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*BOARD CERTIFIED WILLS TRUSTS
AND ESTATES

June 20, 2014

VIA E-MAIL

See attached service list

Re: Estate of Simon Bernstein

Dear Recipient:

Enclosed please find June 13, 2014 correspondence that reached my office while I was on vacation, and the responsive correspondence from June 18, 2014. These correspondence relate to the motion regarding the litigation referenced in the enclosures that is set for hearing Monday June 24, 2014.

Very truly yours,


Benjamin P. Brown, Curator

Encl.

EMAIL SERVICE LIST

Estate of Simon L. Bernstein

Palm Beach County Case No. 502012CP004391XXXXSB

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June 18, 2014

VIA E-MAIL & U.S. MAIL

Peter M. Feaman, Esq.
3615 Boynton Beach Blvd. Suite 9
Boynton Beach, FL 33436
pfeaman@feamanlaw.com

Re: Estate of Simon Bernstein

Dear Peter:

Thank you for your letter of June 13, 2014. First:

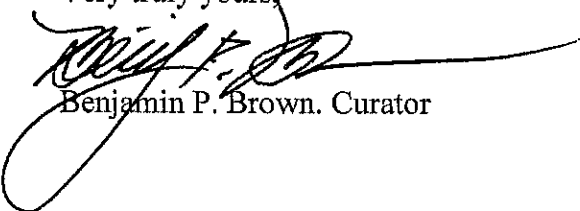
1. The letter states that it is privileged. I am not aware of any privilege that attaches to the letter (although I do agree that the letter appears to constitute a settlement communication that is not admissible in the Stansbury v. Estate of Bernstein case to prove any of the merits therein, pursuant to Florida Statutes §90.408). As such, please be advised that the offer will be conveyed to the Estate interested persons prior to June 24th (see below).

2. The letter references a settlement offer directed to Bernstein Family Realty, LLC. As you should be aware, the Estate does not hold any interest in Bernstein Family Realty, LLC, and the Curator is not is manager and has not been assigned nor undertaken any responsibilities with respect to that separate entity.

With regard to the settlement demand of \$250,000.00, the Curator is not in a position to independently evaluate such demand at this time. The Curator will need to consult with and rely upon counsel to be retained by the Estate in order to evaluate and respond to such demand. On June 24, 2014, the Curator's Second Amended Petition for Instruction Regarding Scope of Involvement in Florida Litigation will be heard. I will advise the Court that this settlement demand underscores the need for the Estate to retain counsel and for the appointment of a Personal Representative forthwith.

In light of the foregoing, if your client is inclined to extend the "fuse" on the settlement demand past June 27th, please so advise.

Very truly yours,



Benjamin P. Brown, Curator

scw

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PRIVILEGED, NON-ADMISSIBLE SETTLEMENT COMMUNICATION

June 13, 2014

Via e-mail bbrown@matbrolaw.com
and U.S. Mail

Benjamin P. Brown, Esq.
625 North Flagler Drive
Suite 401
West Palm Beach, FL 33401

RE: William Stansbury v. the Estate of Simon Bernstein, etc., et al

Dear Mr. Brown:

As a follow-up to the formal Mediation which took place on Monday, June 9, 2014, this letter shall constitute a written settlement offer directed to the Estate of Simon L. Bernstein and Bernstein Family Realty, LLC.

I. Statement of the Case

A. The Individual Parties

William Stansbury ("STANSBURY") worked in the life insurance industry for virtually all of his adult life. After 30 years, he had become well-known and highly regarded by major insurance companies, their principals and others throughout the insurance industry, as well as by other professionals, including attorneys, CPA's, financial advisors, wealth managers and those involved in serving, or otherwise dealing with insurers, insurance brokers and life insurance products.

Simon Bernstein ("SIMON") was an insurance industry professional as well, and specialized in developing and marketing life insurance concepts tailored for persons of high net worth for wealth management and estate planning purposes.

Benjamin P. Brown, Esq.

June 13, 2014

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Ted Bernstein ("TED"), the son of SIMON, was also actively involved in selling life insurance products to high net worth individuals in conjunction with attorneys, CPAs and other professionals, but lacked the experience of STANSBURY or SIMON.

