



January 20, 2020

Steve Mendel
Neil Spielman

Re: Candace Curtis Trust Distribution Request

Candace asked that I forward this message to you and Neil regarding the trust distribution requested:

“Having to justify the need for a “distribution” of my trust funds is insulting to say the least. I don’t want to file for bankruptcy over \$1,000 in sanction fines. The bi-annual accounting is past due and needs to be produced prior to mediation. The last late bi-annual accounting was incomplete, as it did not contain the tax returns for 2018 or the Edward Jones statement.

Amy and Anita have all but admitted breach of a litany of fiduciary duties., now blaming Vacek & Freed in their 1st supplemental petition. We will see if this is legitimate or posturing if the judge allows them to pursue the claims against V&F.

Amy and Anita’s attorneys appear to be promoting their breach of fiduciary duties—or covering it up instead. They have also failed to distribute the income per the federal injunction.

Their response refusing to distribute the trust funds is the legal fees they have incurred defending themselves, rather than the trust. There is no basis to claim that they are defending the trust. This makes their legal fees THEIR responsibility not the trust's.

I have no duty to pay the fees of attorneys adverse to me. I have my own attorneys' fees and they have even moved to sanction me. Unquestionably, our interests are adverse.

I am not challenging the trust, but their fraudulent attempt to modify the trust to benefit themselves. Their failure to distribute the farm income, as ordered by the injunction, has caused injury to the trust beneficiaries in the form of a 35% tax liability. That is a breach of their duties as trustees.

Furthermore, if one beneficiary receives a distribution for any reason, all other beneficiaries should receive an equal distribution. This is what our parents intended.

| | | |
|--------------------|----------|-------------|
| 03/14/19 | Farm | Income |
| \$22,912.50 | 10/16/18 | Farm Income |
| <u>\$22,912.50</u> | | Total |
| \$45,825.00 | | |

Divided by five, each beneficiary should receive \$9,165.00. This has not occurred. I suggest they write each of us a check for that amount of money as their initial showing of GOOD FAITH in this matter. Common sense would dictate that they date the checks December 2019 to avoid the 35% income tax hit to the decedent's trust of approximately \$16,038.75 (\$3,207.75 for each beneficiary). This is like throwing the beneficiaries' hundred dollar bills out the window as you drive down the freeway.

Using the total above times 8 years = **\$366,600**. The tax hit for 2012-2018 is approximately **\$128,310** (\$25,662 for each beneficiary)

No attorney fees would be forthcoming for assistance to the co-trustees in administering the trust, because no trust administration has ever occurred. The only thing that has happened is the trustees abused their authority and continue to seek to conceal their violations of fiduciary duty.

Vacek & Freed were responsible until they got canned in April 2012. Who is standing between the beneficiaries and their money now? It's not my sisters Amy and Anita, but the attorneys. Best, Candy."

Candace has mediation fees to pay (est. \$1000), airfare, hotel, and lost income for more days in Texas trying to resolve a dispute in good faith through what will be two mediations. She has endured being targeted to pay sanctions when she has merely enforced her rights—to shut her down from merely enforcing her rights and protecting her inheritance.

It should not take days for the trustees to authorize \$5000. It is a far cry from what Candace Curtis is owed. I would like to move forward. For the time being, Candace has asked that the original QBD at issue to the mediation for examination.

V&F sold estate planning products to Nelva Brunsting, which were intended to protect the trust, prevent guardianship and avoid probate. Thus far, Nelva and Carl have been threatened with guardianship and we have been through 8 years still waiting for our inheritance. There's no reason this should have been so protracted, so Candace's patience is running thin. If she does not get the funds she's requested she is not going to attend mediation.

Respectfully submitted,

Candice L. Schwager