Case 8:10-bk-19945-KRM Doc 58 Filed 06/06/11 Page 1 of 16

# UNITED STATES BANKRUPTCY COURT MIDDLE DISTRICT OF FLORIDA TAMPA DIVISION

IN RE:

JUN -6 2011

\* 4AH

CHARLES F. STEINBERGER PAMELA J. PERRY

Case No. 8:10-bk-19945-KRM

Debtors

Chapter 7

#### **RESPONSE**

to

MOTION TO DISCHARGE INJUNCTION AND FOR SANCTIONS AGAINST CREDITOR DENISE SUBRAMANIAM FOR HER WILLFUL AND INTENTIONAL VIOLATION OF THE DISCHARGE INJUNCTION

AND

MOTION TO DISMISS FOR LACK OF JURISDICTION AND WRONGFUL CONDUCT AND FRAUD

Charles Steinberger's debt to Denise Subramaniam is not dischargeable as per the provisions of 11 U.S.C. 523. Debts due to the wrongful conduct of the debtor and due to fraud are not dischargeable.

Denise Subramaniam is a disabled person and impoverished due, in part, to the wrongful actions of Charles Steinberger. She cannot afford an attorney due to this poverty. She has been issued food stamps in Oregon and social workers help her cope with the severe limitations of her disabilities; proof of her poverty and of her medical conditions that affect her cognitive abilities and her memory can be provided to the court if needed. She has been too ill to function for most of the month of May 2011 so she begs the court not to discriminate against her due to the limitations of her disabilities or mistakes she may make in her pleadings or miscalculations she may make in determination of deadlines, as she was left no documents that included a date of service for the Steinberger complaint; nor can she remember the date. She does not have the advantages afforded to Charles Steinberger who can obviously still afford an attorney; while his wrongful conduct has denied her access to one. Attorneys have access to electronic

means for filing court documents and checking the status and deadlines of cases, she does not. Attorneys have education, training and experience in law and court procedures, she does not.

Denise Subramaniam was not a creditor of Charles Steinberger's when his bankruptcy was filed and she was not provided a meaningful opportunity to participate in the bankruptcy proceedings or make any claim to debt not dischargeable in bankruptcy after the time she first discovered that her damages caused by Charles Steinberger's wrongful conduct and fraud would not be remedied by ICANN.

Denise Subramaniam was a customer of 4Domains Inc., a corporation owned by Charles Steinberger.

Assets belonging to 4Domains Inc. were apparently declared and discharged as part of his bankruptcy filed in August 2010. 4Domains Inc. was an ICANN accredited registrar. Charles Steinberger was obligated through 4Domains' accreditation contract with ICANN to inform ICANN in the event of insolvency so that ICANN could transfer third party registered domains belonging to 4Domains customers to another ICANN accredited registrar to prevent damages to innocent third parties, like Denise Subramaniam, that would result if Charles Steinberger and 4Domains failed to perform due to insolvency. Instead Charles Steinberger breached his contract with ICANN by choosing not to inform ICANN or his customers so they could take action to prevent loss; furthermore he did so willfully and deliberately and with intent to unduly enrich himself at their expense.

Between January 2010 and August 2010 when he filed for bankruptcy Charles Steinberger went to great lengths to deliberately mislead his customers, his vendors, his investors and potential investors, the public, and ICANN regarding the location and contact channels for, and the financial status of his businesses,

including 4Domains. He did so willfully and deliberately in an attempt to deceive them for his own personal gain at their expense.

By or before January 2010 through August 2010 Charles Steinberger willfully and deliberately misled ICANN and his customers about the physical location of 4Domains, and several other businesses he operates or operated under fraudulent pretenses. Charles Steinberger has operated a number of questionable, if not fraudulent, businesses from at least 1999 that all failed under his management. All these businesses were started and operated with funding from investors. Charles Steinberger enriched himself with an affluent lifestyle while he operated these businesses then walked away unscathed while his investors suffered losses; only to start another investor funded business elsewhere within a few months. In addition to 4Domains the businesses operated and dissolved by Charles Steinberger include but are not limited to:

