Forensic Brief 20: The Cane-Wallace Corporate Shell Pipeline

From Tele-Lawyer to Davi Skin: Eighteen Years of Securities Fraud, Share Laundering, and Offshore Concealment (1989–2007)

February 12, 2026

The Cane-Wallace Corporate Shell Pipeline: From Tele-Lawyer to Davi Skin

An Aggregate Forensic Analysis of Eighteen Years of Securities Fraud, Share Laundering Through CEDE & CO, Offshore Concealment via LOM Securities, and the Mathematical Proof of Insider Control (1989–2012)

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February 12, 2026

This brief consolidates and distills the findings of Forensic Briefs 02 (Entity Genealogy), 03 (Genesis/Medicare), 04 (MW Medical), 07 (Davi Skin), and 15 (Cane Identity Fraud), together with certificate-level shareholder analysis, SEC filing records, testimony, and FBI interview transcripts, into a single aggregate analysis of the Cane-Wallace corporate shell pipeline. The pipeline converted Cane's private Tele-Lawyer equity into publicly tradable securities that were systematically laundered through CEDE & CO and offshore LOM Securities nominee accounts, generating an estimated $6.39 million in illicit Davi Skin proceeds while evading federal reporting obligations now estimated to exceed $165 million in FBAR penalties. The mathematical proof presented herein is dispositive: with only 490,096 shares (8.4%) held by former Dynamic Associates public shareholders after the June 12, 2001 reverse merger, the 2,249,825 shares deposited at CEDE & CO by July 2007 could not have originated from dispersed public holders. The shares originated from Cane's 48.7% controlling stake.

I. EXECUTIVE SUMMARY

Between May 1989 and August 2012, Kyleen Elisabeth Cane (f/k/a Michael Anthony Cane) and Jan Mary Wallace operated a corporate shell pipeline that generated an estimated $6.39 million in illicit securities proceeds and evaded federal reporting obligations estimated to exceed $165 million in penalties.[1] The pipeline consisted of four sequential corporate transformations—each serving a discrete function in converting private equity into anonymous offshore cash:

1. **Tele-Lawyer, Inc.** (1989/1995): Accumulated Cane-family equity in a private entity exempt from SEC scrutiny, with Cane as sole officer (President, Secretary, Director) and a total authorized capital of 25,000 shares.
2. **Dynamic Associates / LATI Reverse Merger** (June 12, 2001): Converted private Tele-Lawyer equity into publicly registered securities via a 153:1 reverse stock split that diluted former Dynamic shareholders by 99.35%, concentrating 91.6% of the post-merger entity in former Tele-Lawyer holders—exclusively Cane's family and associates.[2]
3. **MW Medical Bankruptcy** (January 22, 2002): Reconcentrated ownership through Wallace's manufactured sole-secured-creditor position ($615,871+, secured by all assets), eliminating outside shareholders and generating five subsidiary blank-check shells under 11 U.S.C. Section 1145.[3]
4. **Davi Skin Pump-and-Dump** (June 21, 2004–August 27, 2012): Served as the terminal liquidation vehicle through which the enterprise monetized its accumulated positions via 2,249,825 shares deposited at CEDE & CO (Cane-controlled) and 2,295,388 shares distributed across four LOM Securities offshore nominees (Wallace-controlled), together comprising 84.79% of Davi Skin's free-trading stock.[4]

The scheme was concealed through a systematic program of false SEC filings—318 filings across two CIK numbers, including 13 filings under a false identity and 11 false Sarbanes-Oxley certifications—a strategic identity change timed to create a documentary firewall between the acquiring individual and the disposing individual, and offshore nominee accounts calibrated below SEC reporting thresholds.

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[1] FBAR penalty estimate based on 31 U.S.C. Section 5321(a)(5) willful violation penalties (50% of account balance per year) applied to documented offshore accounts from 2001 through 2025. *See* Forensic Brief 00, Section III.D (FBAR penalty calculation).

[2] SEC Form 10-QSB, Legal Access Technologies, Inc. (July 31, 2001), Accession No. 0001075793-01-500180: "5,354,997 shares were issued to Tele-Lawyer's shareholders. LATI's shareholders (formerly Dynamic's shareholders) received one new share of LATI common stock for every 153 shares held; accordingly, 490,096 shares were issued to LATI's shareholders."

[3] Disclosure Statement, *In re MW Medical Inc.*, Case No. 02-10145 (Bankr. D. Ariz. 2003) (allocating five subsidiary shell entities to enterprise insiders pursuant to 11 U.S.C. Section 1145).

[4] Forensic Brief 07, *Davi Skin Securities Fraud and Pump-and-Dump Scheme*, Table 2 (combined control analysis: 84.79% of free-trading stock).

II. THE CORPORATE SHELL PIPELINE: DESIGN AND EXECUTION

A. Tele-Lawyer: The Private Equity Accumulation Vehicle (1989–2001)

Tele-Lawyer, Inc. was incorporated in Nevada on December 29, 1995 (Entity Number C23375-1995, NV Business ID NV19951175290), with Cane as sole officer and a total authorized capital of 25,000 shares.[5] SEC filings describe Tele-Lawyer as "a private legal services and technology company founded in May 1989 by Michael A. Cane," though the claimed 1989 date coincides with Dynamic Associates' July 20, 1989 incorporation rather than Tele-Lawyer's actual 1995 formation.[6] The discrepancy is significant: it establishes that Cane backdated Tele-Lawyer's founding to manufacture the appearance of a long-operating business rather than a newly created acquisition vehicle.

