

**IN THE STATE OF MISSOURI  
JACKSON COUNTY DISTRICT COURT**

SAMUEL K. LIPARI	)	
(Assignee of Dissolved	)	
Medical Supply Chain, Inc.)	)	
<i>Plaintiff</i>	)	<b>Case No. 0616-cv-07421</b>
	)	
vs.	)	
	)	
GENERAL ELECTRIC COMPANY,	)	
GENERAL ELECTRIC CAPITAL	)	
BUSINESS ASSET FUNDING CORPORATION,	)	
GE TRANSPORTATION SYSTEMS	)	
GLOBAL SIGNALING, L.L.C.	)	<b><u>Jury Requested</u></b>
JEFFREY R. IMMELT	)	
STEWART FOSTER	)	
HEARTLAND FINANCIAL USA, Inc.	)	
JOHN SCHMIDT	)	
BRADLEY J. SCHLOZMAN	)	
<i>Defendants</i>	)	

**AMENDED PETITION**

Comes now the petitioner, Samuel K. Lipari in his role as sole assignee of all interests of the dissolved Missouri Corporation Medical Supply Chain, Inc. where he was the founder and chief executive officer and appears *pro se*.

**I. Jurisdiction**

1. This court has jurisdiction over questions of Missouri common law in real estate purchase contracts raised in a timely manner by a plaintiff that has never slept on his rights.
2. This court has jurisdiction over Missouri common law interference with contract claims.
3. This court has jurisdiction over 18 U.S.C. § 1962 *et seq.* (“RICO”) claims.

**II. Venue**

4. The plaintiff makes a complaint claiming a state common law cause of action over a breached real estate contract on property located in Jackson County.
5. The plaintiff’s complaint is against defendants that regularly do business in Jackson County, owned or controlled real property in Jackson County or resided in Jackson County, Missouri.
6. Venue is proper in this court.

### **III. Procedural History**

7. Plaintiff brought this claim under state law in a federal action in the US District Court for Kansas (*Medical Supply Chain, Inc. v. General Electric Company, et al.*, case number 03-2324-CM) within a week of the June 15, 2003 breach. The trial court dismissed the plaintiff's federal antitrust-based claims and expressly dismissed the plaintiff's state law claims without prejudice stating GE's requests for sanctions was inappropriate where the plaintiff's contract claims could have merit.

8. The Tenth Circuit upheld the trial court's express dismissal without prejudice of the state law claims but reversed the trial court's ruling at law on whether sanctions could be awarded against a party for some claims in a complaint that also contained non frivolous claims.

9. The GE defendants threatened to bring sanctions after remand and to take the plaintiff's counsel's house if all claims including the non-frivolous state claims were not dropped.

10. The plaintiff demonstrated that the sanction order was in contradiction to clearly established Tenth Circuit authority applying to General Electric's CEO Jeffrey Immelt's individual liability under antitrust law and if sanctions were issued they would be a trespass at law. They were not issued.

11. The plaintiff sought to have these claims added to a related antitrust action (*Medical Supply Chain, Inc. v. Neoforma, et al.*, case number 05-2299) first through combination with the remanded case against the GE defendants and then through raising new federal claims against the GE defendants on September 15th, 2005 in the related antitrust action.

12. The trial court ordered the federal claims against the Neoforma defendants dismissed and again expressly declined to exercise jurisdiction over the state claims on March 7th, 2006.

### **IV. PARTIES**

13. Samuel K. Lipari was Chief executive officer of the Missouri Corporation Medical Supply Chain, Inc.

14. Medical Supply Chain, Inc. was dissolved by Samuel K. Lipari on January 27th, 2006.

15. Samuel K. Lipari is the sole assignee of the dissolved corporation Medical Supply Chain, Inc. under the Missouri Corporation's chapter of the revised state statutes.
16. General Electric Company, (herein "GE"), Missouri registered agent: C T Corporation System, 314 North Broadway, St. Louis, Mo 63102.
17. General Electric Capital Business Asset Funding Corporation, (herein "GE CAPITAL") Missouri registered agent: The Company Corporation 120 South Central Avenue Clayton, Mo 63105.
18. GE Transportation Systems Global Signaling, L.L.C. (herein "GE TRANSPORTATION") Missouri registered agent C T Corporation System, 120 South Central Avenue, Clayton Mo 63105.
19. Jeffrey R. Immelt, CEO of General Electric, formerly President of GE Medical, an independent company, in addition to founding GHX, Inc., an independent company and is a defendant actor with an independent personal stake.
20. Seyfarth Shaw LLP, 131 S. Dearborn Street, Suite 2400, Chicago, Illinois 60603-5577
19. Carpets n' More Inc., Stewart Foster 9700 Keystone Dr. Lee's Summit, MO 64086
20. Heartland Financial USA, Inc. ("Heartland Financial"), 1600 N.E. Coronado Drive in Blue Springs, MO 64015.
21. John Schmidt Chief Financial Officer of Heartland Financial USA, Inc.
22. Bradley J. Schlozman, a private citizen in his capacity as an agent of the Republican National Committee and the Kansas Republican Party.

## **V.INTRODUCTION**

20. Samuel K. Lipari's dissolved company Medical Supply Chain, Inc. (Medical Supply) formed a written contract via email with GE and GE Transportation to buy a \$10 million dollar building at 1600 N.E. Coronado Drive in Blue Springs, MO for \$5 million and simultaneously to sell GE Transportation a release from its ten-year lease for a deeply discounted value.
21. The GE entities knew Medical Supply intended to use the transaction to capitalize its entry into the hospital supply market and that it was the victim of antitrust conspirators using the USA PATRIOT ACT to prevent it from getting capital by conventional means. GE corporate "business

leaders” approved the transaction obligating GE Capital’s underwriting based on Samuel K. Lipari’s business plan and Medical Supply’s ability to pay as detailed in Medical Supply’s forward looking financials.

22. The e-mail was a written contract meeting the Missouri Statute of Frauds and under Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq.

23. Both the GE entities and Medical Supply partially performed the terms of the contract. GE caused the breach of the contracts when GE Medical and the electronic hospital supply marketplace GHX LLC created by GE interfered to prevent Medical Supply from getting capitalization through the contract to enter the hospital supply marketplace. GHX, GE and GE Medical are openly part of a hospital supply cartel that had previously prevented Medical Supply from capitalizing its entry into the hospital supply market.

24. Medical Supply is entitled to its contract expectations *Albrecht v. The Herald Co.*, 452 F.2d 124 at 129 (8th Cir. 1971) including its business plan forward looking financials under *Anuhco, Inc. v. Westinghouse Credit Corp.*, 883 S.W.2d 910 (Mo App 1994) and GE Capital has specifically been subjected to business plan expectation damages in Missouri State Court: *Rasse v. GE Capital Small Business Finance Corp.*, 2002 MO 808 (MOCA, 2002).

25. A Missouri federal court decided an electronic contract/electronic signature case under federal and state electronic contract laws and the Missouri statute of frauds as Medical Supply advocated: *International Casings Group, Inc., v. Premium Standard Farms, Inc.*, 358 F. Supp. 2d 863; 2005 U.S. Dist. LEXIS 3145, February 9, 2005.

## **VI. STATEMENT OF FACTS**

26. The plaintiff through his now dissolved corporation made a contract with the defendants to sell GE Transportation’s remaining ten year lease at a deep discount benefiting GE in exchange for GE’S funding of the plaintiff’s purchase of the building through GE’S business lending subsidiary, GE Capital.

### **A. FORMATION OF A CONTRACT BETWEEN THE PLAINTIFF AND THE DEFENDANTS TO EXCHANGE GE TRANSPORTATION’S REMAINING LEASE AND FUND THE PURCHASE OF 1600 N.E. CORONADO BUILDING**

27. On or about June 1st, 2002, Samuel K. Lipari, in his role as CEO of Medical Supply Chain, Inc. contacted the leasing agent Cohen & Essrey Property Management ("Cohen") regarding a building located at 1600 N.E. Coronado Drive in Blue Springs, MO.

28. Cohen indicated the building was already leased but that the lessee could and would like to sub-lease the building.

29. The building was not occupied so Samuel K. Lipari made a verbal offer to sub-lease a portion of the building.

30. Cohen declined his offer indicating the existing lessee would not accept anything less than sub-leasing the entire building.

31. On or about April 1st, 2003 Samuel K. Lipari contacted the new leasing agent, B.A. Karbank & Company ("Karbank") in the event the new agent had different instructions regarding a sub-lease of the property located at 1600 N.E. Coronado Drive in Blue Springs, MO.

32. The new leasing agent Karbank told Samuel K. Lipari that GE was the lessee seeking to sub-lease the building due to their vacating the building after GE Transportation bought out Harmon Industries.

33. The building was still not occupied so again Samuel K. Lipari made a verbal offer to lease a portion of the building.

34. Karbank declined his offer indicating GE corporate properties would not accept anything less than leasing the entire building.

35. On or about April 7th, 2003 Samuel K. Lipari contacted GE and spoke with the GE property manager, Mr. George Frickie regarding Medical Supply's interest in sub-leasing the building.

36. George Frickie indicated again that GE would not be interested in sub-leasing a portion of the building but rather would be interested in leasing the entire building.

37. Samuel K. Lipari requested the name of the owners and George Frickie gave him the name and number of Mr. Barry Price with Cherokee Properties L.L.C.