B. The Business Relationship

SIMON approached STANSBURY in 2003, urging STANSBURY to spearhead the marketing of a unique insurance concept, newly developed by a prominent law firm, designed for use in the financial and estate planning of high net worth individuals. SIMON told STANSBURY that he was aware of STANSBURY's expertise and reputation in the insurance and related industries and that STANSBURY was skilled at speaking about and marketing insurance products to various groups of financial and related professionals. He realized that STANSBURY, because of his knowledge, reputation and abilities, was well suited to market this concept nationwide. Based on the representations of SIMON, STANSBURY joined their organization, working for an entity known as Arbitrage International Marketing, Inc d/b/a Life Insurance Concepts ("LIFE INSURANCE CONCEPTS").

Working for no compensation for two years, STANSBURY traveled throughout the United States, generating ever-increasing sales and generating very large commissions. By 2006, nationwide sales were resulting in substantial commissions on new policies and renewal commissions.

In 2006, SIMON and TED (collectively, the "BERNSTEINS") formed, as sole shareholders, a parent company known as LIC Holdings, LLC ("LIC") and another company known as Arbitrage International Management, LLC ("ARBITRAGE") for the purpose of marketing and selling these high-end life insurance products. ARBITRAGE and LIFE INSURANCE CONCEPTS were wholly-owned subsidiaries of LIC. STANSBURY agreed to become an employee of LIFE INSURANCE CONCEPTS and/or ARBITRAGE and agreed to a salary of 15% of net retained commissions received on all products sold, including renewals.

One of STANSBURY's job tasks was to calculate, on a monthly basis, his percentage compensation based upon the commissions received each month from the various insurers, which was becoming, by 2008, very time-consuming. In February of 2008, SIMON approached STANSBURY and told him his time would be better spent building the business rather than performing monthly calculations of income and commissions. The plan proposed was that, rather than STANSBURY performing computations on a monthly basis as to how much should be paid to him based upon

Benjamin P. Brown, Esq.

June 13, 2014

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15% of the net retained commissions, the BERNSTEINS and STANSBURY all would agree to forego monthly payouts and defer compensation until the end of 2008, when year-end computations could be made. It was represented that in December, year-end computations would be made and salaries would be paid in December 2008 or January of 2009. It was specifically represented to STANSBURY that:

a) neither SIMON, TED nor STANSBURY would take any compensation during fiscal year 2008 but rather they all would wait until the year-end accounting was performed in December of 2008 or January, 2009;

b) SIMON, TED, and STANSBURY would each be paid a minimum salary of \$1,000,000 at year end, and STANSBURY'S salary was to be applied against his 15% of net commissions.

II. Defendants' Failure to Pay Stansbury

In January of 2008 STANSBURY was paid \$420,018 for commissions earned on some 2007 sales. However, STANSBURY was not, and has never been paid the commissions due him on sales in 2008 and thereafter, and he was not and has never been paid the renewal commissions due him on sales made in previous years that were paid to LIC or ARBITRAGE in 2008 and thereafter, other than a nominal payment of \$30,000 made in 2010.

When STANSBURY was not paid as agreed in late 2008/early 2009, SIMON and TED, on behalf of and in concert with each other, stated to STANSBURY that salary and ownership distributions due and owing to SIMON, TED and STANSBURY would be deferred to a future time. This deferral of payment was represented to be important because, as a result of the virtual collapse of the capital lending markets in 2008, it was necessary to retain the funds in the corporate bank accounts to demonstrate to potential lenders the financial stability of LIC and ARBITRAGE.

Despite representing to STANSBURY that none of them would receive compensation, SIMON and TED, as officers and majority shareholders of LIC and ARBITRAGE, paid to themselves \$3,756,229.00 and \$5,225,825.00, respectively, in 2008. STANSBURY received no compensation for first year commissions and renewal commissions due him in 2008. The net retained commissions by LIC and ARBITRAGE, not including renewals, for 2008 were approximately \$13,442,549.00. As such, STANSBURY was entitled to, at the very minimum,

Benjamin P. Brown, Esq.

June 13, 2014

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15% of \$13,442,549.00, or \$2,016,382.35 for 2008 alone.

