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U.S. BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

Honorable Karen A. Overstreet
Hearing date: October 24, 2008; 9:30 a.m.
Hearing Place: Room 7206, 700 Stewart Street, Seattle, WA 98101
Responses due by: October 17, 2008; by 4:30 p.m.

BY _____ DEP. CLK.

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re:) Chapter 7
COURT REPORTING INSTITUTE, INC.) Bankruptcy No. 06-14202
Debtor(s).)
OPPOSITON TO MOTION FOR AN
ORDER APPROVING COMPROMISE
OF CLAIMS

We are a group of creditors and ex-students of the Court Reporting Institute ("CRI") who have filed claims in this case. We believe we were unwitting pawns in CRI and Alen Janisch's scheme to defraud the Department of Education, the Workforce Training and Education Coordinating Board ("Workforce Board"), and now this court. Kai Moldskred and Steve Fleischman assisted through their financial support. We are buried in debt from which there is absolutely no relief. Some of us will carry this debt through our retirement or to our graves. Student loans cannot be discharged in bankruptcy, there is no government bailout, and there is no negotiating the amount owed. It simply is what it is - vast amounts of debt owed by students with nothing to show for it, debt that **must** be repaid - futures literally mortgaged because of the greed of this institution and its cohorts.

Though only a fraction of ex-students have put in claims, there are literally thousands of students who met the same fate over the 18 plus years CRI was in

1 business. This is evidenced by the absurdly long creditors matrix submitted by CRI
2 and Alen Janisch which included almost every student who attended CRI over the
3 last ten years. According to the Workforce Board, only one percent of the students
4 became court reporters, and only six percent managed to graduate – figures
5 submitted to the state by CRI/Janisch. CRI was a complete and total regulatory
6 failure by the State of Washington, the Department of Education, and Accrediting
7 Council of Independent Colleges and Schools. Ex-students are paying the price –
8 while the institution and its owner and cohorts are being held accountable for
9 proportionately next to nothing compared to what they swindled the students out
10 of.

11 Our objections to the settlement with Fleischman and all of the various
12 Fleischman entities and persons named are as follows:

13 1. Court Reporting Institute filed case No. 06-14202 on 11/27/06. The cutoff
14 date for claims in that case was 5/22/07. Students who put in claims had to
15 adhere to that cutoff date. Please see declaration of Lorraine Woods. Fleischman
16 did not submit a claim during the several months time allotted for the rent
17 revenues he claims he lost when CRI went out of business.

18 Alen Janisch filed case No. 07-15620 on 11/23/07, approximately one year
19 after the CRI bankruptcy filing. On 12/26/07, Fleischman submitted a claim for
20 nearly \$186,000 for loss of rent on the building that housed the Seattle Court
21 Reporting Institute. He made that claim in the personal bankruptcy case of Alen
22 Janisch. CRI had paid the rent on the facilities, and the lease was with the CRI, not
23 Alen Janisch personally.

24 It would be patently unfair to require other creditors to meet a deadline and
25 then not apply the same standard to Steve Fleischman. It would also be unfair to
26

1 allow him to put in any claim at all in Alen Janisch's personal bankruptcy for a loss
2 that was very clearly a loss incurred by CRI.

3 2. The \$62,000 letter of credit was originally required of CRI by the
4 Department of Education because the institution had been late with refunds.
5 (Please see the *2004 Examination of Alen Janisch* dated 6/6/07 – page 75, line 8,
6 thru p. 77, line 11. Alen Janisch calls it a "Security Pledge." In the *Answer of Steve*
7 *Fleischman to Trustee's Complaint for Turnover of Property and Counterclaim for*
8 *Declaratory Judgment*, pp. 5 and 6, starting with line 4, it is documented that
9 Fleischman and Janisch, acting for the benefit of CRI, on or about January 7, 2003,
10 made an agreement whereby CRI/Janisch furnished \$65,000 in the form of a
11 cashier's check to Fleischman. Fleischman in turn agreed to assist CRI/Janisch in
12 obtaining the letter of credit for CRI that is currently under the control of Bank of
13 America and/or Steve Fleischman and numbered 3053411. In the agreement,
14 Fleischman also agreed to **repay** CRI/Janisch, jointly, the principal amount of funds
15 given to him by CRI/Janisch.

16 Inasmuch as the funds originally came from CRI/Janisch, and not Steve
17 Fleischman, we do not believe that original CRI/Janisch money should be allowed to
18 fund part of the settlement payment due from Fleischman. Fleischman was less
19 than forthcoming when he put in a claim for rent monies owed, and did not bring
20 up the letter of credit owned by CRI/Janisch over which Fleischman and/or Bank of
21 America had control.

22 Both CRI and Janisch are in bankruptcy. It seems a stretch to believe that
23 money belonging to one of the estates (as it is agreed upon that the source of
24 funds was CRI/Janisch) could possibly be given over to Fleischman despite the
25 threat of continued litigation from him that the money is his. The fact that there is
26

1 so much debt in this case and the fact that the signing students understand that
2 there will be very little, if any, money returned to them, they feel it would be
3 grossly unfair to let Steve Fleischman offer a settlement in which the source of the
4 money originally was from CRI *by way of the loan checks taken out by the*
5 *students, prepaid tuition for which the students received no education.* If we are
6 not to share in any of the proceeds, we would rather see the money spent on
7 litigation attempting to get a full recovery for the CRI and Janisch estates.

