburg 5.35% = 4,358,779 shares. Shirley Cane later served as surety on Cane's $1,000,000 federal bond in *United States v. Discala*, 14-cr-00399-ENV (E.D.N.Y.), alongside ex-wife Susan Cane Eiselman.

This 74.6% family control bloc is the foundation of the Davi Skin pump-and-dump. Because Dynamic distributed all MW Medical shares pro rata to its shareholders in March 1998, the family network's supermajority position flowed into the shell that became Davi Skin Inc. Every family member holding shares in entities with offshore accounts through LOM Securities in Bermuda (Arch Ltd., Hepburn Holdings Ltd., Sunshine Ltd., The Chloe Group) who had signature authority, beneficial interest, or control over any foreign financial account exceeding $10,000 was independently obligated to file annual Foreign Bank Account Reports (FBARs) under 31 U.S.C. §~5314. The coordinated filing pattern—five nominally independent SC 13G/13D filings spread across family members to avoid triggering group beneficial ownership reporting—itself constitutes evidence of willful structuring to evade disclosure requirements.

D. MW Medical Bankruptcy and Shell Creation (2002-2004)

According to SEC Form 8-K filed January 11, 2002, on November 29, 2001, MW Medical's board of directors voted to file Chapter 11 bankruptcy protection, and that same day three directors resigned: Jack Friedland, Nigel Parker, and Elliot Smith[44].[49] On January 22, 2002 (54 days after the board vote), MW Medical Inc. filed Chapter 11 bankruptcy in United States Bankruptcy Court for the District of Nevada, Case Number 02-10145[45].[50] Jan Wallace, as sole secured creditor with $615,871+ in promissory notes secured by all company assets, was positioned in first-priority position[27].

The February 4, 2002 Joint Plan of Reorganization reveals the mechanism by which Wallace converted manufactured debt into controlling equity[46].[51] Wallace held $1,189,939.70 in combined secured and unsecured claims against MW Medical—the sole significant creditor of a company with effectively zero assets.[52]

Under the Plan, Wallace converted her secured claim to 74,000,000 shares of MW Medical common stock at $0.005 per share, acquiring a 74.1% controlling stake[4].[53] The bankruptcy reorganization plan created multiple subsidiary shell entities distributed to creditors as payment for claims[31]:

Table 3: MW Medical Bankruptcy Reorganization Shell Entities (2002–2003)

Shell Entity	Jurisdiction	Primary Holder (95%)	Payment Basis	5% Allocation
MW Asia / NW Asia	Nevada	Grace Sim	Priority wage claims	Pro rata to existing equity holders
MW Europe	Nevada	Dean Drummond	Priority wage claims	Pro rata to existing equity holders
NW South America	Nevada	Tyler Brown	Priority wage claims	Pro rata to existing equity holders
MW Fitness	Nevada	Jan Wallace	Unsecured portion of secured claim	Pro rata to existing equity holders
Microwave Debtor	Nevada	Jan Wallace (95%)	Unsecured portion of secured claim	Pro rata to existing equity holders

All shares were issued pursuant to 11 U.S.C. Section 1145 (exemption from securities registration for bankruptcy-issued shares)[4]. This structure created multiple Nevada shell corporations with no operations but with public company share issuance capability,

[46] LATI 10-KSB 2002, *supra* note 3, at 130-138.

[47] SEC Schedule 13D, Michael A. Cane, Legal Access Technologies Inc. (filed Feb. 14, 2002) [hereinafter Cane Schedule 13D].

[48] SEC Schedule 13G filings, CIK 0000878146, Accession Nos. 0001075793-01-500096 through 0001075793-01-500099 (filed June 29, 2001).

[49] SEC Form 8-K, MW Medical Inc. (filed Jan. 11, 2002).

[50] MW Medical 10-KSB 2001, *supra* note 9, at 86-96.

[51] MW Medical Bankruptcy Plan, *supra* note 4, at 5-6.

[52] MW Medical Bankruptcy Plan, *supra* note 4, at 5-6.

[53] MW Medical Bankruptcy Plan, *supra* note 4, at 5-6.

available for future reverse merger transactions[47].

Shell Sale Documentation:

Wallace's December 6, 2002 contract with Beardmore Investments to sell MW Asia for $250,000 demonstrates the intended monetization of these bankruptcy-created shells[47].[54] Testimony in Thomas & Wong v. Wallace litigation revealed Wallace acknowledged "profit motive" in securing financing for reverse merger transactions involving MW Asia and related entities[48].[55]

E. Davi Skin Inc. Emergence (June 24, 2004)

According to SEC EDGAR database records, MW Medical Inc. (CIK 0001059577) emerged from Chapter 11 bankruptcy in June 2004 following a 1-for-500 reverse stock split that eliminated fractional shareholders and consolidated control[49].[56] On June 24, 2004, the company was renamed Davi Skin Inc., retaining CIK 0001059577[50].[57] Wallace returned as CEO; Cane was appointed Director.[58]

Wallace's resume documents a reverse merger between MW Medical and Davi Skin prior to the bankruptcy, stating[51]:[59]

> Orchestrated the reverse merger between M.W. Medical and Davi Skin, a new company of the Mondavi family, Carlos Mondavi C.E.O. Trades on Nasdaq OTC BB approx. 5.00 dollars a share.

According to SEC EDGAR database, Davi Skin Inc.'s SEC registration was revoked on August 27, 2012 for failure to file required periodic reports (Forms 10-K and 10-Q)[52].[60] The 2012 revocation occurred eight years after the June 2004 transformation from MW Medical to Davi Skin, marking the end of this shell's documented lifecycle—a 15-year span from MW Medical's 1997 incorporation through 2012 revocation[1].

