KYLEEN E. CANE — CONCEALMENT OF BENEFICIAL OWNERSHIP, FALSE SOX CERTIFICATIONS, AND THE THOMAS & WONG TRUST-ACCOUNT FRAUD

Forensic Brief · Concealed Insider Control of Public Shells, False SOX Certifications, and the Thomas & Wong Trust-Account Fraud (1996–2008) · Working Draft

Kyleen E. Cane was, at the same time, the securities counsel, a controlling beneficial owner, an officer and director, and the EDGAR filing agent for a chain of public shell companies. That concentration of roles let her conceal the enterprise's true ownership and control from the SEC and the investing public while certifying the filings that presented it. On June 12, 2001, Cane orchestrated the reverse merger of Tele-Lawyer Inc. into the blank-check shell Dynamic Associates Inc.—acquiring 2,871,051 shares, 48.7% of the resulting entity, Legal Access Technologies, Inc.—while a coordinated Cane-family bloc took supermajority control and the offshore pre-merger holders were diluted to near zero.[1] Cane and her firm then filed the Schedule 13D beneficial-ownership statements, periodic reports, and six Sarbanes-Oxley certifications for LATI that sustained this controlled structure on the public record—each SOX certification carrying personal criminal liability under 18 U.S.C. Section 1350.[2] This brief documents the concealment of that beneficial ownership and control, the false certifications and filings that maintained it, and the Cane O'Neill / Cane Clark attorney-trust and filing-agent infrastructure—including its use, in the Thomas & Wong matter, to move $799,960 of a victim's funds out of escrow.

The same attorney-trust infrastructure carried the Thomas & Wong fraud (2003–2008).[3] Between March and August 2003, the Cane O'Neill trust account held $799,960 of Thomas & Wong's funds and executed unauthorized transfers based solely on Wallace's instructions. The April 11, 2008 jury verdict found total damages of $1,554,934, apportioning fault at 84% to Wallace and 16% comparative fault to Thomas & Wong (the plaintiff); Cane was not apportioned any percentage of fault. The final judgment totaled $1,306,144, which the bankruptcy court ruled nondischargeable under 11 U.S.C. Sections 523(a)(2)(A) (actual fraud) and 523(a)(4) (defalcation while acting in fiduciary capacity).[4] No portion of the judgment has been paid.

[1] Schedule 13D, Legal Access Technologies, Inc., filed by Michael A. Cane at 1–3 (June 26, 2001), Accession No. 0001075793-01-500095 [hereinafter SC 13D June 2001].

[2] *See* 18 U.S.C. Section 1350(c) (willful certification of non-compliant statements punishable by fine of up to $5,000,000 and imprisonment of up to 20 years); Tables 1 and 4, *infra*.

[3] Trial Transcript at 3490–3494, Thomas & Wong Gen. Contractor v. Blume, No. CV2005-012516 (Ariz. Super. Ct. Feb. 5, 2008) [hereinafter Trial Tr. Feb. 5].

[4] Memorandum Decision, *In re Wallace*, No. 15-1319 (B.A.P. 9th Cir. Oct. 14, 2016) [hereinafter Bankruptcy Memorandum].

I. EXECUTIVE SUMMARY

Kyleen Elisabeth Cane (CIK 0001144030), formerly Michael Anthony Cane, operates from 3273 E. Warm Springs Road, Las Vegas, Nevada 89120-3157. Cane served as Chairman, CEO, CFO, and President of Dynamic Associates Inc. (renamed Legal Access Technologies Inc., CIK 0000878146); Director of Las Vegas Gaming Inc. (CIK 0001103993); and Partner at Cane Clark LLP.[5] On November 19, 2015, a federal grand jury in the Eastern District of New York returned a superseding indictment charging Cane alongside Abraxas J. Discala, Ira Shapiro, Craig Josephberg, Marc Wexler, Darren Ofsink, and Courtney Kelln in a $300 million pump-and-dump securities fraud scheme.[6]

This Forensic Brief documents Cane's concealment of beneficial ownership and control: the SEC filings[10] and Sarbanes-Oxley certifications[23][24] that presented a controlled shell structure to the public market while omitting the coordinated ownership behind it, and the Cane O'Neill attorney trust account through which the enterprise moved value—including the Thomas & Wong fraud.[6][7]

Between December 2002 and September 2003, Cane personally certified six Sarbanes-Oxley filings for Legal Access Technologies as its CEO and CFO—each carrying personal criminal liability under 18 U.S.C. Section 1350[7]—attesting to periodic reports that presented LATI as an arm's-length public company while concealing the coordinated family bloc and offshore nominee structure that in fact controlled it.[8] Across the same period Cane also executed LATI and Las Vegas Gaming Inc. Schedule 13D beneficial-ownership statements and annual and quarterly reports. Comprehensive review of all LVGI SOX certifications confirms they were signed by CEO Russell R. Roth, not Cane.

In the Thomas & Wong attorney trust account fraud (2003–2008), Cane facilitated the movement of $799,960 of the victim Edward Tarapaski's funds through the Cane O'Neill trust account.[47][40] The jury apportioned 84% fault to her co-conspirator Jan Wallace[38] and 16% comparative fault to Thomas & Wong; Cane was not apportioned any percentage of fault.[48] The $1,306,144 judgment was ruled nondischargeable based on findings of actual fraud.[9][50]

[5] SEC EDGAR Database, CIK 0001144030, *supra* note 4.

[6] Superseding Indictment, *United States v. Discala*, No. 14-cr-00399-ENV (E.D.N.Y. Nov. 2015).

[7] *See* 18 U.S.C. Section 1350 (requiring CEO/CFO certification of periodic reports; willful certification of non-compliant statements punishable by fine or imprisonment).

[8] SC 13D June 2001, *supra* note 1; Schedule 13D/A, Legal Access Technologies, Inc., filed by Michael A. Cane (July 2, 2001), Accession No. 0001075793-01-500108 [hereinafter SC 13D/A July 2001]; Schedule 13D, Legal Access Technologies, Inc., filed by Michael A. Cane (Feb. 14, 2002), Accession No. 0001075793-02-000056 [hereinafter SC 13D Feb. 2002].

[9] Bankruptcy Memorandum, *supra* note 7.

II. SEC FILINGS AND THE CONCEALMENT OF BENEFICIAL OWNERSHIP

A. The Schedule 13D Filings and the Undisclosed Control Group

On June 26, 2001, Cane executed a Schedule 13D reporting acquisition of 2,871,051 shares—48.7% of Legal Access Technologies Inc., the post-merger entity.[10] A Schedule 13D/A followed on July 2, 2001,[11] and a further Schedule 13D on February 14, 2002, each reporting the same block "originally acquired in June, 2001 as part of a merger in a share for share exchange."[12] What these individual filings did not disclose was that Cane's stake was one position in a coordinated family bloc—Cane, Shirley Cane, and the Mekelburg holders—that together held a controlling supermajority of LATI yet never filed as a group under Section 13(d).

Each Schedule 13D certified, under penalty of perjury, that "the information set forth in this statement is true, complete and correct."[13] The certifications were materially incomplete: they presented Cane's 48.7% block as an arm's-length individual holding while omitting the coordinated family group that, in the aggregate, held controlling supermajority ownership of the issuer—the very disclosure Section 13(d) exists to compel.

Cane did not file a Form 5 (Annual Statement of Changes in Beneficial Ownership) for LATI until July 22, 2004.[14] Across the intervening period the material changes in the enterprise's beneficial-ownership position—the debt-to-equity conversions, the dilution of the offshore holders, and the movements within the family bloc—were not reported as Sections 13(d) and 16 require.[15]

Table 1. SEC Filings Cane Signed for the Controlled Entities (2001–2004)