38. Samuel K. Lipari contacted Barry Price, and he was referred to Mr. Scott Asner who also had a substantial interest in the building.

39. While speaking with Mr. Asner he provided Samuel K. Lipari the background and current details on the building lease with GE, terms and a price to purchase the building.
40. The lease was transferable and GE was still obligated for 7-years out of a 10-year lease.
41. Mr. Asner agreed to sell Medical Supply the building for the remaining balance of the GE 7-year lease (\$5.4 million) and provided Samuel K. Lipari with a letter of intent to sell the building to Medical Supply.
42. On or about April 15th, 2003 Samuel K. Lipari contacted George Frickie with GE Commercial Properties and indicated that he had an interest in purchasing the building.
43. Samuel K. Lipari asked George Frickie if GE had an interest in buying out the remainder of their lease so that Medical Supply could occupy the building following the purchase.
44. George Frickie offered GE's lease payments for the remainder of 2003 (\$350,000) as a buy out offer.
45. On or about May 1st, 2003 Samuel K. Lipari tentatively contacted several local Banks, knowing that US Bank had threatened his company with a malicious USA PATRIOT ACT report to keep Medical Supply from entering the hospital supply market where US bank was affiliated with Neoforma, an existing electronic marketplace for healthcare supplies.
46. Samuel K. Lipari knew Medical Supply could not get a loan because of the threat and extortion of the USA PATRIOT ACT, but knew he needed inputs from bankers familiar with the commercial real estate market in Blue Springs, MO.
47. Samuel K. Lipari felt Medical Supply could form a holding company to obtain the property without US Bank realizing, and could then enter the hospital supply market.
48. Samuel K. Lipari spoke with Mr. Allen Lefko President of Grain Valley Bank, Mr. Pat Campbell branch manager of Gold's Bank and Mr. Randy Castle Senior Vice-President of Jacomo Bank.
49. Each of the banks indicated a wiliness to provide the mortgage because they felt the property was worth far more than the price offered by Cherokee Properties L.L.C., but the mortgage was too large for the regulatory size of their bank and they each suggested a national bank as an alternative.
50. Due to US Bank's extortion and racketeering, including the pretext and very real threat of a

malicious USA PATRIOT ACT "suspicious activity report" (SAR) against Medical Supply since Samuel K. Lipari had tried to enter the hospital supply market in October of 2002, Samuel K. Lipari knew he was unable to solicit a national bank for the real estate loan.

51. On or about May 7th, 2003 Medical Supply contracted a financial consultant (Mrs. Joan Mark) for advice on how to structure a mortgage to buy the building which has a 7- year revenue stream from GE in the amount of \$5.4 Million dollars, the identical amount offered to purchase the building and for which Medical Supply had a letter of intent from the owner Cherokee Properties LLC.

52. Mrs. Mark suggested Samuel K. Lipari propose a mortgage arrangement directly to Mr. Frickie with GE Corporate.

53. Mrs. Mark explained how a purchase of the \$10 Million dollar property for \$5.4 Million dollars was a great deal for any mortgage lender.

54. Mrs. Mark also explained if GE provided a \$5.4 Million dollar mortgage on a \$10 Million dollar property and eliminated a \$5.4 Million dollar lease liability that GE would directly benefit from a \$15 Million dollar positive swing to their balance sheet.

## **1. Offer**

55. On or about May 15th, 2003, Medical Supply's corporate counsel sent a proposed transaction to George Frickie outlining the terms of Medical Supply's proposal :

Dear Mr. Fricke:

I am writing on behalf of Medical Supply Chain, Inc. with a proposal to release GE from a seven-year 5.4 million dollar obligation on 1600 N.E. Coronado Dr., Blue Springs MO. We have spoke with the City of Blue Springs economic development officer and the city attorney. Medical Supply Chain, Inc. has also obtained a letter of intent from the building's owner, Cherokee South, L.L.C. (Barry Price/Scott Asner) to purchase the building. We offer to release GE from its lease and 5.4 million dollar obligation, providing GE pays Medical Supply Chain, Inc. at closing for the remainder of the 2003 lease and transfers title to the building's furnishings. This offer is contingent on GE's acceptance by 3pm (EST), Friday, May 23rd; the City of Blue Spring's approval of Medical Supply Chain's purchase and occupation of the building and is contingent upon GE Capital securing a twenty year mortgage on the building and the property with a first year moratorium.

Medical Supply Chain, Inc. believes this arrangement will result in a net gain in revenue for GE and GE's Capital services was our first choice for the commercial mortgage when our area bankers advised us the building and the property at 6.2 million dollars was substantially less

than its market value of 7.5 million dollars, but would require a commercial lender. Medical Supply Chain, Inc. has no existing debt and a valuation of thirty two million dollars. See attachment 1.

GE Capital or its underwriter would need to provide Medical Supply Chain, Inc. a twenty-year Mortgage at 5.4% on the full purchase price of 6.4 million dollars, with a moratorium on the first full year of mortgage payments. The City of Blue Springs would be paid the balance of lease payments for the land (\$800,000.00) or in the alternative, the mortgage will include an escrow account to complete the lease and purchase of the land on its original terms. GE Capital can provide or designate the closing agent and would be required to provide 5.4 million dollars to Cherokee South, L.L.C. and your division's check for the remainder of the lease payable to Medical Supply Chain, Inc. along with a bill of sale for the buildings furniture and equipment. This closing would need to be completed by June 15th, 2003. Please contact us at your receipt of this offer and provide us a contact person for GE Capital or its mortgage agent.

Bret D. Landrith

## **2. Oral Acceptance Affirming Meeting of the Minds**

56. The afternoon of May 15th, 2003 George Frickie responded, leaving a taped voicemail message and stating he had spoke with the "business leaders" at GE corporate and that they will accept Medical Supply's proposal:

"Bret, George Frickie, ah.... I know I sent you an email saying that my counsel is out ah...and I followed up with another email but I spoke to the business leaders and we will accept that transaction ah... let's start the paper work ah... if you want to do some drafting of lease termination or if you would like us to do that, give me a holler 203-431-4452."

May 15<sup>th</sup> 2003 taped voice mail message recorded by George Frickie.

## **3. Verification, A Writing Meeting Statute of Frauds**

57. The second e-mail George Frickie referenced on the phone conversation explicitly stated that GE would accept Medical Supply's proposal and initialed the written acceptance in addition to the electronic signature file for the e-mail:

"From: Fricke, George (CORP)  
To: Bret Landrith  
cc: Newell, Andrew (TRANS) ; Payne, Robert J (TRANS) ;  
Davis, Tom L (TRANS) ; Jakaitis, Gary (CORP)  
Sent: Thursday, May 15, 2003 6:05 PM  
Subject: RE: Lease buyout GE/Harmon building

Bret, I would like to confirm our telephone conversation in that GE will accept your proposal to terminate the existing Lease. Robert Payne GE Counsel will start working on the document. He is out of the office until Monday the 19th. GCF"

#### **4. Conduct Consistent With Contract**

58. On or about May 20th, 2003, Medical Supply was given a walk through of the property to inventory the buildings furniture and fixtures and discuss building maintenance and operational procedures.

59. Mr. Tom Davis, the property manager for GE Transportation in Blue Springs and Mr. John Phillips, the GE Transportation building maintenance engineer provided a three-hour walk through in addition to the building maintenance and operational procedures.

60. Mr. Philips also provided the construction blueprints of the building and allowed Samuel K. Lipari to make copies.

61. Samuel K. Lipari returned the blueprints after copies were made.

62. Mr. Davis and Mr. Phillips both stated they were being dismissed from employment with GE since they would no longer be needed.

63. On May 22nd, 2003 Samuel K. Lipari spoke to Mr. Doug McKay with GE Capital who had called earlier that week with regard to the mortgage outlined in Medical Supply's proposal.

64. Mr. McKay asked that Samuel K. Lipari send his company information regarding the mortgage.

65. Samuel K. Lipari indicated that he could meet him the following Tuesday because Medical Supply had a loan package for him that included its financials, the proposal that George Frickie and GE's business leaders accepted, the letter of intent from the owners Cherokee Properties LLC and Medical Supply's Dunn & Bradstreet report showing Medical Supply's good credit rating and strong financial condition.

66. Samuel K. Lipari gave the information to Mr. McKay and Mr. McKay indicated he needed to speak with GE Transportation to see how they wanted to handle the terms of the accepted proposal.

#### **5. Conduct Suggesting Repudiation**

67. On or about June 2nd, 2003 Samuel K. Lipari called Mr. McKay to see how they were doing on closing and Mr. McKay indicated that the person he needed to speak with was at corporate

and that he needed to speak with him before moving forward.

68. As the June 15th, 2003 closing date approached, Medical Supply had not received any definitive closing date so Medical Supply's corporate counsel called and sent George Frickie an email stating that a delay in closing would not effect the lease buyout of \$350,000.

69. Medical Supply's counsel later again called George Frickie when he received no response and George Frickie became extremely angry and hung up the phone.

70. Medical Supply then proceeded to speak with GE's counsel Mrs. Kate O'Leary to determine if the contract had been repudiated.

