

## Eliot Ivan Bernstein

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**From:** Ted Bernstein <tbernstein@lifeinsuranceconcepts.com>  
**Sent:** Friday, September 16, 2016 5:28 PM  
**To:** 'Eliot Ivan Bernstein'; 'Eliot Ivan Bernstein'; 'CANDICE BERNSTEIN'  
**Cc:** 'Alan Rose (ARose@mrachek-law.com)'  
**Subject:** BFR

Eliot,

I am writing concerning your home, or at least the home you live in. The home technically is owned by Bernstein Family Realty, LLC, an entity which was owned by your three sons' trusts, with Oppenheimer as Trustee. Based on the Oppenheimer Final Judgment, and although you are challenging it, the membership interests have been transferred to you and Candice, as guardians of your children's properties. I see in your Notice of Appeal you disclaim any ownership or "fiducial" capacity for BFR; that is curious because someone needs to control that entity and Oppenheimer is completely out. Why would you even want Oppenheimer to remain? You need to find someone that you trust and that the Court would consider appointing (not an out of state crusading lawyer) to safeguard your children's interests in BFR and the Trusts which exist for their benefit, created by Simon's Trust, which need a trustee. I am probably the only person who would do the job; I am sure mom and dad would want me to do that job; and unfortunately for your kids I am probably the last person you would consider for that job.

If an entity owns the home, it is my understanding that it must have a lawyer represent it in court. Unlike an individual like you, who does everything pro se, a corporate entity must have a lawyer. Oppenheimer was paying for counsel to defend BFR in the Stansbury litigation, but now it has withdrawn. Moreover, my counsel has been aggressively trying to get William Stansbury and his lawyer, Peter Feaman, to simply drop the claim against BFR because it is not necessary. They refuse to do so, which would lead someone to believe they have interest in taking the house from BFR (which means your family). Can you think of another reason why Mr. Stansbury will not drop his suit against BFR?

We are trying to help you protect this asset if that is what you want. I have come to realize that you are incapable of understanding that reality and I equally realize that there is nothing I can do to change that. Fortunately, I see and speak with other insurance professionals, insurance company executive and professional advisors on a regular basis. I have ample opportunity to answer any questions about these legal issues when I am asked in order to set the record straight. As you know, Dad knew many people and they often ask how things are going with all of this. I do very much appreciate those chances to bring people up to date. Please know then that my sole purpose for addressing you now is to help you make the best decision possible for you and your family, nothing more. To do that, I believe you need firsthand perspective that you do not have about Dad and Bill Stansbury.

I have a great deal of experience, unfortunately, with Bill Stansbury and this experience leads me to believe there must be a meaningful reason he will not drop the suit against the home. In his lawsuit against Simon's estate, he is attempting to take everything. (He already tried the same thing against Mom's trust, but I defended the claim and it has been dismissed.) Further, he is supporting litigation in Illinois, not to help you or your children, but to cause the proceeds to end up in a place he hopes to control. Why do you think he is voluntarily paying for the Illinois litigation?

Dad was shocked at Bill's behavior and could not believe what Bill had done, and he questioned Bill's loyalty and character. At the time of his death, Dad felt betrayed by Bill and told me that he was devastated by him. Bill had sued him personally, claiming that he committed fraud against him. In this suit, he has made numerous absurd and unsubstantiated claims that are not supported by any written evidence. While he was an employee of our company, he and/or his wife retained certain checks which were property of the company. When the company discovered this in my routine review of company commission income, he claimed it was a mistake that the checks were sent to his home and

then put in a drawer by his wife. Bill claimed that, although admitting there were company commission checks in a drawer in his home, he said it was an unintentional error by his wife (who did not realize these were company checks) and that he had not been intentionally trying to keep money from the company. We, Dad and I gave Mr. Stansbury the benefit of the doubt. However, we began to more closely monitor the company's receipts, and the fact that this happened, even if accidental, caused Dad to start losing confidence in Bill. Before that, they seemed to have a really good friendship.