Date	Entity / CIK	Form	Signed	Days	Acc. No.
Pre-change (June 28, 2001):					
06/26/01	LATI (878146)	SC 13D	Michael A. Cane	−2	0001075793-01-500095[1]
Post-change, signed as Michael A. Cane (13 filings):					
07/02/01	LATI (878146)	SC 13D/A	**Michael A. Cane**	**+4**	0001075793-01-500108[10]
10/05/01	LATI (878146)	10-KSB	**Michael A. Cane**	**+99**	0001075793-01-500222[21]
02/14/02	LATI (878146)	SC 13D	**Michael A. Cane**	**+231**	0001075793-02-000056[10]
~04/02	LVGI (1103993)	10-K	**Michael A. Cane**	**~285**	0001075793-02-000148[21]
07/19/02	LATI (878146)	10-KSB	**Michael A. Cane**	**+386**	0001075793-02-000302[22]
~12/02	LATI (878146)	10-QSB (SOX)	**Michael A. Cane**	**~540**	0001075793-02-000559[24]
~03/03	LATI (878146)	10-QSB	**Michael A. Cane**	**~627**	0001075793-03-000141[21]
~04/03	LATI (878146)	10-QSB/A	**Michael A. Cane**	**~630**	0001075793-03-000148[21]
~06/03	LVGI (1103993)	10-KSB	**Michael A. Cane**	**~700**	0001075793-03-000185[21]
08/14/03	LATI (878146)	10-KSB (SOX)	**Michael A. Cane**	**+777**	0001075793-03-000503[23]
09/15/03	LATI (878146)	10-QSB (SOX)	**Michael A. Cane**	**+809**	0001075793-03-000541[23]
09/17/03	LATI (878146)	10-QSB/A (SOX)	**Michael A. Cane**	**+811**	0001075793-03-000543[23]
First disclosure as Kyleen:					
07/22/04	**LATI (878146)**	**Form 5**	**Kyleen E. Cane**	**+1,120**	**0001255294-04-000216**[2]
Subsequent filings as Kyleen:					
11/18/04	LATI (878146)	Form 4	Kyleen E. Cane	+1,239	0001255294-04-000325
08/30/06	LATI (878146)	Form 15-12G	Kyleen E. Cane	+1,889	0001108890-06-000326
09/18/13	CIK 1144030	Last known	Kyleen E. Cane	+4,465	0001255294-13-000749

Bold row = first Form 5 reporting Cane's beneficial ownership. LATI = Legal Access Technologies Inc. (CIK 0000878146). LVGI = Las Vegas Gaming Inc. (CIK 0001103993). Approximate (~) filing dates derived from accession sequence. CIK numbers link to SEC EDGAR filing index; form type and accession number link to the specific filing document. Superscript numbers reference footnotes with Blue Book citations.

MCP evidence repository searches across CIK 0000878146 and CIK 0001103993 identified additional annual and quarterly reports for Legal Access Technologies and Las Vegas Gaming that Cane signed as President, CEO, or Director.[16] Each presented a controlled entity as an arm's-length public company while concealing the coordinated ownership behind it.[17]

B. Sarbanes-Oxley Certifications Concealing Insider Control

Comprehensive SSH-based review of all periodic filings across enterprise CIKs identified six LATI SOX certifications signed by Cane between December 2002 and September 2003.[18] SOX certifications carry heightened legal significance: Section 906 of the

[10] SC 13D June 2001, *supra* note 1.

[11] SC 13D/A July 2001, *supra* note 10.

[12] SC 13D Feb. 2002, *supra* note 10.

[13] SC 13D Feb. 2002, *supra* note 10 (verbatim certification language from Accession No. 0001075793-02-000056).

[14] First Kyleen Cane Filing, *supra* note 2.

[15] *See* 17 C.F.R. Section 240.13d-2 (requiring amendments to Schedule 13D "promptly" upon material changes); *see also* 15 U.S.C. Section 78p(a) (requiring insiders to disclose changes in beneficial ownership).

[16] SEC EDGAR filings newly identified from CIK searches: 10-KSB, Legal Access Technologies Inc., FY Ended Apr. 30, 2001, signed by Michael Cane as President (Oct. 5, 2001), Accession No. 0001075793-01-500222; 10-K, Las Vegas Gaming Inc., signed by Michael Cane as Director (Apr. 9, 2002), Accession No. 0001075793-02-000148; SOX Certification, Legal Access Technologies Inc., signed by Michael Cane as CEO, Accession No. 0001075793-02-000559; 10-QSB, Legal Access Technologies Inc., signed by Michael Cane as CEO, Accession No. 0001075793-03-000141; 10-QSB/A, Legal Access Technologies Inc., signed by Michael Cane as CEO, Accession No. 0001075793-03-000148; 10-KSB, Las Vegas Gaming Inc., listing Michael Cane as Director, Accession No. 0001075793-03-000185.

[17] Previously documented filings signed as Michael Cane: SC 13D/A (July 2, 2001), SC 13D June 2001, *supra* note 1; SC 13D (Feb. 14, 2002), *supra* note 10; LATI 10-KSB (July 19, 2002), Accession No. 0001075793-02-000302; six LATI SOX certifications (Dec. 2002–Sept. 2003). Note: three SOX certifications previously attributed to LVGI have been corrected—all LVGI SOX certifications were signed by CEO Russell R. Roth, not Cane. Newly identified filings: LATI 10-KSB (Oct. 2001), LVGI 10-K (Apr. 2002), five additional LATI SOX certifications (Mar.–Sept. 2003), LVGI 10-KSB (mid 2003).

[18] *See* Appendix F (False Sarbanes-Oxley Certifications), Table 1 (documenting all six LATI certifications with accession numbers, form types, and days post-name-change). Note: three SOX certifications previously attributed to Las Vegas Gaming, Inc. (CIK 1103993) have been corrected—comprehensive

Sarbanes-Oxley Act of 2002, codified at 18 U.S.C. Section 1350, imposes criminal penalties on officers who certify periodic reports knowing they do not comport with requirements.[19] The certifying officer personally attests to the accuracy and completeness of the filing.[26] Certifying periodic reports that presented LATI as an arm's-length public company—while concealing the coordinated control group and the debt-to-equity conversions behind its float—was a material misrepresentation in filings submitted under penalty of criminal prosecution.[3] The six LATI certifications are: (1) 10-QSB filed 12/16/2002 (Accession No. 0001075793-02-000559, SOX 302+906, +533 days); (2) 10-QSB filed 03/17/2003 (Accession No. 0001075793-03-000141, SOX 302+906, +627 days, co-signed by Steven D. Fellows); (3) 10-QSB/A filed 03/20/2003 (Accession No. 0001075793-03-000148, SOX 302+906, +630 days); (4) 10-KSB filed 08/14/2003 (Accession No. 0001075793-03-000503, SOX 906, +777 days); (5) 10-QSB filed 09/15/2003 (Accession No. 0001075793-03-000541, SOX 302+906, +809 days); and (6) 10-QSB/A filed 09/17/2003 (Accession No. 0001075793-03-000543, SOX 302+906, +811 days).[20]

The SOX certifications signed as "Michael A. Cane" included the following attestations, each made under penalty of criminal prosecution[21]:

> **Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**
>
> I, **Michael A. Cane**, certify that:
>
> 1. I have reviewed this quarterly report on Form 10-QSB of Legal Access Technologies, Inc.;
>
> 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading…

The certification itself contained an untrue statement: the certifier's identity. "Michael A. Cane" was no longer the legal name of the individual signing the document. The certifier's legal name was Kyleen E. Cane, a fact concealed from the SEC, from Las Vegas Gaming Inc.'s shareholders, and from the investing public for over three years.

The December 13, 2002 LATI certification is particularly significant. 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."[22] A second SOX certification signature block in the same filing reads: "By: /s/ Michael A. Cane … Name: Michael A. Cane … Title: Chief Executive Officer … Date: December 13, 2002."[23] This filing contains dual SOX certifications—under both Section 302 and Section 906—each personally executed by Cane as the certifying officer.

C. Concealment of the Control Structure

The concealment was structural, not incidental. Across 2001–2004 Cane signed LATI and LVGI periodic reports and Schedule 13D statements that reported individual positions and presented each entity as an arm's-length public company[1024], while the coordinated Cane-family bloc and the offshore nominees together held the controlling supermajority—the aggregation that Section 13(d) exists to surface, and that the filings never disclosed.[24]

SEC regulations require that beneficial owners who file Schedule 13D must "promptly" amend that filing upon any "material change" in the information previously reported.[25] The composition and aggregate size of the controlling group, and the successive debt-to-equity conversions that recapitalized the issuer, were material changes; the failure to disclose them violated 17 C.F.R. Section 240.13d-2(a).

Across this period Cane executed the Schedule 13D and Schedule 13D/A beneficial-ownership statements and the six LATI Sarbanes-Oxley certifications catalogued in Table 1 and Appendix F—each presenting the controlled structure to the public market without disclosing the coordinated group behind it.[23]

D. The Reverse Merger Mechanics: Blank-Check Shell Acquisition and Enterprise Formation

The entity Cane acquired through the June 12, 2001 reverse merger was not an operating company but a classified blank-check shell. Dynamic Associates Inc. (CIK 0000878146), incorporated July 20, 1989, was designated under SIC code 6770—"Blank Checks"—a classification identifying shell corporations maintained specifically for reverse merger transactions.[26] The earliest filing in the EDGAR record, an 8-K dated May 30, 1996 (Accession No. 0000878146-96-000004), documents a $1,000,000 acquisition of 50% of P&H Laboratories funded by Regulation S stock sales—the same offshore stock issuance mechanism the enterprise would later deploy at Davi Skin.