71. Supporting statutes and the antitrust basis including damage implications were explained to Kate O'Leary.

72. Medical Supply gave GE a deadline of June 10th, 2003 to clarify whether there had been contract repudiation. Kate O'Leary later faxed a letter on June 10th, requesting that Medical Supply not speak to anyone at GE or its affiliates and that any correspondence relating to this matter be directed to her.

73. Medical Supply then emailed a letter stating that if no earnest money were deposited to indicate the contract was not being repudiated, Medical Supply would file its claims on June 16th, 2003 for antitrust and breach of contract.

74. GE repudiated its contract, sacrificing \$15 million dollars on June 15th, 2003 to keep Medical Supply from being able to compete against GHX, L.L.C. and Neoforma in the market for hospital supplies.

75. Samuel K. Lipari filed a lis pendens in the Jackson County Register of Deeds office based on his state law claims in the US District Court.

76. The defendant Carpet n' More Inc. Stewart Foster placed the building up for sale with actual or imputed knowledge of Medical Supply's claims.

77. The defendants have occupied the building at 1600 NE Coronado preventing plaintiff from receiving the value of his bargain and with actual or imputed knowledge of Medical Supply's claims.

78. In March 2006 GE CAPITAL funded the purchase of Neoforma, an electronic marketplace

competitor of Medical Supply Chain, Inc.

79. Neoforma has never been profitable: "Neoforma's balance sheet shows a cumulative loss of nearly \$739 million dollars as of Sept. 30, 2004." Healthcare Purchasing News March 2005.

80. "In 2005, in accordance with GAAP, Neoforma's net loss and net loss per share were \$35.9 million dollars and \$1.81 per share respectively, an improvement from the \$61.2 million dollar net loss and \$3.17 net loss per share recorded in the prior year." Neoforma, Inc. press release San Jose, CA, USA 02/26/2003.

**B. General Electric Defendants' Interference with Subsequent Attempts to Capitalize Petitioner's Entry Into Hospital Supply Market**

81. The petitioner attempting to obtain capital inputs a third time to enter the hospital supply market through a Chicago Illinois financier named Michael W. Lynch was stopped again by the GE defendants. Hon. Judge Eugene R. Wedoff, the Chief Bankruptcy Judge of the Northern District of Illinois has revealed to the Federal Bureau of Investigation the defendants' widespread use of offshore funds in the continuation of a "Greyford" racketeering enterprise effecting the outcomes of federal court cases in several states where General Electric's interest in a cartel member's monopoly interest is at stake. The evidence shows GE Capital, a defendant in this case and its financial client Alcoa furthered General Electric's interests by influencing the outcome of any action threatening General Electric's monopolies or actions to retaliate against witnesses who threatened General Electric's monopolies.

82. Michael W. Lynch provided evidence to Western District US Attorney Bradley J. Schlozman discovered in April 2006 that a \$39,000,000.00 bribery fund was being used to secure outcomes in court cases including the shift of unfunded pension obligations of McCook Metals, Inc. to the Pension Benefit Guaranty Board (PBGC) at the expense of US taxpayers despite the obligation of Alcoa Aluminum financed by General Electric, pursuant to Alcoa's acquisition of Reynolds Metals, under ERISA law.

83. On July 1st, 2007 Hon. Judge Eugene R. Wedoff stepped down as Chief Bankruptcy Judge of the Northern District of Illinois. As a result of federal government investigations of illegal conduct that the petitioner believes was a protection selling racketeering scheme, Bradley J. Schlozman

has resigned his current position at main justice, Deputy Attorney General Paul McNulty who authored the memo used by the GE CEO Jeffrey Immelt and the General Electric defendants to conceal the financial records of Neoforma and defeat the Sarbanes - Oxley Act of 2002 as described in the petitioner's underlying complaint has also resigned.

**C. General Electric Defendants' Interference with recovery of Petitioner's Capitalization for Entry Into Hospital Supply Market From US Bank Defendants**

84. The GE defendants Jeffrey R. Immelt, GE Capital and GE Transportation coordinated their defense of Medical Supply's action with the US Bank defendants US Bancorp and US Bank along with Jerry A. Grundhoffer, Andrew Cesere, Piper Jaffray Companies and Andrew S. Duff to defeat the petitioner's claims for injunctive and declaratory relief resulting from his first attempt to enter the market for hospital supplies.

85. On January 29, 2004, March 4, 2004, April 2, 2004 US Bancorp's counsel, Nicholas A.J. Vlietstra and Piper Jaffray's counsel Reed coordinated their appeal (10th C.C.A. 03-3342) with the GE defense. The GE defendants included the action against the US BANCORP defendants and Unknown Healthcare Provider as a related appellate case in (10th C.C.A. 04-3075) and used the US BANCORP order as a basis for a cross appeal (10th C.C.A. 04-3102) challenging the failure of the trial court to grant sanctions against Medical Supply. The GE Defendants decided to rely on the continuing efforts to illegally influence the Kansas District Court and Tenth Circuit Court of Appeals to uphold the trial court's erroneous ruling. The cartel also renewed their efforts to have Medical Supply's sole counsel disbarred, knowing that an extensive search for counsel by Medical Supply had resulted in 100% of the contacted firms being conflicted out and actually effected a frenzy of disbarment attempts against Medical Supply's counsel in the period from December 14, 2004 to February 3rd, 2005, originating from US Bancorp and US Bank's agent Shughart Thomson and Kilroy's past and current share holders.

86. The former eighteen year Shughart Thomson & Kilroy shareholder acting as magistrate on the GE case denied Medical Supply discovery and the court did not even permit discovery when

the dismissal attachments necessitated conversion of the GE motion to one for summary judgment.

#### **D. Missouri State Policy Interest In Petitioner's Enforcement Action**

87. As a result of the relator's failure to advance his antitrust and state law based contract claims in federal court due to the misconduct of the defendants, the first 65,000 Missouri residents were cut off of Medicaid benefits on July 1, 2005. A July 2nd, 2005 Los Angeles Times article stated 1/3 of the Missourians losing insurance coverage are children: "An estimated 24,000 children are expected to lose their benefits, dental coverage is being cut for adults, and disabled people are losing coverage for crutches and other aids." See Missouri's Sharp Cuts to Medicaid Called Severe-More than 68,000, a third of them children, may lose benefits in the move to avoid tax hikes. LA Times, July 1, 2005.

88. On June 29, 2005, David Moskowitz MD, was invited to testify before the Missouri Medicaid Reform Commission and in his released pretestimony stated for the 65,000 patients losing coverage; "Since oxygen tanks are among the items no longer covered, many patients will soon die"[emphasis added]. Of course patients are the consumers in the market for hospital supplies that is the primary relevant market the petitioner is attempting to enter. Doctor Moskowitz also stated; "The Missouri Legislature is wrestling with the most critical domestic issue of our time. It is literally a life and death issue for tens of millions of Americans.

#### **E. The Significant National Interest**

89. The suppression of economic competition in hospital supplies has led to unsustainable increases in healthcare costs. The actions of the GE defendants to deprive critical inputs required by new entrants to the market, including breaking their contracts with the petitioner demand investigative scrutiny. Especially where this misconduct is part of an agreement with other hospital supply distributors to control access to the hospital supply market conditioned on participating in a scheme to artificially inflate the costs of hospital supplies.

90. On April 9, 2007, the petitioner publicly disclosed his independent discovery revealing the US

Attorneys targeted by the deputy chief of staff to the Bush administration, Karl Rove and Attorney General Alberto Gonzales that resulted in Todd Graves being replaced by Bradley J. Schlozman a year earlier. John Wood was finally sworn in as the US Attorney for the Western District of Missouri on April 11, 2007. The petitioner became concerned because Todd Graves like other US Attorneys targeted had been active in prosecuting Medicare fraud:

“...documents were obtained during Medical Supply Chain's discovery related to the civil antitrust action *Medical Supply Chain, Inc. v. Novation LLC, et al*, Western District of Missouri case #05-210-CV-W-ODS filed on March 9, 2005. The e-mail dated January 9th, 2006 from Kyle Sampson, chief of staff for Attorney General Alberto Gonzales, to Harriet Miers and William Kelley at the White House, shows the ten U.S. Attorneys that were first selected to voluntarily resign or face termination. Attorneys that resigned were redacted. Todd P. Graves of Missouri resigned March 24, 2006.”

Former MO US Attorney Todd Graves the Ninth Attorney Targeted by Alberto Gonzales; Kansas City, MO - April 9, 2007. The McNulty papers and the Washington Post printed this story on May 9th and 10th, 2007.

91. The Western District of Missouri US Attorney office under Todd P. Graves had been active in prosecuting Medicare fraud. Medical Supply Chain, Inc.'s civil antitrust suit against Texas based Novation LLC, Volunteer Hospital Association (VHA), University Health System Consortium (UHC) and Neoforma, Inc. alleges the companies formed a cartel and were involved in a scheme to monopolize hospital supplies with General Electric and Jeffrey Immelt's former corporation GE Medical and Jeffrey Immelt's GHX, LLC to defraud Medicare through payments to administrators and kickbacks. The scheme resulted in almost all of Kansas City, Missouri St. Luke's hospital's one hundred million dollar supply budget being purchased through Novation LLC. St. Luke's merged with University of Kansas School of Medicine after Irene Cumming, CEO of the University of Kansas Hospital was given a job by University Health System Consortium (UHC) on March 19, 2007.