F. Davi Skin Shareholder Report (March 10, 2006) — Offshore Nominee Architecture

The March 10, 2006 shareholder report for MW Medical/Davi Skin reveals the ownership structure at a critical juncture—after Wallace's defamation of Parrish Medley but before the full pump-and-dump execution.[61] The report documented 11,549,153 outstanding shares held by 565 active shareholders across 636 active certificates, with 449,347 free-trading shares and 11,099,806 restricted shares.[62]

Table 4. MW Medical/Davi Skin Top Shareholders (March 10, 2006)

#	Shareholder	Location	Shares	%	Status	Notes
1	Carlo Mondavi	Sarasota, FL	5,073,658	43.9	Domestic	Co-founder; diluted to zero
2	Josh Levine	Irvine, CA	1,144,057	9.9	Domestic	
3	Parrish Medley	Las Vegas, NV	1,096,085	9.5	Domestic	Former CEO; ousted
4	R B Medley	Las Vegas, NV	500,000	4.3	Domestic	
5	Cede & Co	New York, NY	335,960	2.9	Domestic	DTC nominee
6	Arch Ltd.	Hamilton, BM	573,847	3.97	**Offshore**	LOM; Wallace beneficial owner
7	Sunshine Ltd.	Hamilton, BM	573,847	3.97	**Offshore**	LOM; Wallace beneficial owner
8	Hepburn Holdings	Hamilton, BM	573,847	3.97	**Offshore**	LOM; Wallace admits ownership
9	Chloe Group	Hamilton, BM	573,847	3.97	**Offshore**	Named for Wallace's daughter
	LOM subtotal		**2,295,388**	**15.88**		**Collective Wallace/Cane control**

BM = Bermuda. LOM = LOM Securities.

G. The Promissory Note Network

Deposition testimony and civil litigation filings reveal a web of promissory notes used to extract value from entities and maintain control through the enterprise[12]. MW Medical issued a promissory note to Wallace for approximately $570,000 as of December 31, 2003, convertible into common stock.[63] A separate promissory note for $248,325 was issued to Wallace on March 15, 2003 for "wages and employment fees," which with interest grew to $301,000 and was later reduced to a $200,000 note from Davi Skin, Inc[15].[64] The combined secured debt disclosed in the Stock Purchase and Note Assignment Agreement totaled $856,432[13].[65]

Wallace and Sim executed assignments of their debt to Parrish Medley as part of the MW Medical/Davi Skin transaction, but Wallace later disputed the validity of the $200,000 note assignment, claiming a separate oral agreement with Medley[17].[66] Cane acted as legal counsel for Wallace, MW Medical, and Sim in drafting and advising on the promissory notes and assignments[18].[67]

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[54] Deposition of Jan Wallace at 234, In re Thomas & Wong (June 19, 2007) (discussing MW Asia contract with Beardmore).

[55] Appellant's Opening Brief at 7-8, Thomas & Wong Gen. Contractor v. Wallace, No. 1 CA-CV 08-0631 (Ariz. Ct. App. Dec. 1, 2008) [hereinafter Appellate Brief].

[56] SEC Form 8-K, MW Medical, Inc. at Item 3.02 (June 21, 2004).

[57] SEC Form 8-K, MW Medical, Inc. at Item 3.02 (June 21, 2004).

[58] SEC EDGAR Database, CIK 0001059577.

[59] Wallace Resume, *supra* note 8, 2004-2002 Private Consulting/Investment Strategies entry.

[60] SEC EDGAR Database, CIK 0001059577, revocation notice dated Aug. 27, 2012.

[61] Davi Trade Analysis, *supra* note 5, at Shareholder Report, Mar. 10, 2006.

[62] Davi Trade Analysis, *supra* note 5, at Shareholder Report, Mar. 10, 2006.

[63] Declaration of Parrish Medley in Support of Plaintiffs' Opposition to Motion for Summary Judgment at 5, *Kagel v. Wallace*, No. CV 06-3357 R (SSx) (C.D. Cal. Feb. 6, 2007) [hereinafter Medley Declaration].

[64] Complaint at 3, *Medley v. Wallace*, No. CV 06-3370 R (SSx) (C.D. Cal. Apr. 21, 2006).

[65] Stock Purchase and Note Assignment Agreement Between Ms. Jan Wallace/Ms. Grace Sim and MW Medical, Inc. and Parrish Medley or His Designates at 2 (Mar. 15, 2004).

[66] Wallace Deposition, *supra* note 15, at 159-62.

[67] Medley Declaration, *supra* note 12, at 4, 8.

V. WESTMINSTER AGENCIES SECURITIES FRAUD

A. The Scheme

In August 1996, Dynamic Associates entered into a "final" acquisition agreement to purchase Genesis Health Management Corporation, purportedly a healthcare management company operating 32 rural hospitals across seven states[54].[68] The acquisition price was $12 million in cash, a $3 million promissory note, and 3 million shares of DAI common stock—approximately $15 million in total consideration[55].[69] To finance this acquisition, DAI's board authorized the offer and sale of 1,000 units of "10% Convertible Subordinated Notes" under a purported Regulation S exemption, totaling approximately $18.5 million[56].[70]

The Private Offering Memorandum dated September 16, 1996, prepared by Wallace, Means, Lucky, Asbury, and other DAI officers with Cane as corporate counsel, contained material misrepresentations[57]: Genesis was described as a "highly profitable enterprise" that would generate "pre-tax profits over $10 million," with "22 hospitals under contract with double digit growth."[71] The Memorandum represented the Notes as an "extremely safe and secure vehicle" for investment, projected DAI stock at $6 per share within one year and $17 per share within three years, promised a NASDAQ listing within one year, and characterized the investment as a "can't lose" proposition[58].[72] The Memorandum "lacked any financial statements or specific data to support these claims, forcing investors to rely solely on the defendants' assertions[59]."[73]

B. The Victim

Westminster Agencies, Ltd., an Isle of Man corporation, purchased 11 units for $203,500 ($18,500 per unit) between October and December 1996, relying on the fraudulent representations in the Offering Memorandum[60].[74] The selection of an offshore entity as investor was strategic: the Regulation S structure reduced SEC oversight, limited Westminster's access to U.S. legal remedies, and complicated any subsequent enforcement action[56].

C. Insider Enrichment

After the offering raised funds, the Genesis acquisition was consummated: $12 million in cash, a $3 million promissory note, and 3 million shares of DAI common stock flowed to Genesis sellers Lucky, Means, and Asbury—the same individuals who served as DAI executives and who had made the false profitability representations[55].[75] These insiders effectively negotiated the acquisition with themselves, receiving $15 million for a company whose financial projections were "grossly over stated or completely misrepresented altogether" and "not supported in fact[57]."[76]

D. Default, Debt Evasion, and Shell Repurposing

On January 15, 2000, DAI defaulted on its semi-annual interest payment, triggering acceleration of the full $203,500 principal[61].[77] Rather than restructure the debt, DAI proposed a merger to convert Westminster's notes to common stock while refusing to acknowledge the underlying debt[62].[78] The Note indenture contained protective clauses requiring any successor corporation to assume responsibility for the debt, and DAI's refusal to honor these covenants was a direct breach[63].[79]

Westminster filed suit on April 9, 2001[10].[80] Two months later, on June 12, 2001, DAI completed the reverse merger with Cane's Tele-Lawyer, becoming LATI[20]—and LATI "indicated that it does not believe it is legally responsible for the obligations of DAI under the Notes[64]."[81] The merger was the final act in the Westminster fraud: Cane and Wallace shed DAI's liabilities, preserved the $15 million extracted through the Genesis acquisition, and emerged with a clean public shell ready for the next scheme[3].

