

**UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS**

**ONE WORLD, LLC and GABRIEL  
CHALEPLIS,**

Plaintiffs,

v.

**IOANNIS MANOLAKOS,  
9 HUNTINGTON STREET LLC,  
RAYMOND C. GREEN  
FUNDING, LLC, and REALTY  
CAPITAL, LLC,**

Defendants.

Civil Action # 1:20-cv-11837

**MEMORANDUM OF LAW IN OPPOSITION TO NON-PARTY MICHAEL  
KARLOUTSOS' & ASK4MAK, LLC'S MOTION TO QUASH THE SUBPOENAS  
SERVED UPON ASK4MAK, LLC & WELLS FARGO BANK, N.A.**

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**PRELIMINARY STATEMENT**

Third-party banking records subpoenaed in this matter irrefutably confirm that non-party Michael Karloutsos (“Karloutsos”) is manifestly involved in the organized network of conspiring individuals consisting of: (i) Karloutsos; (ii) Karloutsos’ good friend James M. Rodgers, Esq. (“Rodgers”); (iii) Karloutsos’ good friend Nikolaos Onoufriadis (“Onoufriadis”); and (iv) Onoufriadis’ good friend and instant defendant Ioannis Manolakos (“Manolakos”). This network of individuals collectively misappropriated approximately \$10,000,000 belonging to plaintiffs Gabriel Chaleplis (“Chaleplis”) and One World, LLC (“One World”) (collectively “Plaintiffs”) from early 2018 through the present. In pursuit of their approximately \$10,000,000 through this action and other concurrent ones, Plaintiffs are pursuing the money trail transfers for the approximately \$10,000,000 discovered to date in multiple U.S. courts and Greek courts. Those litigation efforts have resulted in: (i) a lis pendens approved by this Court against Onoufriadis’ approximately \$2,000,000 Boston waterfront condo purchased with Plaintiffs’ funds; (ii) a lis pendens against defendant Manolakos’ Middleton property interest later dissolved in lieu of a stipulated escrow agreement; and (iii) another approximately \$2,000,000 in Plaintiffs’ assets that Greek courts restrained in Greece these individuals wired from One World’s U.S. bank account to the Greek company Conmave Monoprosopi IKE (“Conmave”). Tellingly, Manolakos’ Massachusetts business Quick Manufacturing, LLC (“Quick Manufacturing”) shares the same publicly advertised Greek address in Greece with Conmave that Manolakos also transferred funds to through Rodgers’ IOLTA Account in December 2017 and February 2018. Manolakos then improperly received repayment relating to those transactions from One World’s own account controlled by Onoufriadis, Karloutsos and Rodgers.

Fully aware of his participation in the networked theft of Plaintiffs’ funds involving Manolakos, Karloutsos has desperately opposed all efforts to subpoena his personal and business

bank records confirming his in-depth involvement in the approximately \$10,000,000 theft. Previously, Karloutsos intentionally and falsely represented to the Southern District of New York and this Court [ECF # 36 at p. 2, 5 and 8] that he and his company MAK Consulting, LLC (“MAK”) had no involvement in the foregoing thefts. He did so to argue the subpoenas on his bank accounts and MAK were somehow “irrelevant” to this matter and should be quashed. Id. at p. 8. Amazingly though, the third-party bank account statements and wire instructions subpoenaed in this matter from Onoufriadis’ and Rodgers’ personal and business accounts confirm **Karloutsos’ and MAK’s** receipt of **at least approximately \$618,000** in Plaintiffs’ funds transferred: (i) directly from Rodgers’ accounts; and/or (ii) from stolen funds diverted from Conmave’s Greeke account to Onoufriadis’ Power 2u Consulting, LLC (“P2U”) business accounts, then re-routed to both Manolakos’ and Karloutsos’ accounts.

Moreover, after the first discovered transfer of Plaintiffs’ funds back from Greece to Karloutsos’ and Manolakos’ accounts in mid-2019, Karloutsos formed a new “MAK” company in Wyoming named Ask4MAK, LLC (“Ask4MAK”) on October 1, 2019, while Onoufriadis contemporaneously created three (3) new almost identical name companies in separate states. In the face of Karloutsos’ involvement with Manolakos and the other conspirators in the networked theft of at least \$618,000 from Plaintiffs, Ask4MAK and Karloutsos cannot present any legitimate basis to quash the subpoenas on Ask4MAK and Wells Fargo. (or on MAK in the other similar pending motion). The motion to quash the subpoenas should therefore be denied since the subpoenas objectively seek relevant information to track the money trail for Plaintiffs’ approximately \$10,000,000 misappropriated by Karloutsos, Manolakos and their other co-conspirators.

Lastly, given the undeniable relevant information the subpoenas seek and the substantial evidence detailing the at least \$618,000 transferred to Karloutsos' personal and MAK accounts, Karloutsos' protective order and sanctions motion should respectfully be denied. Rather, given Karloutsos' intentionally dishonest statements to this Court and the Southern District of New York claiming his personal and business accounts are "irrelevant" to quash their subpoena, the Court should exercise its inherent powers and sanction Karloutsos for his obstructive motions.