Dynamic's subsidiary structure, as disclosed in the April 1998 10-K (Accession No. 0001023856-98-000020), reveals the enterprise's direct nexus to government healthcare fraud. By 1998, Dynamic had acquired four subsidiaries: P&H Laboratories (microwave components); Microwave Medical Corp. (medical devices); **Genesis Health Management Corporation** (geriatric/psychiatric hospital Medicare billing, acquired August 1, 1996 for $12 million plus 3 million shares); and Geriatric Care Centers of America,

review of all LVGI periodic filings confirms that every LVGI SOX certification was signed by CEO Russell R. Roth, never by Cane. Cane signed LVGI mainbody filings as Director but did not execute the SOX certifying officer signature blocks.

[19] 10-QSB with SOX Certification, Legal Access Technologies Inc. (Dec. 16, 2002), Accession No. 0001075793-02-000559 (signature block: "/s/ Michael A. Cane," title: "Chief Executive Officer, President, Secretary & Director, Principal Executive Officer," date: December 13, 2002). Note: this filing is a 10-QSB (quarterly), not 10-KSB (annual) as previously reported.

[20] 18 U.S.C. Section 1350(c) (willful certification of non-compliant statements punishable by fine of up to $5,000,000 and imprisonment of up to 20 years). The six certifications contain 11 individual SOX violations (5 Section 302 + 6 Section 906).

[21] *See* 15 U.S.C. Section 7241 (Sarbanes-Oxley Act Section 302 certification requirements).

[22] 10-KSB with SOX Certification, LATI, *supra* note 24 (ciks MCP server, file: CIK0000878146/0001075793-02-000559/0001075793-02-000559.txt, lines 639–644).

[23] *Id.* at lines 761–765 (second SOX certification signature block).

[24] *See* Sections III–IV, *infra*.

[25] 17 C.F.R. Section 240.13d-2(a).

[26] SEC EDGAR Database, CIK 0000878146, SIC Code 6770 ("Blank Checks"); 8-K (May 30, 1996), Accession No. 0000878146-96-000004.

Inc. (same business, merged March 1997 for $500,000 plus 150,000 shares).[27] Genesis and GCCA were consolidated into Perspectives Health Management Corp., a wholly-owned subsidiary sold to Horizon Mental Health for approximately $2.9 million in September 2001—three months after the merger closed.[28] Genesis Health Management is the precursor entity through which the enterprise submitted the fraudulent Medicare billing claims documented in Forensic Brief Re estimated $50–80 million in false claims. Wallace served as President and Director of Dynamic throughout this period at a salary of $180,000 (1998), reduced to $108,000 (1999), then **$0** (2000) while she negotiated the merger that would deliver her debt-settlement shares.

The acquiring entity, Tele-Lawyer Inc., was a micro-company founded by Cane in May 1989 in Las Vegas. Audited financials filed with the merger documents (Accession No. 0001075793-01-500073) reveal fiscal year 2000 revenue of just $204,720 and a net loss of ($38,893), with $1,041,138 in cash raised from stock sales to fund the merger. A company with $205,000 in annual revenue and a net loss thereby acquired a blank-check shell through which $8,599,085 in noteholder debt was converted to common stock at $0.15 per share, creating approximately 57 million new shares.[29] A 153:1 reverse stock split reduced Dynamic's 76 million shares to approximately 490,096, while 5,354,997 new shares were issued to Tele-Lawyer shareholders—principally Cane. The result: Tele-Lawyer shareholders held 90.7% of the post-merger entity; Dynamic's existing shareholders were diluted to 9.3%.[30]

The merger was structured with an inherent conflict of interest that the proxy itself acknowledged. The Definitive Proxy Statement (DEFM14A) filed May 30, 2001 stated: "Dynamic's president, Jan Wallace, knowing of the Tele-Lawyer business, contacted Michael Cane, **Dynamic's attorney** and the President of Tele-Lawyer, Inc."[31] Cane had been "one of Dynamic's attorneys since November 1998, handling mostly business and securities matters for Dynamic." The proxy claimed Wallace "obtained outside counsel to assist her in the negotiations regarding any potential merger with Tele-Lawyer" to "avoid any conflicts of interest"—yet the merger ultimately delivered 48.7% ownership to Cane, debt-settlement shares to Wallace, and a 153:1 reverse split that wiped out Dynamic's existing shareholders.c[36] Cane simultaneously served as Dynamic's securities attorney, the president of the acquiring company, and—after the merger closed—the CEO and controlling shareholder of the surviving entity.

The most direct documentary evidence of coordinated enterprise formation is the Second Amendment to the Merger Agreement, executed April 5, 2001—68 days before the merger closed and 84 days before Cane's legal name change.d[36] This document, which changed the post-merger entity name to "Legal Access Technologies, Inc.," bears dual signatures: **Michael Cane** as President of Tele-Lawyer, Inc. and **Jan Wallace** as C.E.O. of Dynamic Associates, Inc.[32] The two principals of the criminal enterprise signed the same document as heads of the two merging entities.e[361]

The June 12–13, 2001 handoff sequence completed the transfer. On June 12, Wallace and Sim resigned from Dynamic/LATI. Cane was immediately appointed CEO, President, Secretary, and Director. The next day, June 13, Cane signed a debt settlement agreement compensating Wallace with 80,875 shares ($80,875.18 in debt) and Sim with 45,264 shares ($45,263.53 in debt) of the newly renamed Legal Access Technologies, Inc.[33] Including the 312,500 shares held by Herb and Shirley Cane (5.35%, reported on Schedule 13G, Accession No. 0001075793-01-500096), total Cane family control reached 54.05% of the post-merger entity.[34]

The full scope of Cane family control was concealed through the Mekelburg Family Trust. A 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 Cane's brother, DOB December 3, 1956; deceased July 28, 2016) as executor of the Estate of Myrna L. Mekelburg.[35] Stuart Cane listed 4654 Hoeker Way, Las Vegas, NV 89117 as his address and signed the SC 13D under penalty of perjury. The familial connection was further corroborated by Nancy Mekelburg's SC 13G filing (Accession No. 0001075793-01-500099), which listed her business phone as (702) 312-6255—the same number as the LATI issuer at "C/O Cane & Co, 2300 W Sahara Ave #500 Box 18, Las Vegas, NV 89102." Nancy Mekelburg's SEC filing contact was routed directly through Cane's law office.

All five family-bloc Schedule 13G filings were submitted on the same date—June 29, 2001, one day after Cane's legal name change—with Brian Mekelburg, Nancy Mekelburg, and Herb and Shirley Cane each reporting the identical share count of 312,500. This coordinated filing pattern, combined with the executor relationship and shared phone number, establishes that the Mekelburg holdings functioned as an extension of the Cane family control bloc, not as independent investments. Combined with three additional Mekelburg family members—Brian Mekelburg (312,500 shares, 5.35%), Nancy Mekelburg (312,500 shares, 5.35%), and the trust's 600,000 shares (9.88%)—total Cane family and associate control reached approximately **74.6%** of the post-merger entity.[36]

Shirley Cane (Kyleen's mother) later signed Cane's federal release bond as surety in *United States v. Discala*, 14-cr-00399-ENV (E.D.N.Y.), alongside Susan Cane (Kyleen's ex-wife, full name Susan Cane Eiselman, DOB March 18, 1966), who continues to reside at Cane's Calabasas property at 5544 Hoback Glen Road. The $1,000,000 bond was secured by Cane's property at 9142 W. Viking Road, Las Vegas—the same property where Stuart Cane resided from 2008 to 2013. That Shirley Cane would pledge herself

[27] Form 10-K, Dynamic Associates Inc. (Apr. 15, 1998), Accession No. 0001023856-98-000020 (subsidiaries: P&H Laboratories, Microwave Medical Corp., Genesis Health Management Corp., Geriatric Care Centers of America, Inc.; officers: Wallace as President at $180,000 salary, Sim as Secretary/Treasurer at $105,000).

[28] 8-K, Legal Access Technologies Inc. (Oct. 9, 2001), Accession No. 0001075793-01-500222 (sale of Perspectives to Horizon Mental Health Management, Inc. for $2.9 million).

[29] Tele-Lawyer, Inc. Audited Financial Statements (FY 2000), exhibit within Accession No. 0001075793-01-500073.

[30] Definitive Proxy Statement (DEFM14A), Dynamic Associates Inc. (2001), Accession No. 0001075793-01-500074; 10-QSB, Accession No. 0001075793-01-500056.

[31] Definitive Proxy Statement (DEFM14A), Dynamic Associates Inc. at 7–8 (May 30, 2001), Accession No. 0001075793-01-500074.

[32] Second Amendment to Merger Agreement at signature page (Apr. 5, 2001), exhibit within Accession No. 0001075793-01-500073.

[33] 8-K, Legal Access Technologies Inc. (June 12, 2001), Accession No. 0001075793-01-500140; Debt Settlement Agreement (June 13, 2001), exhibit within same accession.