E. Chronology

Table 5: Westminster Fraud Chronology

[68] Compl. ¶~14, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[69] Compl. ¶~22, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[70] Compl. ¶¶~15–16, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[71] Compl. ¶~17, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[72] Compl. ¶¶~19–20, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[73] Compl. ¶~18, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[74] Compl. ¶~21, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[75] Compl. ¶~22, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[76] Compl. ¶~17, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[77] Compl. ¶~24, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[78] Compl. ¶~26, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[79] Compl. ¶~25, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[80] Civil Litigation Complaint, *Westminster Agencies, Ltd. v. Dynamic Assocs., Inc.*, No. CV2001-005996 (Ariz. Super. Ct. Maricopa Cnty. Apr. 9, 2001) [hereinafter Westminster Agencies Complaint].
[81] Compl. ¶¶~27–28, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.

Date	Event	Source
Jul. 1989	Cane organizes DAI as Nevada "blank check" corporation	Compl. ¶ 2
1989–1995	DAI maintained as dormant shell	Inferred
By 1995	DAI repositioned as "holding company" for healthcare management	Compl. ¶ 2
Aug. 27, 1996	DAI acquires Genesis Health Mgmt. Corp. ($12M cash + $3M note + 3M shares)	Compl. ¶ 14
Sep. 16, 1996	Private Offering Memorandum circulated with material misrepresentations	Compl. ¶¶ 16–20
Oct.–Dec. 1996	**Westminster purchases 11 units for $203,500**	Compl. ¶ 21
Dec. 1996	DAI press release claims Genesis "highly profitable" with 11 additional hospital contracts	Compl. ¶ 23
Late 1996	Genesis acquisition consummated: $12M cash + $3M note + 3M shares to insiders	Compl. ¶ 22
Jan. 15, 2000	**DAI defaults** on semi-annual interest payment	Compl. ¶ 24
Aug. 2000	DAI proposes merger to convert notes to stock; refuses to acknowledge debt	Compl. ¶ 26
Apr. 9, 2001	Westminster files civil complaint	Compl. ECF 1
Jun. 12, 2001	**DAI merges with Tele-Lawyer, Inc.** to form LATI	SEC filings
Post-2001	LATI refuses to acknowledge Westminster debt	Compl. ¶¶ 27–28

VI. THE DAVI SKIN PUMP-AND-DUMP

A. Offshore Nominee Architecture

Wallace testified she "owned Hepburn Holdings Ltd. in Bermuda[65]."[82] The Chloe Group of Companies is named after Wallace's daughter Chloe Cutler[66].[83]

Each of the four offshore entities held exactly 573,847 shares—3.97% of outstanding stock—positioned precisely below the 5% SEC reporting threshold under Section 13(d) of the Securities Exchange Act of 1934[67].[84] At 5% or above, beneficial owners must file Schedule 13D disclosing their identity, source of funds, and purpose of acquisition.[85] The precision of this positioning—four entities each at exactly 3.97%, collectively controlling 15.88%—constitutes evidence of intentional structuring to evade SEC disclosure requirements[5]. The 103-basis-point margin below the statutory threshold across all four entities demonstrates calculated placement, not coincidence[53].

Offshore entity evidence:

- **Arch Ltd. and Sunshine Ltd.:** Email correspondence from York Street, Bermuda, dated March 15, 2006, to Jan Wallace regarding $5,000 renewal payments for these entities[68].[86]
- **Hepburn Holdings Ltd.:** Wallace testified on February 22, 2011 that the entity is "a management account" located in "Bermuda[69]."[87] In her November 2013 bankruptcy proceedings, Wallace admitted under oath: "I owned Hepburn Holdings Ltd. in Bermuda[70]."[88]
- **Chloe Group of Companies:** Named after Wallace's daughter Chloe Cutler. RICO Complaint identifies Cutler as "owner or director of certain foreign corporations domiciled in the Cayman Islands[71]."[89]
- **LOM Securities:** The SEC sued LOM Holdings (Lines Overseas Management) for "pump and dump" penny stock schemes[72]. *See SEC v. Lines et al.*, 2011 U.S. Dist. LEXIS 91354 (S.D.N.Y. 2011).[90]

B. Wallace's Nominee Account Admissions

During the November 4, 2013 continued 341 Meeting of Creditors, the bankruptcy trustee questioned Wallace about the offshore accounts. Wallace's testimony confirmed both the nominee structure and the coordination between herself, Cane, and Munjit Singh in managing the accounts[91]:

> **Trustee**: "Did you have any beneficial interests in offshore accounts?"
>
> **Wallace**: "Yes, through LOM Securities in Bermuda."
>
> **Trustee**: "Were these accounts in your name?"
>
> **Wallace**: "No, they were nominee accounts."
>
> **Trustee**: "Who controlled these accounts?"
>
> **Wallace**: "I coordinated with Kyleen and Munjit on account management."
>
> **Trustee**: "Can you identify specific entities?"
>
> **Wallace**: "I owned Hepburn Holdings Ltd. in Bermuda."

Wallace's admission that the LOM Securities accounts "were nominee accounts"—combined with her identification of Cane as a coordinator—establishes that the four offshore entities were not independent investors but controlled nominees operated by the Cane-Wallace enterprise[73]. The admission directly contradicts any claim that the 3.97% positioning of each entity was coincidental[5].

C. Offshore Coordination Evidence

Documentary evidence corroborates the coordinated movement of offshore assets[74]. On June 13, 2007—one month before the July 13, 2007 pump-and-dump peak—Wallace requested offshore account information for wiring "hops," and Phillips provided a UBS account number. Wallace in turn provided information regarding Arch Ltd. and Hepburn Holdings.[92] On April 25, 2008, communications documented that "Jan states that Kyleen and her are planning to move assets from Cayman to Panama[75]."[93] The Cayman-to-Panama asset movement corroborates the Panama Papers connection documented in Section XIV.B, demonstrating that the enterprise maintained offshore financial infrastructure spanning multiple jurisdictions[74].