### **STATEMENT OF FACTS**

The relevant facts in this matter are set forth in: (i) Plaintiffs' Complaint [ECF # 1]; (ii) the Declaration of Bob Kasolas, Esq., with Exhibits previously submitted on February 24, 2021 ("First Kasolas Decl.") in opposition to Karloutsos' first motion to quash a separate subpoena Plaintiffs served on Karloutsos' personal and MAK business Wells Fargo bank accounts (the "First Karloutsos Motion") [ECF # 42]; and (iii) the Declaration of Bob Kasolas, Esq. with Exhibits ("Second Kasolas Decl.") in opposition to this second motion to quash. Plaintiffs also incorporate their Statement of Facts from their opposition brief to the First Karloutsos Motion. Plaintiffs also highlight the following facts.

Plaintiffs' Complaint against Manolakos details Karloutsos intimate involvement in One World's operations and management, and the fraudulent schemes that Onoufriadis, Karloutsos and Rodgers perpetrated on Plaintiffs with Manolakos to misappropriation approximately \$10,000,000 of Plaintiffs' funds. Manolakos served as a "middleman" for that scheme in co-conspiring and assisting those three (3) One World representatives to divert Plaintiffs' misappropriating funds. Onoufriadis has admitted Manolakos' "middleman" role in that scheme in Onoufriadis' Verified Complaint initiating the concurrent Onoufriadis Action. [Onoufriadis Action ECF # 17 at p. 213].

Plaintiffs' subpoenaed investigation into Rodgers' and Onoufriadis' bank accounts in this action revealed that between January 2018 through February 2020, **at least \$618,000** was ultimately diverted to Karloutsos' personal bank accounts and MAK's bank account with Wells Fargo. Notably, Karloutsos formed Ask4MAK several months **before** a \$20,000 wire of Plaintiffs' funds to Karloutsos' personal accounts. Contrary to Karloutsos' knowingly false arguments therefore, Ask4MAK was not formed after the conspirators' completed their theft of Plaintiffs' funds. To the contrary, Karloutsos continued receiving Plaintiffs' misappropriated funds after Ask4MAK's formation based upon other conspirators' subpoenaed bank statements.

Specifically, Onoufriadis', Rodgers' and their businesses subpoenaed bank records in this matter confirmed the following thefts of Plaintiffs' funds totaling at least \$618,000 ultimately transferred to Karloutsos' and MAK's Wells Fargo bank accounts on the following dates and in the following manner:

- (a) May 3, 2018 \$200,000 belonging to Chaleplis/One World from the Rodgers IOLTA account to the Rodgers Investments account (both with Citizens Bank), and then transfer of that \$200,000 belonging to Plaintiffs from the Rodgers Investments account to Karloutsos' personal Wells Fargo account on May 4, 2018 (Second Kasolas Decl. at ¶14, Exhibit "G");
- (b) \$20,000 transfer of funds belonging to Chaleplis/One World from the Rodgers' IOLTA account to the Rodgers Investments Account, and then transfer of that \$20,000 from the Rodgers Investments Account to Karloutsos' MAK account with Wells Fargo on July 31, 2018 (Second Kasolas Decl. at ¶15, Exhibit "H");
- (c) \$20,000 transfer of funds belonging to Chaleplis/One World from the Rodgers' IOLTA account to the Rodgers Investments Account, and then transfer of that \$20,000 from the Rodgers Investments Account to Karloutsos' MAK account with Wells Fargo via check on August 6, 2018 (Second Kasolas Decl. at ¶16, Exhibit "I");
- (d) \$50,000 transfers of funds belonging to Chaleplis/One World from Rodgers' IOLTA account directly to Karloutsos'

personal Wells Fargo account on August 7, 2018 (Second Kasolas Decl. at ¶22, Exhibit “M”)

(e) \$110,000 transfer of funds belonging to Chaleplis/One World from Rodgers’ IOLTA account to Rodgers’ Investments account, and then from the Rodgers’ Investments accounts to Karloutsos’ personal Wells Fargo account via check on August 8, 2018 (Second Kasolas Decl. at ¶16, Exhibit “I”);

(f) Karloutsos then used approximately \$350,000 of Plaintiffs’ funds he misappropriated to purchase and finance a new Virginia home on or about September 1, 2018 (Second Kasolas Decl. at ¶18, Exhibit “J”);

(g) \$50,000 of Plaintiffs’ funds misappropriated via wire to Conmave and ultimately rerouted to MAK’s Wells Fargo Account on or about March 17, 2019 from Onoufriadis’ alter-ego company Power 2u Consulting, LLC (“P2U”). Power 2u itself received those funds via an incoming \$149,500 wire on March 1, 2019 from a National Bank of Greece account controlled by Onoufriadis, Karloutsos, Manolakos and/or other Conmave conspirators that misappropriated One World’s funds transferred to Conmave (Second Kasolas Decl. at ¶35, Exhibit “U”);

(h) March 27, 2019 check from One World to MAK from One World’s Hancock Whitney Account in the amount of \$5,634.62 issued by Onoufriadis (see First Kasolas Decl. at ¶26, Exhibit “G”);