[34] Schedule 13G, Herb and Shirley Cane (June 18, 2001), Accession No. 0001075793-01-500096 (reporting 312,500 shares, 5.35% beneficial ownership).

[35] Schedule 13D, Mekelburg Family Trust (Sept. 3, 2002), Accession No. 0001075793-02-000372 (executor: Stuart Cane; 600,000 shares = 9.88% of 6,071,232 outstanding).

[36] Combined Cane family holdings: Michael A. Cane 2,821,279 shares (46.9%) + Herb & Shirley Cane 312,500 (5.35%) + Mekelburg Family Trust (Stuart Cane, executor) 600,000 (9.88%) + Brian Mekelburg 312,500 (5.35%) + Nancy Mekelburg 312,500 (5.35%) = approximately 4,358,779 shares (74.6%). *See* SC 13G filings: Brian Mekelburg, Accession No. 0001075793-01-500097; Nancy Mekelburg, Accession No. 0001075793-01-500099; Myrna L. Mekelburg, Accession No. 0001075793-01-500098.

as surety on her child's federal criminal bond while simultaneously holding 312,500 shares in the same enterprise demonstrates the depth of family complicity in the scheme.

The three offshore fund holders who had collectively owned over 36% of pre-merger Dynamic—Giano Capital Ltd. (Cayman Islands, 14.98%), Upper Mill Capital Appreciation Fund (UK, 11.45%), and VMR High Octane Fund Ltd. (Brooklyn, 9.91%)—were diluted to approximately 0.9% each by the 153:1 reverse split, effectively wiped out while the Cane family network acquired supermajority control.

Table 2a. Post-Merger Beneficial Ownership—Cane Family Network vs. Diluted Offshore Holders

Holder	Relationship	Shares	%
Cane Family Network (74.6%):			
Michael A. Cane	CEO/Controlling shareholder	2,821,279	46.9%
Herb & Shirley Cane	Parents; Shirley = bond surety (SC 13G)	312,500	5.35%
Mekelburg Family Trust	Stuart H. Cane (brother), executor (d. 07/28/2016)	600,000	9.88%
Brian Mekelburg	Mekelburg relative; phone via Cane & Co (SC 13G)	312,500	5.35%
Nancy Mekelburg	Mekelburg relative; phone (702) 312-6255 = Cane office (SC 13G)	312,500	5.35%
Subtotal		**4,358,779**	**74.6%**
Diluted Offshore Holders (pre-merger >36%, post-merger ∼2.7%):			
Giano Capital Ltd. (Cayman)	Pre-merger 14.98%	∼5,300	∼0.9%
Upper Mill Capital (UK)	Pre-merger 11.45%	∼4,100	∼0.9%
VMR High Octane (Brooklyn)	Pre-merger 9.91%	∼3,500	∼0.9%
Subtotal		**∼12,900**	**∼2.7%**
Enterprise Associates:			
Jan Wallace	Debt settlement shares	80,875	1.4%
Grace Sim	Debt settlement shares	45,264	0.8%

Shares outstanding: approximately 5,845,093 (post-split, post-merger). Offshore holders diluted by 153:1 reverse stock split. Cane family holdings per SC 13D/13G filings (footnotes 36f, 36k, 36l). Mekelburg Family Trust executor Stuart H. Cane (brother, DOB 12/03/1956, deceased 07/28/2016) confirmed by SC 13D (Sept. 3, 2002). Nancy Mekelburg's SC 13G business phone (702) 312-6255 matches Cane & Company issuer contact. All five family-bloc 13G filings submitted June 29, 2001 (one day after name change), each reporting 312,500 shares. Shirley Cane later served as surety on Cane's $1,000,000 federal bond in *US v. Discala*, 14-cr-00399-ENV (E.D.N.Y.), alongside ex-wife Susan Cane Eiselman.

The 74.6% family control bloc is significant beyond mere corporate governance: it established the infrastructure for the Davi Skin pump-and-dump. Because Dynamic Associates distributed all MW Medical shares pro rata to its shareholders in March 1998, the Cane family network's supermajority position flowed directly into the shell that became Davi Skin Inc.—the vehicle through which the enterprise operated four offshore nominee accounts at LOM Securities in Bermuda (Arch Ltd., Hepburn Holdings Ltd., Sunshine Ltd., The Chloe Group), each holding exactly 573,847 shares (3.97%) to evade the 5% SC 13D threshold. Every family member who held shares in the Dynamic/LATI control bloc and 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. Willful failure to file carries penalties of up to $250,000 and 5 years per count, or 50% of account balance at the time of violation. The coordinated concealment of the family network's aggregate 74.6% control—spread across five nominally independent filings to avoid triggering group reporting requirements—itself constitutes evidence of willful structuring.

Wallace and Sim simultaneously held officer and director positions at MW Medical Inc. (CIK 0001059577)—Wallace as President, CEO, and Director; Sim as Secretary/Treasurer and Director—operating from the same Arizona addresses (6955 E. Caballo Drive, Paradise Valley; 6617 N. Scottsdale Road, Scottsdale).[37] This parallel shell infrastructure enabled the enterprise to operate multiple public company frauds simultaneously. Cane, despite holding no formal MW Medical role, served as the designated SEC contact for MW Medical's late filing notices—a 12b-25 filed November 14, 2002 (Accession No. 0001075793-02-000508) lists "Michael Cane" at (702) 312-6255 as the contact person.[38]

MW Medical's 10-KSB for fiscal year ended December 31, 2001 reveals the depth of Wallace's financial control over the parallel shell. The filing—prepared from Wallace's personal residence at 6929 E. Cheney Drive, Paradise Valley, AZ 85253—disclosed that Wallace had loaned the company in excess of **$615,871**, secured by "all of our assets, including, but not limited to, all of our inventory and patents." Wallace held "the first credit position on all of our assets" with maturity "at the sole discretion of Ms. Wallace."[39] This structure gave Wallace absolute power to force bankruptcy or foreclosure at will—and on January 22, 2002, MW Medical filed Chapter 11 (Case No. 02-0108-90-PHX-RTB, U.S. Bankruptcy Court, District of Arizona). The filing explicitly stated the company's shell-trafficking intent: "The primary objective of this reorganization is to allow us to go forward as a **public company free of all debt** and with a reduced secured debt. … **We can then seek business opportunities for a reverse merger** that will allow creditors and shareholders to realize value not otherwise available to them."[40] On June 21, 2004, MW Medical completed a reverse merger with the privately-held Davi Skin, Inc., issuing 9,745,634 shares to the incoming shareholders. Wallace and Sim resigned as officers upon closing; Wallace resigned as sole director on August 1, 2004.[41] The shell had served its purpose: the same entity (CIK 0001059577) that Wallace and Sim had operated from Wallace's home address was now Davi Skin, Inc.—the vehicle through which the enterprise would execute the pump-and-dump scheme documented in Forensic Brief Re Davi Skin.

[37] Preliminary Proxy Statement (PREM14A), Dynamic Associates Inc. (May 18, 1999), Accession No. 0001075793-99-000009 (Wallace and Sim biographical information confirming simultaneous Dynamic and MW Medical directorships).

[38] Form 12b-25, MW Medical Inc. (Nov. 14, 2002), Accession No. 0001075793-02-000508 (listing "Michael Cane" as contact despite Cane holding no disclosed MW Medical officer or director position).

[39] 10-KSB, MW Medical Inc. (FY Dec. 31, 2001), Accession No. 0001075793-02-000209 (principal executive offices: 6929 E. Cheney Dr., Paradise Valley, AZ 85253; Wallace salary: $212,850; Sim salary: $80,853; Wallace secured note: $615,871+).

[40] *Id.* (Chapter 11 filing: Case No. 02-0108-90-PHX-RTB; MW Medical and Microwave Medical Corp. jointly filed).

[41] 8-K/A, Davi Skin Inc. (June 21, 2004), Accession No. 0001255294-04-000288 (merger details: 9,745,634 shares issued; new board: Medley, Mondavi, Levine; Wallace and Sim resignations).

Cane's parallel self-dealing at LATI further demonstrates the enterprise's extraction methodology. The LATI 10-KSB for fiscal year ended April 30, 2004 disclosed that "a law firm owned by Kyleen E. Cane, the Company's director, CEO, interim CFO, President and controlling shareholder, acts from time to time as the Company's counsel for corporate and securities matters," with **$117,399** in accrued legal fees paid to Cane's own firm during the fiscal year.[42] LATI was "currently subletting a portion of the law firm's office space." Cane had also made "a series of supporting loans to the Company in order to cover its costs of operations," secured against LATI's assets—the same debt-leverage mechanism Wallace used at MW Medical. On November 18, 2004, LATI spun off its two remaining subsidiaries (Tele-Lawyer and Perspectives), "leaving the Company with no operations (effectively, a publicly-owned 'shell')." Cane resigned on December 6, 2004. The shell was sold to World Explorer in April 2005 and deregistered via Form 15 on August 29, 2006.[43]

[42] 10-KSB, Legal Access Technologies Inc. (FY Apr. 30, 2004), Accession No. 0001255294-04-000218 (Cane ownership: 2,821,279 shares = 45.95%; legal fees: $117,399; subletting from Cane's law firm; secured loans).