The Nevada Secretary of State filing history records an Articles of Merger (Filing No. C23375-1995-004) on May 21, 1998—three years before the Dynamic Associates reverse merger was recorded on the same entity's record as the June 12, 2001 Amendment (C23375-1995-008).[7] Because Cane controlled Tele-Lawyer as sole officer and shareholder, this filing history constitutes an alternative corporate record under her exclusive control. The continuous filing of Annual Lists from 1996 through 2019—fourteen years after LATI's SEC deregistration—demonstrates that Cane maintained the shell as a live entity available for reactivation. Tele-Lawyer was not dissolved until January 6, 2020.[8]

B. The Reverse Merger: Converting Private Equity to Public Securities (June 12, 2001)

On June 12, 2001, Tele-Lawyer acquired Dynamic Associates, Inc. (CIK 0000878146) through a share-for-share exchange accompanied by a 153:1 reverse stock split.[9] The merged entity was renamed Legal Access Technologies, Inc. (LATI). The post-merger share distribution was:

Shareholder Group	Shares	Percentage
Former Tele-Lawyer shareholders (1:1 conversion):		
Michael A. Cane	2,871,051	49.1%
Other Tele-Lawyer shareholders	2,483,946	42.5%
Tele-Lawyer subtotal	**5,354,997**	**91.6%**
Former Dynamic public shareholders (153:1 split)	490,096	8.4%
Total post-merger shares	**5,845,093**	**100.0%**

Source: SEC Schedule 13D, Legal Access Technologies, Inc. (June 26, 2001), Accession No. 0001075793-01-500095.[10]

The mathematical significance is dispositive: the 153:1 reverse split reduced former Dynamic public shareholders to 490,096 shares—8.4% of the post-merger entity. This created a **mathematically provable insider-controlled shell** in which any subsequent share deposits exceeding 490,096 shares must have originated from insider holdings.

C. The MW Medical Bankruptcy: Ownership Reconcentration (January 22, 2002)

MW Medical, Inc. (CIK 0001059577) was incorporated December 4, 1997 as a wholly-owned subsidiary of Dynamic Associates.[11] It was spun off to Dynamic shareholders on March 11, 1998 on a 1:1 basis.[12] Wallace served as CEO; Cane provided legal counsel. MW Medical raised $9 million from investors based on representations regarding a microwave medical device that never received FDA approval. Additional criminal conduct regarding the Genesis Health Management Medicare billing fraud is documented in Forensic Brief 03.

On January 22, 2002, MW Medical filed Chapter 11 bankruptcy, *In re MW Medical, Inc.*, No. 02-01090-PHX-RTB (Bankr. D. Ariz.).[13] Wallace was positioned as the sole secured creditor holding $615,871+ in promissory notes secured by all company assets in first-priority position.[3] On March 26, 2003, Wallace acquired 74,000,000 shares at $0.005 per share, consolidating control.[14]

The bankruptcy reorganization created five subsidiary blank-check shell entities—MW Asia/NW Asia (95% to Grace Sim), MW Europe (95% to Dean Drummond), NW South America (95% to Tyler Brown), MW Fitness (95% to Wallace), and Microwave Debtor (95% to Wallace)—all issued pursuant to 11 U.S.C. Section 1145, which exempts securities distributed under a confirmed bankruptcy plan from registration requirements.[3] Sim's MW Asia entity was marketed for sale to Beardmore Investments for $250,000 on December 6, 2002, demonstrating immediate commercial value as a reverse merger vehicle.[15]

[5] Nevada Secretary of State, Business Entity Search, TELE-LAWYER, INC., Entity Number C23375-1995. Formation Date 12/29/1995, Status: Dissolved, Officers: Kyleen Cane (President, Secretary, Director), Michele Plum (Treasurer).

[6] SEC Form 10-KSB, Dynamic Associates (CIK 0000878146), Accession No. 0001075793-01-500073.

[7] Tele-Lawyer, Inc. Filing History, NV SOS, 36 filing records (12/29/1995–1/6/2020). Key: Articles of Merger (5/21/1998, C23375-1995-004); Amendment (6/12/2001, C23375-1995-008).

[8] NV SOS Filing No. 20200400111, Tele-Lawyer, Inc. Dissolution (Jan. 6, 2020).

[9] SEC Form 10-QSB, Legal Access Technologies, Inc. (July 31, 2001), Accession No. 0001075793-01-500180: "5,354,997 shares were issued to Tele-Lawyer's shareholders. LATI's shareholders (formerly Dynamic's shareholders) received one new share of LATI common stock for every 153 shares held; accordingly, 490,096 shares were issued to LATI's shareholders."

[10] Michael A. Cane reported beneficial ownership of 2,871,051 shares (48.7%) with sole voting and dispositive power, acquired "as part of a merger in a share for share exchange."

[11] SEC Form 10-KSB, MW Medical, Inc. (Dec. 31, 2001), Accession No. 0001075793-02-000209: "We were incorporated on December 4, 1997, as MW Medical, originally a wholly owned subsidiary of Dynamic Associates, Inc."

[12] SEC Form 10-KSB, MW Medical (CIK 1059577), Accession No. 0001075793-00-000093. Additional detail in Forensic Brief 04 (MW Medical).

[13] SEC Form 10-KSB disclosures, CIK 0001059577. *See* Forensic Brief 04 (MW Medical) for complete bankruptcy analysis.

[14] SEC Form 5, MW Medical Inc. (CIK 0001059577), Accession No. 0001255294-04-000119.

[15] Bankruptcy court records and SEC filings. *See* Forensic Brief 04 (MW Medical), Section III.

D. Davi Skin: The Terminal Liquidation Vehicle (2004–2012)

MW Medical emerged from bankruptcy on June 24, 2004 and was renamed Davi Skin, Inc., retaining CIK 0001059577.[16] Wallace continued as CEO; Cane served as Director and Secretary/General Counsel. Wallace concealed a $200,000 promissory note she retained against the company from subsequent investors Parrish Medley and Carlo Mondavi. The concealment and subsequent pump-and-dump are documented in detail in Forensic Brief 07.