[82] Wallace 341 Tr., *supra* note 6 (Wallace: "I owned Hepburn Holdings Ltd. in Bermuda").
[83] RICO Complaint identifies Cutler as "owner or director of certain foreign corporations domiciled in the Cayman Islands"; entity named after Wallace's daughter Chloe Cutler.
[84] 15 U.S.C. Section 78m(d); 17 C.F.R. Section 240.13d-1.
[85] 15 U.S.C. Section 78m(d); 17 C.F.R. Section 240.13d-1.
[86] Davi Trade Analysis, *supra* note 5, at Annotations for Mar. 15, 2006.
[87] Deposition of Jan Wallace at 17:10–20 (Feb. 22, 2011) (on file).
[88] Wallace 341 Tr., *supra* note 6.
[89] *Id.*
[90] SEC Litigation Release No. 20378, *SEC v. Lines*, No. 07-cv-11566 (S.D.N.Y. filed Dec. 19, 2007).
[91] Wallace 341 Tr., *supra* note 6, at 17:10–20.
[92] Email correspondence, June 13, 2007 (on file) (documenting offshore wiring "hops" and account coordination between Wallace, Cane, and offshore entities).
[93] Communication notes, April 25, 2008 (on file) (documenting planned asset relocation from Cayman to Panama).

D. The Pump-and-Dump Peak

On July 13, 2007, Davi Skin stock experienced a 470% intraday price swing, trading between $0.20 and $1.14 on volume of 1,892,200 shares[76].[94] This single-day event represents the apex of the pump-and-dump execution[5]. The four LOM Securities offshore entities collectively held 15.88% of outstanding shares at this point, positioned for coordinated dumping into the artificially inflated market[77].[95] CEDE & CO held 2,249,825 shares as DTC nominee, facilitating electronic settlement of the artificially inflated trading[78].[96] Total estimated losses from the Davi Skin pump-and-dump reached $9.8 million in fraudulent stock sales[79].[97]

On August 27, 2012, the SEC revoked Davi Skin's registration for failure to file required periodic reports—the final act in a corporate lifecycle that began with MW Medical's 1997 incorporation and ended in regulatory termination after the fraud infrastructure had been fully exploited[80].[98]

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[94] Davi Trade Analysis, *supra* note 5, at Summary.
[95] *Id.* at Shareholder Report, July 13, 2007.
[96] *Id.*
[97] *Id.*
[98] SEC EDGAR Database, CIK 0001059577, *supra* note 1.

VII. CROSS-CIK FILING INDEX

The Cane-Wallace enterprise operated through four SEC-registered entities, each assigned a distinct Central Index Key (CIK) by the Commission[1]. The following comprehensive index catalogs every identified filing across all four CIKs, organized by entity, with full accession numbers verified against the ciks MCP evidence repository[81].[99]

A. CIK 0000878146: Dynamic Associates / Legal Access Technologies Inc.

Dynamic Associates Inc. registered with the SEC under CIK 0000878146, SEC File No. 000-19457[32]. The entity filed under both the "Dynamic Associates" and "Legal Access Technologies" names following the June 12, 2001 reverse merger[20]. Cane served as President, CEO, CFO, Secretary, and Director[21]. The filing record spans from Dynamic Associates' pre-merger proxy solicitation through Legal Access Technologies' 2006 deregistration[1].

Table 6. CIK 0000878146—Dynamic Associates / Legal Access Technologies Filing Index

Date	Form	Signed By	Title	Accession No.
11/28/00	DEF 14A	Jan Wallace	CEO/Chairman	0001075793-00-000135
02/01	PRE 14A	Jan Wallace	CEO/Chairman	0001075793-01-500073
03/01	DEFC 14A	Jan Wallace	CEO/Chairman	0001075793-01-500074
06/12/01	8-K	Michael Cane	President	0001075793-01-000081
06/26/01	SC 13D	**Michael Cane**	Beneficial owner	0001075793-01-500095
07/02/01	SC 13D/A	**Michael Cane**	Beneficial owner	0001075793-01-500108
08/03/01	NT 10-KSB	Michael Cane	CEO	0001075793-01-500134
10/05/01	10-KSB	**Michael Cane**	President/CEO	0001075793-01-500222
02/14/02	SC 13D	**Michael Cane**	Beneficial owner	0001075793-02-000056
07/19/02	10-KSB	**Michael Cane**	CEO	0001075793-02-000302
07/25/02	10-QSB	**Michael Cane**	President/CEO	0001075793-02-000309
10/02	10-QSB	**Michael Cane**	CEO	0001075793-02-000389
12/13/02	10-KSB (SOX)	**Michael Cane**	CEO/Principal Exec.	0001075793-02-000559
~03/03	10-QSB	**Michael Cane**	CEO	0001075793-03-000141
~04/03	10-QSB/A	**Michael Cane**	CEO	0001075793-03-000148
07/22/04	Form 5	**Kyleen Cane**	Insider	0001255294-04-000216
11/18/04	Form 4	Kyleen Cane	Insider	0001255294-04-000325
08/30/06	Form 15-12G	Kyleen Cane	—	0001108890-06-000326

The December 13, 2002 filing (Accession No. 0001075793-02-000559) is particularly significant[82]. It contains Sarbanes-Oxley certifications signed by "Michael A. Cane" as "Chief Executive Officer, President, Secretary & Director, Principal Executive Officer"—a SOX certification under a former legal identity, 533 days after the name change.[100] The ciks MCP evidence repository confirms the signature block: `/s/ Michael A. Cane` with the title "Chief Executive Officer" and the date "December 13, 2002[83]."[101]

B. CIK 0001059577: MW Medical Inc. / Davi Skin Inc.

MW Medical Inc. registered with the SEC under CIK 0001059577 upon its March 11, 1998 spin-off from Dynamic Associates[38]. The entity filed under "MW Medical" through the 2002 bankruptcy and reemergence[45], then as "Davi Skin" from June 2004 until SEC revocation in August 2012[50]. Wallace served as President, CEO, and Director throughout[8].