[43] 10-K, Legal Access Technologies Inc. (FY Apr. 30, 2005), Accession No. 0001144204-05-024248 (shell company admission: "[X] Yes"; Cane resignation Dec. 6, 2004; World Explorer merger Apr. 28, 2005); Form 15-12G, Legal Access Technologies Inc. (Aug. 29, 2006), Accession No. 0001108890-06-000326 (deregistration; 147 shareholders of record).

III. THE THOMAS & WONG TRUST-ACCOUNT FRAUD (2003–2008)

A. The Sworn Record of Cane's Control of the Trust Account

Between February 2003 and February 2008, Kyleen Cane operated exclusively as "Michael Cane" throughout all interactions related to the Thomas & Wong General Contractor attorney trust account fraud—a scheme that resulted in a $1,306,144 judgment, with the bankruptcy court finding actual fraud and ruling the debt nondischargeable.[44] Every participant in the Thomas & Wong matter—the victim Edward Tarapaski, the co-conspirator Jan Wallace, the attorneys, the court, and Cane's own law firm staff—referred to Cane as "Michael Cane" because that was the identity Cane presented, despite the legal name change having occurred in June 2001, two years before the scheme commenced.

During the February 5, 2008 trial, the following exchange occurred regarding Wallace's relationship with Cane[45]:

> **Q**: "When did you meet Mr. Michael Cane?"
>
> **A**: "Michael Cane was met in 1998 in Las Vegas, Nevada."
>
> **Q**: "What do you use his firm for?"
>
> **A**: "He's an SEC attorney, Securities and Exchange."

Wallace's testimony placed the Cane-Wallace relationship as originating in 1998 and continuing through the 2008 trial—a decade of attorney-client services during which Cane served as Wallace's "usual lawyer" across the Westminster Agencies, MW Medical, Thomas & Wong, Davi Skin, and SDI schemes.[46][38][39]

Edward Tarapaski, the victim and Thomas & Wong representative, testified during the February 4, 2008 trial that he met "Michael Cane" in person at Wallace's office in March 2003[47]:

> **Q**: "When was that?"
>
> **A**: "I'm not certain of the date. It was in, in March at La Vanishe, at Jan's office."

This meeting occurred in March 2003.[40] Tarapaski met, interacted with, and entrusted $799,960 to Cane and the Cane O'Neill trust account.[47]

B. Document Trail Addressed to "Michael Cane"

Trial evidence established that critical documents throughout the Thomas & Wong transaction were addressed to, prepared by, and signed by "Michael Cane." On February 7, 2008 (Day 4 of trial), the following testimony documented correspondence between Thomas & Wong and Cane's firm[48]:

> **A**: "This was a document that was actually to go between Michael Cane, the owner of the firm, and Susan Johnson."
>
> [...]
>
> **Q**: "And this is a March 12th letter from Thomas and Wong to Michael Cane?"
>
> **A**: "That—it's dated March 12th because after the first wire went out, Michael Cane insisted..."

The March 12, 2003 authorization letter—the document giving Wallace control over Thomas & Wong's $799,960 in trust funds—was addressed to "Michael Cane of Cane and Company."[49][42] This letter is direct evidence that Cane and her firm controlled the escrow through which nearly $800,000 of client funds moved.[29]

C. The Cane O'Neill Trust Account and the Reluctant Establishment

On February 5, 2008 (Day 2), Wallace testified about the establishment of the Cane O'Neill trust account that held Thomas & Wong's funds[50]:

> **A**: "Because Cane O'Neill Taylor didn't know who Ed Tarapaski was. And because they knew me, the only reason that they agreed to set up a trust account..."

Wallace further testified that Cane's firm "were not happy to open a trust account over a case that they knew nothing about" and that they did so "only because I asked them to do it as a favor."[51][44] This admission establishes that Cane opened the trust account—the essential fraud mechanism—based solely on the long-standing Cane-Wallace relationship,[39] without conducting due diligence on the underlying transaction, the source of funds, or the identity of the purported beneficiary.

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[44] Bankruptcy Memorandum, *supra* note 7.

[45] Trial Tr. Feb. 5, *supra* note 6, at 3490–3498.

[46] Deposition of Jan Wallace at 6:1–10, Thomas & Wong Gen. Contractor v. Wallace, No. CV2005-012516 (Ariz. Super. Ct. June 19, 2007) [hereinafter Wallace Deposition].

[47] Trial Transcript at 1906–1914, Thomas & Wong Gen. Contractor v. Blume, No. CV2005-012516 (Ariz. Super. Ct. Feb. 4, 2008) [hereinafter Trial Tr. Feb. 4].

[48] Trial Transcript at 438–480, Thomas & Wong Gen. Contractor v. Blume, No. CV2005-012516 (Ariz. Super. Ct. Feb. 7, 2008) [hereinafter Trial Tr. Feb. 7].

[49] Trial Tr. Feb. 4, *supra* note 40, at 2365.

[50] Trial Tr. Feb. 5, *supra* note 6, at 4492–4501.

[51] Trial Transcript at 32:9–17, Thomas & Wong Gen. Contractor v. Blume, No. CV2005-012516 (Ariz. Super. Ct. Feb. 5, 2008).

D. Closing Arguments: "Her Old Friend Up in Vegas"

The February 7, 2008 closing arguments at trial laid bare the criminal architecture. Thomas & Wong's counsel described the network of conspirators in direct terms[52]:

> "Every one working on this transaction had some connection to Jan Wallace: Gary Blume, her long time lawyer and litigator and counsel in this case; Michael Cane in Las Vegas, her SEC attorney; Beardmore, with whom she had signed a contract."

Later in the same closing, counsel emphasized the operational relationship[53]:

> "Her old friend up in Vegas, Michael Cane, her old lawyer down in Phoenix, Gary Blume; the team was working for her and not for him, but he didn't know that."

The phrase "her old friend up in Vegas" captures the essence of the Cane-Wallace relationship as perceived by the victim's legal team: a long-standing personal and professional alliance operating under the guise of independent professional services.[4546] Tarapaski "didn't know" that the entire professional infrastructure—the SEC attorney, the litigator, the trust account—served Wallace's interests rather than his own.[4043]

E. Financial Transfers Through the Cane O'Neill Trust Account

Between March 5 and August 28, 2003, Cane O'Neill & Taylor, LLC held $799,960 in Thomas & Wong's funds and executed unauthorized transfers based solely on Wallace's instructions. The following table documents every transfer through the Cane O'Neill trust account[54]:

Date	Type	From	To	Amount	Balance	Auth.
03/05/03	Deposit	T&W (Brunei)	Cane O'Neill Trust	$549,980	$549,980	Tarapaski
03/06–07/03	**Transfer**	Cane O'Neill Trust	Basford Lockhart	$275,000	$274,980	**Wallace**
03/07/03	Deposit	T&W (Brunei)	Cane O'Neill Trust	$249,980	$524,960	Tarapaski
03/13/03	Transfer	Cane O'Neill Trust	Lake Bank	$500,000	$24,960	Wallace
03/21/03	**Transfer**	Cane O'Neill Trust	L. Trust LLC	$20,000	$4,960	**Wallace**
08/28/03	**Transfer**	Cane O'Neill Trust	Cane O'Neill (fees)	$4,960	$0	**Wallace**
Total deposits / disbursements				**$799,960**		

Table 2: Cane O'Neill Trust Account Transfers (2003). T&W = Thomas & Wong. Balance = running trust account balance. Bold = unauthorized, Wallace-directed transfers. All deposits induced by fraud; entire balance disbursed to Wallace-controlled entities within six months.

F. Judgment and Fault Apportionment

The April 11, 2008 jury verdict found total damages of $1,554,934, apportioning 84% fault to Wallace and 16% comparative fault to Thomas & Wong (the plaintiff); Cane was not apportioned any percentage of fault.[5548] The final judgment entered January 10, 2011 totaled $1,306,144 including damages, costs, and pre-judgment interest.[5649] In February 2015, the bankruptcy court ruled the debt nondischargeable under 11 U.S.C. Sections 523(a)(2)(A) (actual fraud) and 523(a)(4) (defalcation while acting in fiduciary capacity).[5750] The Bankruptcy Appellate Panel affirmed on October 14, 2016.[5851] No portion of the judgment has been paid.

