

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

SIMON BERNSTEIN IRREVOCABLE)
INSURANCE TRUST DTD 6/21/95,)
)
Plaintiff,)
)
v.)
)
HERITAGE UNION LIFE INSURANCE)
COMPANY,)
)
Defendant,)
)
HERITAGE UNION LIFE INSURANCE)
COMPANY)
)
Counter-Plaintiff)
v.)
)
SIMON BERNSTEIN IRREVOCABLE)
INSURANCE TRUST DTD 6/21/95)
)
Counter-Defendant)
)
and,)
)
FIRST ARLINGTON NATIONAL BANK)
as Trustee of S.B. Lexington, Inc. Employee)
Death Benefit Trust, et al.)
)
Third-Party Defendants,)
)
and)
)
ELIOT IVAN BERNSTEIN,)
)
Cross-Plaintiff)
)
v.)
)
TED BERNSTEIN, individually et al.)
)

Case No. 13 cv 3643
Honorable John Robert Blakey
Magistrate Mary M. Rowland

Motion for Interim Distributions...

Filers:

Eliot Ivan Bernstein, Third-Party Defendant
and Counter-Plaintiff.

nature of said funds and various Trusts involving our deceased Father Simon Bernstein who survived our deceased mother Shirley Bernstein.

3. One of the dividing and central issues in this litigation is whether such funds should be distributed by the Plaintiffs' theories under unknown and undetermined Trusts or instead by the Estate of Simon Bernstein through the Florida probate courts, where the Wills and Trusts are also disputed and beneficiaries and trustees remains unknown.
4. Under another theory the Primary Beneficiary LaSalle National Trust, NA or its successor would receive the funds and pay them out according to the terms of the trust they are trustees of and again Eliot and his children are alleged to be beneficiaries under any such trust.
5. Under one assertion, the Plaintiff's position, Eliot would take 1/5 of the funds as 1 of 5 surviving children in addition to Ted Bernstein, Lisa Bernstein-Friedstein, Pam Bernstein-Simon and Jill Bernstein-Iantoni.
6. Under another assertion, the Estate assertion, it would just be Eliot as 1 of 3 Beneficiaries with Jill Bernstein-Iantoni and Lisa Bernstein-Iantoni and where Ted Bernstein and Pam Bernstein-Simon are not entitled to any of the funds as they were disinherited and considered predeceased in both the Estates and Trusts of Simon and Shirley Bernstein.
7. Yet under the theory that the funds go to the surviving grandchildren, where Eliot's three minor children are 3 of the 10 surviving grandchildren.
8. Under a final theory, a trust created in the year 2000 by Proskauer Rose, LLP submitted to this Court by the Estate and Eliot, which directly names the insurance policy that is the subject of this lawsuit as part of the trust would have the benefits paid to 4 of 5 of the children, with Pam Bernstein-Simon disinherited.

9. Thus, regardless of the theory and claim asserted by Plaintiffs, the Estate or Eliot, either Eliot or his minor children are Beneficiaries entitled to distribution of the funds.
10. According to the current amount deposited into the Court estimated at \$1.7 million approximately,
 - a. if the Plaintiffs prevail Eliot receives = \$340,000.00
 - b. if the Estate prevails the monies would be distributed
 - i. if Eliot, Jill and Lisa beneficiaries = \$566,666
 - ii. If ten grandchildren beneficiaries, Eliot has 3 of 10 = \$510,000.00
 - iii. If LaSalle is the primary beneficiary Eliot is assumed to receive at least the amounts above and perhaps more if the trust LaSalle is Trustee over has other assets within it.
 - iv. If the 2000 Proskauer Irrevocable Insurance Trust is determined to be the beneficiary then Eliot would receive an amount = \$425,000.00
11. Thus, again regardless of what theory of distribution is used, an award of \$200,000.00 at this time leaves adequate security with the Court and it is prayed for an immediate interim award and distribution under the direction of this Court.
12. The District Courts have broad equitable powers to make such interim awards and fashion relief and similar interim awards are made in arbitration cases and case where Receivers have been appointed.
13. According to Wikipedia, "The term **interim order** refers to an order issued by a court during the pendency of the litigation. It is generally issued by the Court to ensure Status quo. The rationale for such orders to be issued by the Courts is best explained by the Latin legal maxim "*Actus curiae neminem gravabit*" which, translated to (English,) stands for "*an act of*

the court shall prejudice no one". Therefore, to ensure that none of the interests of the parties to the litigation are harmed, the court may issue an interim order.