In my opinion, Bill pretended to be Dad's friend until it no longer served him to do so. Never, at any time, did he approach your father and me about his claim that he was unpaid. To the contrary, he received in total compensation and distributions around \$4 million, mostly in 2007 and 2008, along with substantial perks such as a luxury car lease. He made almost nothing (in comparison to 2007-2008) from 2009 until he quit in 2012; yet he never complained. In short, he was paid well for the work he provided.

Does it make sense to you Eliot that Bill never documented to his "dear friend", Simon, about a \$3,000,000 - \$4,000,000 claim of unpaid earnings from 2009 to 2012? Not a memo, a letter, an email, a voice mail, a post-it note, a certified letter, nor a Federal Express – nothing with a record? He saw Dad every day. They had lunch together nearly every day. Bill made Dad a hot chocolate every day, after lunch. They went on business trips together. Bill was a shareholder of the company. In fact, against the advice of Jerry Lewin (you remember him) and me, Bill was given real stock instead of simply a profit sharing arrangement or phantom stock in the company. Bill was offered the opportunity to put up capital for the business and he declined on numerous occasions.

I don't recall if Bill ever generated any meaningful revenue for the company through personal sales, the entire time he worked for the company. Unlike my personal clients, which generated more than \$7,500,000 of revenue for the company during the same time. Still, I gave the Stansbury's a fully paid vacation to Europe for 2 weeks. Dad gave Bill artwork and numerous other gifts of great value. Dad offered to fly Bill and his wife on private planes to medical centers during their very serious health incidents. This was against the wishes of your mother who chose to have no personal relationship with the Stansbury's. At Bill's mother's funeral, Deborah and I paid our respects. No other Bernstein did the same.

I ask you again, why do you suppose Bill Stansbury will not drop the lawsuit against the house you occupy and why is he pursuing his claim against Dad's estate and interfering in the Illinois litigation? Does this sound like the actions of a "dear friend"? He settled his claims against the company (which already had paid him \$4,000,000 in compensation, distributions and perks) and against me and mom's trust. He received nothing other than the right to keep whatever company checks were in his possession and any future renewals in his name.

His only surviving claims are against Dad's estate and the company which owns the home you currently reside in. We continue to hear from you and Bill that Bill's real anger is directed towards me. But I am not a beneficiary of the estate and Bill knows that to be true. By suing the estate and BFR, I am not affected in any way. His grandchildren are affected and you and your family are deeply affected. How is this strategy hurting me? It is not. It appears to only be hurting Simon's legacy, his grandchildren and your family.

I have known for several years now that Bill must have known about you and your family from Simon, although he may not have known you personally. He was, after all, Simon's chosen PR and successor Trustee from 2008 until July 2012. He was dropped, shortly after he sued Dad. Is it possible that Bill Stansbury is suing exactly who he intends to harm? He was well aware of how Dad felt about him for many months prior to his death. He is aware of how much money was provided by Dad while he alive, in support of your family. Bill Stansbury is and was privy to all this information directly from me and Dad. I am certain Dad shared personal information with Bill for many years, prior to being sued for more than \$3,000,000. He befriended Dad, learned a great deal of intimate things about him and his family, and then he sued him for a preposterous amount of money. He sued him for \$3,000,000, an amount almost equal to the total amount we paid him in the entire time he worked there. Remarkably however, he has no record of ever asking about it, asking for it or going on record that he was owed this staggering amount of money.

He claims he trusted Dad so there was no need to ask about his \$3,000,000 claim that was 4 years overdue, according to his lawsuit. But now, in his lawsuit, he claims Simon Bernstein is a fraud. Not being an attorney myself, I am puzzled by this and I bet you are too. He says he completely trusted Simon and didn't need to ask after his \$3,000,000. But then he says, in a forum which is quite real and on the record, that Simon Bernstein is a FRAUD. Again, not being a lawyer and all, it is puzzling how Bill could possibly believe he is owed \$3,000,000.