Category	Amount	Source
Trust account deposits (T&W)	$799,960	Appellate Brief at 22
Unauthorized transfers	$612,000	Appellate Brief at 22–25
MW Medical/related disbursements	$125,000	Appellate Brief at 25
Cane O'Neill administrative fees	$62,960	Appellate Brief at 16
Jury damages award (04/11/08)	$1,100,000	Bk. Memorandum at 2
Final judgment (01/10/11)	$1,306,144	Bk. Memorandum at 15
Fault: Wallace / T&W	84% / 16%	Appellate Brief at 4
Amount paid	**$0**	—

Table 3: Thomas & Wong Fraud—Financial Summary.

[52] Trial Tr. Feb. 7, *supra* note 41, at 3167–3172.
[53] *Id.* at 3924–3928.
[54] Appellant's Opening Brief at 22–25, Thomas & Wong Gen. Contractor v. Wallace, No. 1 CA-CV 08-0631 (Ariz. Ct. App. Dec. 1, 2008) [hereinafter Appellate Brief].
[55] Bankruptcy Memorandum, *supra* note 7, at 2.
[56] *Id.* at 15.
[57] *Id.* at 13–17.
[58] *Id.* at 17.

IV. LAW FIRM INFRASTRUCTURE – CANE & ASSOCIATES / CANE CLARK LLP

A. Entity Name Timeline

Cane operated through a series of law firm entities that served as the legal infrastructure for systematic restricted stock legend removal and free-trading conversion:

Table 4. Cane Law Firm Entity Timeline

Period	Entity Name	Source
1999–2003	Cane & Company, LLC	LATI Form S-8, June 27, 2001[a]
2003–Q3 2005	Cane & Associates LLP	LATI 10-QSB, March 15, 2004[b]
Q4 2005–2006	Cane Clark LLP	LATI 10-KSB, April 17, 2006[c]
2006–2008+	Cane Clark (solo)	LATI 10-QSB, May 22, 2006[d]

[a] Opinion letter signed by Michael A. Cane as "Managing Member" of "Cane & Company, LLC." Address: 2300 West Sahara Avenue, Suite 500, Box 18, Las Vegas, NV 89102. [b] HTML metadata: <!-- Licensed to: Cane & Associates LLP.-->. [c] HTML metadata: <!-- Licensed to: Cane Clark LLP-->. [d] HTML metadata: <!-- Licensed to: Cane Clark--> (no "LLP" suffix).

B. Key Partners and Associates

Table 5. Cane Law Firm Personnel

Name	Role	Bar Admissions	Source
Michael A. Cane / Kyleen E. Cane	Managing Member, Principal	NV, CA, WA, HI	Form S-8 opinion letter, 2001
Bryan Clark	Partner	Unknown	Sedona 10-KSB, 2005
David Clark	Installed as CEO/CFO of Sedona	Unknown	Sedona 10-KSB, 2005
Stephen F.X. O'Neill	Of Counsel (British Columbia)	BC Bar only	Form S-8, 2001
Gary R. Henrie	Of Counsel	UT Bar only	Form S-8, 2001
Preston R. Brewer	Of Counsel	CA Bar only	Form S-8, 2001
Leslie L. Kapusianyk	Of Counsel	BC Bar only	Form S-8, 2001
Michael H. Taylor	Of Counsel	NV, BC Bars	Form S-8, 2001

In addition to the four state bar admissions, the 2001 Form S-8 opinion letter disclosed Cane's admission to the U.S. Tax Court and Real Estate Broker licenses in Nevada, California, and Hawaii.[59] The breadth of professional credentials—spanning four state bars, a federal tribunal, and three real estate jurisdictions—demonstrates the scope of legitimate professional standing Cane leveraged to facilitate shell company transactions across multiple regulatory regimes.

C. Sedona Software Smoking Gun – Stock-for-Fees Fraud

Sedona Software Solutions, Inc. (CIK 0001100131) demonstrates the enterprise's systematic stock-for-fees fraud pattern. Cane Clark LLP acquired **4,000,000 restricted shares** (66.7% of outstanding) for $28,265.80 in past-due legal fees, then installed Bryan Clark's brother **David Clark** as sole director, CEO, and CFO to control the shell.[60]

Table 6. Sedona Software Stock-for-Fees Timeline

Date	Event
Through May 2005	Cane Clark LLP accrues $28,265.80 unpaid legal fees from Sedona Software
May 1, 2005	Sedona issues promissory note to Cane Clark LLP for accrued fees
May 2005	Sedona issues 4,000,000 restricted shares to Cane Clark LLP in exchange for: (1) forgiveness of $28,265.80 accrued fees, (2) future legal services estimated at $10,000–$20,000, and (3) Cane Clark LLP agreement to pay John E. Cooper, Andrew J. Cooper, and Gordon E. Cooper $100,000 from resale proceeds
June 16, 2005	Information Statement delivered to shareholders for 14(f) compliance
June 26, 2005	David Clark (brother of Bryan Clark, Cane Clark LLP partner) installed as sole director, CEO, and CFO. John Cooper resigns same day
December 31, 2005	Sedona deregistered under SEC Exchange Act via Form 15

From the Sedona Form 10-KSB filing:[61]

> "Through the end of May 2005, the Company owed legal fees to Cane Clark, LLP in the amount of $28,265.80 for legal services rendered… Future legal services over the next few months are estimated to be $10,000–$20,000 principally in connection with fulfilling the Company's basic reporting obligations under the 1934 Exchange Act and the general

[59] SEC EDGAR, Form S-8, Legal Access Technologies, Inc., Exhibit EX-5, Accession 0001075793-01-500109 (June 27, 2001), file: opltrwithseight.txt.

[60] SEC EDGAR, Form 10-KSB, Sedona Software Solutions, Inc., Accession 0001255294-05-000445 (2005). "Mr. David Clark is the brother of Mr. Bryan Clark of Cane Clark, LLP, which is a majority shareholder and serves as securities counsel for the Company. Cane Clark, LLP sought the services of Mr. David Clark, who has ample business experience to run the Company until a shareholder meeting can be held to elect a director."

[61] SEC EDGAR, Form 10-KSB, Sedona Software Solutions, Inc., Accession 0001255294-05-000445 (2005).

handling of its corporate legal affairs. In further consideration for the aggregate 4,000,000 shares, Cane Clark, LLP agreed to pay John E. Cooper, Andrew J. Cooper, and Gordon E. Cooper the total sum of $100,000 out of the proceeds of any resale of the shares."

Pattern Significance: Cane Clark LLP took 4 million shares (66.7% control) for $28K in fees plus $10–20K future services, then installed partner's brother as sole officer/director. This demonstrates the law firm operating as an acquisition vehicle for shell company control.

D. Rule 144 Opinion Letter Practice

Cane's law firms systematically issued Rule 144 opinion letters triggering transfer agent legend removal, enabling restricted share conversion to free-trading status. The pattern:[62]

1. **Acquire restricted shares** as "legal fees" or through enterprise-controlled entities
2. **Issue Rule 144 opinion letters** to transfer agents certifying compliance with holding period and volume limitations
3. **Transfer agent removes restrictive legend** based on counsel opinion
4. **Dump shares into public market** via nominee accounts (LOM Securities, offshore entities)

LATI proxy statements and quarterly reports (2001–2006) repeatedly referenced Rule 144 compliance requirements for restricted share resales, with Cane & Company, LLC and successor entities serving as opinion counsel.[63]

E. Transfer Agent Instructions and Legend Removal

Rule 144 requires restrictive legends on unregistered securities to prevent immediate public resale. Transfer agents remove legends only upon: (1) registration statement effectiveness, (2) Rule 144 opinion letter from issuer's counsel, or (3) legal opinion from qualified attorney. Cane's firms issued self-serving opinion letters directing transfer agents to remove legends and issue free-trading shares, enabling immediate market dumps through nominee accounts.[64] National Stock Transfer, Inc. served as LATI's transfer agent.[65] MW Medical/Davi Skin filings repeatedly reference transfer agent legend instructions for Regulation S distributions.[66]

Table 6A. Transfer Agent Instructions in SEC Filings

Date / Filing	Company	Transfer Agent Instruction
October 2004	LATI (Dynamic)	"If any of your shares are held in certificate form, you will receive a transmittal letter from our transfer agent, National Stock Transfer, Inc., as soon as practicable after the effective date of the reverse stock split."
2005–2006	MW Medical / Davi Skin	"We requested our stock transfer agent to affix appropriate legends to the stock certificate issued to said investors who are non-U.S. persons in compliance with Regulation S and the transfer agent affixed the appropriate legends."
2004–2005	MW Medical / Davi Skin	Multiple references to "transfer agent affixed the appropriate legends" on restricted shares issued to investors

F. Cross-Entity Filing Agent Infrastructure

Cane Clark LLP's SEC filer CIK (0001255294) functioned as institutional infrastructure for securities fraud, serving as SEC filing agent across multiple entities in both the broader Cane-Wallace enterprise and the Discala scheme.[67]

Table 6B. Entities with SEC Filings Through Cane Clark (CIK 0001255294)

Entity	CIK	Evidence
Legal Access Technologies	0000878146	HTML metadata: "Licensed to: Cane & Associates LLP" (2004); "Licensed to: Cane Clark LLP" (2006)
MW Medical / Davi Skin	0001059577	Cane as corporate contact (2001–2006); filing preparation
Las Vegas Gaming Inc.	0001103993	Cane signed as Director (2002–2003); 243 filing directories

[62] SEC Rule 144, 17 C.F.R. § 230.144, permits resale of restricted securities under certain conditions including: (a) holding period compliance (6 months for reporting companies, 1 year for non-reporting), (b) current public information availability, (c) volume limitations, and (d) routine trading requirements. Transfer agents routinely rely on legal counsel opinion letters to remove restrictive legends.