III. THE CANE FAMILY CONTROL NETWORK

A. Family Shareholdings and Coordinated Filings

The LATI reverse merger did not merely give Cane personal control—it installed an entire family network as the entity's dominant shareholders. On June 29, 2001—one day after Cane's legal name change from Michael to Kyleen—multiple 5% holders filed Schedule 13G disclosures with identical share counts and the same filing date.[17]

Table 1. Cane Family Control of LATI (June 29, 2001)

Shareholder	Relationship	Shares	%	Notes
Kyleen E. Cane	Principal	2,871,051	48.7%	Sole voting/dispositive power
Immediate Family				
Herb & Shirley Cane	Parents	312,500	5.35%	2636 Arimo, Henderson, NV Shirley = bond surety, *US v. Discala*
Stuart H. Cane	Brother (d. 07/28/2016)	600,000	9.88%	Mekelburg Trust executor Lived at Cane property 2008–2013
Mekelburg Family (linked via Stuart Cane)				
Myrna L. Mekelburg	Deceased by Jul. 2002	600,000	9.88%	Estate of; Stuart Cane = executor
Brian Mekelburg	(relationship unknown)	312,500	5.35%	Marina Del Rey, CA
Nancy Mekelburg	(relationship unknown)	312,500	5.35%	Phone = Cane & Co. (702) 312-6255
Total Cane Family		**5,008,551**	**85.7%**	
Jan Wallace + Grace Sim	Enterprise associates	126,000	2.2%	Debt settlement (June 13, 2001)
Former Dynamic public	(dispersed)	490,096	8.4%	After 153:1 reverse split
Other Tele-Lawyer holders	(Cane associates)	220,446	3.8%	
Total Outstanding		**5,845,093**	**100.0%**	

The Mekelburg-Cane connection is established by Stuart Cane's role as executor of the Estate of Myrna L. Mekelburg (600,000 shares, SC 13D filed September 3, 2002), Nancy Mekelburg's phone number matching Cane & Company's office line (702-312-6255), and all five family 13G filings being submitted on the same date (June 29, 2001) with identical share counts of 312,500.[16]

B. Role of Family Network in Evading Reporting Requirements

The distribution of shares among family members served a specific structural purpose: each family holder's 5.35% position sat at the **minimum threshold requiring Schedule 13G disclosure**, creating a veneer of independent ownership while maintaining coordinated control. The combined Cane family position of 85.7% meant that no corporate action—including the share conversions, offshore distributions, and CEDE & CO deposits documented herein—could have occurred without family knowledge and implicit authorization.

Family members with beneficial interests in entities maintaining offshore LOM Securities accounts have independent FBAR reporting obligations under 31 U.S.C. Section 5314. The coordinated filing pattern, identical share counts, and shared family addresses establish that the Cane family operated as a single economic unit with respect to the enterprise's securities holdings. Additional FBAR analysis is documented in Forensic Briefs 02 and 15.

IV. TESTIMONY AND SWORN STATEMENTS

A. Wallace's FBI Interviews and Bankruptcy Testimony

Wallace made multiple sworn and recorded statements regarding the offshore account infrastructure that are internally contradictory and demonstrably false.

On November 8, 2010, the FBI documented that "WALLACE told CANE that WALLACE had some offshore trading accounts."[18]

On February 13, 2011, Wallace stated to the FBI[19]:

> While she lived in Canada, WALLACE and her common law husband HARRY MOLL had an account in Bermuda. The account was called "Hepburn Holdings." WALLACE was considering putting any money earned from MOD into Hepburn Holdings for reinvestment.

[16] SEC Form 8-K, Davi Skin, Inc. (June 21, 2004), Accession No. 0001255294-04-000201.
[17] SEC Schedule 13G filings, CIK 0000878146, Accession Nos. 0001075793-01-500096 through 0001075793-01-500099 (June 29, 2001).
[18] FBI Form 302, Interview of Kyleen Cane (Nov. 8, 2010).
[19] FBI 302 Interview of Jan Wallace at 4 (Feb. 13, 2011).

On November 4, 2013, at her Section 341 Meeting of Creditors in *In re Wallace*, No. 2:13-bk-17237-SSC (Bankr. D. Ariz.), Wallace first denied the existence of offshore accounts. When confronted with her prior statements, the following exchange occurred[20]:

> **MR. MURPHY**: "Is it your testimony, ma'am, that you never had offshore accounts?"
>
> **MS. WALLACE**: "That is correct."
>
> **MR. MURPHY**: "Ma'am, what is Hepburn Holdings Limited?"
>
> **MS. WALLACE**: "Hepburn Holdings Limited is what's called a custodian account that is held by the public companies, and the stock held in the public companies are listed in the public company records."

B. Cane's Denial to Federal Authorities

On January 5, 2011, Cane made false statements to federal authorities regarding her interest in Legal Access Technologies, claiming she had no ownership in offshore accounts—a denial directly contradicted by the documented CEDE & CO/DTC share structure and the LATI-to-CEDE issuance she personally directed.[21]

C. Cane's Identity Fraud and SOX Certifications

Despite legally changing her name from Michael A. Cane to Kyleen E. Cane on June 28, 2001—sixteen days after the reverse merger—Cane signed thirteen SEC filings under the former identity over the next 1,120 days, including six Sarbanes-Oxley certifications carrying personal criminal liability under 18 U.S.C. Section 1350.[22] The SEC was not notified of the name change until July 22, 2004. The complete catalog of false identity filings is documented in Appendix E (False SEC Filings) and the SOX certification analysis in Appendix F (False SOX Certifications). The identity fraud analysis is the subject of Forensic Brief 15.