(i) June 11, 2019 transfer of \$148,000 belonging to Chaleplis/One World from Rodgers’ IOLTA account to Rodgers’ Investments account (as part \$300,000 transferred from Rodgers’ IOLTA Account to Rodgers’ Investments), and then from Rodgers Investments Accounts to Karloutsos’ personal Wells Fargo account on June 13, 2019 (see Second Kasolas Decl. at ¶21, Exhibit “M”)

(j) \$20,000 belonging to Chaleplis/One World transferred from Rodgers’ IOLTA account to the Rodgers’ Investments account, and then from the Rodgers’ Investments accounts to Karloutsos’ personal Wells Fargo account on February 15, 2020, months after the formation of Ask4MAK. (Second Kasolas Decl. at ¶23, Exhibit “N”).

Importantly, the above referenced March 1, 2019 wire to Onoufriadis’ P2U account for \$149,500 occurred about five (5) months **after** the final October 17, 2019 international transfer from One World to Conmave in Greece for €3,250,000. Onoufriadis received that \$149,500

incoming wire from a Greek **Bank of Greece** bank account into Onoufriadis' P2U company account. (Second Kasolas Decl. ¶¶ 35-36, Exhibit "U"). Onoufriadis then rerouted that \$149,500 from the P2U account as follows: (i) March 17, 2019 check for \$50,000 to Karloutsos' company **MAK** deposited into **MAK's Wells Fargo account** by Karloutsos; (ii) March 18, 2019 check for \$48,000 to NYATH Group, LLC (NY = New York and ATH = Athens) owned/operated upon information and belief by Karloutsos' and Onoufriadis' affiliates; and (iii) the remaining approximately \$52,000 by way of June 26, 2019 certified bank check payable to **Manolakos** in June 2019. *Id.* These transactions directly tie Karloutsos and Manolakos to the network's orchestrated diversion of Plaintiff's funds through Conmave's Greek account and then re-routed back from Greece to Onoufriadis', Karloutsos' and Manolakos' U.S accounts, including MAK and likely Ask4MAK. As noted, Manolakos' Quick Manufacturing business has the same address as Conmave in Greece.

Contemporaneously with the \$149,500 wire from Greece then transferred to Karloutsos and Manolakos from Onoufriadis' P2U account, another \$49,450.50 incoming wire was made into Onoufriadis' P2U account from a Hellenic Bank of Greece account in Cyprus. That \$49,450 incoming wire was made from a company based in Seychelles (an African island country with a banking system akin to the Cayman Islands). (Second Kasolas Decl. ¶¶ 38-39, Exhibit "W"). Following that incoming \$49,450 transfer, Onoufriadis issued numerous monthly checks to Manolakos between August 2019 and May 2020 between \$3,208 to \$4,800 per month from one of his many accounts. *Id.*

Subsequent to the transactions detailed above involving money from Greek and Cypriot accounts transferring to Manolakos, Karloutsos and the other conspirators, Karloutsos and Onoufriadis quickly formed new companies. Specifically, Onoufriadis formed the following

companies on the following dates: (i) a Delaware corporation named Canncore, Inc. on September 10, 2019; (ii) a separate and distinct Massachusetts corporation also **identically** named Canncore, Inc. on September 10, 2019; (iii) and another Delaware corporation named **Canncore** Technologies, Inc. on October 16, 2019. (2<sup>nd</sup> Kasolas Decl. Exhibit “V”). The “Cann” reference to those companies is to “cannabis” and the website Onoufriadis has for “Canncore” at [www.canncore.com](http://www.canncore.com) falsely claims that “Canncore” is “the leading Greek cannabis company,” when no such companies even currently exist in Greece. The deceptive formation of such duplicative and identically named companies in different states continues the play on the Greek medical cannabis scam that Karloutsos, Onoufriadis and Rodgers used to misappropriate Plaintiffs’ funds. Meanwhile, in between Onoufriadis’ September 10, 2019 and October 16, 2019 new company formations, Karloutsos “coincidentally” formed Ask4MAK on October 1, 2019 that is similarly named after “MAK.” **Exhibit “V”**. Id.

Given the foregoing overseas transfers that ultimately worked their way to Karloutsos and Manolakos, it is reasonably objective to infer that Karloutsos and Onoufriadis formed the aforementioned companies in September 2019 and October 2019 to continue routing Plaintiffs’ misappropriated funds from Conmave’s Greek bank account back to the U.S., that Onoufriadis, Karloutsos and Manolakos then rerouted to the U.S to themselves using U.S. accounts. Critically, Karloutsos’ OGE Report disclosed that he had business ties to both Greece and Cypress where the above noted incoming Greek bank wires transferred from. See Exhibit “A”. This makes any bank records pertaining to Karloutsos, MAK and Ask4MAK’s in the face of the foregoing facts, chronology and transfers even more reasonable to pursue the money trail for Plaintiffs’ approximately \$8,000,000 in missing funds wired to Comave in Greece.