92. The first prosecutor identified as being fired by the Office of the Attorney General was Carol Lam, a U.S. Attorney in San Diego, California. Carol Lam was personally prosecuting Medicare fraud at the Tenet Healthcare Alvarado hospital when pressure was brought on the Justice Department from Karl Rove to remove her from office. Carol Lam's prosecution caused the U.S.

Department of Health and Human Services threatened to cut Medicare and Medicaid funds to Alvarado Hospital Case # 03CR15870 US Dist. Court Southern California.

93. On May 17, 2006, Alvarado Hospital's parent company, Tenet Healthcare, agreed to sell or close the hospital and pay \$21 million to settle criminal and civil charges.

94. The United States Attorney for the District of Kansas Eric F. Melgren was on the purge list in January 2006 but was removed from the targeting list by demonstrating his loyalty to Karl Rove and Attorney General Alberto Gonzales and did not intervene in the False Claims Act case against Blue Cross Blue Shield of Kansas for fraud in processing Medicare claims for Missouri, Kansas and Nebraska. This caused Blue Cross to mistakenly believe it could continue to destroy and delay valid claims while giving preferential treatment to some providers to advance the anticompetitive interests over the healthcare marketplace of the states effected. This resulted in Blue Cross management losing the contract and 350 living wage jobs in Topeka, Kansas.

95. The government criminal investigations also include an investigation of the former deputy chief of staff to the Bush administration, Karl Rove. Rove acting now as a private citizen agent of the Republican National Committee has so far prevented production of US Justice Department and White House documents sought by The US House of Representatives' Judiciary Committee related to the removal of US Attorneys that was used to intimidate and prevent Assistant US Attorneys from prosecuting the Novation and General Electric defendants for the conduct that was keeping the petitioner from entering the market for hospital supplies.

## **VII. CLAIMS**

### **1. CAUSE OF ACTION FOR BREACH OF CONTRACT**

96. Samuel K. Lipari hereby re-alleges the averments of fact above and makes the following allegations:

#### **A. Meeting of Minds**

97. George Frickie, property manager for The General Electric Company who Medical Supply had been told by George Frickie and his agents, was the authority for the building at 1600 NE

Coronado Dr. telephoned Medical Supply Chain's Missouri headquarters and placed a message on its answering machine stating he had been instructed by "GE business leaders" to accept Medical Supply's proposal and he was calling to do so.

98. Medical Supply Chain Inc. and Samuel K. Lipari reasonably believed George Frickie had authority to enter into contract over the building at 1600 NE Coronado Dr. and Samuel K. Lipari honored the contract in reliance upon George Frickie's statements about his authority and the acceptance of the contract by GE.

### **B. Contract Was Signed and in Writing**

99. Then, George Frickie sent a written acceptance via e-mail with his initials added a signature at the end of the email message. No terms were disputed and the acceptance confirmed The General Electric Company would make its subsidiary GE Transportation L.L.C. pay \$350,000 for the buy out of the lease and its GE Capital subsidiary provide the \$6.4 million dollar mortgage and closing at 5.4% for twenty years with a first year moratorium on payments.

100. George Frickie's signed written acceptance referenced the proposal he had received from Medical Supply earlier that day.

101. This set of documents became a bilateral contract completed with the last act exchanging mutual promises (*D.L. Peoples Group, Inc. v. Hawley*, — So.2d — (2002 WL 63351, Ct. App., Fla., 2002) enforceable for the sale of the lease interest and the benefit of the bargain obtained by Medical Supply under its clear and complete terms meeting the writing requirements of a real estate purchase contract in Missouri and the writing and definiteness requirement of a credit agreement under Missouri statute RMS 432.045.2.

102. The formation of an enforceable contract in a set of documents created in correspondence is well settled See *Estate of Younge v. Huysmans*, 127 N.H. 461, 465-66, 506 A.2d 282, 284-85 (1965).

103. Since state law requires a writing, the e-mail acceptance and signature of George Frickie is valid and enforceable under 15 USC §7001, the federal Electronic Signatures in Global and National Commerce Act, widely known as "E-SIGN." Section 101(a) of E-SIGN states that:

"(1) a signature, contract, or other record relating to such transaction may not be denied legal effect, validity, or enforceability solely because it is in electronic form; and (2) a contract relating to such transaction may not be denied legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation."

### **C. Mutual Consideration Through Exchange of Promises**

104. Medical Supply performed as required, introducing itself to the City of Blue Springs Economic Development.

105. The City of Blue Springs Economic Development Director approved of the use of the building for a national corporate headquarters of a hospital supply chain technology company capable of producing above living wage jobs for the community.

106. The City of Blue Springs Attorney agreed that the proposed use was suitable.

107. Samuel K. Lipari committed to purchase the building from its owner in reliance on the contract with GE Transportation made open partial performance of the contract by opening the building for a three-hour briefing on the operation and maintenance of the building's complex systems.

108. This briefing was made by GE Transportation's Blue Springs property manager and the building's maintenance engineer, both of whom told Medical Supply's Samuel K. Lipari that they had been terminated and will be leaving employment with GE Transportation the following month because they were no longer needed.

109. GE Capital partially performed as required and made an appointment with Samuel K. Lipari in its Overland Park, Kansas office where Samuel K. Lipari took the building's blueprints furnished him by GE Transportation, the building's physical description and photo furnished by George Frickie of GE corporate and Medical Supply's corporate records for the loan.

110. The GE Capital loan officer Mr. Douglas McKay discussed the terms and questioned Samuel K. Lipari in detail about the US Bank lawsuit. Samuel K. Lipari explained why under the threat by US Bank of a malicious USA PATRIOT ACT suspicious activity report, Medical Supply could not risk going to a bank until the lawsuit was settled.

111. Mr. McKAY agreed the USA PATRIOT ACT had no valid relationship to Medical Supply's

involvement with US Bank and stated he would obtain the additional requirements GE Capital required from George Frickie and GE Transportation. Mr. McKAY indicated it could take longer to close but he would check into it.

112. Medical Supply communicated to its stakeholders, business associates, potential customers, and the owners of the building that it had obtained the financing and made commitments in reliance of GE's performance on the contract.

#### **D. Indications of Repudiation**

113. No letter similar to that which Mr. McKAY had described was received from GE Capital by the June 15th contract deadline and no notice of rejection of credit has been received.

114. George Frickie communicated by phone and e-mail that the GE Capital performance would be at arm's length but since the financing was the benefit bargained for by Medical Supply, this did not contradict the contract.

#### **E. Breach**

115. When doubts about GE's intent to honor the contract arose, counsel for GE, GE Transportation and GE Capital each refused to confirm the repudiation.

116. The proposal accepted by George Frickie on behalf of GE's business leaders contained the executive summary of Medical Supply's business plan, including an explanation of the antitrust lawsuit with US Bancorp, *et al* and the financial projections for Medical Supply's entry into the market.

117. The GE defendants willfully breached their contract with Medical Supply Chain, Inc. and Samuel K. Lipari with full knowledge of the benefit of the bargain negotiated upon by Samuel K. Lipari and his expectations in reliance upon the contract.

## **2. CAUSE OF ACTION FOR INTERFERENCE WITH A BUSINESS EXPECTANCIES**

118. The petitioner hereby includes and reasserts all factual averments from the four corners of the complaint and also avers the following for this claim:

119. The General Electric defendants through their agents Seyfarth Shaw a RICO enterprise defendant in this action and Alcoa intentionally interfered with the petitioner's business expectancy in capitalizing his third attempt to enter the market for hospital supplies.

120. The petitioner had (1) an oral contract with Michael W. Lynch to obtain and use his services, connections and reputation in locating a publicly traded company to merge with to underwrite the costs of entering the hospital supply market;

121. The petitioner had a valid business relationship with Michael W. Lynch and the expectancy Because of the GE defendants use and the use of their agents Seyfarth Shaw and Alcoa of wire tapping, private investigators, breaking an entry, government sourced intelligence and the internal court information obtained through Arizona operatives, (2) the GE defendants had knowledge of the contract or relationship between the petitioner and Michael W. Lynch;

122. The petitioner attempted to aid Michael W. Lynch in the attacks on his reputation and the assets of his family members and associates and located an expert witness Sydney J. Perciful to assist Michael W. Lynch, unintentionally causing the petitioner's relationship and business expectancy with Michael W. Lynch to become known to the GE defendants.

123. The General Electric defendants through their agents Seyfarth Shaw and Alcoa (3) intentionally interfered with Michael W. Lynch by destroying his reputation by causing him to be jailed, terrorizing Lynch's wife and putting Lynch in fear for the safety of his family, trying to seize the property of Lynch's family home and the property of his brother and interfering with the payroll of Lynch's brother's plastics factory all for the purpose of inducing or causing a breach of Michael W. Lynch's contracts and relationships with the petitioner;

124. The General Electric defendants through their agents Seyfarth Shaw and Alcoa took these actions against the relationships and contracts between Michael W. Lynch's contracts and relationships with the petitioner in the (4) the absence of justification; and

125. The General Electric defendants caused (5) damages to te petitioner, resulting from the defendant's conduct that included the immediate loss of \$300,000.00 the petitioner required to capitalize his entry into the hospital supply market and the two hundred million dollars the

petitioner would have received after splitting with the publicly traded company his profits from four years of selling hospital supply products to hospitals.

