



**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

**Petition to Quash/Dismiss Civil Investigative Demand-Oral Testimony
File No. ~~092-3014~~ 0923052**

October 28, 2009

**TO: Honorable Donald S. Clark, Secretary
Federal Trade Commission
Washington, D.C.**

**✓ ATTENTION: Commissioner Susan E. Arthur, Esq.
Federal Trade Commission
1999 Bryan St., Suite 2150
Dallas, Texas 75201**

FROM: Kelly E. Reilly, James F. Wojcik and Alvin B. Bell, Petitioners

INTRODUCTION

Pursuant to Section 20 of the Federal Trade Commission Act, 15 U.S.C. §576-1, this petition is filed to quash oral testimony; and shall set forth all assertions of privilege or other factual and legal objections to the Civil Investigative Demand, including all appropriate argument, affidavits, and other supporting documentation, and further states as follows.

This Petition to Quash the pending Civil Investigative Demand in the above referenced case is filed on the grounds that it is unmerited and constitutes a duplication of litigation and federal resources; to wit, the corporation in question (Debt Relief USA, Inc.) filed for bankruptcy protection sometime in April/May 2009, and subsequently the case was converted to Chapter 7 liquidation under the authority of a trustee. Petitioners state as follows:

**INCORPORATED STATEMENT OF FACTS AND ARGUMENT
IN SUPPORT OF PETITION TO QUASH/DISMISS**

1. The conversion of this case to Chapter 7 liquidation (Case No. 09-33836-7) has resulted in the transfer of all corporate funds in the approximate amount of \$28,000.00, and a set-aside fund account of client's money estimated at \$4.75 million to an interest-bearing account under the supervision of Mr. Robert Newhouse, Bankruptcy Court Trustee.

2. Therefore, neither of the petitioners, Mr. Kelly Reilly, James Wojcik nor Alvin Bell have any corporate funds/assets in their possession or under their control.
3. Neither of the petitioners, Mr. Kelly Reilly, James Wojcik nor Alvin Bell have access to any corporate records. All corporate records are in the possession of Mr. Robert Newhouse, Bankruptcy Trustee.
4. As previously requested/required, the FTC was provided with duplicate copies of all corporate records/documents submitted to the Bankruptcy Court.
5. All of the petitioners, Mr. Kelly Reilly, James Wojcik and Alvin Bell have previously executed affidavits attesting to the fact that "all information provided is true to the best of their knowledge."
6. The Bankruptcy Court has held all assets/funds for five months and has not released any assets to date.

SUMMARY OF FACTS

7. Debt Relief USA filed bankruptcy sometime in March or April of 2009, but the bankruptcy court failed to send out letters to all creditors - apparently they sent out 85 letters instead of the necessary 2500 letters.
8. As a result, the clients of Debt Relief USA were not aware of the bankruptcy filing, and therefore most likely assumed the worst -that the owners had departed with the funds that had been submitted to forward to the client's creditors. This simply is not true.
9. The client's money is safely in the hands of the bankruptcy trustee, Mr. Robert Newhouse (former NFL player for the Dallas Cowboys), and will be returned to each client once Mr. Newhouse's staff has confirmed how much is owed to each client. Mr. Newhouse can be reached at: 214- 752-0999.

CONCLUSION

WHEREFORE, the Petitioners in the above referenced case were protected by both the corporate veil of Debt Relief USA and by the protection of the automatic stay of the U.S. Bankruptcy code until the conversion of the Chapter 7 liquidation. Thereafter, all corporate funds and client assets were transferred to the custody and control of the bankruptcy trustee. Due to an error or negligence on the part of the bankruptcy clerk, apparently the clients/creditors in the above-referenced case, et al, were not properly notified of the automatic stay protection of the bankruptcy; thereby causing many of the creditors who were not properly notified to file this Complaint with the FTC to protect their assets. This case is therefore without merit and the debacle was thereby caused by

the Bankruptcy Court's failure to notify all creditors of the automatic stay protection and the disbursement of their assets by the appointed trustee.

Therefore, the U.S. Bankruptcy trustee could confirm that all assets belonging to the creditors are in his possession and under the protection of the U.S. Bankruptcy Court, in an interest-bearing account, currently waiting all creditors to come forth for funds to be appropriately disbursed to each creditor. This would negate the need for this action to continue.

Petitioners hereby respectfully move the Commission Counsel to dismiss this action and instruct clients/creditors and/or their legal representatives to contact the trustee of the U.S. Bankruptcy Court in Dallas, TX at the above referenced contact number to seek their respective disbursement to amicably and immediately resolve this matter. Respectfully, the undersigned petitioners move the Commission Counsel in this matter and in the interim to quash or dismiss this case. With all due respect, petitioners request quick action on this motion so that there will be no need to waste government/FTC resources in a hearing scheduled for November 19, 2009.

Respectfully submitted,

By:


Kelly E. Reilly, Petitioner


James F. Wojcik, Petitioner


Alvin B. Bell, Petitioner