Onoufriadis and Karloutsos' almost simultaneous formation of the foregoing companies that includes Ask4MAK at the same point in time: (i) following the disappearance of Plaintiffs' funds; and (ii) their rerouting of Plaintiffs' funds back to the U.S. from Greece, Cypress and an African island country Seychelles to themselves and Manolakos through Onoufriadis' P2U companies, evidences networked coordination between those three individuals to misappropriated Plaintiffs' funds through Greece and back. These transfers respectfully call for subpoena of Ask4MAK's bank records given Karloutsos' involvement in these transactions. This will allow Plaintiffs to ascertain whether, where, when, how their misappropriated funds were rerouted from Conmave overseas to Manolakos, Ask4MAK, Onoufriadis, Karloutsos, etc. after June 2019 in the same manner they were diverted to Karloutsos, Manolakos and Onoufriadis as detailed above.

The above facts tied to other thrd-party conspirators' bank records eliminates Karloutsos' false argument that the subpoena are not tethered to Plaintiffs' claims against Manolakos. Meanwhile, Manolakos not only received the foregoing transfers, but also transferred approximately \$1,500,000 from his own personal account to Onoufriadis during the same late June 2019 period for "Onoufriadis" purchase of an almost \$2,000,000 Boston luxury condo. (Second Kasolas Decl. ¶¶ 30-32, Exhibits "O", "S", "T" and "Q"). Manolakos notably did not even securing that late June 2019 advance while the above discovered incoming funds from Greek banks occurred. Id. Manolakos did so after over one year earlier transferring funds through Rodgers' IOLTA account in December 2017 to Conmave (rather than directly to Conmave) and receiving a portion of his repayment from not only Rodgers' IOLTA Account, but also unjustifiably from One World's account on March 6, 2018. (Second Kasolas Decl. ¶¶ 33-34, Exhibits "Q" and "R"). Given the clearly established network between Manolakos, Karloutsos,

Onoufriadis and Rodgers in the diversion and theft of Plaintiffs' funds, Plaintiffs are entitled to subpoena Ask4MAK and its Wells Fargo bank accounts to further pursue their claims against Manolakos and ascertain the money trail created by him and the other conspirators' coordinated misappropriation of Plaintiffs' funds that Manolakos is alleged to be involved in.

## **LEGAL ARGUMENT**

### **POINT I**

#### **KARLOUTSOS' & ASK4MAK'S MOTION SHOULD BE DENIED BECAUSE THE SUBPOENAS SEEK RELEVANT INFORMATION AND ARE NOT UNDULY BURDENSOME**

##### **A. Applicable Standard**

Rule 45 provides that on a timely motion, a court must modify or quash a subpoena that, *inter alia*, (1) requires disclosure of privileged or other protected matter, if no exception or waiver applies; or (2) subjects a person to undue burden. Fed. R. Civ. P. 45(d)(3)(A)(iii-iv). “A Rule 45 subpoena must fall within the scope of proper discovery under Fed. R. Civ. P. 26(b)(1).” Green v. Cosby, 152 F. Supp. 3d 31, 34 (D. Mass. 2015), modified on reconsideration, 160 F. Supp. 3d 431 (D. Mass. 2016)(quoting In re New England Compounding Pharmacy, Inc. Products Liab. Litig., No. MDL 13–2419, 2013 WL 6058483, at \*4 (D.Mass. Nov. 13, 2013)). Rule 26(b)(1) states as follows:

Unless otherwise limited by court order, the scope of discovery is as follows: Parties may obtain discovery regarding any nonprivileged matter that is relevant to any party's claim or defense and proportional to the needs of the case, considering the importance of the issues at stake in the action, the amount in controversy, the parties' relative access to relevant information, the parties' resources, the importance of the discovery in resolving the issues, and whether the burden or expense of the proposed discovery outweighs its likely benefit. Information within this scope of discovery need not be admissible in evidence to be discoverable.

“[T]he limits set forth in Rule 26 must be ‘construed broadly to encompass any matter that bears on, or that reasonably could lead to other matters that could bear on, any issue that is

or may be in the case.’” New England Compounding Pharmacy at \*3 (quoting Oppenheimer Fund, Inc. v. Sanders, 437 U.S. 340, 351 (1978)); see also Cherkaoui v. City of Quincy, No. 14 Civ. 10571, 2015 WL 4504937, at \*1 (D.Mass. July 23, 2015) (“As a general matter, relevancy must be broadly construed at the discovery stage such that information is discoverable if there is any possibility it might be relevant to the subject matter of the action.”) (quoting E.E.O.C. v. Electro-Term, Inc., 167 F.R.D. 344, 346 (D.Mass.1996)). Pursuant to Rule 26(c), a party may obtain a protective order, upon a showing of “good cause” to “protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense[.]” See Rule 26(c).

**B. The Subpoenas Seek Highly Relevant Information & Are Not Unduly Burdensome**

The bank account records already subpoenaed in this matter establish Manolakos’ and Karloutsos’ involvement in schemes with Onoufriadis and Rodgers to misappropriate Plaintiffs’ funds through a myriad of domestic and international wire transfers to various accounts owned/controlled by them. Karloutsos’ and his companies’ Wells Fargo bank records for Ask4MAK and MAK are therefore highly relevant to ascertain when, where, how and/or whether Manolakos received specific portions of Plaintiffs’ misappropriated funds following the conspirator’s networked rerouting of Plaintiffs’ funds from Greece after the transfers to Conmave, which shares a Greek address with Manolakos’ Quick Manufacturing company.