126. The petitioner hereby includes and reasserts all factual averments from the four corners of the complaint and also avers the following for this claim:

127. The General Electric defendants intentionally interfered with the petitioner's business expectancy in the capital that was to be used to fund the petitioner's first attempt at entry into the hospital supply market including denying the petitioner the return of the \$300,000.00 raised for escrow accounts.

128. The petitioner had (1) a written contract with US Bank and US Bancorp to capitalize his entry into the hospital supply market, a relationship with US Bank as the petitioner's bank and an expectancy that that relationship would facilitate his entry into the hospital supply market.

129. The General Electric defendants had (2) knowledge of the contracts, agreements and relationship between the petitioner and US Bank, US Bancorp and Piper Jaffray.

130. The General Electric defendants (3) intentionally interfered with the petitioner obtaining performance of the contract or agreement between the petitioner and US Bank, US Bancorp and Piper Jaffray contracts and relationships with the petitioner by assisting and coordinating the US Bank defendants defense in the (4) the absence of justification where there was no legal excuse for nonperformance of the US Bank and US Bancorp contracts and agreements and the GE defendants were not subject to liability or even named defendants in the action; and

131. The General Electric defendants caused (5) damages to the petitioner, resulting from the defendant's conduct that included the immediate loss of \$300,000.00 the petitioner required to capitalize his entry into the hospital supply market and the four hundred and fifty million dollars the petitioner would have received after four years of selling hospital supply products to hospitals.

### **3. CAUSE OF ACTION FOR VIOLATIONS OF 18 U.S.C. § 1962 *et seq.***

132. The petitioner hereby includes and reasserts all factual averments from the four corners of the complaint and also avers the following for this claim:

133. The petitioner hereby alleges that :(1) the defendants (2) through the commission of two or more acts (3) constituting a `pattern' (4) of `racketeering activity' (5) directly or indirectly invested in, maintains an interest in, and or participate in (6) an `enterprise' (7) the activities of which affect interstate commerce in hospital supplies.

134. The petitioner could not have reasonably discovered his injuries, or that his injuries were wrongfully caused, until January 21st, 2005, when Shughart Thomson & Kilroy's former managing partner Magistrate James O'Hara testified under oath in the Kansas Attorney Disciplinary Prosecution of the petitioner's former counsel.

### **Allegations of Legitimate Association-in-Fact Enterprise**

135. The defendants are a legitimate association in fact enterprise with the common purpose among the alleged associates of furthering the interests of General Electric Company (GE) investments in marketplace actors enjoying anticompetitive advantages, including those in the hospital supply and aluminum markets.

136. The defendants GE Capital and GE Transportation are subsidiaries of General Electric and controlled by the defendant Jeffrey Immelt.

137. The defendant GE strongly supports and is closely connected to the Republican National Committee. The former CEO and current director of GE, Jack Welch Shortly after George W. Bush declared his candidacy for president in June of 1999, General Electric Chairman and Chief Executive Officer Jack Welch was contacted by Bush political advisor Karl Rove. Rove forcefully argued that General Electric had a compelling financial interest to see Bush become president.

138. Welch told several people at GE that the conversation with Rove convinced him that a Bush presidency would ultimately result in billions of dollars of additional profits for General Electric. Welch believed that it was his responsibility to operate in the best interest of GE shareholders, and that now meant using the full power of the world's biggest corporation to get Bush into the White House.

139. The defendant Jeffrey Immelt has disproportionately contributed to Republican National Committee backed candidates and conservative Republican National Committee affiliated public

interest groups devoted to preventing marketplace regulations from being enforced and to consolidating RNC control of elected offices during the current presidential administration.

140. The defendant Seyfarth Shaw LLP is a law firm that represents the defendants GE and GE Capital in maintaining anticompetitive advantages for GE, GE Capital and GE Capital's funding recipient Alcoa.

141. The defendant Bradley J. Schlozman as an agent of the Republican National Committee with Karl Rove and used his contacts with the Kansas Republican Party to keep track of problems for GE.

142. The defendants Carpets n' More Inc. and Stewart Foster knew of GE's liability to the petitioner and worked to help sell the building on Coronado street in Blue Springs to relieve GE Transportation of the \$60,000.0 a month it was losing.

143. The defendant John Schmidt Chief Financial Officer of Heartland Financial USA, Inc. and knew of the *lis pendens* against the building but decided to participate in transferring the building to Heartland.

144. The defendant Heartland Financial USA, Inc. occupies the building sought by the petitioner and uses the premises to market GE Capital financial products.

#### **Allegations of Criminal Association-in-Fact Enterprises**

145. The defendants are members of an association in fact enterprise and with the exception of the GE defendant subsidiaries are free to act independently and advance their own interests even if they are contrary to those of the other entities.

146. The defendants voluntarily associated with each other to become an association in fact enterprise for the common purpose of guaranteeing GE's economic advantage.

147. The defendants Seyfarth Shaw LLP and Bradley J. Schlozman each took part in directing the enterprise's unlawful conduct against the petitioner, his family members, his business associates and his now dissolved corporation.

148. The defendants Seyfarth Shaw LLP and Bradley J. Schlozman each took part in directing the enterprise's unlawful conduct against the petitioner and his former counsel Bret D. Landrith to

have the petitioner's claims discredited through ex-parte communications with federal and state judicial officials.

149. The defendant Bradley J. Schlozman took part in directing the enterprise's unlawful conduct against the petitioner and his former counsel Bret D. Landrith by having the Federal Bureau of Investigation and other federal and state law enforcement agencies conduct warrantless electronic and physical surveillance of the petitioner and his former counsel, solely for the purpose of protecting General Electric's participation in the Novation LLP scheme to artificially inflate hospital supplies and to overcharge Medicare and Medicaid government insurance funds.

150. The defendant Bradley J. Schlozman's conduct was overtly contrary to the policy of the US Department of Justice and Bradley J. Schlozman lied under oath to conceal his conduct on behalf of the Republican National Committee and General Electric from the federal government's US Senate oversight committee and earlier from the Eight Circuit US Court of Appeals.

151. The defendant Jeffrey Immelt through his attorneys Jonathan L. Glecken and Ryan Z. Watts of Arnold & Porter LLP caused the petitioner's former counsel Bret D. Landrith to be threatened with the loss of his home if he did not withdraw Medical Supply's Missouri state law contract claims.

152. The defendants Carpets n' More Inc. and Stewart Foster knew of GE's liability and worked with the GE defendants in offering substantial incentives including a flight on GE's corporate jet to a potential buyer that would overlook the *lis pendens* and the just claims of the petitioner.

153. The defendants Carpets n' More Inc. and Stewart Foster knew of GE's liability and worked with Jeffrey Immelt, GE and GE Transportation by evading the petitioner's service of process and not being available as a party to this action in order to obstruct justice and prevent their testimony from injuring the GE defendants.

154. The defendant John Schmidt as Chief Financial Officer of Heartland Financial USA, Inc. knew of the *lis pendens* against the building and the lawful claims of the petitioner but worked with the enterprise by accepting a special secret discounted purchase price and terms along with the continued investment of over a million dollars GE in Heartland's stock.

155. The defendant Heartland Financial USA, Inc. occupies the building sought by the petitioner with the knowledge of the lawful claim of the petitioner and to conceal the fraudulent transfer of the Coronado Street building from GE transportation.

156. The GE defendants and Jeffery Immelt have an over arching common purpose in protecting the hospital supply distribution chain with Novation LLC that artificially inflates healthcare costs to overcharge Medicare and Medicaid.

157. The defendant Seyfarth, Shaw LLP has an interest in protecting its clients' artificial inflation of healthcare costs along with GE's investment in Alcoa Aluminum which is also dependant on overcharging the federal government for key military purchases of aluminum specialty parts.

158. When the petitioner was getting help obtaining financing through Michael W. Lynch's connections and had a third chance to enter the hospital supply market, GE had to obstruct the petitioner through the defendant Seyfarth, Shaw LLP's increased attacks on Lynch's family and associates.

159. The defendant Bradley J. Schlozman had an interest in furthering the Republican National Committee's protection of General Electric and Novation LLC, the client of Alberto Gonzales's former law firm and the main instrumentality of looting the Medicare/Medicaid system.

160. The defendants' conduct and scheme amounts to, or poses a threat of, continuing criminal activity.

**Defendants' RICO Conspiracy Under 18 U.S.C. § 1962(d).**

161. The defendants acted in consort as the averments against specific named defendants below describe to participate in a Conspiracy To Conduct RICO predicate acts 18 U.S.C. § 1962(d).

162. The defendants knowingly entered into an agreement to commit two or more predicate crimes. 80. In the alternative, some of the defendants joined knowingly in the scheme and were involved directly or indirectly, in the commission of at least two predicate offenses.

163. The Defendant's conduct interfered with interstate commerce in hospital supplies.

**Defendants' F.R.Civ.P. Rule 8 predicate acts**

164. The defendants committed the following F.R.Civ.P. Rule 8 pleading standard predicate acts described in 18 U.S.C. § 1961(1):

**Violations of the The Hobbs Act, 18 U.S.C. § 1951**

165. The defendants committed violations of the The Hobbs Act, 18 U.S.C. § 1951

**Attempted Extortion to Prevent the Petitioner from Bringing His Antitrust Claims**

166. When in June of 2003 Medical Supply Chain, Inc. prepared to seek redress in court for its injury, Mr. Jeffrey Immelt through his agents Jonathan I. Glecken and Ryan Z. Watts of Arnold & Porter, LLP caused Medical Supply Chain, Inc., a victim of GE's deliberate actions to be threatened and intimidated with the intent of preventing Medical Supply Chain, Inc. and its counsel from bringing antitrust and Missouri state law contract based charges and to cause them to be withdrawn.