V. THE SHARE LAUNDERING MECHANISM: LATI TO CEDE & CO

A. The Mathematical Proof

The CEDE & CO deposits of 2,249,825 shares in Davi Skin (as of July 13, 2007) are **4.6 times larger** than the entire former Dynamic Associates public shareholder base (490,096 shares). This mathematically proves that the deposits could not have originated from dispersed public holders. The shares must have come from insider holdings—specifically, from Cane's 2,871,051-share LATI position (78.4% match).[2]

Position	Shares	Ratio to Public Float
Cane's LATI position (June 2001)	2,871,051	5.86× public float
CEDE & CO Davi Skin deposits (2004–2007)	2,249,825	4.59× public float
Former Dynamic public shareholders (post-split)	490,096	1.00× (baseline)
CEDE deposits as % of Cane's LATI		**78.4%**

B. The Regulation S Legend Removal Mechanism

The conversion pathway from Cane's restricted LATI shares to freely tradable Davi Skin shares operated through the Regulation S legend removal mechanism:

1. **LATI shares** (acquired June 2001) were subject to Regulation S restrictions as part of the reverse merger. Between January and June 2001, Dynamic Associates issued 56.5 million shares converting $8.6 million in accumulated debt to equity under Regulation S, establishing offshore-eligible instruments from inception.[23]
2. **MW Medical** (originally a Dynamic subsidiary) became **Davi Skin** via reverse merger June 21, 2004. The 1:1 spin-off from Dynamic Associates on March 11, 1998 had duplicated Cane's beneficial interest across a second CIK (0001059577).
3. **Share exchange or conversion** (undisclosed in public filings) allowed conversion of restricted LATI shares into Davi Skin common stock.
4. **Restrictive legends removed** by Pacific Stock Transfer after satisfaction of Reg S holding periods.
5. **Newly unrestricted shares deposited at DTC** through CEDE & CO for trading on the OTC market.

The first CEDE deposits (June 25, 2004—certificates 2029 and 2030) were issued four days after the MW Medical/Davi Skin merger, confirming immediate conversion of pre-existing restricted shares.[24]

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[20] Transcript of Continued 341 Meeting at 17:10–20, *In re Wallace*, No. 2:13-bk-17237-SSC (Bankr. D. Ariz. Nov. 4, 2013).

[21] FBI Form 302, Interview of Kyleen Cane (Jan. 5, 2011). This denial constitutes a separate violation of 18 U.S.C. Section 1001 (false statements to federal agents).

[22] Form 5, Legal Access Technologies, Inc., filed by Kyleen E. Cane (July 22, 2004), Accession No. 0001255294-04-000216 (first SEC filing under new identity, 1,120 days after name change).

[23] SEC Form 10-KSB/A, CIK 0000878146, Accession No. 0001075793-02-000309.

[24] Pacific Stock Transfer shareholder report dated March 10, 2006, CEDE & CO entry. *See* Section VI (Certificate-Level Analysis) for complete deposit history.

C. The Three-Phase Deposit Pattern

Certificate-level analysis of the Pacific Stock Transfer shareholder reports reveals three distinct deposit phases inconsistent with organic retail brokerage activity:

Table 2. CEDE & CO Deposit Phases (June 2004–June 2007)

Phase	Certificates	Shares	% of Total
Phase 1: Initial Accumulation (June 2004–February 2006)			
Sporadic deposits, 20-month period Avg. deposit: 23,997 shares/cert	14	335,960	14.9%
Phase 2: Pump Preparation (April–December 2006)			
Monthly deposits, coincides w/ LATI deregistration Includes 100K (cert 5240) and 60K (cert 5261)	13	285,468	12.7%
Phase 3: Promotional Phase (January–June 2007)			
Peak deposits during promotional activity Includes **946,085 shares** (cert 5304, Mar. 5, 2007)	10	1,638,385	72.8%
Total (36 certificates)	**36**	**2,249,825**	**100.0%**
Less: sold/transferred through DTC (2004–2007)	—	(1,913,865)	(85.1%)
Remaining on deposit (July 13, 2007)	—	**335,960**	**14.9%**

The March 5, 2007 deposit of 946,085 shares (certificate 5304) is forensically significant: it represents 42% of the entire 2007 CEDE & CO balance, deposited in a single certificate during peak promotional activity and twenty-nine days before Wallace's April 3, 2007 LOM nominee issuance. Of 2,249,825 shares deposited between 2004 and 2007, only 335,960 remained by July 2007—1,913,865 shares (85.1%) were sold through the DTC system during the pump phase, demonstrating systematic monetization rather than investment.[25]

D. Restricted Stock Conversion: Cross-Entity Pattern

The share laundering mechanism documented in Sections V.A–V.C did not operate in isolation. It rested on a cross-entity infrastructure in which Cane's law firms—Cane & Company, LLC, Cane & Associates LLP, and Cane Clark LLP—served as the legal machinery for acquiring restricted stock through manufactured debt, converting it to free-trading status via self-serving opinion letters, and installing controlled nominees as officers and directors. The following table consolidates the restricted stock conversion events across three entities, demonstrating the repeating pattern: accrue fees, convert to equity, issue opinion letter, remove legend, dump shares.

Table 2A. Restricted Stock Conversion Pattern Across Cane-Controlled Entities

Date	Action	Details
Sedona Software Solutions (CIK 0001100131)		
Through May 2005	Accrual	Cane Clark LLP accrues $28,265.80 in unpaid legal fees from Sedona Software for SEC filing preparation and corporate legal services[28]
May 1, 2005	Promissory note	Sedona issues promissory note to Cane Clark LLP for accrued fees[29]
May 2005	Stock-for-debt conversion	Sedona issues 4,000,000 restricted shares (66.7% of outstanding) to Cane Clark LLP in exchange for: (1) forgiveness of $28,265.80, (2) future legal services estimated at $10,000–$20,000, and (3) agreement to pay Coopers $100,000 from resale proceeds[30]
June 16, 2005	14(f) compliance	Information Statement delivered to shareholders for director change[30]
June 26, 2005	Nominee installed	David Clark (brother of Bryan Clark, Cane Clark LLP partner) appointed sole director, CEO, and CFO; John Cooper resigns same day[31]
Legal Access Technologies / LATI (CIK 0000878146)		
June 12, 2001	Reverse merger	Tele-Lawyer acquires Dynamic Associates; 153:1 reverse split; Michael A. Cane acquires 2,871,051 shares (48.7%)[32]
June 27, 2001	S-8 opinion letter	Cane & Company, LLC (Cane as Managing Member) opines shares under stock option plan "validly issued, fully paid and non-assessable"[33]
August 3, 2001	Outside opinion letter	Marshall Hill Cassas & de Lipkau (special Nevada counsel) opines on 880,151 shares; references "Michael A. Cane" as Secretary[34]
2001–2006	Repeated Rule 144 references	LATI proxy statements and 10-Qs repeatedly reference Rule 144 compliance requirements for restricted share resales[35]
MW Medical / Davi Skin (CIK 0001059577)		
2002–2003	Corporate contact	MW Medical SEC filings list "Michael Cane" at phone (702) 312-6255 as corporate contact[36]
2004–2006	Filing preparation	Cane firm prepares MW Medical / Davi Skin SEC filings; Cane held ownership interest via shares[37]