**i. Facts Concerning Karloutsos Discovered Through Plaintiffs’ Due Diligence Investigation Without Any Discovery Or Discovery Mechanisms**

Plaintiffs’ Complaint details how Karloutsos was intimately involved in the creation of One World and inducing Chaleplis to invest over \$10,000,000 into One World. See Complaint at ¶¶14-30, 46-68, 77. Karloutsos attended several of the meetings where he and the others pitched the Medicinal Cannabis Scheme to Chaleplis to fraudulently induce Chaleplis into investing millions of dollars into One World that Karloutsos, Manolakos and their co-

conspirators then diverted. Id. Karloutsos was also involved in the promissory notes executed by Conmave to divert approximately \$8,000,000 from One World's accounts to Conmave and then back to U.S. accounts that Manolakos, Karloutsos and their co-conspirators control. Id.

Additionally, Karloutsos openly had an oral side-deal with James Rodgers, Esq. ("Rodgers") to split Rodgers' three percent (3%) profit sharing interest in One World. See First Kasolas Decl. at ¶ 25. Karloutsos structured his involvement in this manner due to his public position within the U.S. Department of State. Karloutsos' management role in One World is also confirmed by his company MAK receiving payments from One World issued by Onoufriadis. Id. at ¶ 26. MAK received one such direct check payment on March 27, 2019 for \$5,634.62 regarding an unexplained purported MAK Invoice # 32219 that Plaintiffs have never seen. Id. at ¶ 26, Exhibit "G". This information and the over \$600,000 transferred to MAK/Karloutsos by Rodgers and Onoufriadis warrants the subpoenas to determine the means and methods regarding other One World funds ultimately transferred (either directly or indirectly) from One World to Manolakos and these conspirators.

Notably, Karloutsos, Rodgers and Onoufriadis each created their own three (3) separate entities in Wyoming with the anticipated intent of misappropriating Plaintiffs' capital contributions allocated to One World. In June 2017, Rodgers formed Rodgers Investment, LLC in Wyoming. See Second Kasolas Decl. at ¶11. Onoufriadis (with the assistance of Rodgers) also created a **second** "Power 2u" Consulting, LLC company in Wyoming ("P2U") despite already having a Delaware company "Power 2 U" LLC formed since 2016, which notably never had a bank account opened until January 2018. Karloutsos then created Ask4MAK (yet another Wyoming LLC) on October 1, 2019 only after: (i) about \$9,000,000 of Plaintiffs' funds were transferred from One World's U.S. bank accounts to Conmave's Greek bank account by

Onoufriadis, Karloutsos and Rodgers; and (ii) after Onoufriadis began rerouting Plaintiffs' missing funds from Greek banks to his P2U company, and then from P2U to Karloutsos' MAK company and to Manolakos. Id. at ¶36.

After learning the above, Plaintiffs subpoenaed bank records for these third-party companies and individuals. From those subpoenaed bank records, Plaintiffs discovered that between December 2017 through the present, Karloutsos himself misappropriated at least \$600,000 from Plaintiffs to himself and his MAK "business." See Second Kasolas Decl. at ¶14-16, 18, 21-23, 35. These deposits were effectuated via wire transfers of Plaintiffs' funds to Rodgers' IOLTA account and/or Rodgers Investment account, and then to Karloutsos' and/or MAK's accounts. Id. Karloutsos also received wires from Onoufriadis' P2U company comprised of funds wired from Greece to P2U, and that Manolakos tellingly also received portions of commencing in mid-June 2019 months after the transfers of Plaintiffs' funds to Connave had been completed. These wire transfers also demonstrate Karloutsos made very severe misrepresentations to both the Southern District of New York and this Court regarding his theft of Plaintiffs' funds and the import of his Wells Fargo accounts evidencing his conduct, especially since he claimed "all he received" from One World was a \$5,634.62 check for "expense reimbursement" in March 2019 when he had actually received over \$600,000 of Plaintiffs' stolen funds. [SDNY Action ECF # 49 and # 60 at p. 2].

Notably, Ask4MAK was formed in October 1, 2019, several months **before** a \$20,000 wire transfer of Plaintiffs' funds that Karloutsos received from Rodgers on February 15, 2020.<sup>1</sup> Id. at ¶23. This transfer negates Karloutsos' argument that no funds were misappropriated from

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<sup>1</sup> This is the last wire transfer that Plaintiffs were able to discover to date. Through further investigation, Plaintiffs may discover additional transfers that occurred after February 15, 2020.

Plaintiff after Ask4MAK's October 1, 2019 formation date. Ask4MAK therefore existed several months before Karloutsos received another \$20,000 of Plaintiffs' misappropriated funds from Rodgers. The subpoenas thus seek additional bank records for Karloutsos and his company Ask4MAK so Plaintiffs can track and ascertain the flow of misappropriated money from Plaintiffs' accounts to accounts held by Manolakos, Karloutsos, Rodgers and Onoufriadis here and/or abroad.