14. Interim orders issued by the court may be of various kinds. The nature of the order essentially depends on the direction issued by the Court.” See, http://en.wikipedia.org/wiki/Interim_order
15. Federal Rule 64 has a catchall provision at the end that says “other corresponding or equivalent remedies” as part of the types of provisional remedies allowed which already included attachment. See, www.law.cornell.edu/rules/frcp/rule_64 .
16. In this case, Eliot, his wife Candice and their minor children have faced serious and substantial delays in receiving their inheritances and trust and insurance benefits caused by a pattern and practice of Fraudulent Activities, including but not limited to,
 - a. Fraudulent Dispositive Documents Posited with Court by Fiduciaries and Counsel with multiple layers of conflicts of interest;
 - b. Forged Dispositive Documents Posited with Court by Fiduciaries and Counsel again with multiple layers of conflict of interest; Fraud on Court, Fraud in Court and Fraud by Court in resolving initial Frauds and intentionally using court to further delay inheritances through further fraud as seen in the Florida Probate Courts where nearly 2.5 years has gone by and the Probate Court has yet to hold a hearing on the authenticity and construction of any of the Trust and Will documents despite knowing of the fraudulent activity in and upon the probate court;
 - c. and where the attorneys Spallina and Tescher also acting in this action had withheld production of any single document of the Trust or Estate for nearly 2 years after Shirley Bernstein’s death while simultaneously having forged and crafted fraudulent

documents and tendered them to the Florida probate court and to beneficiaries as part of a fraud of a larger fraud to seize Dominion and Control of the Estates and Trusts, while making improper distributions and transfers of assets, properties and more. There are ongoing investigations into stolen assets, including but not limited to, Jewelry, Furniture, Art, Trusts, IRA's, Insurance, Investment Accounts and other Personal Properties;

17. That Eliot and his children have received ZERO distributions due to these frauds for now over two and one half years.
18. Eliot and his minor children are dependent on the inheritances set aside for them by both Simon and Shirley Bernstein due to involvement in a RICO regarding stolen intellectual properties that led to a bomb in the car of Eliot's family and other problems caused by Eliot's whistleblowing involving court officials and others. These events have made it impossible for Eliot and Candice to gain proper employment (as not many people want to hire persons who have bombs put in their car and are involved in RICO actions against major US Government officials), but moreover Eliot's parents understood this and Simon and Shirley by agreements set up several trusts for Eliot and his children and formed a LLC company owned by Eliot's children to take care of all needs of Eliot and his children while they were living, for many years prior to their deaths, with an agreement signed for 10k per month tax free income flowing into the trusts and company for household and all living expenses, and school payments were covered separately for the children, the agreed funds and school payments were to continue after their deaths through their inheritances for many years into the future.

19. In fact, Simon and Shirley had hired an Employee, Rachel Walker to primarily deal with taking care of all the needs of Eliot and his family due to the serious circumstances Eliot faces in his involvement with his RICO and criminal complaints filed and ongoing into the thefts of he and his father's Intellectual Properties that have been estimated by leading engineers to be worth billions upon billions and more.
20. Instead, through further fraud by Plaintiff Ted, his former Counsel and other related parties including but not limited to Oppenheimer Trust Company of New Jersey, bills of Simon were shifted to Eliot's children's trusts for college and these trusts were bled dry with promise from the former removed fiduciaries to return those monies to the trust but who after knowing they were under investigation refused to then return the funds to further harm and extort Eliot.
21. The prior fiduciaries and Ted's counsel, Tescher and Spallina now have admitted to fraudulently altering documents to Palm Beach County Sheriff investigators and whose law firm was found to have posited with the probate court fraudulently notarized and forged documents (leading to arrest of their Legal Secretary and Notary Public) and who closed the Estate of Shirley (now reopened due to the frauds) with a deceased Personal Representative/Executor as part of a scheme to alter beneficiaries for their client and business associate Ted and seize Dominion and Control of the Estates and Trusts of Simon and Shirley.
22. These crimes are alleged to have been in order to commit a variety of alleged other crimes to steal and hide estate assets and which are currently under ongoing investigations. Once their crimes were discovered the monies promised to be returned by the former fiduciaries of the

Estate of Simon to the children's trusts were never returned and no distributions were made to Eliot and his children, again causing catastrophic harms to Eliot and his children.

23. The Disposition of assets to Eliot and his children has never happened as the fiduciaries in efforts to shut Eliot down prior to his being able to expose their crimes have gone to further criminal acts to block his inheritances and were finally forced to be removed after being caught and admitting to very serious felony crimes and now remain under investigation.
24. Now it has also further been discovered that there are alleged missing other **trusts** for the children and Eliot at JP Morgan, missing assets from the Estates and Trusts of both Simon and Shirley, no accountings were filed timely in any of the estates and trusts per Florida probate rules and statutes, that there are Illegal trustees and Executors who have acted and are acting illegally on fraudulent dispositive documents who have seized Dominion and Control of the all the assets and properties and where all of this is being allowed by Judge Martin Colin in the Florida probate court who continues to allow the fraud to continue.
25. Judge Colin has failed to take any judicial actions to correct the fraud on his court and in fact continues to move forward illegally allowing dispositions with beneficiaries still unknown due to the frauds, trust validity hearings still unheard, trust construction hearings still not heard and multiple hearings to remove Ted as a fraudulent trustee precluded from being Trustee by the very terms of the trusts that he claims to operate under prohibiting him from being a fiduciary being unresolved and where Judge Colin has been repeatedly requested to disqualify himself (see attached Exhibit 1) as a material and fact witness to the events of his court and due to his possible participation in the original and subsequent crimes that transpired in his court.

