

Edgar Filing: GROUP MANAGEMENT CORP - Form 8-K

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:

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
Chapter 11

V.

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:

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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Group Management Corp.
Debtor,

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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.

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

Lamar Sinkfield, Chief Executive

Officer