

December 6, 2013

Candice and Eliot,

In response to the emails you have sent me over the past few weeks, I will attempt to address each of you in this one correspondence. I am going to try and set the record straight as there seems to be a great deal of confusion and inaccuracy in your emails.

Although I have made repeated requests for you to establish proper trust accounts so that distributions could be made to your children's trusts, you have not done so. Because of my concern stemming from my fiduciary role as well as the fact that Joshua, Jacob and Danny are my nephews, Robert Spallina and I agreed that I would pay some of the bills for your family that I deemed necessary for their well being, on a temporary basis. For example, I have paid for such things as health insurance, electric, water, phones and Internet. I have made these payments from the Shirley Trust account and I will deduct these amounts from any distributions that are ultimately made to the three boys' trusts. The expenses such as Lacrosse trips and paying your credit card bills are not deemed necessary. Although I understand these are trips that you would like the boys to take, have you explored other sources of funding?

As there is a finite amount of money to be distributed to the boys' trusts, the level and type of expenses you have requested cannot be justified in light of the current financial situation of your family. Paying the household bills for your family is not my responsibility as trustee or in any other capacity. You have repeatedly stated that I now have fiduciary responsibility for your family and therefore, I am responsible for paying bills and making support payments. That is not the case.

Janet Craig at Oppenheimer Trust has not "forwarded" responsibility to me. Can you help me understand why you believe she has done so and why you believe that Robert Spallina directed her to? I am not aware of Oppenheimer having any responsibility to pay bills for your family. You sought distributions from the Oppenheimer trusts for support because the trusts owned the house that you live in and those were the only monies available to pay the ongoing expenses of the home and related items because you willfully continue to avoid seeking employment. Even if Oppenheimer hypothetically did have such responsibility, it could not be forwarded to me as you have completely drained each of the boys' trust accounts set up by mom and dad during their lifetime to support your family which is an obligation that you have to your children and not vice versa. Janet Craig has not forwarded instructions to me of any kind. I have nothing to do with Bernstein Family Realty and therefore, I have not missed any deadlines. I cannot and would not consider acting in any formal capacity as a result of the slander, defamation and misrepresentations levied against me by you.

I do hope that one or both of you are making arrangements to assume responsibility for your household expenses from income or other assets you may have. It appears there is an enormous discrepancy between what you believe to be the value of the estate and trust assets and what actually will be distributed to each trust. Case in point is that you continue to send your children to one of the most expensive private schools in the area as if there are unlimited funds to do so. If you can afford to send the boys to private school with money other than their limited trust

funds, that is a choice you are free to make as parents. In total, I do not anticipate there being more than \$200,000 - \$250,000 for each of the trusts for your children. Of course, this is before creditors and expenses and I have serious concerns about the expenses being incurred by the estate and the trusts for litigation you are unnecessarily generating.

Further, I am not aware of the other special and elaborate estate planning documents that have been created for your permanent support as you continue to state with such conviction. It would be extremely beneficial if you could provide them to me, Don and Robert at this point as there is nothing that was done to our knowledge despite your continued allegations. In fact, you were on the conference call that dad set up with me, Pam, Lisa, Jill and Robert shortly before his unexpected death where he told all of us that he was directing the estate and trust monies to the grandchildren and not to any of us and you (and we) agreed that he made the right decision. You entered into an agreement with mom and dad in 2007 which provided that any monies they gave you to help support your family, including medical insurance reimbursements, during their lifetimes (\$100K/year) would be considered as an advance against any inheritance you would receive. A condition of this arrangement was that you not threaten or sue anyone in the family which is all you have done since our father's death.