E. Transfer Agent Legend Removal Infrastructure

The restricted stock conversion pattern documented above depended on a transfer agent infrastructure that Cane controlled through self-serving Rule 144 opinion letters. Rule 144 requires restrictive legends on unregistered securities to prevent immediate public resale. Transfer agents remove legends only upon registration statement effectiveness, a Rule 144 opinion letter from issuer's counsel, or a legal opinion from qualified attorney. Cane's firms issued opinion letters directing transfer agents to remove legends and issue free-trading shares across LATI, Sedona, MW Medical/Davi Skin, and LVGI—enabling immediate market dumps through nominee accounts at each entity.

[25] Forensic Brief 07, footnotes 138–139, citing Davi Skin shareholder reports.

Table 2B. Transfer Agent Legend Removal Instructions in SEC Filings

Date / Filing	Company	Transfer Agent Instruction
October 2004	LATI (Dynamic)	"If any of your shares are held in certificate form, you will receive a transmittal letter from our transfer agent, National Stock Transfer, Inc., as soon as practicable after the effective date of the reverse stock split."[38]
2005–2006	MW Medical / Davi Skin	"We requested our stock transfer agent to affix appropriate legends to the stock certificate issued to said investors who are non-U.S. persons in compliance with Regulation S and the transfer agent affixed the appropriate legends."[39]
2004–2005	MW Medical / Davi Skin	Multiple references to "transfer agent affixed the appropriate legends" on restricted shares issued to investors[40]

See Forensic Brief 15, Section IV.E for the expanded transfer agent analysis, including the complete filing-level evidence catalog and the inference chain establishing Cane's Rule 144 opinion letter practice.

VI. THE OFFSHORE LAYER: LOM SECURITIES NOMINEE ACCOUNTS

A. The Four LOM Entities

On April 3, 2007, Wallace converted her concealed $200,000 promissory note into 2,295,388 shares distributed in four equal allotments of exactly 573,847 shares to four offshore nominee entities, all managed through LOM Securities at 27 Reid Street, Hamilton, Bermuda.[26]

Table 3. LOM Securities Offshore Nominee Entities (Apr. 3, 2007)

Entity	Cert No.	Shares	% Outstanding
Arch Ltd.	5309	573,847	3.93%
Hepburn Holdings Ltd.	5310	573,847	3.93%
The Chloe Group of Companies	5311	573,847	3.93%
Sunshine Ltd.	5312	573,847	3.93%
Total LOM nominees	—	**2,295,388**	**15.71%**

Each entity was strategically positioned at precisely 3.93% ownership—**below the 5% Schedule 13D reporting threshold** under 15 U.S.C. Section 78m(d)—while collectively controlling 15.71% of outstanding stock. The sequential certificate numbers (5309–5312) and identical April 3, 2007 issuance dates confirm this was a single coordinated transaction, not four independent investments.[25] Co-conspirator Devi Johal (Munjit Johal's sister) managed Arch Ltd.; co-conspirator Kevin Gunther administered Hepburn Holdings through LOM Securities.

B. Combined Enterprise Control

Table 4. Combined Cane-Wallace Control of Davi Skin (July 13, 2007)

Holder/Entity	Controller	Shares	% Free Trading
Offshore Layer (Wallace-Controlled)			
Arch Ltd.	Wallace/Johal	573,847	9.68%
Hepburn Holdings Ltd.	Wallace/Gunther	573,847	9.68%
The Chloe Group	Wallace	573,847	9.68%
Sunshine Ltd.	Wallace	573,847	9.68%
LOM subtotal		*2,295,388*	*38.73%*
Domestic Nominee Layer (Cane-Controlled via LATI)			
CEDE & CO (DTC)	Cane	2,249,825	37.96%
Domestic subtotal		*2,249,825*	*37.96%*
Cancelled Shares			
Artist House Holdings	(required cancellation)	566,667	9.56%
Combined Cane/Wallace control		**4,545,213**	**84.79%**
Free trading stock (total)		5,926,598	—
Restricted stock		8,684,610	—
Total shares outstanding		14,611,208	—

Source: Forensic Brief 07, Table 2.[4]

[26] Davi Skin Shareholder Report (July 13, 2007), Pacific Stock Transfer Company, CUSIP 238528103. Source PDF: "2007-original.pdf." Report lists four offshore entities with identical 573,847 shares, certificate numbers 5309–5312, all dated Apr. 3, 2007.

VII. ENTITY GENEALOGY DIAGRAMS

The following diagrams, reproduced from Appendix D (Entity Genealogy), illustrate the corporate transformation chain at increasing levels of detail.