26. Judge Colin's refusal to disqualify appears to be an attempt to cover up the crimes that are taking place in his court and to protect his court appointed officers and fiduciaries who have committed these unbelievable crimes and enable further crimes to be committed against Eliot and his family for their efforts at exposing and prosecuting the appointments he made of fiduciaries and attorneys at law in these matters.
27. Eliot's minor children have been thrown out of school on the second school day of school this year and forced into a new school over a month after it had begun, the homeowners insurance has lapsed, the mortgage to one Walter Sahn was not paid, utilities were intentionally and with scienter turned off by those controlling payments for the school and utilities as Trustees of the Trusts (Oppenheimer Trust Company of New Jersey) and Managers of the company Bernstein Family Realty LLC (Oppenheimer Trust Company of New Jersey) owned by Eliot's children's Trusts.
28. The minor children were thrown out of school even after a court ordered payment to cover the past due amounts and full school year when the Plaintiff, Theodore Stuart Bernstein, failed to comply with the Order.
29. The Court should note that the Oppenheimer trust funds were originally held in accounts by the Stanford Trust Company, which was operated by the infamous second largest Ponzi con, Sir Allen Stanford and where then transferred with the agents who solicited the accounts at Stanford to Oppenheimer when they transferred jobs after the government seized Stanford's holdings.
30. The oldest son of Eliot's cannot now go to college as past due amounts to his prior school due which were also court ordered to be paid were not and therefore there are no transcripts

to apply with and no monies in the school trust funds set aside for his college, as the monies misused were never replenished.

31. Eliot asserts and believes the insurance proceeds interpled to this Court may be higher than what was paid due to possible riders and options in the policy (where the policy remains missing and not produced to this Court by an party in their production), possible insurance riders on Shirley and other assets that may be in the trust that LaSalle National Trust, NA maintains.
32. Eliot asserts and believes the VEBA trust that LaSalle National Trust, NA is Trustee for may have had other assets in it that were to be paid on death or that Simon Bernstein Trust, NA, which the insurance carrier claims is the true contingent beneficiary, which may have other assets being hidden within that trust too. No contact appears to have been made by the insurance carrier or other parties to get all records and information from LaSalle National Trust, NA the primary beneficiary according to insurance company parole evidence submitted in their production.
33. While LaSalle may be the rightful beneficiary in this action, even if so, any such funds would ultimately be distributed and designated for either Eliot and his minor children as beneficiaries making this award of interim payment distribution proper now, as Eliot and his children appear to be beneficiaries under all beneficiary scenarios.
34. Granting of such interim award is proper as not only is ultimate judgment as beneficiaries certain it also goes to begin to level the playing field to challenge the wrongful conduct at play, no of which Eliot and his children were a part of other than as victim. Clearly it was the intent of both Simon and Shirley Bernstein to protect while living and after their deaths Eliot and his family who are under very unique circumstances to say the least, as all Estate and

Trust plans include Eliot and his family and special provisions were made just for them above and beyond any other beneficiaries.

35. The Court could also consider an additional \$50,000.00 separately to be paid out for an attorney's fund should proper non-conflicted counsel be available.

36. It is asserted requested and stipulated that any such interim payment is made with no admission or waiver that said amount of total insurance paid to the court is proper and with no release of liabilities against the Plaintiffs and parties cross-complained herein.

Wherefore, it is respectfully prayed for an immediate Order granting immediate payment of \$200,000.00 to Eliot and his family and \$50,000.00 for legal counsel out of funds deposited into the Court upon these terms and upon such other terms as in this Court's guidance deems just and proper.

Respectfully submitted,

DATED: **Monday, May 18, 2015**

/s/ *Eliot Ivan Bernstein*

Third Party Defendant/Cross Plaintiff PRO SE

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on **Monday, May 18, 2015**, I electronically filed the foregoing with the Clerk of the Court using CM/ECF. I also certify that the foregoing is being served this

Motion for Interim Distributions of Interpled Funds

Monday, May 18, 2015

11 | Page

day on all counsel of record identified below via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner.

/s/ Eliot Ivan Bernstein

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EXHIBIT 1 – PETITION TO DISQUALIFY JUDGE MARTIN COLIN