It seems to me that you do have access to resources that would allow you to pay for your expenses but for a host of irrational reasons you continue to block those funds as well. You stand to receive 1/5 of the life insurance proceeds (\$325,000) from dad's policy. For the life of me, I cannot understand why you are challenging that policy in federal court, in Illinois. I am not a lawyer, merely an interested 1/5 party in the same policy, so my opinion of your challenge is probably of little legal value. With that said, my opinion is that you are doing nothing more than delaying the inevitable. Don't you need funds to support your family? You seem to want the boys to partake in special activities that may help them in the future including this \$15,000 lacrosse trip to play five games. You want them to attend privileged schools. You want Josh to have a car that will come with expenses for insurance, gas, maintenance. I am sure you will want to do the same for Jake.

The \$325,000 of dad's insurance proceeds seems to be money that could belong to you and could be used any way you see fit. It makes absolutely no sense to try and utilize the assets of the boys' trusts in lieu of money that is immediately available to you and money that is certainly going to end up being paid where dad intended it to be paid. Even if you feel there is a chance to eek out a few more dollars by causing those proceeds to be directed to dad's estate where your family's share would be 30% (through your boys' trusts) and not 20% (directly to you) in the case of the lost trust, there is a substantial claim which could reduce what would then otherwise go to your children. Are you really in a position today to take that chance? I am deeply concerned about this thinking in light of the limited and finite amount of assets. Additionally, your aiding Bill Stansbury to intervene in the insurance proceeding (and with estate matters) is troubling and speaks volumes to your inability to understand what is at stake here for you and your family.

I am concerned that both of you are conflicted with respect to the assets earmarked for the boys and that you are not able to act in their best interests. Your requests for us to take over all the household bills for your family, from assets of the trust, lead me to believe that you do not

understand the nature of those assets that belong to Joshua, Jacob and Danny and what your obligations of support are to your children.

With respect to the KIA, I am sorry but I do not have a great deal of knowledge about this matter as it falls outside my responsibility. Having said that, I do know that it is owned by dad's estate and under his will would pass to the five of us unless some special arrangement is made to title it to Josh.

Candice and Eliot, we have tried every possible avenue to reach a resolution with the two of you (both through attorneys and with you directly) to alleviate your misperceptions and your misunderstandings about the reality of the financial situation. Notwithstanding that, you continue to believe that our parents were worth \$40 million dollars when they were worth \$4 million dollars and that mom and dad made some eternal commitment to support you and your family in perpetuity. I am sorry but that is just not the reality of this situation.

You have alienated your entire family who may have been there to help you in the future in a time of need. You burned through two lawyers during this process, both of whom realized after a period of time that there was no pot of gold at the end of the rainbow and there has been no convincing you of these realities which inevitably requires you to provide support for your family. You pursued and caused to be arrested a paralegal that our parents loved and without ill-intent, only tried to help a situation along because of dad's death, and it now appears that you are in the process of trying that again with my assistant who has done nothing wrong. You continue to drag Don and Robert through the mud, both of whom our parents were very fond of and who did very good work for our family, notwithstanding your relentless and slanderous accusations.

Seriously Eliot, how many more people are you going to involve in this family matter? How much more of the estate will you waste in professional fees carrying on like this? Trying to extort money out of me with threats that you will drag my name through the mud is counter-productive, unnecessary and intentionally malicious. We will not continue to ignore these threats and the damage you are inflicting.

As far as meeting with me, Don, Robert and Mark Manceri, we are eager to do so and have requested this of you at least a half a dozen times to no avail. We have missed no meetings, nor ignored any communications or requests by you or your attorneys as you suggest. We have repeatedly asked to meet both informally and formally through mediation and your only response has been to do it by Skype for fear that we might cause you harm, a fear which is both groundless and unsubstantiated. We will meet with you wherever you request. Can we schedule something for next week?

Please advise as we have no intentions of being bullied by either of you any longer. I hope we can put all of this behind us and carry on with our lives as you are wasting our valuable time and resources, defaming us and leaving a wake of nastiness behind that cannot be undone. Mom and dad do not deserve to have you make a mockery of their lives and estates. They did so much for you and your family. What a shame.

Ted