- 1. <u>D2Dhosting</u>, (<u>http://d2d-web-hosting.com/company.htm</u>), is still active. The domain name for this business' website is still owned by Charles Steinberger and he still operates an online business using it as part of business operations under the 4Domains business name; even though 4Domains Inc. was dissolved through his bankruptcy. When the URL above is typed into a browser it redirects to <a href="http://www.4domains.com">http://www.4domains.com</a> the original domain name for the 4Domains Inc.'s website. (See Exhibit A. The screen print provided for this exhibit was made on June 1, 2011.)
- 2. <u>4onlinebackup.com</u> is a business and website launched by 4Domains in 2008 with SBA and other funding designated for 4Domains. (See Exhibit B. The screen print provided for this exhibit was made on June 1, 2011.) If this business activity was not declared as part of Steinberger's bankruptcy then it shows Steinberger's intent to defraud the bankruptcy court, as well as his past and future customers. Advertising for this domain still available online includes the domain and contact information for 4Domains and Charles Steinberger.

- 3. <u>Steinberger Enterprises, Inc.</u>, also called SEInc., a private Delaware Corporation with many Internet properties under the management of Charles Steinberger.
- 4. <a href="mailto:vpshostindex.com">vpshostindex.com</a>) referenced on the contact page of the website in Exhibit A; appears to be a current business and/or website owned and operated by Charles Steinberger for profit. (See Exhibit C.)
- 5. <u>Industrialvortex.com</u>, a business-to-business (B2B), owed by Charles Steinberger and dissolved in July 2000.
- 6. Net Value Holdings Inc., an investment company started in 1999 and apparently dissolved in 2000. Charles Steinberger was a principal in this securities investment venture and he and 4Domains received funds in excess of \$1,010,000 from the holdings of this corporation. It appears other investors were left holding the bag when the company became insolvent.
- 7. <u>Blast Energy Services Inc. (formerly Verdisys)</u>, a California corporation with Texas offices regulated by the Securities Exchange Commission of the United States. Charles Steinberger was principal and is listed as CEO of Blast Energy in court and SEC documents; and he was a party to numerous lawsuits that included complaints of breach of contract and fraud involving this company both in California and Texas between 2005 and 2007. Some of the case numbers are: The Superior Court of California County of Orange, Case: 05CC11925; 4th Appellate District Division 3, Cases: G039300 and G039242; additional documentation can be provided to the court about these cases and Charles Steinberger's involvement upon request.

Charles Steinberger may have used or may still be using any of these corporations, or other yet unknown corporations, to hide assets not declared in his bankruptcy. He has a long history of such misconduct.

Charles Steinberger provided several addresses as physical locations for 4Domains and many of his other businesses either in contracts or through internet advertising. These addresses all proved invalid when businesses located nearby and government agencies located near each address were phoned and questioned about the current or past existence of any of Steinberger's businesses being physically located

at the addresses; a couple of the addresses are homes or vacant lots. (A list of companies and government agencies phoned and dates when they were phoned in order to validate the various Steinberger business addresses with Google maps can be provided to the court upon request.)

These addresses provided by Charles Steinberger to the public were intended to deceive ICANN, customers, the public and potential customers and/or vendors into thinking Steinberger's businesses were financially solvent when in fact they weren't; this fraudulent use of addresses was intended to deceive potential customers into a false sense of trust. A list of such fraudulent addresses includes but is not limited to:

- 1. 4Domains, 77-670 Springfield Lane, Ste. 11B, Palm Desert CA 92211. Sales Hotline: 760-360-4600. Tech Helpline: 877-777-6263.
- 2. Corporate Office 4Domains, 28562 Oso Parkway, Suite 519, Rancho Santa Margarita, CA 92688.
- 3. Steinberger Enterprises, 6 Lost Caynon, Rancho Santa Margarita, CA 92688. Phone 949-842-7714.
- 4. Steinberger Enterprises Incorporated, 11523 Palmbrush Trail, Ste 404, Bradenton, FL 34202
- 5. Steinberger Enterprises, Inc., 28562 Oso Parkway Suite 134, Rancho Santa Margarita, CA, 92688. Phone: 949-842-1977
- 6. Charles Steinberger, 23 Larkfield Lane Laguna Niguel, CA 92677-5324

Charles Steinberger advertised and still advertises his "companies" using fraudulent claims designed to deceive potential customers into a false sense of trust.