Furthermore, Karloutsos also purchased a new 5-bedroom, 8-bath (6 full) home on September 11, 2018 for \$1,270,000 during the relevant May 2018 to November 2018 timeframe. See First Kasolas Cert. at ¶¶27-31. Based on Plaintiffs' investigation, Karloutsos would not have been able to afford such an expensive home based on publicly available records of his income and assets. Id. Karloutsos public filing with the OGE as a State Department employee already publicly disclosed his assets in his Wells Fargo account at between \$15,000 and \$50,000, as well as his consulting company MAK only generating about \$100,000 annual without disclosing any additional assets evidencing any ability to purchase/finance/support a \$1,270,000 home in Fairfax County. Id. About eight (8) months after leaving the State Department and co-managing One World with the other defendants though during that same eight (8) months when millions in One World funds vanished to Greece (which Karloutsos's OGE Report also discloses about his business ties to Greece), he made a \$1,270,000 home purchase. Id. Should the subpoena of Ask4MAK's financial records reveal large sums of money entering those accounts and/or diverting money to Manolakos, this such evidence would be highly relevant to this matter.

Manolakos, Karloutsos, Onoufriadis and Rodgers engaged in an elaborate scheme to misappropriate Plaintiffs' funds through numerous domestic and international wire transfers. These bad actors accomplished this scheme by either directly misappropriating funds from One

World, or transferring One World funds to Greece and then re-routing those stolen funds back to the U.S. through an elaborate international transfer scheme(s). Such a convoluted web of transfers make it difficult and cumbersome to trace for any victim. All of the financial transactions that Plaintiffs have discovered through similar subpoenas of third-party bank records tie this network of individuals together. The Ask4MAK records that Plaintiffs seek are therefore relevant and necessary for Plaintiffs to track the misappropriated money through Manolakos, Karloutsos and the other co-conspirators web of wire transfers and shell companies.

**ii. Onoufriadis' Massachusetts Complaint Also Reveals Karloutsos' And Manolakos' Involvement In The Scheme To Defraud Plaintiffs**

On January 13, 2021, Onoufriadis filed a Verified Complaint in the Commonwealth of Massachusetts, Suffolk Superior Court against Plaintiffs (the "Onoufriadis Action") subsequently removed to the District of Massachusetts. See First Kasolas Decl. at ¶¶17-22. Several of the exhibits in Onoufriadis' Verified Complaint explicitly reveal Karloutsos' and Manolakos' involvement in the business operations of One World and the scheme to defraud Plaintiffs. Id. Those exhibits include: (i) emails between Chaleplis, Karloutsos and Karloutsos' co-conspirators concerning the operations of One World; and (ii) travel itineraries, hotel bookings and food/beverage receipts from meetings in Greece that Karloutsos, Onoufriadis and Chaleplis all attended. Id. Specifically, in one email relating to a potential investment in an oil refinery, Karloutsos stated the following in an email to Onoufriadis, Rodgers and Chaleplis, clearly identifying his role in the management and operation of One World: "Gentlemen, need I remind you that the relationships are our everything. We need to be more careful going forward. Thank you for understanding." Id. at ¶20. Tellingly, Karloutsos' emails referenced on behalf of his work for One World came from his "makconsulting.com" email account. See id. Moreover, Karloutsos' trips to Greece with Onoufriadis on One World's behalf occurred in April 2018,

approximately one month before Onoufriadis, Rodgers and Karloutsos commenced wiring millions of dollars from One World's account to Conmave in Greece that subsequently vanished, and that are completely unaccounted for to this very day. Id. at ¶21.

Importantly, the Onoufriadis' Action Complaint includes language claiming Manolakos was a "middleman" for returning One World's money to the United States, and specifically a text between Onoufriadis and Chaleplis stating:

Chaleplis: "Who Is Fotios Sinioris? Who is Ioannis Manolakos?"

Onoufriadis: "Fotios Sinioris is our cousin whom we asked to get the land plot of us. The other is my friend from the US whom we put in the middle so we can give you cash back then." (Id. at ¶21); Onoufriadis Action ECF # 17 at p. 213)(emphasis added).

These texts and documents notoriously confirm not only Karloutsos' involvement in the facts in controversy, but Manolakos' involvement as well. In fact, Onoufriadis claims that Chaleplis somehow met and spent vacation time on a Greek island in 2018. [Onoufriadis Action, ECF #1-4 at ¶ 77].