III. Individual Liability of Simon Bernstein, n/k/a The Estate of Simon Bernstein

Disregard of corporate structure and intentional tortious acts incur individual liability to corporate officers and directors. As such, the Bernsteins cannot avail themselves of the defense that they were acting within the scope of the corporations thereby avoiding personal liability for their conduct.

Beginning in late 2007 or early in 2008, and continuing through at least 2011, LIC and/or ARBITRAGE became the alter egos of SIMON BERNSTEIN and TED BERNSTEIN, as officers and majority shareholders. They disregarded corporate structure and wrongfully diverted, converted and depleted corporate assets of LIC and ARBITRAGE for their own personal benefit and the benefit of Bernstein family trusts and other entities. Those trusts have since invested some of these wrongfully diverted and converted corporate assets in real estate. The wrongful actions of SIMON and TED in diverting and converting corporate assets rendered LIC Holdings, and possibly ARBITRAGE, insolvent. A chart summarizing the transfers is attached hereto as Exhibit "A," showing complete disregard of corporate protocol.

STANSBURY relied upon these continuing misrepresentations of Defendants to his detriment. Because STANSBURY was told that potential funding sources for the loans needed for policyholders to finance premium payments needed to see retained capital in the company, he took no action when STANSBURY did not receive any compensation for 2009 and was paid only \$30,000 in 2010. At mediation, I detailed all of the reasons why STANSBURY took no action until 2012 to assert his claim for payment. In order to continue their scheme to defraud, SIMON BERNSTEIN and TED BERNSTEIN failed and refused to account for renewal commissions and refused to supply any financial information to STANSBURY concerning LIC or ARBITRAGE.

By the second quarter of 2012, STANSBURY developed the belief that the BERNSTEINS' representations over the years were wholly false and he sought legal counsel. Suit was filed in July, 2012.

IV. Damages

A. For the Breach of Contract claim:

Defendants failed to pay STANSBURY his 15% of Net Retained Commissions for 2008, 2009, 2010 and 2011. Defendants also failed to pay 15% of the net renewal commissions.

Benjamin P. Brown, Esq.
June 13, 2014
Page 5

B. For the Fraud claim:

Damages are the same as the breach of contract claim except that Plaintiff intends to do a proffer of outrageous, intentional conduct in order to plead and seek punitive damages.

Attached hereto as Exhibit "B" is a chart which constitutes a preliminary calculation of the damages to Mr. STANSBURY based on the financial records obtained by Mr. STANSBURY to date, although discovery is ongoing concerning calendar years 2009 through 2011. As you can see from the chart, Mr. STANSBURY's damages amount to at least \$2,429,944.50.

However, mindful of the vagaries of litigation, the costs and expenses associated with protracted litigation and collectability issues, Mr. STANSBURY is willing to substantially reduce this claim in order to put this matter behind him. As a result, Mr. STANSBURY demands the sum of \$250,000.00 to fully and finally settle this matter in exchange for which Mr. STANSBURY will voluntarily dismiss with prejudice the Estate of Simon Bernstein and the Bernstein Family Realty entity and will release them from any liability which may be owed to Mr. STANSBURY for any matters arising out of his business dealings with the Defendants in this action.

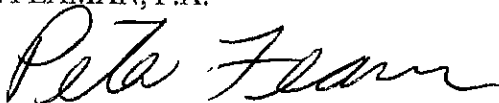
Please be advised that because this offer is so low it is not negotiable. This offer will remain open for a period of fourteen (14) days, at which point the offer will be withdrawn and Mr. STANSBURY will continue with the litigation.

Thank you for your attention to this matter.

Very truly yours,

PETER M. FEAMAN, P.A.