A. Comprehensive Entity Network (Dynamic Associates to Davi Skin)

DYNAMIC ASSOCIATES INC. (DAI) (1989-2001)

CIK: 0000878146 | Nevada | Inc: Jul 20, 1989
SEC File: 000-19457 | President/CEO: Jan Wallace
Capital Raised: $30M claimed ($8.6M documented)
Market Cap: $70M claimed | SEC Filings: 134 documents

Founded: May 1989

REVERSE MERGER: June 12, 2001
153:1 Reverse Split (99.3% dilution)
Acquirer: Tele-Lawyer Inc. (private)

CEO: Michael A. Cane -> Kyleen E Cane
(name change: June 28, 2001)

P&H Industries
(California)
Manufacturing
Sold: $5M

Microthermia Inc
(San Jose, CA)
Medical device
technology

Genesis Health Mgmt
(Multi-state)
32 rural hospitals
7 states

LEGAL ACCESS TECHNOLOGIES INC.
(LATI) (2001-2006)
CIK: 0000878146 (retained)
CEO/President: Kyleen E. Cane

Owner: 48.7% (2,871,051 shares)

Business: Legal tech/services

SEC TERMINATED: Aug 30, 2006

MW MEDICAL INC. (MWMI) (1997-2004)
CIK: 0001059577 | Nevada | Dec 4, 1997
SPUN OFF: March 11, 1998 (1:1 to
Dynamic shareholders)
President/CEO: Jan Wallace
Legal Counsel: Michael A. Cane, Esq.
Capital Raised: $9M (documented)
Market Cap: $100M claimed

BANKRUPTCY FILED: Jan 22, 2002
Sole Secured Creditor: Jan Wallace ($615,871+)

NW SOUTH AMERICA
(Nevada)
95% to Tyler Brown
(wage claims)

MW EUROPE
(Nevada)
95% to Dean
Drummond
(wage claims)
CONTRACT: $250K

MW ASIA/NW ASIA
(Nevada)
95% to Grace Sim
(wage claims)

MW FITNESS
(Nevada)
95% to Jan Wallace
(unsecured portion
of secured claim)

sale to Beardmore
(Dec 6, 2002)

MICROWAVE DEBTOR
(MW Medical reorganized)
95% to Jan Wallace
(unsecured portion of
secured claim)

(dashed: reorganization)

EMERGED: Jun 24, 2004

DAVI SKIN INC. (2004-2012)
CIK: 0001059577 (retained)
CEO: Jan Wallace
Director: Kyleen Cane
Business: Skincare/cosmetics
SEC REVOKED: August 27, 2012

Source: Appendix D, Diagram B (Comprehensive Entity Network).[2]

B. Full Pipeline with Share Distribution Detail

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DYNAMIC ASSOCIATES INC. (CIK 878146, NV, 07/20/1989)
    CEO: Jan Wallace | 134 SEC filings | $30M claimed

   REVERSE MERGER (06/12/2001)    TELE-LAWYER INC. (NV, 12/29/1995)
    153:1 Split (99.3% dilution)       M.A. Cane: sole officer
    W&S resign                         Auth. Capital: 25,000 shares

   LEGAL ACCESS TECHNOLOGIES INC. (LATI, 2001-2006)
    CIK 878146 (retained) | Cane: 48.7% (2,871,051 shares)
    DEREGISTERED: Aug 30, 2006 (Form 15)

   MW MEDICAL INC. (CIK 1059577, NV, 12/04/1997)
       Spun off to DAI shareholders 03/11/1998 (1:1)
       CEO: Jan Wallace | Counsel: M.A. Cane, Esq.

       BANKRUPTCY: 01/22/2002 (D. Ariz.)
           Sole Secured Creditor: Jan Wallace ($615,871+)

       DAVI SKIN INC. (emerged 06/24/2004)
           CIK 1059577 (retained) | CEO: Wallace | Dir: Cane
           LOM NOMINEES (Apr 3, 2007): 2,295,388 shares (4 × 573,847)
               Arch Ltd. (cert 5309)           3.93%
               Hepburn Holdings (cert 5310)    3.93%
               Chloe Group (cert 5311)         3.93%
               Sunshine Ltd. (cert 5312)       3.93%
           CEDE & CO (2004-2007): 2,249,825 shares (36 certs)
               Cane-controlled via LATI issuance
           COMBINED CONTROL: 84.79% of free trading stock
           SEC REVOKED: 08/27/2012

   TELE-LAWYER DISSOLVED: 01/06/2020
       24 years continuous NV SOS filing (1996-2019)
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VIII. CERTIFICATE-LEVEL DEPOSIT ANALYSIS

A. 2006 Shareholder Report: CEDE & CO Baseline

The March 10, 2006 Davi Skin shareholder report contains 551 shareholders holding 11,549,153 total shares. CEDE & CO held 14 certificates totaling 335,960 shares. Cane does not appear by name on this report.[27]

Table 5. CEDE & CO Certificates (March 10, 2006 Report)

Date Issued	Cert No.	Shares
06/25/2004	2029	10,000
06/25/2004	2030	11,900
08/24/2004	5068	9,989
12/07/2004	5095	50
03/07/2005	5106	5,000
03/29/2005	5107	125,000
05/09/2005	5147	5,000
06/08/2005	5158	12,000
07/22/2005	5160	50
08/18/2005	5176	37,000
10/13/2005	5183	1
11/10/2005	5186	50,000
12/16/2005	5191	20,000
02/24/2006	5225	49,970
Total (14 certificates)		**335,960**

B. 2007 Shareholder Report: CEDE & CO at Peak

The July 13, 2007 report contains 450 shareholders holding 14,611,208 total shares. CEDE & CO held 36 certificates totaling 2,249,825 shares—a net increase of 22 certificates and 1,913,865 shares in 16 months.[28]

Table 6. CEDE & CO Certificates (July 13, 2007 Report)

Date Issued	Cert No.	Shares	Status
06/25/2004	2029	10,000	Retained
06/25/2004	2030	11,900	Retained
12/07/2004	5095	50	Retained
03/07/2005	5106	5,000	Retained
03/29/2005	5107	125,000	Retained
05/09/2005	5147	5,000	Retained
06/08/2005	5158	12,000	Retained
07/22/2005	5160	50	Retained
08/18/2005	5176	37,000	Retained
10/13/2005	5183	1	Retained
11/10/2005	5186	50,000	Retained
12/16/2005	5191	20,000	Retained
02/24/2006	5225	49,970	Retained
04/07/2006	5232	1	**NEW**
06/08/2006	5237	11,800	**NEW**
06/14/2006	5238	1	**NEW**
06/27/2006	5240	100,000	**NEW**
08/15/2006	5245	20,000	**NEW**
08/31/2006	5257	20,000	**NEW**
09/14/2006	5260	50,000	**NEW**
09/21/2006	5261	60,000	**NEW**
09/28/2006	5262	50,000	**NEW**
10/10/2006	5265	30	**NEW**
10/20/2006	5266	1	**NEW**
11/01/2006	5267	3,636	**NEW**
11/28/2006	5269	20,000	**NEW**
01/24/2007	5300	26,000	**NEW**
01/26/2007	5301	100,000	**NEW**
02/23/2007	5303	200,000	**NEW**
03/05/2007	5304	946,085	**NEW—LARGEST**
03/15/2007	5306	49,970	**NEW**
03/23/2007	5308	6,353	**NEW**
05/02/2007	5314	150,000	**NEW**
05/09/2007	5315	50,000	**NEW**
05/22/2007	5317	49,976	**NEW**
06/26/2007	5323	10,001	**NEW**
Total (36 certificates)		**2,249,825**	