**iii. Manolakos' Direct Ties To Conmave, Karloutsos, Onoufriadis, & Rodgers To Misappropriate and Divert Plaintiffs' Funds**

Manolakos' involvement in the scheme with Karloutsos, Onoufriadis, and Rodgers to convert Plaintiffs' funds is also evident from the evidence discovered through other subpoenas and investigations. See First Kasolas Decl. at ¶¶32-43. Plaintiffs' investigation into Onoufriadis' purchase of a luxury \$1,973,000 Boston condominium (the "Boston Condo") Onoufriadis could never afford, revealed Manolakos' direct involvement in that transaction. Id. Through a subpoena directed to Onoufriadis' counsel for the purchase of the Boston Condo, Plaintiffs discovered that Manolakos wired \$1,436,311 from Manolakos' account to the attorneys' trust account for the Boston Condo purchase. Id. at ¶33. This amount essentially equals the balance of the first wire transfer from One World to Conmave for over \$1,800,000 in

May 2018 that was fraudulently diverted out of One World's accounts to Conmave's Greek accounts. Id. Amazingly, Manolakos placed no mortgage or security interest against the Boston Condo to secure this \$1,436,311 advance.

Notably, before Manolakos' wire of \$1,436,311 detailed above, Manolakos had already misappropriated Plaintiffs' funds in coordination with Karloutsos, Onoufriadis, and Rodgers. Id. at ¶36. Notably, Manolakos owns a business Quick Manufacturing Co., LLC ("Quick Manufacturing") that has the same Greek address as Conmave where about \$9,000,000 of Plaintiffs' funds have vanished to in Greece. That Greek address also appears on the last page of each Conmave Note in formal Greek where Onoufriadis executed those Notes. Id. Manolakos also engaged in numerous wire transfers to and from Rodgers' attorney trust account before those transfers to Conmave also relating to Conmave between December 2017 and March 2018, as well as from One World's account transferring about \$70,000 to Manolakos. Id. at ¶¶36-43. Plaintiffs allege Manolakos also used Plaintiffs' funds to purchase a property located in Middleton, Massachusetts (the "Middleton Property") in mid-2018. Id. at ¶40. Plaintiffs then obtained a lis pendens against the Middleton Property in this action that resulted in Manolakos pledging his "mortgage interest" in the Middleton Property in escrow to Plaintiffs pending the outcome of this matter. Id. at ¶42.

**iv. The Subpoena's Relevance Outweighs Any Undue Burden**

Lastly, the relevance of the information the subpoenas seeks far outweighs any alleged undue burden on Karloutsos. The subpoenas seek specific information to trace the flow of Plaintiffs' money misappropriated by Manolakos and his co-conspirators that includes Karloutsos and Karloutsos' companies (i.e., Ask4MAK). Plaintiffs will not be able to obtain or ascertain this information in discovery in this matter, and certainly cannot obtain it from any other source or third-party in this matter. Karloutsos and Ask4MAK present no arguments per

Rule 45(d)(3)(A)-(B) for quashing the subpoenas, particularly since Karloutsos was a **public official** who made full public financial disclosures to the public and federal government in July 2017 under penalty of perjury shortly before the most critical time period in this action. Given Plaintiffs' needs for the financial records to prove their case against Manolakos as to direct claims and conspiracy claims, there is no "undue burden" on Karloutsos or Ask4MAK in subpoenaing their relevant financial records. This is especially true as to Wells Fargo since Karloutsos is not required to perform any work to respond to that subpoena. Karloutsos and Ask4MAK have also failed to establish "good cause" to obtain a protective order given the clear relevancy of the information described above, and Karloutsos' own voluntary disclosures as a public official. Since, the actions of Manolakos, Karloutsos, Onoufriadis, and Rodgers are all intertwined and demonstrate they acted in concert to misappropriate Plaintiffs' funds, the subpoenas are necessary to trace the amounts that Manolakos, Karloutsos and their co-conspirators have misappropriated from Plaintiffs for Plaintiffs to establish their case against Manolakos.

## **POINT II**

### **KARLOUTSOS' AND ASK4MAK'S REQUEST FOR SANCTIONS MUST BE DENIED BECAUSE THE SUBPOENAS ARE PROPER, SEEK RELEVANT INFORMATION & ARE NOT UNDULY BURDENSOME**

Karloutsos and Ask4MAK frivolously seek sanctions pursuant to Rule 45(d)(1) and 26(g)(1)(B) by again claiming the subpoenas impose undue burden on them. Rule 45(d)(1) states, "A party or attorney responsible for issuing and serving a subpoena must take reasonable steps to avoid imposing undue burden or expense on a person subject to the subpoena. The court for the district where compliance is required must enforce this duty and impose an appropriate sanction--which may include lost earnings and reasonable attorney's fees--on a party or attorney

who fails to comply.” Moreover, under Rule 26(g)(1)(B), by issuing a discovery request, the attorney certifies it is:

- (i) consistent with these rules and warranted by existing law or by a nonfrivolous argument for extending, modifying, or reversing existing law, or for establishing new law;
- (ii) not interposed for any improper purpose, such as to harass, cause unnecessary delay, or needlessly increase the cost of litigation; and
- (iii) neither unreasonable nor unduly burdensome or expensive, considering the needs of the case, prior discovery in the case, the amount in controversy, and the importance of the issues at stake in the action.