In response to Bill's claim, Dad told me countless times that Bill made the whole thing up. Dad was hurt and outraged. He told his attorneys, he told his accountants. In fact, memory suggests that month in and month out, for nearly 4 years, Bill created a bi-weekly commission document that he submitted to me for approval. It was used to determine the exact commission owed to every employee, including Bill. The company paid him 100% of what was owed to him, as reflected on those reports, and now he has released the company so he cannot sue it. Every employee was paid 100% of what was owed. But now in his lawsuit, he says that he is owed \$3,000,000, from Dad PERSONALLY.

What should be important to you is the truth. Since we are all acutely aware of the importance of the truth to you, I thought you would WANT and NEED to know these things. Since you were never physically in our offices from 2000 to 2012, I would not expect you to know this type of information firsthand. How could you?

You also probably don't know, or are not capable of believing this, but due to this, Dad's last few months must have been like a living hell for him. On the one hand, the new best friend he made in his mid-60s, and who he had done numerous things to help and who his company had paid millions and millions, sued him for fraud. Bill apparently was ungrateful for Dad's genuine generosity and kindness, and instead sued Dad. Suing him for fraud is certainly not a show of gratitude.

On top of that as you know, Dad had been supporting you and your family for at least five years (the so-called advanced inheritance agreement) – the house; the credits cards, private school, insurance, everything you needed – and he could clearly no longer afford to do that. His income was minimal from 2010 until he died; he lost \$2 million in the Stanford Ponzi Scheme; he and I pumped money into the company; he started an expensive relationship with Maritza; his real estate holdings were not selling once he listed them, etc. etc. If Dad lived, he would have had to cut you off and that would have been a very unpleasant experience for him and you based on how things have played out the past few years. Dad felt you should get a job and I believe he was helping you do just that.

How sad for him that his generosity to both you and Bill has been repaid through nothing but lawsuits and litigation against his estate – his legacy. Bill Stansbury does not say the company owes him the money he is seeking. He says it is owed to him by Dad because Dad is a fraud who fraudulently schemed to not pay him. Dad never paid Bill a cent that I am aware of. Everything Bill Stansbury received was paid to him by the company. Now that Dad has died and cannot defend himself, Bill's claim is that Dad personally owes him \$3,000,000.

If you do not retain a lawyer to represent BFR, you may lose your right to live in the house, even if the Trustee is successful in protecting its interest in the second mortgage held by Simon at his death. The fact that BFR will be unable to defend itself because you have no money to hire a lawyer, is of great concern to us. I, as Trustee, have from the beginning been attempting to find a structure under which the house could be offered to your children and/or you as part of a distribution from the Shirley Bernstein Trust or Simon Bernstein Trust, or a combination of both. Brian O'Connell finally has requested the Trustee's position on what to do with the mortgage, having sat back for more than two years without taking any action to preserve and protect the estate's position (other than a late and then abandoned flurry of activity to make sure the house was not lost due to a tax sale). To assist the Trustee in deciding an appropriate course of action, and in consulting with the beneficiaries (including the guardian ad litem appointed to represent the interests of your children), the Trustee needs to know your position with respect to the house:

1. Do you want to live in the house permanently?
2. Do you contest the validity of the First or Second Mortgage?

3. Are you willing to consider, for yourself or on behalf of your children, receiving the house as a distribution from one of Simon's or Shirley's trusts? Or do you simply expect to get the house for free, or with a fight, which no one has the interest in doing?

Silence will be interpreted as your stating that you do not care what happens to the house, and your nor Candice have no objection to being evicted by the PR or the holder of the first mortgage, or whoever buys the house as a result of a foreclosure sale. There are limits to what a Trustee can do. There also are limits to what is in the best interest of the beneficiaries of the trust as a whole. There is also a limit to how long you can live in denial; refusing even to take over the BFR interest so you could do what's right for your family; allow someone else to take over as trustee now that Oppenheimer is long gone; or at least tell us (your siblings; the PR; etc.) what we can do to help your family.

If you have any interest in your opinion being considered, please provide it as soon as possible, but no later than one week from today.

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