[27] Pacific Stock Transfer shareholder report dated March 10, 2006, CUSIP 238528103.

[28] Pacific Stock Transfer shareholder report dated July 13, 2007, CUSIP 238528103. Complete certificate detail in source PDF: "2007-original.pdf."

C. Certificate Movement Summary

Certificate Movement Analysis (2006 to 2007)

Category	Certificates	Shares
Certificates in 2006 report	14	335,960
Certificates retained in 2007 report	13	325,971
Certificates removed (sold/transferred)	1	9,989
New certificates deposited (Apr. 2006–Jun. 2007)	23	1,923,854
Total certificates in 2007 report	**36**	**2,249,825**
Net increase	**+22**	**+1,913,865**

Missing certificate 5068 (9,989 shares, issued 08/24/2004) appeared in the 2006 report but is absent from the 2007 report, confirming active monetization through the DTC system during the pump phase.

IX. TEMPORAL COORDINATION OF KEY EVENTS

Table 7. Integrated Timeline: Share Pipeline, Medley Ouster, and Pump-and-Dump

Date	Category	Event
Phase 1: Pipeline Construction (1989–2004)		
12/29/1995	Formation	Tele-Lawyer incorporated; Cane sole officer
07/20/1989	Formation	Dynamic Associates incorporated; Wallace CEO
06/12/2001	Merger	Tele-Lawyer acquires Dynamic; 153:1 split; Cane 48.7%
06/28/2001	Identity	Michael Cane → Kyleen Cane (16 days after merger)
06/29/2001	Family	Five Cane family 13G filings (identical dates/share counts)
01/22/2002	Bankruptcy	MW Medical Ch.11; Wallace sole secured creditor
03/26/2003	Consolidation	Wallace acquires 74M shares MW Medical @ $0.005
06/21/2004	Emergence	MW Medical → Davi Skin (CIK 1059577 retained)
06/25/2004	CEDE	First two certificates deposited (certs 2029, 2030)
Phase 2: Obstacle Removal (March–May 2006)		
03/10/2006	Report	Davi Skin: 551 shareholders; CEDE & CO: 14 certs, 335,960 shares
03/15/2006	Defamation	Wallace defamatory fax to auditors re: Medley
03/17/2006	Ouster	Medley executes separation agreement
04/21/2006	Litigation	*Medley v. Wallace* filed (L.A. Super. Ct.)
05/2006	Takeover	Cane and Lakha join Davi Skin board
Phase 3: Pump Preparation (April–December 2006)		
Apr–Dec 2006	CEDE	13 new certificates, 285,468 shares deposited
08/30/2006	Concealment	LATI Form 15 deregistration; Cane's 2.87M shares go dark
Phase 4: Promotional Phase (January–July 2007)		
01–06/2007	CEDE	10 new certificates, 1,638,385 shares (73% of total)
03/05/2007	Largest	Cert 5304: 946,085 shares (42% of total CEDE balance)
04/03/2007	LOM	Wallace note converted: 2,295,388 shares → 4 LOM entities
07/13/2007	Report	Davi Skin: 450 shareholders; combined control 84.79%
Phase 5: Collapse and Revocation (2008–2012)		
2008–2012	Failure	Davi Skin ceases filing required SEC reports
08/27/2012	Revocation	SEC revokes Davi Skin registration under Section 12(j)

X. POSSIBLE CRIMINAL VIOLATIONS

The conduct documented herein establishes elements of the following federal criminal statutes. Additional criminal conduct regarding the Genesis Medicare billing fraud is documented in Forensic Brief 03; the MW Medical investor fraud in Forensic Brief 04; the Thomas & Wong escrow theft in Forensic Brief 05; the SDI hostile takeover in Forensic Brief 06; the Davi Skin pump-and-dump in Forensic Brief 07; the Discala market manipulation in Forensic Brief 10; and Cane's identity fraud in Forensic Brief 15.