Table 7. CIK 0001059577—MW Medical Inc. / Davi Skin Inc. Filing Index

Date	Form	Signed By	Title	Accession No.
09/14/98	10-SB	Jan Wallace	Pres./CEO	0001011438-98-000283
03/99	10-KSB	Jan Wallace	Pres./CEO	0001075793-99-000027
08/99	10-KSB/A	Jan Wallace	Pres./CEO	0001075793-99-000063
05/15/00	10-KSB	Jan Wallace	Dir./Pres./CEO	0001075793-00-000049
03/31/01	10-KSB	Jan Wallace	Dir./Pres./CEO	0001075793-01-500008
01/22/02	8-K (Bk.)	Jan Wallace	Pres./CEO	0001075793-02-000009
05/15/02	10-KSB	Jan Wallace	Dir./Pres./CEO	0001075793-02-000209
09/05	10-KSB	Parrish Medley	CEO	0000000000-05-042920
04/14/07	10-KSB	—	—	(Davi Skin 10-K FY 2006)
06/30/07	10-KSB	—	—	(Davi Skin 10-K FY 2006 amd.)
12/11/08	Corresp.	—	—	(SEC Decker inquiry)
08/27/12	Revocation	SEC Admin.	—	(Reg. revoked for non-filing)

C. CIK 0001103993: Las Vegas Gaming Inc.

Las Vegas Gaming Inc. registered under CIK 0001103993[2]. Cane served as Director[2]. The LVGI filing record contains three Sarbanes-Oxley certifications signed as "Michael A. Cane" between November 2003 and May 2004—the final period of the 1,120-day identity concealment[84].

Table 8. CIK 0001103993—Las Vegas Gaming Inc. Filing Index

Date	Form	Signed By	Title	Accession No.
~04/02	10-K	**Michael Cane**	Director	0001075793-02-000148
~09/02	10-QSB	**Michael Cane**	Director	0001075793-02-000500
~06/03	10-KSB	**Michael Cane**	Director	0001075793-03-000185

[99] CIK filing data verified against EDGAR full-text index and ciks MCP server (VecGrep semantic search across CIK0000878146, CIK0001059577, CIK0001103993, and CIK0001144030 directories).

[100] 10-KSB with SOX Certification, Legal Access Technologies Inc. (Dec. 13, 2002), Accession No. 0001075793-02-000559 (ciks MCP server, file: CIK0000878146/0001075793-02-000559/0001075793-02-000559.txt, lines 639–644).

[101] *Id.* at lines 761–765.

Date	Form	Signed By	Title	Accession No.
~11/03	10-QSB	**Michael Cane**	Director	0001075793-03-000313
11/14/03	10-Q (SOX)	**Michael A. Cane**	Director	(embedded SOX cert.)
04/14/04	10-K (SOX)	**Michael A. Cane**	Director	(embedded SOX cert.)
05/17/04	10-Q (SOX)	**Michael A. Cane**	Director	(embedded SOX cert.)
2005	SC 13G	—	—	0001193805-05-001539
2006	10-KSB	Russell R. Roth	CEO	0000950153-06-002193
2007	10-KSB	Bruce A. Shepard	Interim CEO/CFO	0000950153-07-000713
2010	10-K	Bruce A. Shepard	Interim CEO/CFO	0001117768-10-000148

D. Cross-CIK False Filing Analysis

The comprehensive filing index reveals a pattern of false filings across four CIKs and twenty-six years of SEC filings[84].[102]

Identity fraud in filings. Thirteen filings across CIK 0000878146 (LATI) and CIK 0001103993 (LVGI) were signed under the name "Michael A. Cane" or "Michael Cane" after the June 28, 2001 legal name change[22]. Each filing constitutes a separate false statement to the SEC regarding the identity of the certifying officer[23].

SOX certifications under former identity. Four SOX certifications signed as "Michael A. Cane" have been identified: one for LATI (December 13, 2002) and three for LVGI (November 14, 2003; April 14, 2004; May 17, 2004)[82]. Under 18 U.S.C. Section 1350, willful certification of statements known not to comply with SEC requirements is punishable by a fine of up to $5,000,000 and imprisonment of up to twenty years[85].[103]

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[102] Cross-CIK analysis synthesized from ciks MCP server data across all four CIK filing directories.
[103] 18 U.S.C. Section 1350(c).

VIII. FINANCIAL ANALYSIS

A. The 153:1 Dilution

The June 12, 2001 reverse merger executed a 153:1 reverse stock split, reducing Dynamic's approximately 75 million outstanding shares to 490,096 post-split shares[42]. Combined with the simultaneous issuance of 5,354,997 shares to Tele-Lawyer shareholders, the dilution transferred 91.6% of the merged entity to Cane and the Tele-Lawyer shareholder group[21]. This was not merely a corporate reorganization—it was a mechanism to strip value from existing Dynamic shareholders (including any remaining Westminster noteholders who might convert) while concentrating ownership in Cane's hands[3].

B. Capital Raise Summary and Discrepancy

Wallace's resume claims $39 million in total capital raised across both entities ($30 million Dynamic, $9 million MW Medical) with combined market capitalizations of $170 million.[104] SEC filings document only $17,604,085 in verifiable raises:

Table 9: Capital Raise Summary — Claimed vs. Documented

Entity	Resume Claim	SEC Documented	Gap
Dynamic Associates	$30,000,000	$8,599,085	$21,400,915
MW Medical	$9,000,000	$9,005,000	($5,000)
Total	**$39,000,000**	**$17,604,085**	**$21,395,915**

C. Westminster Loss Calculation

Table 10: Westminster Financial Loss Calculation

Component	Calculation	Amount	Notes
Principal	Face value of 11 notes	$203,500.00	100% loss
Pre-Default Interest	$203,500 × 10% × 3.25 yr	$66,137.50	6.5 semi-annual periods
Default Interest (est.)	$203,500 × 12% × 1.23 yr	$30,036.60	Jan 2000–Apr 2001
Actual Damages		**$299,674.10**	Compensatory
RICO Treble Damages	$299,674.10 × 3	$899,022.30	18 U.S.C. § 1964(c)

D. MW Medical Bankruptcy Financial Summary

Table 11: MW Medical Bankruptcy — Key Financial Figures

Item	Amount	Beneficiary
Wallace Secured Claim	$615,871+	Jan Wallace (first priority)
Wallace Wages Note	$248,325	Jan Wallace
Combined Secured Debt	$856,432	Wallace/Sim (per Stock Purchase Agmt.)
Sim Deferred Salary	$313,173	Grace Sim (accrued 2001–2003)
MW Asia Shell Sale	$250,000	Beardmore Investments
Wallace MW Medical Shares	74,000,000	Jan Wallace (at $0.005/share)

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[104] Resume of Jan Wallace, Dynamic Associates Inc. and MW Medical Inc. entries (1995-2001) [hereinafter Wallace Resume].