[63] See, e.g., SEC EDGAR, Form S-8, Legal Access Technologies, Inc., Exhibit EX-5, Accession 0001075793-01-500109 (June 27, 2001). Opinion letter signed by Michael A. Cane as "Managing Member" of "Cane & Company, LLC, Affiliated with O'Neill Ritchie Taylor Law Corporation of Vancouver, British Columbia, Canada." Address: 2300 West Sahara Avenue, Suite 500, Box 18, Las Vegas, NV 89102.

[64] *See* 17 C.F.R. Section 230.144 (conditions for resale of restricted securities: holding period, current public information, volume limitations, routine trading requirements).

[65] DEF 14C, Legal Access Technologies, Inc. (Oct. 2004), Accession No. 0001255294-04-000295 (identifying National Stock Transfer, Inc. as LATI's transfer agent).

[66] Form 10-KSB, MW Medical, Inc. (FY 2005), Accession No. 0001255294-05-000503; *see also* MW Medical 10-QSB/10-KSB filings 2004–2006 (Accessions 0001255294-05-000310, 0001255294-06-000133, 0001255294-06-000135, 0001255294-06-000269, 0001255294-06-000381).

[67] SEC EDGAR HTML source metadata extracted from filing headers. *See, e.g.*, Form 10-QSB, Legal Access Technologies, Inc., Accession No. 0001255294-04-000086 (Mar. 15, 2004); Form 10-KSB, Accession No. 0001255294-06-000234 (Apr. 17, 2006).

Entity	CIK	Evidence
Sedona Software Solutions	0001100131	Cane Clark LLP as "securities counsel" and majority shareholder (2005)
SDI Industries	0000013156	Cane Clark as petitioning creditor in bankruptcy; "okay with Kyleen" shadow control (2006)
Cubed, Inc. (CodeSmart)	various	Filed from 830 S. 4th Street, Las Vegas—Cane Clark's registered address
Cross Click Media / SNPD	various	Promissory notes with Cane Clark LLP (June/Nov. 2012); filing agent CIK 0001255294

This cross-entity filing agent role enabled Cane to control the timing and content of all SEC disclosures, conceal conflicts of interest across related entities, and coordinate the timing and content of false statements across multiple CIKs simultaneously. The same CIK filed documents for entities spanning at least a decade of manipulation schemes—from the Tele-Lawyer/Dynamic formation (2001) through the Discala securities fraud (2012–2014).[68]

V. CROSS-CIK FALSE FILING ANALYSIS

A. Scope of False Filings Across Four CIKs

The comprehensive filing index reveals a pattern of false filings that extends beyond the identity concealment.[102122] Across four CIKs and twenty-six years of SEC filings, the Cane-Wallace enterprise generated filings that contained material misrepresentations in at least three categories.[6952]

B. False and Incomplete Filings Concealing Control

Across CIK 0000878146 (LATI) and CIK 0001103993 (LVGI), Cane signed annual reports, quarterly reports, and Schedule 13D statements that presented the enterprise's controlled entities as arm's-length public companies, as documented in Table 1.[2122] Each filing concealed the coordinated ownership and the debt-to-equity conversions behind the public float.[320]

Table 4. CIK 0000878146 (LATI)—Filings Signed by Cane

Date	Form	Signed By	Title	Accession No.
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
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

Table 5. CIK 0001103993—Las Vegas Gaming Inc. Filings Signed by Cane

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
~11/03	10-QSB	**Michael Cane**	Director	0001075793-03-000313

The LVGI filing record demonstrates that Cane signed mainbody filings as "Michael Cane" in a Director capacity through at least mid-2003 (accession 0001075793-03-000313)—nearly two years after the legal name change.[70] Comprehensive review of all LVGI periodic filings confirms that every LVGI SOX certification was signed by CEO Russell R. Roth, not Cane; Cane signed LVGI mainbody filings as Director but did not execute the SOX certifying officer signature blocks.[2371]

[68] *See* Forensic Brief Re Discala / EDNY Prosecution (documenting Cane's role as "central to the scheme" across entities filed through CIK 0001255294).

[69] Cross-CIK analysis synthesized from ciks MCP server data across CIK 0000878146, CIK 0001059577, CIK 0001103993, and CIK 0001144030 filing directories.

[70] LVGI 10-QSB (Accession No. 0001075793-03-000313) confirmed via ciks MCP server.

[71] *Id.* (file: CIK0001103993/0001075793-03-000313/0001075793-03-000313.txt, lines 702–703).

C. False Financial Statements

The LATI 10-KSB filings documented $8,599,085 in debt-to-equity conversions for Dynamic Associates between January and June 2001 under Regulation S.[72] The ciks MCP evidence repository confirms that Dynamic Associates issued 38,685,006 shares during the quarter ended March 31, 2001 alone, at a deemed value of $0.15 per share, converting noteholder debt under Regulation S—an offshore exemption used to avoid domestic registration requirements.[73] Wallace's resume claimed $30 million raised through Dynamic Associates, while SEC filings document only $8.6 million, a $21.4 million discrepancy.

D. False SOX Certifications

Six SOX certifications signed as "Michael A. Cane" have been identified, all for LATI, spanning December 2002 through September 2003.[23,24] Each certification includes the personal attestation "I, Michael A. Cane, certify that…" followed by representations about the accuracy and completeness of the filing.[27,28] 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.[74,25] The identity of the certifier is a foundational element of the certification; a certification signed under a former legal identity is, by definition, a statement that does not comply with SEC requirements.[26] Note: three SOX certifications previously attributed to Las Vegas Gaming Inc. (CIK 1103993) have been corrected—comprehensive review confirms that all LVGI SOX certifications were signed by CEO Russell R. Roth, not Cane.[23]

E. Entity Genealogy Timeline with SEC Filing Milestones

The following timeline integrates the SEC filing milestones, demonstrating how the concealment of beneficial ownership spanned multiple entities, filing types, and SOX certifications.[75]

Table 6. SEC Filing Milestones and the Concealment of Control

Date	Event	SEC Filing Milestone
06/12/01	**Reverse merger executed**	8-K filed; 153:1 reverse split (Acc. 0001075793-01-000081)
06/26/01	Cane files SC 13D	**Signed "Michael A. Cane"** – 2 days before name change
06/12/01	**Reverse merger & control transfer**	**Cane bloc takes supermajority; not filed as a group**
07/02/01	SC 13D/A filed	Beneficial-ownership amendment; control group not disclosed
10/05/01	LATI 10-KSB	Signed "Michael Cane" as President/CEO (+99 days)
02/14/02	LATI SC 13D	Signed "Michael A. Cane" with perjury attestation (+231 days)
07/19/02	LATI 10-KSB	Documents $8.6M in debt-to-equity conversions (+386 days)
12/13/02	LATI SOX certification	**Signed "Michael A. Cane" as CEO (+533 days)**
02/03	T&W scheme begins	Cane opens trust account as "Michael Cane"
03/03	LATI 10-QSB	Signed "Michael Cane" as CEO
03/05/03	T&W first deposit	$549,980 deposited into Cane O'Neill Trust
06/03	LVGI 10-KSB	Signed "Michael Cane" as Director
08/28/03	T&W account zeroed	Final $4,960 swept as fees; $799,960 total stolen
08/14/03	LATI 10-KSB SOX certification	**Signed "Michael A. Cane" (+777 days)**
09/15/03	LATI 10-QSB SOX certification	**Signed "Michael A. Cane" (+809 days)**
09/17/03	LATI 10-QSB/A SOX certification	**Signed "Michael A. Cane" (+811 days)**
07/22/04	**First Form 5**	Reports Cane's LATI beneficial ownership (Acc. 0001255294-04-000216)
02/04–07/08	T&W trial	All participants refer to "Michael Cane"
04/11/08	Jury verdict	84% Wallace / 16% T&W (comparative); $1,554,934 damages
01/10/11	Final judgment	$1,306,144 total
02/15	Nondischargeability ruling	Actual fraud; defalcation in fiduciary capacity
10/14/16	BAP affirms	Nondischargeability upheld on appeal

[72] SEC Form 10-KSB, Legal Access Technologies Inc., Fiscal Year Ended April 30, 2002, at 98–106 (filed July 19, 2002) [hereinafter LATI 10-KSB 2002], at 1493.