Charles Steinberger has a history of wrongful and/or illegal business conduct and fraud that have resulted in harm and financial damage to clients, customers, vendors and other businesses starting as early as 1999; Steinberger abuses bankruptcy to avoid the consequences of his wrong doing.

On July 11, 2000 Steinberger dissolved another of his business ventures, <u>Industrialvortex.com</u>, a business-to-business (B2B) exchange he claimed served a \$300 billion market for motors, valves, timers, and other

industrial parts. Charles Steinberger was interviewed for an article published on BusinessWeek Online that states, "A planned merger had fallen through, and venture capitalists had pulled \$10 million in promised funding."

Steinberger's claim of a merger, buyer or venture capital falling through is a common thread in Steinberger's business failures that result in loss to others. Steinberger exhibits a callous attitude towards the damage he does others through his wrongful conduct. The article also states, "Chuck Steinberger, for one, isn't sweating the failure of Industrialvortex.com." (URL for the referenced article is: <a href="http://www.businessweek.com/2000/00/37/b3698100.htm">http://www.businessweek.com/2000/00/37/b3698100.htm</a>)

On July 24, 2000, InformationWeek published an article about IndustrialVortex's failure and states that, "Chuck Steinberger, founder and chairman of the company, says IndustrialVortex spent \$2 million in venture capital, half of which came from E-business incubator Net Value Holdings Inc., and was unable to raise a second round of funding in April." The article goes on to quote Steinberger as saying, "The days of big parties are over." This quote is yet another example of Steinberger's callous attitude about spending other people's money with disregard for the hardships they will suffer due to their losses caused by Steinberger's misconduct. (URL for the referenced article is:

http://www.informationweek.com/796/btn.htm)

Charles Steinberger has a demonstrated history of callous disregard for how his wrongful conduct harms others. His failure to perform and willful breach of contract with ICANN as CEO of 4Domains caused severe financial damage to Denise Subramaniam, who due to her disabilities is not in a position to recover from such loss. Loss of income from websites she built before she became disabled on domain names long

owned by her and customers has had a devastating impact on her life quality. As a result she currently has no access to much needed health care and is in danger of losing her home of nearly 14 years that she has especially equipped to accommodate her disabilities. (See Trustee's sale information, Exhibit D.)

Denise Subramaniam and her customers lost a total of 21 domain names due to Charles Steinberger's wrongful conduct, breach of contract and fraud. This has caused her serious financial loss and she has a legal right to redress and due process.

Steinberger is attempting to use his financial advantage over Denise Subramaniam to cause a gross miscarriage in justice by making false accusations against her in an attempt to shift jurisdiction from the Washington County Oregon court where she filed her complaint against Steinberger and ICANN so as to further disadvantage her in seeking redress for her injury; and thus deprive her of any legal remedy. Since she is unable to afford an attorney it follows that she is unable to afford to travel to Florida to make any appearance to represent herself in a Florida Federal Court.

The Washington County Oregon Court has jurisdiction to hear this case, and in the interest of justice Denise Subramaniam prays that the United States Bankruptcy Court, Middle District of Florida, Tampa Division will decline jurisdiction; and or declare Charles Steinberger's debts to her caused by his own wrongful conduct not be discharged under as per the provisions of 11 U.S.C. 523.

Denise Subramaniam hereby makes a

# Motion to Dismiss for lack of jurisdiction and wrongful conduct and fraud.

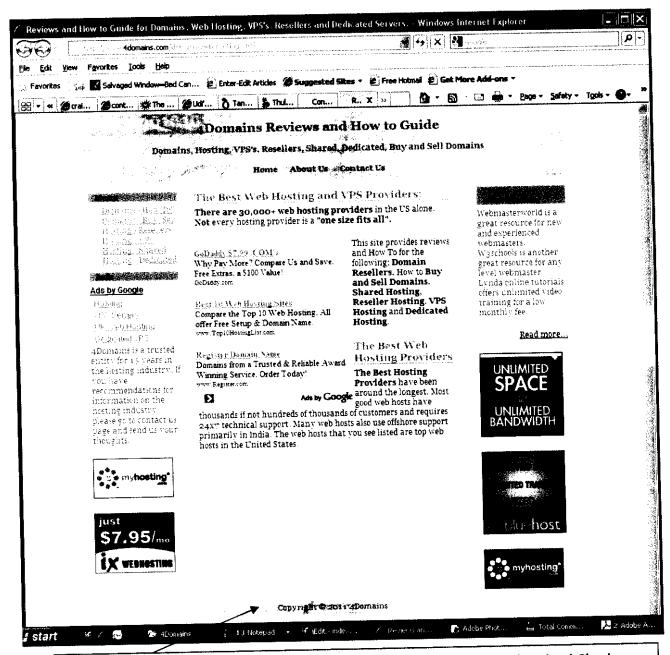
Denise Subramaniam prays the court grant her motion to dismiss.

