



U.S. Department of Justice

Executive Office for United States Trustees

Office of the Director

Washington, D.C. 20530

January 17, 2006

Mr. Laser Steven Haas
c/o Redford Young Haas Calloway Prater
108 East Jewel Street
Delmar, DE 19940

Dear Mr. Haas:

This responds to your inquiry to the Office of General Counsel (initially in February 2005, and supplemented in November 2005) regarding the actions of the Office of the United States Trustee in Wilmington, Delaware, in the bankruptcy cases of eToys (No. 01-00706 (MFW)) and three affiliated companies (hereinafter collectively referred to as "the debtors"). We apologize for the delay in our response.

Although you raise a variety of claims, your principal complaint appears to be related to the retention of Traub, Bonaquist & Fox ("TBF") as counsel to the Official Committee of Unsecured Creditors ("the Committee"); TBF's connections with Barry Gold ("Gold"), who served as an officer of eToys, Inc., pre-confirmation and later as a post-confirmation officer of the reorganized debtors. In that latter role, Gold directed the activities of the Post-Effective Date Committee ("PED Committee") charged with implementing the liquidating plan. Further, you take issue with the retention of Morris, Nichols, Arsh & Tunnell ("MNAT") as local counsel to the debtors. Finally, you contend that the Office of the United States Trustee in Wilmington, Delaware, failed to investigate and make a criminal referral concerning these matters.

The United States Trustee Program is the component of the Department of Justice responsible for oversight of the administration of bankruptcy cases and of private trustees. In order to respond to your inquiry, we contacted the United States Trustee with responsibility for the District of Delaware and reviewed the relevant pleadings. We have learned that a plenary hearing took place in the bankruptcy court after you filed your complaint with the Office of General Counsel which dealt with the allegations raised in your correspondence. In addition to you and Robert Alber (an eToys shareholder), the United States Trustee, TBF, MNAT, Gold, the Committee, and the PED Committee took part in the hearing. The bankruptcy court resolved a number of matters during the hearing and the remaining issues in its October 4, 2005, opinion and order. Following the entry of the October 4, 2005, opinion and order, notices of appeal were filed by Alber and you, and a cross-appeal was filed by the reorganized debtors. Consequently, these matters are still pending. The Department of Justice does not comment on pending litigation, therefore, we will not address the substance of your allegations or the bankruptcy court's decision.

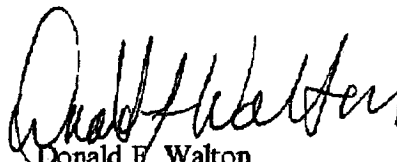
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With respect to your allegations of criminal wrongdoing, please note that while the Department of Justice appreciates receiving information that assists in the enforcement of federal law, the Department does not disclose the existence or nonexistence of criminal investigations unless they become a matter of public record in court. Consequently, we cannot comment further on your criminal allegations, and any future communications in that regard should be directed to the appropriate law enforcement authorities, such as the United States Attorney.

Thank you for contacting the Department of Justice and we hope this information is helpful.

Sincerely,



Donald F. Walton
Acting Deputy Director