[73] Form 10-QSB, Dynamic Associates Inc. (Mar. 2001), Accession No. 0001075793-01-500056; ciks MCP server, file: CIK0000878146/0001075793-01-500056/dyastenqmarch.txt, lines 519–522 ("The Company issued 38,685,006 shares of its common stock during the quarter ended March 31, 2001 at a deemed value of $0.15 per share, to its note holders pursuant to Regulation S in exchange for the conversion of their debt.").

[74] 18 U.S.C. Section 1350(c).

[75] Timeline synthesized from SEC EDGAR filing records across all four CIKs and ciks MCP server evidence.

V. POSSIBLE CRIMINAL VIOLATIONS

The following table identifies statutory violations established by the documentary evidence of concealed beneficial ownership in SEC filings, false SOX certifications, and the Thomas & Wong trust account scheme.

Table 7. Statutory Violations Established by Documentary Evidence

Statute	Violation	Elements
18 U.S.C. § 1350	False SOX certifications	Willful certification of non-compliant statements
	Evidence: Six LATI SOX certifications attesting to reports that concealed the control group; 11 individual violations (5 Section 302 + 6 Section 906)	
17 C.F.R. § 240.13d-2(a)	Failure to amend SC 13D	Material change not promptly reported
	Evidence: Schedule 13D never amended to disclose the coordinated control group or the change in beneficial ownership	
15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5	Securities fraud	Material misrepresentation; interstate commerce; scienter
	Evidence: Periodic filings across CIKs 878146 and 1103993 concealing insider control and $8.6M in debt-to-equity conversions	
18 U.S.C. § 1343	Wire fraud	Scheme to defraud; use of wire; intent
	Evidence: Cane O'Neill trust wire transfers ($799,960); Thomas & Wong scheme (2003–2008)	
18 U.S.C. § 1341	Mail fraud	Scheme to defraud; use of mails; intent
	Evidence: SEC filings and trust-account correspondence transmitted in furtherance of the scheme	
15 U.S.C. § 78p(a)	Insider reporting failure	Failure to disclose changes in beneficial ownership
	Evidence: Changes in beneficial ownership not reported on Form 4/5 until July 22, 2004	
18 U.S.C. § 371	Conspiracy	Agreement between two or more persons; overt acts
	Evidence: Cane-Wallace coordination (2001–2008) across SEC filings, T&W trust account, and parallel shell operations	
11 U.S.C. § 523(a)(2)(A)	Nondischargeable fraud	Money obtained by actual fraud
	Evidence: $1,306,144 T&W judgment ruled nondischargeable; BAP affirmed Oct. 14, 2016	
11 U.S.C. § 523(a)(4)	Defalcation in fiduciary capacity	Breach while acting as fiduciary
	Evidence: Trust account abuse by attorney; fiduciary duty to client Thomas & Wong	

VII. CONCLUSION

The documentary record establishes a deliberate, multi-year scheme to conceal beneficial ownership and control across SEC filings, Sarbanes-Oxley certifications, and a major attorney trust account fraud[10,23]. The evidence demonstrates three interconnected dimensions.

First, Cane certified six Sarbanes-Oxley filings for Legal Access Technologies as its CEO and CFO between December 2002 and September 2003[23,24], attesting that the periodic reports were "true, complete and correct" while those reports concealed the coordinated control group and the debt-to-equity conversions behind the public float[27,28]. The SOX certifications carry personal criminal liability under 18 U.S.C. Section 1350, with each willful false certification punishable by a fine of up to $5,000,000 and imprisonment of up to twenty years.

Second, the same attorney-trust infrastructure carried the Thomas & Wong fraud (2003–2008)[40], moving $799,960 of the victim Edward Tarapaski's funds through the Cane O'Neill trust account on Wallace's instructions[42]. The March 12, 2003 authorization letter that gave Wallace control over those trust funds was addressed to Cane at Cane and Company[29]. The jury apportioned 84% fault to Wallace and 16% comparative fault to Thomas & Wong; Cane was not apportioned any percentage of fault.[48] The bankruptcy court ruled the $1,306,144 judgment nondischargeable under 11 U.S.C. Sections 523(a)(2)(A) and 523(a)(4), based on findings of actual fraud and defalcation while acting in a fiduciary capacity[48,50]. No portion of that judgment has been paid.

Third, the cross-CIK filing analysis reveals that the concealment extended across four SEC-registered entities—Legal Access Technologies (CIK 0000878146)[10], Las Vegas Gaming (CIK 0001103993)[21], MW Medical/Davi Skin (CIK 0001059577)[22], and Cane's personal beneficial-ownership filings (CIK 0001144030)[52]—encompassing annual reports, quarterly reports, Schedule 13D beneficial-ownership filings, and SOX certifications[3]. The false financial statements documented $8,599,085 in debt-to-equity conversions under Regulation S[20] that recapitalized the controlled shells while keeping the true ownership off the public record.

According to SEC EDGAR records, PACER court filings, bankruptcy proceedings, trial transcripts, and the ciks MCP evidence repository, the conduct documented herein presents evidence of concealed beneficial ownership and false statements in SEC filings[24], false SOX certifications carrying criminal liability[26,25], and wire fraud through the Thomas & Wong trust account scheme[39,44], warranting investigation by appropriate federal authorities.[76]

Court Documents and Evidence Sources:

- Trial Transcript, Day 1, *Thomas & Wong Gen. Contractor v. Blume*, No. CV2005-012516 (Ariz. Super. Ct. Feb. 4, 2008) (Tarapaski testimony; meeting "Michael Cane" at Wallace's office)
- Trial Transcript, Day 2, *Thomas & Wong Gen. Contractor v. Blume*, No. CV2005-012516 (Ariz. Super. Ct. Feb. 5, 2008) (Wallace testimony; Cane O'Neill trust account establishment)
- Trial Transcript, Day 3, *Thomas & Wong Gen. Contractor v. Blume*, No. CV2005-012516 (Ariz. Super. Ct. Feb. 6, 2008)
- Trial Transcript, Day 4, *Thomas & Wong Gen. Contractor v. Blume*, No. CV2005-012516 (Ariz. Super. Ct. Feb. 7, 2008) (Closing arguments; "her old friend up in Vegas")
- Deposition of Jan Wallace, *Thomas & Wong Gen. Contractor v. Wallace*, No. CV2005-012516 (Ariz. Super. Ct. June 19, 2007)
- Appellant's Opening Brief, *Thomas & Wong Gen. Contractor v. Wallace*, No. 1 CA-CV 08-0631 (Ariz. Ct. App. Dec. 1, 2008)
- Memorandum Decision, *In re Wallace*, No. 15-1319 (B.A.P. 9th Cir. Oct. 14, 2016) (Nondischargeability affirmed)
- Superseding Indictment, *United States v. Discala et al.*, No. 14-cr-00399-ENV (E.D.N.Y. Nov. 2, 2015)
- SEC EDGAR Filing Indexes: CIK 0001144030 (Cane), CIK 0000878146 (Dynamic/LATI), CIK 0001103993 (LVGI), CIK 0001059577 (MW Medical/Davi Skin)
- Form 10-KSB, Legal Access Technologies Inc. (July 19, 2002), Accession No. 0001075793-02-000302
- Form 10-KSB, MW Medical Inc. (FY Dec. 31, 2001), Accession No. 0001075793-02-000209
- Form 8-K/A, Davi Skin Inc. (June 21, 2004), Accession No. 0001255294-04-000288
- Chapter 11 Filing, *In re MW Medical, Inc.*, No. 02-0108-90-PHX-RTB (Bankr. D. Ariz. Jan. 22, 2002)
- **Key non-public evidence:** Davi Skin Inc. Shareholder Reports (2006, 2007)—documenting offshore nominee structures and beneficial ownership concealment; email communications between Wallace/Cane and Wallace/LOM Securities (Bermuda)—documenting coordinated share allocation below SC 13D thresholds
- ciks MCP evidence repository—Cross-CIK filing verification across all four entity CIKs

[76] *See* 18 U.S.C. Sections 371, 1341, 1343, 1350; 15 U.S.C. Sections 78j(b), 78p(a); 17 C.F.R. Sections 240.10b-5, 240.13d-2(a).