DATED: June 1	, 2011
/S/ 20~	
Denise Subram	aniam, Pro Se
13865 SW Wa	ilker Rd., Beaverton, OR 97005
Address	503-764-5300
Phone	V

# Case 8:10-bk-19945-KRM Doc 58 Filed 06/06/11 Page 9 of 16

#### **EXIHIBT A**

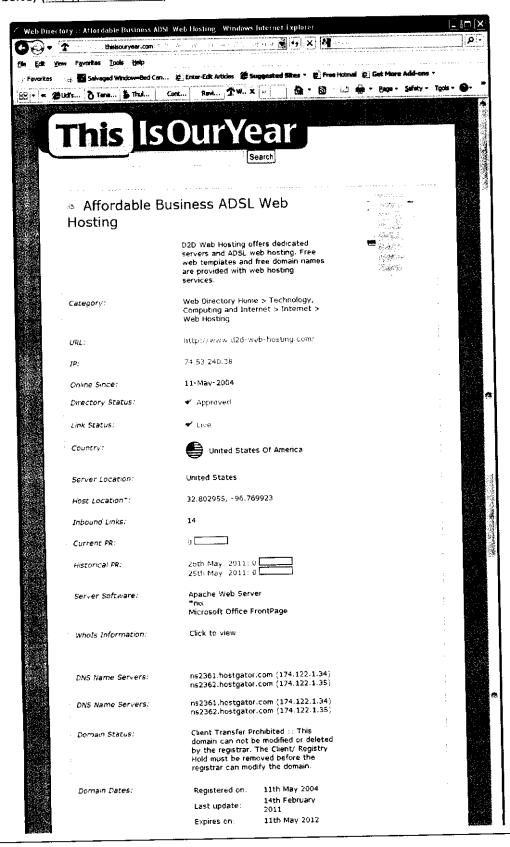
This website was reached by typing <a href="http://d2d-web-hosting.com">http://d2d-web-hosting.com</a> the domain name for one of Steinberger's other companies, D2Dhosting, into the browser's URL on June 1, 2011.



Notice the copyright is dated 2011, after the bankruptcy supposedly dissolved Charles Steinberger's business 4Domains. Why is he still operating a business under this name?

## **EXIHIBT A (continued)**

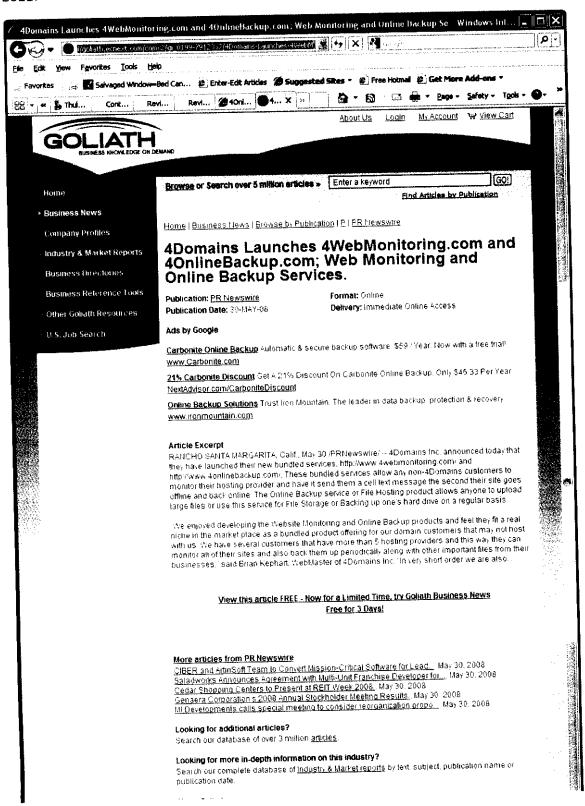
Advertisements for Steinberger's D2Dhosting business, copied from the WWW on June 1, 2011. The domain name for (<a href="http://d2d-web-hosting.com">http://d2d-web-hosting.com</a>), currently directs online visitors to Steinberger's 4Domains website, (<a href="http://d4domains.com">http://d2d-web-hosting.com</a>).