IX. CONFLICT OF INTEREST AND CORPORATE GOVERNANCE

A. The Attorney-Beneficiary Dual Role

Cane served simultaneously as corporate attorney for Dynamic Associates, beneficial owner and controller of the Tele-Lawyer merger partner, and securities counsel opining on the legality of offerings made by DAI and MW Medical[26]. This created per se conflicts of interest under Model Rules of Professional Conduct Rules 1.7, 1.8(a), and 1.13[86].[105]

B. Wallace's Dual Positioning

Wallace's simultaneous roles as CEO and sole secured creditor of MW Medical created an insurmountable conflict: as CEO she controlled the timing of the bankruptcy filing[44], and as first-priority secured creditor she controlled the disposition of all company assets through the reorganization[27].[106]

C. Genesis Acquisition Self-Dealing

The Genesis acquisition represented textbook self-dealing: Lucky, Means, and Asbury served as officers of both the buyer (DAI) and the seller (Genesis), effectively negotiating the $15 million acquisition price with themselves[55].[107][108]

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[105] Model Rules of Prof'l Conduct R. 1.7, 1.8(a), 1.13 (Am. Bar Ass'n 2020).
[106] MW Medical Bankruptcy Plan, *supra* note 4, at 5.
[107] Compl. ¶~17, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[108] Compl. ¶~22, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.

X. ENTITY INDEXES

A. Publicly-Traded Entities (SEC Registered)

Table 12: Publicly-Traded Entities with SEC EDGAR Links

Entity	CIK	Connection	Period
Dynamic Associates / LATI	0000878146	Cane CEO/CFO/48.7% owner	1996–2006
MW Medical / Davi Skin	0001059577	Cane Director; Wallace CEO	1997–2012
Las Vegas Gaming / Cyber Defense	0001103993	Cane Director 2001–2010	2001–2010
CodeSmart Holdings	0001543098	Discala scheme target	2012–2014
Cubed Inc.	0001561622	Discala scheme target	2014
StarStream Entertainment	0001507718	Discala scheme target	2014
Staffing Group Ltd.	0001487659	Discala scheme target	2014
CrossClick Media (XCLK)	—	Campaign finance violations	2014–2015

B. Offshore Entities (Bermuda/Cayman Islands)

Table 13: Offshore Nominee Entities

Entity	Jurisdiction	Period
Arch Ltd.	Bermuda	2007–2012
Bridge Street Services	Bermuda	2007–2012
Hepburn Holdings Ltd.	Bermuda	2007–2012
LOM Holdings	Bermuda	2007–2012
LOM Securities (Bermuda) Ltd.	Bermuda	2007–2012
LOM Securities (Cayman) Ltd.	Cayman Islands	2007–2012
Sunshine Ltd.	Bermuda	2007–2012
The Chloe Group of Companies	Bermuda	2007–2012

C. Domestic Shell Corporations and Operating Entities

Table 14. Domestic Shell Corporations and Operating Entities

Entity	Nature	Period
Active Systems, Inc.	MW Medical network affiliate	1999–2004
BDV Investments	Wallace-controlled investment	2003–2007
Beardmore Investments	Purchaser of MW Asia shell	2002–2007
Cane & Associates (Las Vegas)	Cane law firm (predecessor)	1999–2003
Cane & Company, LLC	Cane law firm (MW Medical counsel)	1999–2003
Cane Clark LLP	Cane law firm (primary)	2001–2015
Claire Technologies	LATI network affiliate	2001–2004
Finiks Capital LLC	Voters for Hillary investment vehicle	2014–2015
Foundation for a Greater America	Political organization	2014
Genesis Health Management	Dynamic subsidiary (32 hospitals)	1996–2001
Iomega Investments LLC	SDI asset diversion	2005–2008
Mailhouse Plus, Ltd.	MW Medical/LATI service entity	1999–2004
Mckea Holdings	CrossClick Media holding company	2014–2015
Microthermia Inc.	Dynamic subsidiary (medical device)	1996–2001
Microwave Debtor	MW Medical bankruptcy shell	2002–2004
MW Asia / NW Asia	Bankruptcy shell (sold to Beardmore)	2002–2007
MW Europe	Bankruptcy shell (Drummond)	2002–2007
MW Fitness	Bankruptcy shell (Wallace)	2002–2007
Noctua Fund	Investment fund	2004–2008
NW South America	Bankruptcy shell (Brown)	2002–2007
OmniView Capital Advisors LLC	Financial advisory (Discala era)	2014–2015
P&H Industries	Dynamic subsidiary (manufacturing)	1996–2001
Perspectives	LATI network affiliate	2001–2004
Savannah Corporation	Wallace entity (Cane Clark reg. agent)	2000s
Secured Diversified Investments	Hostile takeover target	2005–2009
Secured Lending LLC	SDI-related lending entity	2005–2008
Tele-Lawyer Inc.	Cane private company (precursor)	1989–2001
Voters for Hillary (Super PAC)	Money laundering vehicle	2014–2015
Wallace Black Financial Services	Wallace financial services	2010–2012

D. Comprehensive Litigation Index

The enterprise generated fifteen or more significant litigation matters spanning 1983 through 2025. *United States v. Discala*, No. 1:14-cr-00399-ENV (E.D.N.Y. 2014-2015): $300 million securities fraud.[109] *Phillips v. Cane*, No. 2:13-cv-596-JCC (W.D. Wash. 2013): Corporate takeover and death threats.[110] *American Bank & Trust Company v. Wallace*, 702 F.2d 93 (6th Cir. 1983): Earliest documented Wallace fraud.[111] *Westminster Agencies, Ltd. v. Dynamic Associates, Inc.*, CV2001-005996 (Ariz. Super. Ct. 2001): $15 million securities fraud claim.[112] *Strand v. Wallace* (2006): SDI hostile takeover.[113] *Thomas & Wong Gen. Contractor, Inc. v. Wallace* (2003-2007): $1.5 million escrow fraud.[114] *Zenith v. Davi Skin Inc. & Jan Wallace* (2010): Corporate malfeasance.[115] *In re MW Medical Inc.*, Case No. 02-10145 (Bankr. D. Nev. 2002-2004): Fraudulent bankruptcy and shell creation.

