

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, UNITED BANK OF)
ILLINOIS, BANK OF AMERICA,)
Successor in interest to LaSalle National)
Trust, N.A., SIMON BERNSTEIN TRUST,)
N.A., TED BERNSTEIN, individually and)
as purported Trustee of the Simon Bernstein)
Irrevocable Insurance Trust Dtd 6/21/95,)
and ELIOT BERNSTEIN,)

Third-Party Defendants.)

ELIOT IVAN BERNSTEIN,)

Cross-Plaintiff)

Case No. 13 cv 3643

Honorable John Robert Blakey
Magistrate Mary M. Rowland

**INTERVENOR'S SUR-REPLY IN
OPPOSITION TO PLAINTIFFS'
SUMMARY JUDGMENT MOTION**

Filer:
Brian O'Connell, as Personal Representative
of the Estate of Simon L. Bernstein,
Intervenor.

v.)
)
 TED BERNSTEIN, individually and)
 as alleged Trustee of the Simon Bernstein)
 Irrevocable Insurance Trust Dtd, 6/21/95)
)
 Cross-Defendant)
 and,)
)
 PAMELA B. SIMON, DAVID B.SIMON,)
 both Professionally and Personally)
 ADAM SIMON, both Professionally and)
 Personally, THE SIMON LAW FIRM,)
 TESCHER & SPALLINA, P.A.,)
 DONALD TESCHER, both Professionally)
 and Personally, ROBERT SPALLINA,)
 both Professionally and Personally,)
 LISA FRIEDSTEIN, JILL IANTONI)
 S.B. LEXINGTON, INC. EMPLOYEE)
 DEATH BENEFIT TRUST, S.T.P.)
 ENTERPRISES, INC. S.B. LEXINGTON,)
 INC., NATIONAL SERVICE)
 ASSOCIATION (OF FLORIDA),)
 NATIONAL SERVICE ASSOCIATION)
 (OF ILLINOIS) AND JOHN AND JANE)
 DOES)
)
 Third-Party Defendants. _____)
)
 BRIAN M. O’CONNELL, as Personal)
 Representative of the Estate of)
 Simon L. Bernstein,)
)
 Intervenor.)

**INTERVENOR’S SUR-REPLY IN OPPOSITION
 TO PLAINTIFFS’ MOTION FOR SUMMARY JUDGMENT**

NOW COMES Intervenor, Brian M. O’Connell, Personal Representative of the Estate of Simon L. Bernstein (“Intervenor”), by his attorneys James J. Stamos and Kevin P. Horan of Stamos & Trucco LLP, and for its Sur-Reply in Opposition to Plaintiffs’ Motion for Summary Judgment, states as follows:

A. Intervenor Did Not Concede Count I of Plaintiffs' Complaint

Plaintiffs in their Reply newly cite *Aaron v. Merrill Lynch Pierce Fenner & Smith*, 502 F. Supp. 2d 804, 808 (N.D. Ind. 2007) to support their argument that Intervenor “willingly ignored” Count I and that summary judgment is therefore unopposed on that count. In fact, *Aaron* does not address the issue raised here, *i.e.*, Plaintiffs seeking summary judgment against a dismissed party. In *Aaron*, the stakeholder (Merrill Lynch) had deposited the contested funds with the court but remained a party to the case at the summary judgment phase. The parties filed cross-motions for summary judgment, necessitating a judicial determination of the merits of each party’s respective claims to the contested funds. That case has no application when the stakeholder has been dismissed and there is no cross-motion for summary judgment.

The only determination to be made on Plaintiffs’ Motion for Summary Judgment is whether they have met their burden of showing the existence and terms of the purported Trust, as a matter of law, by clear and convincing evidence. Plaintiffs have failed to meet this burden and have failed even to acknowledge the application of the clear and convincing standard.

B. *Aaron* Does Not Impose a Burden on Intervenor

Plaintiffs also cite *Aaron* for the proposition that Intervenor has a burden to meet in its Response. As noted above, unlike *Aaron*, Intervenor did not file a cross-motion for summary judgment. Intervenor therefore bears no burden to demonstrate a superior claim to the Policy proceeds. In fact, the Estate is the default beneficiary of the Policy proceeds under both Florida and Illinois law. *New York Life Ins. Co. v. RAK*, 180 N.E. 2d 470 (Ill. 1962); *Harris v. Byard*, 501 So. 2d 730 (Fla. Dist. Ct. App. 1987). The Estate does not need to demonstrate a superior claim in order to defeat Plaintiffs’ Motion, or even to win the case. Under these cases, the Estate wins if Plaintiffs cannot prove their claim.

C. Dead Man's Act

Plaintiffs argue that Intervenor triggered an exception to the Illinois Dead Man's Act, 735 ILCS 5/8-201 *et seq.* (the "Act"), and has "opened the door" by offering testimony of interested witnesses that will be barred by the Act. No door was opened. The evidence cited was initially cited *by Plaintiffs* in support of their Motion. *See* Plaintiffs' Motion for Summary Judgment Exhibit 30 at ¶ 88 and Exhibit 35 at p. 52, ln. 23 – p. 55, ln. 22. Intervenor referred to that testimony again only to demonstrate that credibility questions would have to be resolved regarding those statements if they were ever heard by the jury. Intervenor would obviously never seek to offer that evidence at trial.

And, even if Intervenor had "opened the door" to otherwise-barred testimony, Plaintiffs still must be denied summary judgment. In his Response, Intervenor cited to Plaintiffs' evidence to highlight clear questions of fact which can only be resolved by a determination of the credibility of Plaintiffs' witnesses who all have an interest in the outcome of the case. Credibility determinations are the sole province of the trier of fact. Plaintiffs have not addressed how this Court can decide this Motion as a matter of law in their favor without making critical credibility determinations. It cannot and summary judgment must therefore be denied.

Respectfully submitted,

/s/ James J. Stamos
Attorney for Intervenor, Brian M. O'Connell

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CERTIFICATE OF SERVICE

I hereby certify that on July 13, 2015, this Intervenor's Sur-Reply in Opposition to Plaintiffs' Summary Judgment Motion pursuant to Rule 56.1(b)(3)(C) was filed electronically using the CM/ECF system and notice will be sent electronically to the registered participants identified on the Notice of Electronic Filing.

/s/ James J. Stamos
James J. Stamos