# Case 8:10-bk-19945-KRM Doc 58 Filed 06/06/11 Page 11 of 16

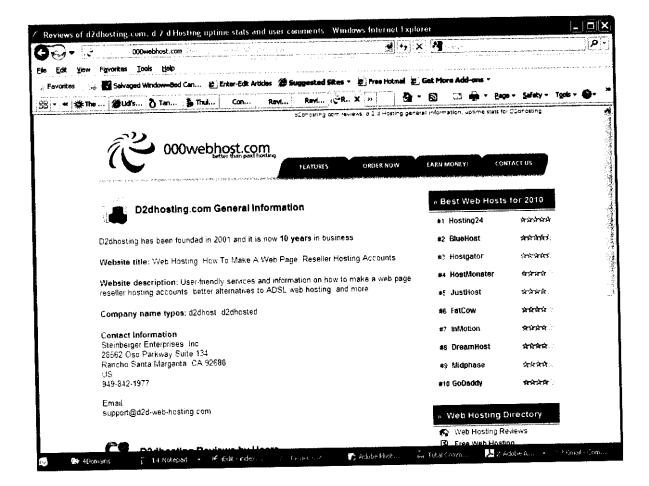
## **EXIHIBT A (continued)**

Advertisements for 4Domains, and Steinberger's other online businesses copied from the WWW on June 1, 2011.

