

Edgar Filing: GROUP MANAGEMENT CORP - Form 8-K

GROUP MANAGEMENT CORP  
Form 8-K  
March 31, 2003

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange  
Act of 1934.

Date of Report: March 31, 2003

GROUP MANAGEMENT CORP.  
(Exact name of registrant as specified in its  
Charter)

Delaware 0-32635 59-  
2919648  
(State of Incorporation) (Commission file number) (IRS  
Employer ID #)

101 Marietta St., Suite 1070, Atlanta, GA 30303  
(Address of principal executive office) (Zip  
Code)

Registrant's telephone number (404) 522-1202

Item 9. Regulation FD Disclosure.

Debtor's counsel filed the below pleading asking the court  
to declare the Creditors' executory contract rejected.

Debtor's counsel Thomas Ware filed a petition to reinstate  
his practice privileges in the Northern District of Georgia  
on Monday and paid the necessary fees involved.

United States Bankruptcy Court  
Northern District of Georgia  
Atlanta Division

Group Management Corp.  
Debtor (movant),

Case #03-93031 MHM  
Chapter 11

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V.

Alpha Capital Aktiengesellschaft  
Amro International ,S. A.  
Markham Holdings, Ltd, and  
Stonestreet Limited Partnership,  
Creditors(respondents)

Motion to Reject Executory Contract

Now comes the debtor, Group Management Corp., and files this motion as a contested matter under Rule 6006, and Rule 9014 of the United States Bankruptcy Code, to reject the executory contract, entered into with the above named creditors, on or about February 2, 2001 and shows the court the following:

1.

The debtor entered into a convertible Financing Transaction on or about February 2001, for the principal amount of \$1.1 million, ("the Financing Transaction") with the above named Creditors Ex. #1.

2.

The debtor has received several requests for conversion of the outstanding principal balance from the Creditors.

3.

The debtor's common stock trades on the Over the Counter Bulletin Board under the symbol, GPMT.

4.

Beginning on or about February 2001 the Debtor's common stock experienced abnormal and unusual trading patterns.

5.

The Debtor believes the unusual and abnormal trading patterns in its common stock is the result of the Creditors entering into naked shorts sales of its common stock and using the conversion of the principal amount to cover the shares sold short by the creditors.

6.

The Debtor's common stock was trading in the range of \$2.85 adjusted for a 1:20 reverse split, per share prior to entering into the Financing Transaction with the creditors.

7.

After entering into the Financing Transaction the Debtor's common stock has traded in a 52 week range of \$0.002-\$2.85 per share.

8.

The Board of Directors of the Debtor has met and determined under the business judgment rule that it is the best

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interest of the Debtor to reject the executory contract, Financing Transaction entered into with the above named Creditors.

9.

The Board of Directors of the Debtors believes the Debtor will be unable to reorganize unless the Financing Contract is rejected.

WHEREFORE, the debtor prays that the Court enter an order declaring the above referenced Financing Contract with the above named Creditors be declared rejected, and any other remedies the Court deemed proper to order.

Submitted by:

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Attorneys for the Debtor  
Thomas Ware 737758  
Rosenfeld, Goldman & Ware, Inc.  
101 Marietta St.  
Suite 1070  
Atlanta, GA 30303  
(404) 522-1202

United States Bankruptcy Court  
Northern District of Georgia  
Atlanta Division

Group Management Corp.  
Debtor,

Case # 03-93031 MHM  
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Alpha Capital Aktiengesellschaft  
Amro International, S. A.  
Markham Holdings, Ltd, and  
Stonestreet Limited Partnership,  
Creditors

NOTICE OF HEARING  
Motion to Reject Executory Contract

The above styled matter has been set down for hearing on the \_\_\_\_\_ day of \_\_\_\_\_, 2003, in the United States Court House located at Richard B. Russell Federal Building, 75 Spring Street, SW, Atlanta, Georgia 30303, in Court Room \_\_\_\_\_ on the \_\_\_\_\_ floor before the Honorable Margaret Murphy.

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Submitted by:

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Attorneys for the Debtor  
Thomas Ware 737758  
Rosenfeld, Goldman & Ware, Inc.  
101 Marietta St.  
Suite 1070  
Atlanta, GA 30303  
(404) 522-1202

Certificate of Service

I Thomas Ware, attorney for Group Management Corp., have  
this 31th day of March 2003, served the named Creditors:

Alpha Capital Aktiengesellschaft  
Pradafant 7  
9490 Furstentums  
Vaduz, Liechtenstein

Amro International, S. A..  
C/o Ultra Finanz  
Grossmuensterplatz 6  
Zurich, Switzerland CH 8022

Markham Holdings, LTD  
C/o David Hassan  
50 Town Range  
PO Box 472  
Gibraltar

Stonestreet Limited Partnership  
C/o Michael Finkelstein  
260 Town Centre  
Suite 201  
Markham, ON L3R 8H8

I have also served:  
Kenneth Zitter  
260 Madison Ave  
New York, NY 10016

The U. S. Trustee  
75 Spring St.  
Atlanta, GA 30303

By placing in the U. S. Mails a copy of the foregone  
pleadings and Notice of Hearing this 31th day of March  
2003.

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Thomas Ware 737758  
Rosenfeld, Goldman & Ware, Inc.  
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Suite 1070  
Atlanta, GA 30303  
(404) 522-1202

United States Bankruptcy Court  
Northern District of Georgia  
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Group Management Corp.  
Debtor,

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Stonestreet Limited Partnership,  
Creditors

PROPOSED ORDER

The above styled matter came on for hearing on \_\_\_\_\_,  
2003 in the United States Bankruptcy Court in the Northern  
District of Georgia after notice and a hearing:

After hearing argument from the parties in interest IT IS  
ORDERED:

1. that the Financing Transaction entered into by the  
Debtor with the Creditors on or about February 1, 2001 is  
deemed an Executory Contract;

IT IS FURTHER ORDERED

The Financing Transaction is hereby rejected by the  
Debtor.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

The Debtor's counsel shall serve a copy of this order on the  
interested parties.

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Margaret H. Murphy

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Judge United State Bankruptcy Court

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed by the Chief Executive Officer.

Group Management Corp.  
/s/ Lamar Sinkfield

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Lamar Sinkfield, Chief Executive

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Officer