167. By deliberately refusing to cite any authority, case law or statute that Medical Supply's claims were invalid or frivolous, Mr. Jeffrey Immelt through his agents Jonathan I. Glecken and Ryan Z. Watts attempted to make GE's victims including the petitioner believe that they would be sanctioned and fined not on the basis of law but on GE's power over the legal system.

168. Jeffrey Immelt and the GE defendant's conduct interfered with interstate commerce.

169. The petitioner did not know at the time that his Hobbs Act extortion to prevent his company Medical Supply Chain, Inc. from entering the national market for hospital supplies was part of a pattern of racketeering by a criminal enterprise.

**Attempted Extortion of Petitioner's Legal Representation**

170. During the period of April 2 through April 18<sup>th</sup>, 2005 the defendant conspiracy and common enterprise attempted to take control of my legal representation through extortion.

171. The Kansas State Disciplinary Administrator acting through the private Kansas licensed attorney Gene E Schroer relayed the privileged information that my counsel Bret D. Landrith will be disbarred regardless of the law or evidence in the record.

172. This information was given in advance of the publication or announcement of any decision as a threat imperiling the petitioner's Missouri corporation Medical Supply Chain, Inc. by revealing

it would lose the property right in its legal representation by Bret D. Landrith at a time when the record of the case revealed that efforts to substitute him had resulted in all the law firms with antitrust capabilities being conflicted out.

173. The petitioner would also be forced to forfeit his property rights in redress because a corporation had to be represented by an attorney or its claims would be dismissed with prejudice.

80. The threat relayed by Gene E Schroer accompanied offers to “save” Medical Supply by providing representation and permitting the petitioner to use the \$300,000.00 taken by US Bank to enter into the national market for hospital supplies.

174. This first involved replacing Medical Supply’s counsel a Kansas attorney as lead counsel that would not be named and his identity would not be revealed to the petitioner.

80. When the petitioner would not agree to this arrangement, Gene E Schroer repeatedly promised the petitioner the return of the \$300,000.00 US Bancorp deprived Medical Supply of to capitalize the petitioner’s company’s entry into the hospital supply market if the petitioner and his counsel would travel to Chicago, Illinois and meet two attorneys that Gene E Schroer would not name or identify.

175. The petitioner was suspicious and alarmed to the point of being in fear for his own safety due to the implausibility of two attorneys interested in taking on the representation of Medical Supply Chain, Inc. but who were unwilling to reveal their identity or talk on the phone.

176. When the petitioner questioned him further, Gene E Schroer claimed the attorneys were from two different law firms and had to keep the meeting and their identities confidential.

177. The petitioner offered to discuss the case on the phone or to meet the attorneys from Chicago if they traveled to Lee’s Summit, Missouri but Gene E Schroer rejected these alternatives.

178. Gene E Schroer repeatedly contacted the petitioner attempting to pressure him in taking this “only way” out of what was being done to Bret D. Landrith.

179. The petitioner believed that the trip to Chicago was a ruse or pretext to get the petitioner and his representative Bret D. Landrith to a distant location where they would be harmed or murdered and no longer a threat to the Medicare fraud scheme of GE and Novation LLP.

180. The petitioner had heard that Gene E Schroer had made appointments with Bret D. Landrith's client James Bolden to do Bolden's appeal but took the money from James Bolden and spent the time questioning Bolden about Landrith and not Bolden's case before contacting Bolden to inform him he would not take the case stating it lacked any merit and refusing to return any of the funds (Landrith prevailed in the Tenth Circuit, overturning the trial court.)

181. This knowledge reinforced the petitioner's belief that Gene E Schroer was acting for the State of Kansas Office of Attorney Discipline and that Medical Supply Chain, Inc.'s case would be forfeited if he did not accept Gene E. Schroer's arrangements, but the petitioner was to fearful that the trip to Chicago would cause him and Bret D. Landrith to end up like the two Assistant US Attorneys in the Ft. Worth, Texas office investigating the Novation LLP Medicare fraud and laundering of hospital money through Neoforma, Inc.

#### **Extortion Against Independence Examiner Newspaper**

182. On or about April 11, 2005, the defendant RICO enterprise caused the Independence Missouri newspaper the Examiner to confront its investigative reporter James Dornbrook over the first of a planned series of articles dealing with the state cuts in Medicaid brought by Governor Matt Blunt.

183. The article featured the petitioner and his company Medical Supply Chain, Inc. and described his experience in federal court and his efforts to get redress and provide competition to lower costs in hospital supplies and increase access to affordable healthcare.

184. James Dornbrook and his paper the Examiner were subjected to Governor Matt Blunt and the Republican National Committee associated law firm Lathrop & Gage's fear counseling to discourage news media from reporting on challenges to the healthcare interests of the defendant enterprise with threats of liability.

185. The direct goal of the enterprise in having further articles about the petitioner's litigation censored was to make it possible to influence the outcome through the GE defendants use of deception without the possibility of a broader civic involvement causing the petitioner's claims to be taken seriously.

186. Later, Lathrop & Gage as advisor and counsel to other regional newspapers would help to cause the information on Bradley J. Schlozman's misconduct and the wrongful dismissal of US Attorney Todd Graves discovered by the petitioner to be under reported or excluded from coverage to further the enterprise's goals.

#### **Attempted Extortion of Counsel Over Petitioner's Contract Claims**

187. On Wednesday, August 24th, 2005 Jonathan L. Glecken of Arnold & Porter, LLP, lead counsel for the defendants Jeffrey R. Immelt, General Electric Company, General Electric Capital Business Asset Funding Corporation, GE Transportation Systems Global Signaling, L.L.C. , threatened Medical Supply's counsel with the loss of his home if he did not withdraw Medical Supply's Missouri state law contract based claims.

188. Jonathan L. Glecken told the petitioner's counsel Bret D. Landrith that Landrith would have his house taken from him and all his property if he did not stop seeking redress for the petitioner even on the state law claims, which were not in dispute or subject to sanction.

#### **Defendants' Extortion Depriving Petitioner of Missouri Counsel**

189. Before filing the initial petition in this court, the petitioner sought out Missouri licensed counsel experienced in commercial torts and contract law.

#### **Mr. David Sperry**

190. The only attorney the petitioner could find to visit with him about the claims was David Sperry of Independence, Missouri who had both experience in complex commercial litigation and the discovery disputes the petitioner anticipated would be the deciding issue in his claims.

191. After interviewing the petitioner, David Sperry was incredulous and shocked that the petitioner's prior counsel had been disbarred.

192. David Sperry declined to take the case however because the power of the GE defendants over the court system would likely result in the case being transferred to a distant venue where it would be impossible for him to economically prosecute the case and his property rights in the contingent fee representation of the petitioner would be forfeited.

**Mr. James C. Wirken**

193. After his Missouri state claims copied and pasted from the Kansas District Court complaint against the GE defendants where they were dismissed without prejudice survived a GE dismissal motion, the petitioner was referred to Mr. James C. Wirken founder and Chairman of the Wirkin Law Group in Kansas City, Missouri.

194. Mr. James C. Wirken graciously agreed to schedule an appointment to interview the petitioner on the possibility of representing his claims against GE.

195. However, before the actual meeting could take place, the GE defendants' counsel John K. Power, MO Lic # 70448 had contacted James C. Wirken and his son who also was counsel at Wirkin Law Group to conduct several conversations to discourage the Wirkens from representing the petitioner.

196. During the conversations, John K. Power placed the Wirkens in fear of associating with the petitioner, falsely stating that the petitioner had been repeatedly sanctioned for baseless claims, that John K. Power's clients, the GE defendants were so powerful that no law firm could stand up to them and placing the Wirkens in fear that all the services provided the petitioner would go uncompensated because the GE defendants would prevail no matter what in court.

197. Mr. James C. Wirken did politely interview the petitioner and charitably offered some constructive criticisms regarding the presentation of the case but strongly urged the petitioner to continue on pro se.

198. Mr. James C. Wirken stated that the Wirkin Group would hve to charge \$7,500.00 to just read the complaint and would have to have a very sizeable retainer to cover any further research or meetings to just determine whether they would represent the petitioner.

199. The petitioner believed this was unusual for a cut and dried contract case that had already survived dismissal intact and where the petitioner had prevailed in obtaining a remand.

**Defendants' F.R.Civ.P. Rule 9 predicate acts**

200. The defendants committed the following F.R.Civ.P. Rule 9 heightened pleading standard fraud based predicate acts described in 18 U.S.C. § 1961(1):

## **GE, GE Transportation and GE Capital Defendants' Fraud in Removal To Federal Court**

201. The GE Defendants misrepresentation through their counsel John K. Power, MO Lic # 70448 that a basis for federal jurisdiction came into existence within 30 days of filing their notice of removal meets the Eight Circuit requirements for a finding of fraud on the court.