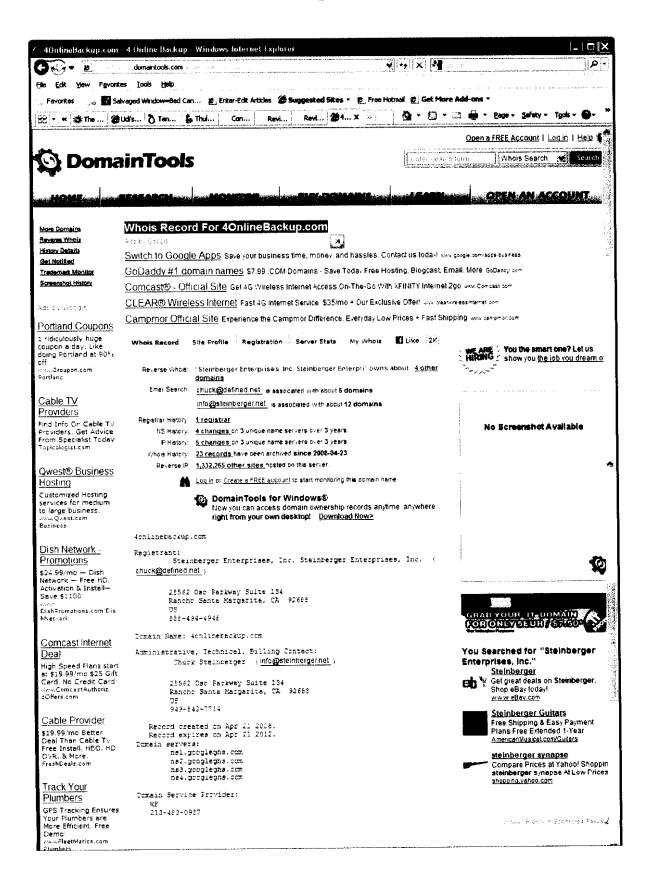


# Case 8:10-bk-19945-KRM Doc 58 Filed 06/06/11 Page 12 of 16

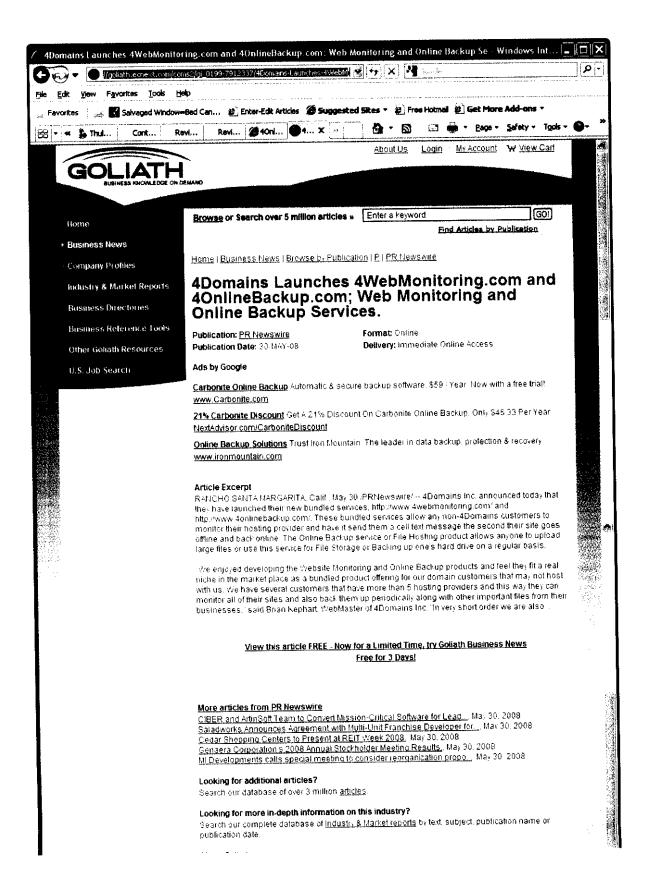
# **EXIHIBT A (continued)**



#### **EXIHIBT B**

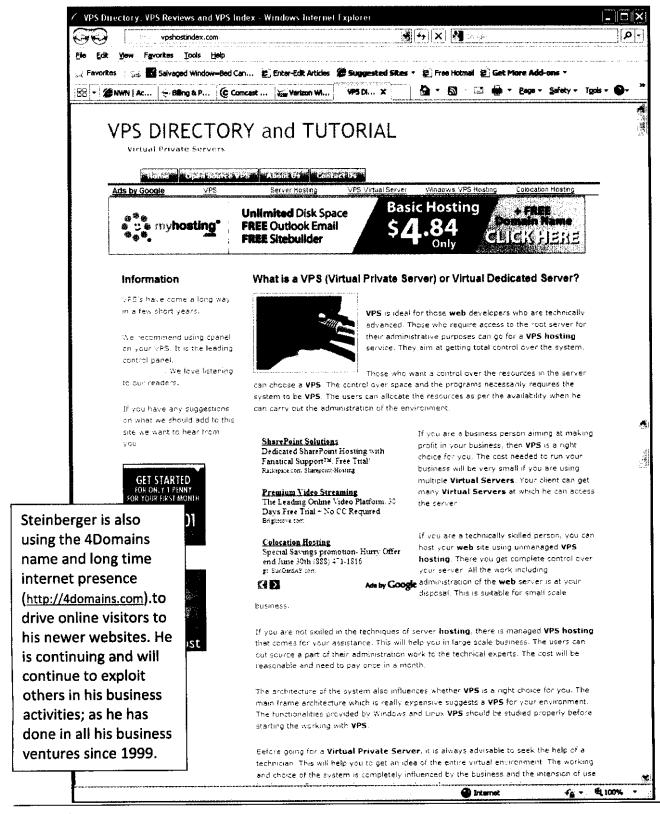


#### **EXIHIBT B** (continued)



#### **EXIHIBT C**

Charles Steinberger is still in the business of selling hosting services. What Steinberger advertises here as a VPS or Virtual Private Server is actually a GoDaddy virtual dedicated server. Steinberger has contracted with GoDaddy for one or more of their virtual dedicated servers; and he is reselling this service under his own brand. He hides this website behind the 4Domains website to skirt around any restrictions that may have been placed on his business activities by his the Bankruptcy Trustee or ICANN.



#### Case 8:10-bk-19945-KRM Doc 58 Filed 06/06/11 Page 16 of 16

#### **EXIHIBT D**

#### This document can be located online at:

http://www.multnomahforeclosures.com/NODS/2011A/050211/Washington%20April%2020%20-%20April%2026.pdf