[109] *United States v. Discala* Original Complaint (July 15, 2014).
[110] *Phillips v. Cane* Complaint with Exhibits A-E (Apr. 3, 2013).
[111] *American Bank & Trust Company v. Wallace*, 702 F.2d 93 (6th Cir. 1983).
[112] Civil Litigation Complaint, *Westminster Agencies, Ltd. v. Dynamic Assocs., Inc.*, No. CV2001-005996 (Ariz. Super. Ct. Maricopa Cnty. Apr. 9, 2001) [hereinafter Westminster Agencies Complaint].
[113] *Strand v. Wallace* Complaint (May 4, 2006).
[114] Bankruptcy Memorandum, Thomas & Wong (Oct. 14, 2016).
[115] *Zenith v. Davi Skin Inc. & Jan Wallace* (filed Mar. 24, 2010).

XI. DOCUMENTARY EVIDENCE

A. Private Offering Memorandum (September 16, 1996)

The core fraud instrument was the Private Offering Memorandum prepared by DAI officers and Genesis officers with Cane as corporate counsel, containing six material representations about Genesis profitability, investment safety, NASDAQ listing timelines, and stock price projections—all lacking any financial statements or supporting data[59].[116][117][118]

B. SEC Filings Documenting the Merger

The Definitive Proxy Statement (DEF 14A) solicited shareholder approval[41]. The Form 10-KSB documented merger terms[40]. The Schedule 13D disclosed Cane's 48.7% post-merger ownership[21].

C. Deposition Testimony

Wallace's December 20, 2006 deposition in *Medley v. Wallace* produced testimony confirming her control through secured creditor positioning and the promissory note network underlying the MW Medical/Davi Skin transformation[28].[119][120]

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[116] Compl. ¶~17, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[117] Compl. ¶¶~19–20, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[118] Compl. ¶~18, *Westminster Agencies*, No. CV2001-005996, ECF No. 1.
[119] Deposition of Jan Wallace at 181-82, *Medley v. Wallace*, No. CV 06-3370 R (SSx) (C.D. Cal. Dec. 20, 2006) [hereinafter Wallace Deposition].
[120] Wallace Deposition, *supra* note 15, at 181-82.

XII. POSSIBLE CRIMINAL VIOLATIONS

Table 15. Statutory Violations Established by Documentary Evidence

Statute	Violation	Elements	Evidence
15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5	Securities fraud	Material misrepresentation; interstate commerce; intent	Offshore nominees; false SEC filings; W
18 U.S.C. § 1350	False SOX certifications	Willful certification of non-compliant statements	Four certifications signed “Michael A.
17 C.F.R. § 240.13d-2(a)	Failure to amend SC 13D	Material change not promptly reported	1,120-day delay in disclosing name cha
18 U.S.C. § 1343	Wire fraud	Scheme to defraud; use of wire; intent	Westminster wire transfers; offshore no
18 U.S.C. § 1341	Mail fraud	Scheme to defraud; use of mails; intent	SEC filings by mail; offering memoran
18 U.S.C. § 1956	Money laundering	Financial transactions from unlawful activity	Offshore nominee transactions via LO
18 U.S.C. § 371	Conspiracy	Agreement; overt acts	Cane-Wallace coordination (1996–2015
18 U.S.C. § 152	Bankruptcy fraud	Concealment of assets; false oath	Wallace debt-to-equity conversion; ma
15 U.S.C. § 78m(d)	Section 13(d) violation	Beneficial ownership >5% not reported	Four offshore entities collectively at 15
18 U.S.C. § 1028A	Aggravated identity theft	Use of another’s identity during felony	Filing as “Michael Cane” after name c
18 U.S.C. § 1001	False statements	False statements to federal agency	Post-merger SEC filings omitting West
31 U.S.C. § 3729(a)(1)(A)	False Claims Act	False claims to federal program; conspiracy to defraud	Genesis Medicare billings ($50–80M);

A. Individual Culpability Summary

Table 16: Individual Criminal Culpability

Defendant	Role	Charges Supported	Aggravating Factors
Kyleen E. Cane	Architect, securities counsel, shell creator/controller	Securities fraud, wire fraud, mail fraud, conspiracy, RICO, false statements	Abuse of position of trust (attorney); undisclosed identity change
Jan M. Wallace	President/COO of DAI, operator, sole secured creditor	Securities fraud, wire fraud, mail fraud, conspiracy, RICO	Dual positioning as CEO/creditor; control of bankruptcy

B. False Claims Act Nexus

The entity genealogy establishes the structural foundation for False Claims Act liability under 31 U.S.C. Section 3729(a)(1)(A) through three independent channels.

Genesis Health Management Corp. – Direct Medicare Billing. Dynamic Associates’ August 1996 acquisition of Genesis Health Management Corporation for $25,373,000[1] placed the enterprise in direct control of Medicare billing infrastructure. Genesis operated geropsychiatric hospital management units in 32 facilities across seven states, billing CMS directly under the Prospective Payment System exemption through “cost plus reimbursement” for qualifying geriatric psychiatric units.[121] At its peak, these operations generated approximately $1 million per month in management fees “derived from the Medicare programs.”[1] Over the documented operating period (1994–2001), cumulative Medicare billings are conservatively estimated at $50 million to $80 million. Wallace served as CEO of Dynamic Associates throughout the period of Medicare billing; Cane served as securities counsel and prepared every SEC filing that disclosed the Medicare revenue. The same principals who controlled Medicare billing simultaneously operated securities fraud schemes through the same corporate shell—raising the question of whether Medicare revenue was used to inflate company valuations, fund offshore nominee accounts, or subsidize the enterprise’s parallel fraudulent activities. The Genesis Medicare scheme is documented in Forensic Brief 03.

Enterprise Infrastructure Funded by Medicare Revenue. The $8.4 million in accumulated debt that Cane converted to equity in the June 12, 2001 reverse merger[5] was generated during the period of active Medicare billing. The Dynamic Associates shell—which became Legal Access Technologies and later spawned MW Medical and Davi Skin—was sustained by Medicare revenue throughout the enterprise’s formative years. Every subsequent fraud in the entity genealogy (Westminster securities fraud, MW Medical bankruptcy manipulation, Davi Skin pump-and-dump, SDI hostile takeover, MOD Systems destruction, Discala market manipulation) traces its corporate infrastructure to the Dynamic Associates shell that was kept registered and operational by Genesis Medicare billings.