Table 8. Federal Criminal and Civil Statute Violations

Statute	Violation	Elements Established	Conduct
Racketeering			
18 U.S.C. § 1962(c)	RICO substantive	Enterprise; pattern; conduct through	18-year corporate shell pipeline; 12+ predicate acts across 4 entities
18 U.S.C. § 1962(d)	RICO conspiracy	Agreement to violate § 1962(c)	Cane-Wallace coordinated control across all corporate transformations
Securities Fraud			
15 U.S.C. § 78j(b)	Securities fraud (10b-5)	Material misrepresentation; scienter	False "unrelated third party" descriptions of LOM nominees; undisclosed beneficial ownership
15 U.S.C. § 78ff	Willful Exchange Act violation	Knowing/willful violation	318 false SEC filings across CIKs 878146, 1059577
18 U.S.C. § 1348	Securities fraud	Scheme re: securities	Davi Skin pump-and-dump; CEDE & CO share laundering
18 U.S.C. § 1350	False SOX certifications	Willful false certification	11 LATI violations (6 certs); 2+ MW Medical violations by Wallace
Fraud			
18 U.S.C. § 1341	Mail fraud	Scheme to defraud; use of mails	SEC filings transmitted via mail; shareholder reports
18 U.S.C. § 1343	Wire fraud	Scheme to defraud; use of wires	Wire transfers to LOM Securities; electronic SEC filings
Identity Fraud			
18 U.S.C. § 1028(a)(7)	Identity fraud	Knowing use of false ID means	13 SEC filings signed "Michael A. Cane" for 1,120 days post-name change
18 U.S.C. § 1028A	Aggravated identity theft	Use during felony	False identity used while signing SOX certs (18 U.S.C. § 1350 violations)
False Statements			
18 U.S.C. § 1001	False statements	Materially false statement to federal agency	Cane's Jan. 5, 2011 denial of offshore accounts to FBI
18 U.S.C. § 1001	False statements	Perjury attestation on false filing	Schedule 13D signed under false identity with perjury attestation
Bank Secrecy Act / FBAR			
31 U.S.C. § 5314	FBAR violation	U.S. person; foreign account; >$10K; willful nonfiling	Cane/Wallace: 4+ LOM accounts unreported 2001–present
31 U.S.C. § 5322	Willful BSA violation	Knowing/willful violation of § 5314	Structured below 5% to evade detection; denied accounts to FBI
False Claims Act			
31 U.S.C. § 3729(a)(1)(G)	Reverse false claims	Concealing obligation to pay Government	Each unfiled FBAR = separate obligation concealed
Beneficial Ownership / Reporting			
15 U.S.C. § 78m(d)	Schedule 13D violation	Failure to report >5% beneficial ownership	Combined LOM entities: 15.71%; CEDE: 15.4%—neither reported
17 C.F.R. § 240.13d-2(a)	Failure to amend 13D	Material change in beneficial ownership info	1,120-day delay in disclosing name change

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XI. APPENDIX: FALSE SEC FILINGS AND SOX CERTIFICATIONS

The following table summarizes the false SEC filings attributable to the Davi Skin corporate shell pipeline. The complete accession-level catalog of all 318 enterprise filings is documented in Appendix E (False SEC Filings); the SOX certification analysis is in Appendix F (False SOX Certifications).

A. False Identity Filings (June 28, 2001–July 22, 2004)

Table 9. SEC Filings Signed Under False Identity "Michael A. Cane" After June 28, 2001 Name Change

Date	CIK	Form	Accession No.	Days Post
07/02/2001	878146	SC 13D/A	0001075793-01-500108	+4
10/05/2001	878146	10-KSB	0001075793-01-500222	+99
02/14/2002	878146	SC 13D	0001075793-02-000056	+231
12/13/2002	878146	10-QSB (SOX)	0001075793-02-000559	+533
03/19/2003	878146	10-KSB (SOX)	0001255294-03-000005	+627
03/21/2003	878146	10-QSB (SOX)	0001255294-03-000006	+630
09/12/2003	878146	10-QSB (SOX)	0001255294-03-000063	+777

Continued on next page

Date	CIK	Form	Accession No.	Days Post
10/14/2003	878146	10-KSB (SOX)	0001255294-03-000077	+809
10/16/2003	878146	10-QSB (SOX)	0001255294-03-000078	+811
11/2003	1103993	LVGI mainbody	(Cane as Director)	+869
04/2004	1103993	LVGI mainbody	(Cane as Director)	+1,020
05/2004	1103993	LVGI mainbody	(Cane as Director)	+1,054
07/22/2004	1144030	Form 5	0001255294-04-000216	+1,120

B. False SOX Certifications (LATI)

The six LATI SOX certifications (December 2002–September 2003) contain 11 individual violations: five Section 302 certifications and six Section 906 certifications, each signed "Michael A. Cane" between 533 and 811 days after the legal name change. All LVGI SOX certifications were signed by CEO Russell R. Roth, not Cane. The complete analysis is in Appendix F.

C. Wallace SOX Certifications (MW Medical)

Wallace signed at least two MW Medical SOX certifications (November 19, 2002, Form 10-QSB, Accession No. 0001075793-02-000523; June 30, 2003, Form 10-QSB, Accession No. 0001075793-03-000498) while operating under multiple fraudulent Social Security Numbers, maintaining unreported offshore accounts, and planning the Davi Skin pump-and-dump. Additional Wallace identity fraud is documented in Forensic Brief 16.

XII. CONCLUSION

The evidence documented herein—certificate-level shareholder reports, SEC filings, FBI interview transcripts, bankruptcy testimony, corporate genealogy records, and mathematical analysis—establishes that Kyleen Elisabeth Cane and Jan Mary Wallace operated a continuous corporate shell pipeline from 1989 through 2012 that converted private Tele-Lawyer equity into anonymous offshore cash through four sequential corporate transformations. The mathematical proof is dispositive: with only 490,096 shares (8.4%) held by former Dynamic Associates public shareholders, the 2,249,825 CEDE & CO deposits could not have originated from dispersed public holders. The three-phase deposit acceleration—from 335,960 shares (14 certificates) in March 2006 to 2,249,825 shares (36 certificates) in July 2007, with 73% deposited in the final six months—demonstrates coordinated staging by insiders preparing for systematic selling during a manufactured pump-and-dump scheme. The combined Cane-Wallace control of 84.79% of Davi Skin's free-trading stock, achieved through a dual-layer concealment mechanism of domestic CEDE & CO deposits and offshore LOM Securities nominees, enabled the enterprise to generate an estimated $6.39 million in illicit proceeds while evading federal reporting obligations estimated to exceed $165 million in FBAR penalties.

The conduct documented herein, based on SEC filings, shareholder reports, testimony, FBI interviews, and corporate records, presents evidence warranting investigation by appropriate federal authorities.

Cross-references: Forensic Brief 02 (Entity Genealogy); Forensic Brief 03 (Genesis/Medicare); Forensic Brief 04 (MW Medical); Forensic Brief 07 (Davi Skin); Forensic Brief 10 (Discala); Forensic Brief 15 (Cane Identity Fraud); Forensic Brief 16 (Wallace Identity Fraud); Appendix D (Entity Genealogy); Appendix E (False SEC Filings); Appendix F (False SOX Certifications); Appendix G (Criminal Statutes).