202. The GE Defendants committed (1) an intentional fraud; (2) through John K. Power, MO Lic # 70448 an officer of the court; (3) which was directed at the state and federal courts; and (4) in fact deceived the state court and the federal court this action was removed to over the existence of federal jurisdiction.

203. John K. Power MO Lic # 70448 in his capacity as an officer of the court committed fraud by omission of the relevant pages of the appearance docket to accomplish the GE Defendants goal of escaping a just resolution of the plaintiff's claims in Missouri State court and to enter the federal system where the case could ultimately be moved to Kansas District court.

204. This state court on May 31, 2006 issued an order denying the GE defendants dismissal motion, foreclosing federal resolution of issues already heard and decided, including the standing of the plaintiff to represent the interests of the dissolved Missouri corporation Medical Supply Chain, Inc. which was assigned to the plaintiff.

205. The full trial court Missouri state appearance docket reveals the GE Defendants and their sole counsel John K. Power without excuse failed to appear for the Case Management Conference relied upon by the defendants as justification for removal. The order reads: "Defendant fails to appear by counsel."

206. On May 31, the remaining Missouri domiciled defendants were dismissed from the case due to the petitioner being unaware of their participation with the GE Defendants to conceal the fraudulent transfer of the Coronado street building to Heartland Financial

207. The other Missouri defendant Stewart Foster/ Carpets n' More was unable to be served by Jackson County Sheriff's deputies and the summons expired on April 28, 2006 under Missouri State Rule 54.21.

208. The GE Defendants fraudulently misrepresented to the federal court that the plaintiff called

for a case management conference that in fact was ordered sua sponte by the Missouri state court: "However, plaintiff has set (sic) a Case Management Scheduling Order without serving Carpets N'

More." Defendants' Brief In Opposition To Motion To Remand The Matter To State Court in W.D. of Missouri U.S. District Court Doc. 9 at pg. 2.

209. The GE Defendants' false statement to the federal court is belied by the Complete state docket which shows no motion or other entry by the plaintiff to schedule or call for a case management conference.

210. The GE Defendants fraudulently misrepresented that the plaintiff made apparent intentions to dismiss or to proceed in the absence of the remaining local defendant for the first time with the Judge created Case Management Order: "Because plaintiff's intentions were not apparent until the July 5 Case Management Order, defendants' motion to remove the case on July 17 is timely". Defendants' Brief In Opposition To Motion To Remand The Matter To State Court Doc 9 pg. 2.

211. In fact the summons was returned unserved to Carpets N' More on 5/02/2006.

212. The GE Defendants fraudulently misrepresented that the July Case Management Order is an "other paper" that determined the status of jurisdiction over the defendant parties in their answer to the petitioner's Remand Motion. (See page 3 of GE Defendants' Brief In Opposition To Motion To Remand The Matter To State Court (WD Mo Doc. 9)

213. Nowhere in the order were the defendants' assertions about the new status of the action's defendants delineated:

"CIVIL CASE MANAGEMENT SCHEDULING ORDER Now on JULY 5, 2006 this matter coming on for scheduling conference and pursuant to Local Rule 35.1, the Court hereby enters the following Scheduling Order: Plaintiff appears by counsel, SAMUEL K LIPARI. Defendant fails to appear by counsel. 1. This case is set for trial on March 5, 2007 at 9:30 A.M. 2. The parties are ordered to participate in mediation pursuant to Rule 17. Mediation shall be completed by September 1, 2006. Each party shall personally appear at the mediation and participate in the process. In the event a party does not have the authority to enter into a settlement, then a representative of the entity that does have actual authority to enter into a settlement on behalf of that party shall also personally attend the mediation with the party. 3. Lee Wells is appointed to be the mediator in this case. 4. Each party shall pay their respective pro-rata cost of the mediation directly to the mediator. 5. Parties shall file any designated portion of depositions to be read or shown or played to the jury by videotape ten (10) days

before trial. 6. Five (5) days before trial, the parties shall file a list of exhibits to be offered or referred to in the evidence. 7. Five (5) days before trial, the parties shall file a list of witnesses to be called to testify at trial. 8. Five (5) days before trial, the parties shall file any motions in limine, proposed jury instructions, counter designations and objections to proposed deposition excerpts to be read or played to the jury by videotape, and any trial briefs with the Court and the opposite party. 9. Dates in this pretrial order shall be changed only by leave of Court. Dated: JULY 5, 2006 W STEPHEN NIXON Judge”

(See page 4 of Complete State docket)

### **June 5<sup>th</sup> Fraudulent Testimony of Defendant Bradley J. Schlozman**

214. Frustrated with his repeated experience in federal court of having all discovery denied in the absence of any statute rule or legal authority and on the pretext that his complaint failed to state elements required for a cause of action despite their clear presence on the face of his pleading, the petitioner press released his independent discovery of US Department of Justice documents on April 9, 2007.

215. The Justice Department documents were described in the April 9, 2007 release by the petitioner as revealing former US Attorney for the Western District of Missouri Todd Graves had been improperly fired to place Bradley J. Schlozman in the position and that the effect was to obstruct justice in the investigation of widespread Medicare and Medicaid fraud.

216. The petitioner had knowledge of the evidence of Jeffery Immelt, General Electric, and GE Capital through the direction of the enterprise's affairs by Seyfarth Shaw LLP causing the break in and illegal electronic surveillance in a suburb of Chicago, Illinois to unlawfully influence the outcome of federal and Illinois state court cases related to McCook Metals and its owner Michael W. Lynch an associate of the petitioner. The conduct was equivalent to the misconduct experienced by the petitioner.

217. The evidence of this conduct by the General Electric defendants had been delivered to Bradley J. Schlozman under seal in *United States ex rel Michael W. Lynch v Seyfarth Shaw et al.* Case no. 06-0316-CV-W- SOW who was then acting as the interim US Attorney for the Western District of Missouri.

218. The relator Michael W. Lynch provided evidence to Western District US Attorney Bradley J. Schlozman discovered in April 2006 that a \$39,000,000.00 bribery fund was being used to secure

outcomes in court cases including the shift of unfunded pension obligations of McCook Metals, Inc. to the Pension Benefit Guaranty Board (PBGC) at the expense of US taxpayers despite the obligation of Alcoa Aluminum financed by General Electric, pursuant to Alcoa's acquisition of Reynolds Metals, under ERISA law.

219. The US Attorney for the Western District, Bradley J. Schlozman was served documents by the relator Michael W. Lynch including the admission under oath by General Electric's agents Jenner & Block and General Electric's law firm Seyfarth Shaw in their capacity as legal counsel for General Electric Commercial Finance had knowledge of the breaking and entering of the relator Michael W. Lynch's home to obstruct justice.

220. As the US Attorney for the Western District, Bradley J. Schlozman was served documents by the relator Michael W. Lynch revealing the General Electric Company at the direction of its then CEO Jack Welch and later under the direction of its CEO Jeffrey Immelt had targeted the relator Michael W. Lynch personally for his testimony over Alcoa's monopolization of aerospace aluminum products with the aid of the General Electric Company's subsidiary GE Capital in the General Electric/Honeywell merger litigation.

221. The US Attorney for the Western District, Bradley J. Schlozman was served documentation revealing the relator Michael W. Lynch's personal assets and those of his family members were being taken and seizure of Michael W. Lynch's house was being threatened to accomplish this retaliation through the GE defendants' extra legal influence over the federal courts.

222. In an unusual move, Bradley J. Schlozman immediately attempted to dismiss the relator's complaint rather than letting the documentation furnished on CD rom disks be opened.

223. Bradley J. Schlozman's conduct as an agent of the Republican National Committee obstructing the government's investigation of the conduct that disrupted military contracts and ultimately caused the substantial McCook Metals pension liability to be fraudulently placed on the taxpayer was contrary to the policies, rules and statute based interests of the government and he was overridden by the Office of Main Justice which had intervened in the Western District of Missouri False Claims Act case at the insistence of Pentagon officials who's programs were disrupted by the General Electric defendants misconduct.

224. The intervention was brief before the RICO enterprise with the direction of Bradley J. Schlozman was able to go around the Main Justice officials responsible for FCA cases with the help of Karl Rove and shut down the investigation of General Electric and Jeffrey Immelt's role behind Alcoa's take over of McCook.

225. The April 9, 2007 morning press release of the petitioner caused the US Senate and US House of Representatives Judiciary committees to subpoena that afternoon documents related to the termination of Todd Graves, including the email cited by the petitioner in his press release. The US Senate Judiciary Committee also subsequently decided to subpoena Bradley J. Schlozman as the petitioner had intended to cause to happen as a means of substituting for discovery he was unlawfully being denied of the General Electric defendants in court.

226. During his sworn Senate testimony on June 5<sup>th</sup>, 2007, former Missouri U.S. Attorney Bradley J. Schlozman repeatedly asserted that he had been "directed" by Craig Donsanto, the head of the Justice Department's Election Crimes section, to file controversial voter fraud indictments against a week before the 2006 election.

227. At the June 5<sup>th</sup>, 2007 hearing, Bradley Schlozman testified at least ten times that, when he was a U.S. Attorney in Missouri, he was "directed" by the Justice Department's Office of Public Integrity to charge four members of a liberal voter-registration group with election fraud days before the 2006 elections, despite the fact that Department guidelines mandate such charges be brought after the election (the suit was later dismissed by a judge due to a lack of evidence).