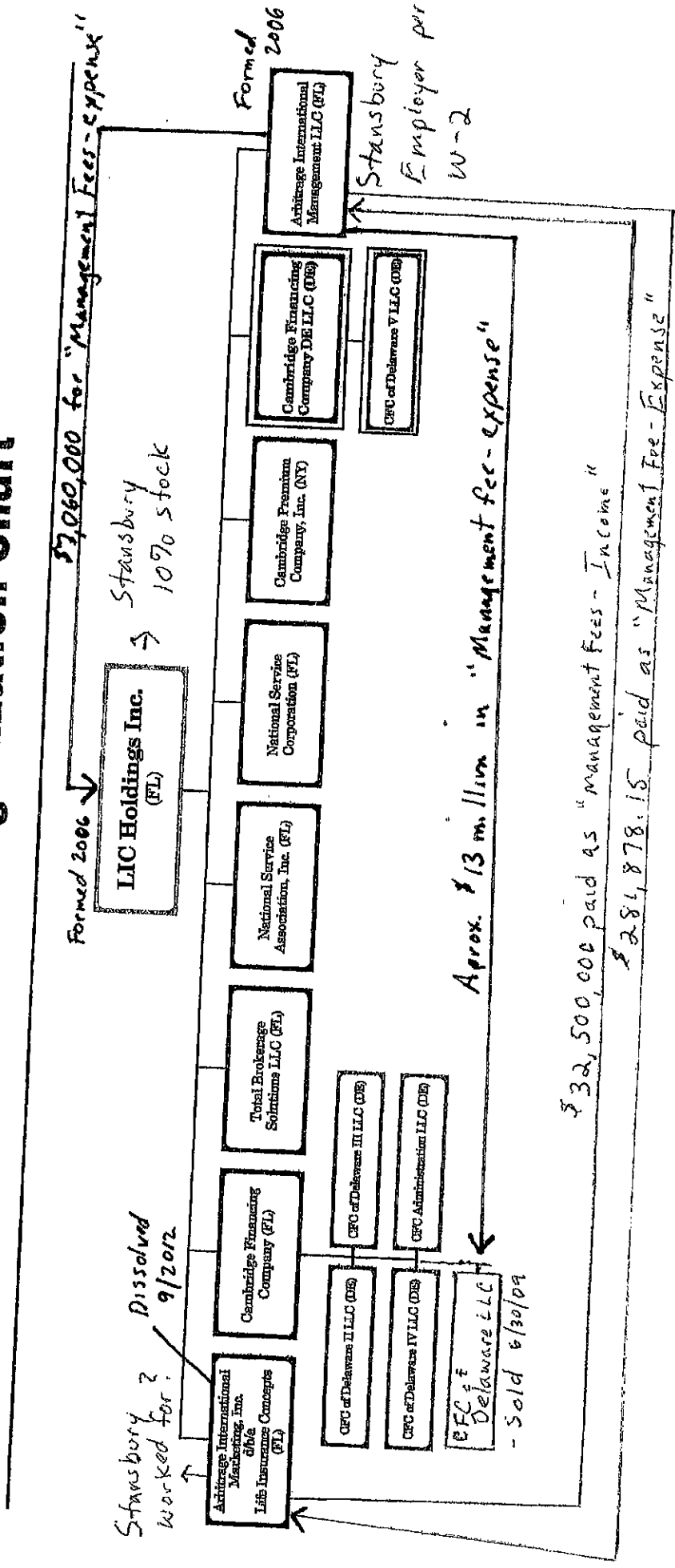
By:


Peter M. Feaman

PMF/mk
Enclosures

2008

Corporate Organization Chart



tabbles

EXHIBIT

A

PARTIAL DAMAGE CHART

for William Stansbury

SHAREHOLDER SALARIES PAID

	Simon Bernstein	Ted Bernstein	William Stansbury
2008	\$3,756,299	\$5,225,825	\$420,018*
2009		\$293,488	
2010	\$135,000	\$135,000	\$30,000
Total:	\$3,891,299	\$5,654,313	\$450,018

NET RETAINED COMMISSIONS (1ST YEAR)

• <u>2008</u>	\$13,442,549
• <u>2009</u>	\$104,000
• <u>2010</u>	\$345,190
• Global Entities Settlement with insurance company	\$2,000,000
• Biviano Net Retained Commission	<u>\$507,891</u>
<u>TOTAL:</u>	\$16,399,630
(Stansbury salary)	<u> x 15%</u>
	\$ 2,459,944.50
(less salary for 2008-2010)	<u>- \$ 30,000.00</u>
<u>SALARY DUE STANSBURY:</u>	\$ 2,429,944.50

NET RETAINED COMMISSIONS (Renewal)

2008 - Unknown
2009 - Unknown
2010 - Unknown
2011 - Unknown
- Stansbury due 15%

* This payment was made in January, 2008 for 2007 commissions earned.