Karloutsos’ arguments for sanctions are the same frivolous arguments he made in arguing to quash the Wells Fargo subpoena and MAK subpoena. Since the subpoenas seek highly relevant bank records concerning the flow of money misappropriated from One World by Manolakos, Karloutsos and their co-conspirators, their relevance far outweighs any burden on Karloutsos and Ask4MAK since they participated in the fraudulent scheme. This is especially true since their involvement is corroborated by both the **verified** documents in the Onoufriadis’ Action and the subpoenaed bank statements of Onoufriadis and Rodgers. Those bank records unequivocally demonstrate that Karloutsos was involved in the operation and management of One World, and schemed with the others to defraud Plaintiffs’ out of millions of dollars. Meanwhile, the Wells Fargo bank account information and Ask4MAK’s financial records are necessary to trace the movement of the money misappropriated by Manolakos, Karloutsos and their co-conspirators, and Plaintiffs cannot obtain this information from any other source. Additionally, Karloutsos has already publicly disclosed his financial affairs as a public official, including his financial condition directly before the relevant time period.

Lastly, Plaintiffs’ counsel advised Karloutsos’ and Ask4MAK’s counsel of this information that revealed that approximately \$600,000 was diverted out of Rodgers’ accounts

directly to Karloutsos’/MAK’s accounts. However, despite being made aware that Plaintiffs had discovered this damaging evidence, Karloutsos’ counsel refused to: (i) negotiate a protective order; (ii) provide full responses to the Ask4MAK Subpoena; or (iii) refrain from filing the instant motion. Any alleged undue burden could have been avoided through a protective order, Karloutsos’ and Ask4MAK’s counsel though was unwilling to negotiate this issue due to Karloutsos’ thefts now revealed. Rather, they elected to file the instant motion to further conceal additional evidence confirming Karloutsos’ theft of Plaintiffs’ funds through his personal accounts, and through MAK and likely Ask4MAK. Therefore, the request for sanctions must respectfully be denied.

### **POINT III**

#### **THE COURT SHOULD EXERCISE ITS INHERENT POWERS AND GRANT PLAINTIFFS’ CROSS-MOTION FOR SANCTIONS AGAINST KARLOUTSOS AND ASK4MAK FOR FILING A FRIVOLOUS MOTION SINCE THE EVIDENCE DEMONSTRATE KARLOUTSOS AND HIS COMPANIES DIVERTED OVER \$600,000 OF PLAINTIFFS’ FUNDS TO THEIR OWN ACCOUNTS**

The referenced facts and submitted third-party bank records unequivocally demonstrate Karloutsos’ intimate involvement in the operation of One World and improper receipt of over \$600,000 of Plaintiffs’ misappropriated funds. Accordingly, Plaintiffs respectfully request that the Court exercise its inherent powers and grant Plaintiffs’ cross-motion for sanctions against Karloutsos and Ask4MAK for filing this frivolous motion. A court has the inherent power to award sanctions upon a “finding that a party has ‘acted in bad faith, vexatiously, wantonly, or for oppressive reasons.’” F.A.C., Inc. v. Cooperativa De Seguros De Vida De Puerto Rico, 563 F.3d 1, 6 (1st Cir. 2009)(quoting Chambers v. NASCO, Inc., 501 U.S. 32, 45-46 (1991)). “In this regard, if a court finds that fraud has been practiced upon it, or that the very temple of justice has been defiled, it may assess attorney’s fees against the responsible party, as it may when a party

shows bad faith by delaying or disrupting the litigation or by hampering enforcement of a court order.” Chambers, 501 U.S. at 46 (citations and internal quotation marks omitted).

Based on the identified wire transfers and third-party bank statements in the motion record, it is irrefutable that Karloutsos and his company MAK received at least six hundred thousand dollars in misappropriated funds. Karloutsos’ and Ask4MAK’s efforts to now obstruct Plaintiffs’ investigation a second time through the systemic filing of frivolous motions while claiming the subpoenas will not show their involvement in the allegations warrants imposition of sanctions. Notably, Karloutsos has made very severe misrepresentations to both the Southern District of New York and this Court regarding his theft of Plaintiffs’ funds and his Wells Fargo accounts, especially in claiming that all he received was a \$5,634.62 check to MAK from One World in March 2019. Karloutsos has even falsely denied any involvement in the operation of One World and the receipt of diverted funds. The evidence Plaintiffs already discovered through third-party subpoenas in this matter though demonstrates without dispute that those were blatant misrepresentations. Karloutsos and Ask4MAK thus had no basis to file this motion (or Karloutsos’ other motion to quash) except to impede Plaintiffs’ investigation, delay this litigation and to conceal their fraudulent activities also involving and implicating Manolakos. Accordingly, Plaintiffs respectfully request their cross-motion be granted and that the Court impose sanctions against Karloutsos and Ask4MAK.

**CONCLUSION**

For the foregoing reasons, Plaintiffs respectfully request that Karloutsos' and Ask4MAK's motion be denied in its entirety, and that Plaintiffs' cross-motion for sanctions be granted.

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Dated: March 29, 2021

**CERTIFICATE OF SERVICE**

I, Bob Kasolas, Esq. hereby certify that on March 29, 2021, a true copy of this Brief was filed electronically through the Court's ECF system and will be sent electronically to the registered participants identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non-registered participants.

/s/ Bob Kasolas