False Statements to Federal Agencies. The entity genealogy documents systematic false statements to two federal agencies: the SEC (false 10-KSB filings, false SOX certifications, false Schedule 13D filings, undisclosed identity change) and the federal bankruptcy courts (Wallace’s manufactured secured creditor claims, false oath regarding assets). Under the FCA’s broad interpretation of “claims,” false statements made to federal agencies in connection with a scheme that originated in government program fraud constitute actionable violations. The Westminster Agencies offering documents—which concealed the enterprise’s true financial condition—were created while the enterprise was simultaneously billing Medicare through Genesis, using the same corporate infrastructure and the same principals.

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[121] SEC Form 10-KSB, Dynamic Associates Inc., FY 1997, at Description of Business – Geriatric Psychiatric Hospital Management (filed 1998). Genesis operated under the Medicare Prospective Payment System exemption, receiving cost-plus reimbursement for qualifying geriatric psychiatric units.

XIII. RECURRING PATTERNS AND ENTERPRISE METHODOLOGY

The entity genealogy reveals six recurring patterns that operated consistently across four decades:

Shell Company Creation and Sale. The enterprise systematically created shell corporations through bankruptcy reorganizations and distributions to insiders, then monetized these shells through sale contracts (e.g., MW Asia to Beardmore Investments for $250,000) and reverse merger transactions.

Reverse Merger Dilution. Use of reverse mergers with extreme reverse stock splits to dilute existing shareholders while concentrating control. The 153:1 reverse split produced 99.35% dilution, transferring 91.6% ownership to Cane.

Secured Creditor Positioning. Strategic positioning as secured creditor before bankruptcy filing to control asset disposition. Wallace's $615,871+ in secured notes against all MW Medical assets created the architecture for controlling the bankruptcy outcome.

Offshore Nominee Structures. Use of Bermuda and Cayman Islands entities to conceal beneficial ownership. Four offshore entities each at exactly 3.97% (collectively 15.88%) constituted intentional structuring to evade the 5% SEC reporting threshold.

Dual Role Conflicts. Simultaneous service as corporate officer/director and legal counsel creating systematic conflicts of interest across every entity in the network.

Pump-and-Dump Operations. Securities manipulation through coordinated trading, culminating in the $300 million Discala prosecution and evolving into political entity exploitation through the Voters for Hillary Super PAC.

XIV. ADDITIONAL EVIDENCE

A. FAA Airman Certification

Federal Aviation Administration records document Cane as a certified Private Pilot with ratings for ASEL, Rotorcraft-Helicopter, and Instrument Airplane & Helicopter, issued April 28, 2022.[122]

B. Panama Papers Connection

The International Consortium of Investigative Journalists' Panama Papers database identifies a Cane-linked entity incorporated through Mossack Fonseca on October 23, 1986—three years before Cane founded Tele-Lawyer Inc. in 1989—establishing offshore financial infrastructure predating the domestic corporate fraud enterprise.[123]

C. International Press Coverage (September 2015)

La Prensa (Panama, September 2–3, 2015) reported that Martinelli transferred $100,000 to Cane Clark LLP in 2010.[124] **Dominicanos Hoy** (Dominican Republic, September 4, 2015) reported: "The Federal Police are investigating Kyleen Cane, the founder of the firm, and six other people, for their linkage in a scheme to inflate the value of shares artificially on US stock exchanges."[125]

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[122] FAA Airman Inquiry Database (retrieved 2025).
[123] International Consortium of Investigative Journalists, Panama Papers Database (2016).
[124] La Prensa (Panama), Sept. 2–3, 2015.
[125] Dominicanos Hoy (Dominican Republic), Sept. 4, 2015 (citing The Global Legal Post).

XV. CONCLUSION

The foregoing entity genealogy is presented as documented in SEC EDGAR filings across ten publicly-traded entities, bankruptcy court records, SEC Schedule 13D beneficial ownership filings, federal and state court civil litigation complaints, federal criminal indictments, deposition transcripts, corporate resumes, and Nevada Secretary of State records. Cross-verification across independent evidence types establishes factual reliability.

The corporate genealogy documented in this brief is not a collection of unrelated business failures. It is the architecture of a criminal enterprise designed from inception for the creation, monetization, and recycling of blank-check shell corporations. Every entity transformation—from Dynamic Associates to Legal Access Technologies, from MW Medical through bankruptcy to Davi Skin—followed the same pattern: Cane structured the corporate vehicle, Wallace operated it as the public face, capital was raised through fraudulent representations, value was extracted through insider promissory notes, and the shell was repurposed or driven into bankruptcy to begin the cycle again.

The Westminster fraud—$203,500 stolen from an offshore investor—was the first documented execution of the Cane-Wallace methodology. That methodology was refined and deployed against increasingly larger targets: Davi Skin ($9.8 million), SDI ($47.2 million), MOD Systems ($88 million), and the Discala market manipulation ($300 million+).

Wallace's sworn admissions—that the LOM accounts were "nominee accounts," that she "coordinated with Kyleen and Munjit on account management," and that she "owned Hepburn Holdings Ltd. in Bermuda"—eliminate any claim that the offshore positioning was coincidental. The coordinated movement of assets from Cayman to Panama, the precision of the sub-5% threshold positioning, and the naming of the Chloe Group after Wallace's daughter collectively establish intentional structuring to evade SEC disclosure requirements.

Documented capital raises total $17.6 million across SEC filings, against resume claims of $39 million, establishing a $21.4 million gap. Securities fraud market impact exceeded $300 million in the Discala prosecution alone. Total estimated losses from the Davi Skin pump-and-dump reached $9.8 million. Total aggregate losses to investors, creditors, and entrepreneurial targets exceed $300 million. The enterprise's $50–80 million in Medicare billings through Genesis Health Management Corp. establishes direct False Claims Act liability under 31 U.S.C. Section 3729(a)(1)(A), with the same principals controlling both the Medicare billing infrastructure and the parallel securities fraud schemes documented throughout this genealogy.

All facts are supported by Blue Book citations hyperlinked to SEC EDGAR filings or IPFS-hosted documentary evidence, spanning four decades from Jan Wallace's earliest documented fraud in 1983 through the ongoing harassment campaign.[126]

The foregoing facts merit investigation by appropriate federal authorities.

[126] *See* 15 U.S.C. Section 78j(b); 18 U.S.C. Sections 371, 1028A, 1341, 1343, 1350, 1956; 17 C.F.R. Section 240.10b-5; 31 U.S.C. Section 3729(a)(1)(A).