8 3. The \$150,000 that is the subject of Adversary Proceeding
9 No. 08-01167 is also important to us. Steve Fleischman received the full \$150,000
10 back from Janisch/CRI after loaning it to him for a few days. He did not lose one
11 cent on it. It does not seem to be in evidence if he made any profit off the loan.
12 However, instead of being forced to return the whole amount to the CRI/Janisch
13 estates like he may have to do if this were fully litigated, he is effectively giving up
14 only \$30,000 of that \$150,000 because *\$62,000 of the \$92,000 total proposed*
15 *settlement amount was already laid out by CRI/Janisch.* That net amount of
16 \$30,000 is far less than most of the ex-students of CRI individually owe on their
17 students loans – and they did nothing shady or underhanded in this. Fleischman is
18 a wealthy businessman and should not be allowed to settle for approximately forty
19 cents on the dollar – most of which came from CRI originally. There are students in
20 debt in amounts up to \$85,000 that will be paying for the rest of their lives. (See
21 *Declaration of Lorraine Woods.*) It sends the wrong message if a cohort such as
22 Fleischman in a bankruptcy such as this one is allowed to keep approximately sixty
23 cents of every dollar they helped swindle – dollars that originally came from prepaid
24 student tuition via student loans.

1 4. Steve Fleischman gave shelter to Alen Janisch for many weeks after Alen
2 Janisch was removed from his home due to the foreclosure by allowing him to live
3 in one of the suites of the commercial building that housed the Court Reporting
4 Institute. Janisch stated that he was "staying with friends" and gave the address of
5 the Fleischman family business in his 341 hearing on 7/10/08. He was seen by
6 several of the ex-students as he lived there. If the loss of rent was so important to
7 Fleischman that he put in a claim for nearly \$186,000 loss, one would ponder why
8 he let Janisch stay in one of the former CRI suites without paying rent. Commercial
9 rent on 130th and Aurora in Seattle is much more expensive than an apartment
10 would have been.

11 We do wish to acknowledge that we understand the cost/benefit issues that
12 have to be weighed in any litigation. However, in this particular case, as there is no
13 relief for students from any other source, we would like the court to use whatever
14 means are possible to see to it that the outcome of this proposed settlement is fair,
15 and that students do not continue to be victimized by those who would not think
16 twice about it. Ex-students would be quite happy to pay cents on the dollar for
17 their student loans.

18 Respectfully, for the foregoing reasons, we undersigned creditors object to
19 the proposed settlement.

20 _____
21 Jessica Berta

Dated: _____

22 _____
23 Linda M. Corey

Dated: _____

24 _____
25 Lorraine Woods

Dated: _____

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Gennet Reichel

Dated: _____

Marie Mills

Dated: _____

Cheryl Paresa

Dated: _____

Jan Danek

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Karen Wheeler

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Pam Fukai

Dated: _____

Christine Gold

Dated: _____

Linda James

Dated: _____

Eileen Horst

Dated: _____

Virginia Ratterree

Dated: _____

Judy McKinney

Dated: _____

Jennifer Albino

Dated: _____

Cassandra Ramsauer

Dated: _____

OPPOSITION TO MOTION TO
COMPROMISE CLAIMS-6

Jessica Berta, Linda M.
Corey and other Creditors

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Amber Wagner

Dated: _____

Colette Guion

Dated: _____

Pat Houser

Dated: _____

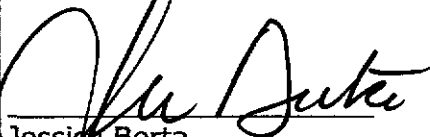
Darlene Jenkins

Dated: _____

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22 Jessica Berta

Dated: 10.10.08

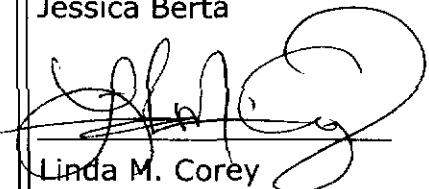
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24 Linda M. Corey

Dated: _____

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Dated: _____

Dated: 10/08/08

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Dated: _____

22 _____
23 Linda M. Corey

Dated: _____

24 
25 Lorraine Woods

Dated: 10/12/08


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Lorraine Woods

Dated: _____

Gennet Reichel

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Marie Mills

Dated: 10/8/08

Cheryl Paresa

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Jan Danek

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Karen Wheeler

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Pam Fukai

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Christine Gold

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Linda James

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Judy McKinney

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Jan Danek

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Karen Wheeler

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Pam Fukai

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Virginia Ratterree

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Judy McKinney

Judy McKinney

Dated: 10/11/08

Jennifer Albino

Dated: _____

Cassandra Ramsauer

Dated: _____

OPPOSITION TO MOTION TO
COMPROMISE CLAIMS-6

Jessica Berta, Linda M.
Corey and other Creditors

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Lorraine Woods

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Linda James

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Eileen Horst

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Virginia Ratterree

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Judy McKinney

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Jennifer Albino

Jennifer Albino

Dated: *10/9/08*

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Lorraine Woods

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Gennet Reichel

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Marie Mills

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Pam Fukai

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Christine Gold
Christine Gold

Dated: *Oct. 9, 2008*

Linda James

Dated: _____

Eileen Horst

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Virginia Ratterree

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Judy McKinney

Dated: _____

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Amber Wagner

Colette Guion
Colette Guion

Dated: _____


Dated: 10-10-08


PROOF OF SERVICE

Re: Chapter 7
Bankruptcy No. 06-14202

I declare that I am over the age of 18 years old and not a party to this matter.

I hereby certify that on October 16, I filed with the US Bankruptcy Court, 700 Stewart Street, Seattle, WA, 98101, Room 6301, an original of the Opposition to Motion for an Order Approving Compromise of Claims in the above entitled case.


Eileen Horst


Date