228. Bradley J. Schlozman testified that if questioned, Donsanto, who wrote the Department's manual on how to approach election crimes, "would state explicitly and without reservation that he did in fact OK the issuing of the indictments."

229. However contrary to Bradley J. Schlozman's misrepresentation, Donsanto did not sign off on the indictments "of his own volition." Bradley J. Schlozman deliberately misled the Committee and the public about his decision to file an election eve lawsuit in direct conflict with longstanding Justice Department policy in order to conceal his conduct in the office of US Attorney for Missouri in furthering the Republican National Committee's hold over government elected offices in order to deliver protection from prosecution of the systematic fraud of Medicare and Medicaid through

the Novation LLC scheme to artificially inflate hospital supply costs participated in by General Electric and General Electric's scheme to monopolize key aluminum defense component.

230. On June 11, 2007, Bradley J. Schlozman sent a letter to Senate Judiciary Chairman Patrick Leahy (D-VT) retracting his sworn statements to Congress:

“ I wanted to take the opportunity to clarify my testimony with regard to the timing of the voter registration fraud indictments against four employees of the Association of Community Organizations for Reform Now (“ACORN”). Although I later clarified my testimony in responding to Senator Whitehouse's questioning at the hearing, I did state in response to various questions during my testimony that the long-time career head of the Public Integrity Section's Election Crimes Branch had “directed” me to file the indictments prior to the November 2006 election.

As required by Section 9-85.210 of the U.S. Attorney's Manual, at my direction, the Assistant United States Attorney assigned to the case consulted with the Election Crimes Branch prior to the filing of the indictments. I want to be clear that, while I relied on the consultation with, and suggestions of, the Election Crimes Branch in bringing the indictments when I did, I take full responsibility for the decision to move forward with the prosecutions related to ACORN while I was the interim U.S. Attorney.”

Bradley J.Schlozman letter to Senator Judiciary Chairman Patrick Leahy.

231. Bradley J. Schlozman's June 11, 2007 letter revealed the entire basis for his line of defense during his June 5th testimony was fabricated.

232. In answers to written questions from the Senate Judiciary Committee, Bradley J. Schlozman claimed to "have no idea" why Graves was dismissed. Schlozman also stated that his office did not issue a press release announcing the ACORN indictments. But the story appeared in Missouri newspapers, some with a quote from Schlozman that "this national investigation is very much ongoing."

233. In the answers to written questions from the Senate Judiciary Committee, Bradley J. Schlozman misrepresented the extent to which he caused prosecutors for his office and government attorneys to be hired and promoted or retained improperly on the basis of their political affiliation to guarantee the Republican National Committee would obtain control of the government's law enforcement activity and enable Karl Rove to sell protection to the Republican National Committee's political allies and honor Karl Rove's secret arrangements benefiting General Electric and Novation LLC.

### **Fraudulent Misrepresentations on Form 10-K's By Defendant Jeffrey Immelt**

234. The defendant Jeffrey Immelt committed fraud by omission on March 3, 2006 in failing to disclose GE's liability to the petitioner for the breach of its real estate contracts with the petitioner in a Form: 10-K corporate disclosure with the filing date: 3/3/2006 signed by Jeffrey Immelt as required by the Sarbanes-Oxley Act of 2002, Pub. L. No. 107-204, 116 Stat. 745 to conceal Jeffrey Immelt and GE's anticompetitive misconduct in the market for hospital supplies and prevent General Electric's board of directors from discovering and honoring its obligation to the petitioner.

235. The defendant Bradley J. Schlozman as former Missouri U.S. Attorney Bradley Schlozman repeatedly asserted that he had as former Missouri U.S. Attorney been "directed" by Craig Donsanto, the head of the Justice Department's Election Crimes section, to file controversial voter fraud indictments against urban voter registration activists a week before the 2006 election.

236. Mediation was ordered to be initiated by the defendants during the July 05, 2006 case management hearing.

237. The plaintiff repeatedly contacted the defendants' to participate in mediation but the defendants' counsel would not return calls or initiate the mediation.

238. Mediation was again ordered by the court on February 09, 2007 and agreed to without objection by the defendants' attorney Leonard L. Wagner MO Lic. # 39783.

239. The plaintiff repeatedly contacted the defendants' law firm Husch & Eppenberger, LLC but no mediation on the plaintiff's claims for redress had been scheduled.

240. The plaintiff is being kept out of the market for hospital supplies by the defendants' continuing efforts to prevent the plaintiff from obtaining redress.

241. On September 14<sup>th</sup>, 2007 the GE defendants through their counsel John K. Power MO Lic. # 70448 filed a written document falsely misrepresenting to the court that Husch & Eppenberger, LLC had attempted to initiate mediation but was unable to reach the petitioner; that the petitioner had not contacted the defense counsel office to pursue mediation; and that the GE defendants were willing to mediate.

242. The GE defendants through there counsel Leonard L. Wagner MO Lic. # 39783 of Husch & Eppenberger, LLC fraudulently agreed to obey the court's order of mediation on at the case

management conference on February 09, 2007 with no intent to actually initiate the mediation as the defendants' were ordered.

243. The GE defendants through their counsel Leonard L. Wagner MO Lic. # 39783 made no action or manifested any conduct to initiate mediation before the answer of John Power on September 14, 2007.

244. The defendants' counsel John K. Power, MO Lic. # 70448, Husch & Eppenberger, LLC in his answer dated September 14<sup>th</sup>, 2007 falsely stated that the plaintiff never attempted to contact the defendants. The plaintiff attempted to contact the defendant's counsel repeatedly, including correspondence by email cc'd to the court clerk.

245. There is no correspondence nor have there been calls from the defense counsel related to mediation.

246. The petitioner has not impeded mediation and in fact contacted even Shelly Hinson in the court clerk's office twice in an unsuccessful attempt to find contact information for the mediator to do the defendants' work for them.

247. The GE defendants through their defense counsel John K. Power, MO Lic. # 70448 of Husch & Eppenberger, LLC made another misrepresentation directed to this court to avoid responsibility for not following this court's order of mediation and the petitioner has been injured further by being deprived of redress and property rights that would have enabled him to enter the market for hospital supplies.

248. This court was deceived by the GE defendants' false answer of September 14<sup>th</sup>, 2007 fraudulently stating they would initiate or participate in mediation. The defendants have not scheduled a mediation and seek to rely on forcing the petitioner to Chicago, Illinois to extort a non law based outcome on October 16, 2007 through the defendants Seyfarth Shaw LLP.

### **VIII. Prayer for Relief**

249. Under *Anuhco, Inc. v. Westinghouse Credit Corp.*, 883 S.W.2d 910 (Mo App 1994) GE is responsible for the expectation damages of the forward projections that it had accepted at the time it entered into contract with Medical Supply. Medical Supply is able to prove its projected profits with reasonable certainty.

250. Lost future profits may be used as a method of calculating damage where no other reliable method of valuing the business is available, see *Albrecht v. The Herald Co.*, 452 F.2d 124 at 129 (8th Cir. 1971).

### **Expectation Damages**

251. The monetary relief sought is the contract expectation damages as determined by the business plan summary and forward financials in possession of GE at the time the proposal was accepted and the contract was formed from the GE defendants.

252. Samuel K. Lipari seeks the lost profits that can be determined with reasonable certainty that it would have made for the next four years of operations, had it been allowed to enter the market from the GE defendants.

253. In addition to this amount, Samuel K. Lipari seeks the equity it would have gained from the purchase of the building, and the cash payment for the remainder of the lease from the GE defendants.

254. The GE defendants injured the petitioner through interference with his business expectancy with Michael W. Lynch resulting in two hundred million dollars (\$200,000,000.00) to the plaintiff Samuel K. Lipari.

255. The GE defendants injured the petitioner through interference with his business expectancy with US Bank and US Bancorp resulting in four hundred and fifty million dollars (\$450,000,000.00) to the plaintiff Samuel K. Lipari, or some lesser difference depending upon the success of the GE Defendants interference.

256. The total damages from the GE Defendants sought by the plaintiff Samuel K. Lipari for contract and interference with business expectancy claims is seven hundred million dollars (\$700,000,000.00).

### **RICO Damages Under 18 U.S.C. § 1964**

257. The petitioner was repeatedly injured by the above-described predicate acts in violation of section 1962.

258. The petitioner would not have been injured but for the defendants' repeated violations of

section 1962.

259. The petitioner was injured as a proximate cause of the defendants' repeated violations of section 1962.

260. The petitioner was injured in his business and property from the defendants' repeated violations of section 1962.

261. The plaintiff is entitled to joint and several redress from the defendants of four hundred and fifty million dollars (\$450,000,000.00), trebled under 18 U.S.C. § 1964 to an amount of one billion, three hundred and fifty million dollars (\$1,350,000,000.00 dollars).

### **Specific Performance**

262. Samuel K. Lipari seeks the leasehold currently occupied by Heartland Financial be vacated.

263. Samuel K. Lipari seeks that the court orders CARPET & MORE to make whole Heartland Financial for the loss of their lease and or ownership.

264. The plaintiff seeks any other relief the court believes is just.

Respectfully Submitted,

S/ Samuel K. Lipari

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*Pro se*

### **REQUEST FOR JURY**

The plaintiff respectfully requests a jury decide all questions of fact.

S/ Samuel K. Lipari

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Samuel K. Lipari