

_____, 20__

DEMAND LETTER

Mr. Vinny Gambini
Great Scott! Ins. Co., Inc.
100 Youts Blvd.

Via CMRRR# _____
Via First Class U.S. Mail
Via

Email:

vgambini@boogle.com

Dallas, Texas 75200

Re: Estate of Taylor Chandler Preston, Deceased
Cause No. ____; Probate Court No. __, _____ County, Texas
Principal: Bailey Preston
Surety: Great Scott! Insurance Company, Inc.
Bond No.: 123456789/ Bond Amount: \$85,000.00

Dear Mr. Gambini:

As we discussed recently, on May 11, 2012 Judge Chamberlain Haller removed Bailey Preston as Administrator appointed me as Successor Administrator of the Estate of Taylor Chandler Preston, Deceased. The *Order Removing Personal Representative*, a copy of which is enclosed/attached as **Exhibit "A,"** states that the removal was due to Mr. Preston's failure to deliver the Estate property to the heirs. Based on my investigation, below detailed, I, as Successor Administrator, make **DEMAND against Great Scott! Insurance Company for the full \$85,000 face amount of above referenced Bond,** as the funds improperly embezzled by Bailey Preston, not including loss of interest and attorneys fees, totals approximately \$90,000. A copy of the subject bond is enclosed/attached as **Exhibit "B."** **By copy of this letter to Bailey Preston and his attorney, Ad Vocate, this letter serves as demand on Bailly Preston as well as Great Scott! Insurance Company.**

The former Administrator's *Inventory, Appraisal, and List of Claims*, filed with the Court on November 2, 2008, and approved on November 14, 2008, listed the value of the Estate as \$95,000. The *First Annual Accounting*, filed on January 17, 2009, covering the time period from September 29, 2008 to September 30, 2009, listed the opening cash on hand as \$95,000.00. A copy of the Inventory and Annual Accounting are enclosed/attached as **Exhibit "C"** and **Exhibit "D,"** respectively. On October 20, 2009 the Court approved the Annual Accounting and ratified authorized expenditures in the amount of \$5,000.00. A copy of the Order Approving Annual Accounting and Ratifying Expenditures is as attached as **Exhibit "E."** The remaining balance in the Annual Account was \$90,000.00.

On September 30, 2011, Mr. Preston filed his *First Amended Account for Final Settlement*, including a *Verification of Funds* showing an ending balance of \$81,200.00. The Court approved same on October 27, 2011. Copies of Final Account and *Order Approving Administrator's First Amended Account for Final Settlement* ("Order"), are enclosed/attached as **Exhibit "F,"** and **Exhibit "G,"** respectively. Pursuant to the Order Mr. Preston was to distribute the sum of \$81,200.00 to the heirs of the Estate according to their shares in the Judgment Declaring Heirship dated August 5, 2010. A copy of the *Judgment Declaring Heirship* is enclosed/attached as **Exhibit "H."**

I have called and written letters to Bailey Preston and his counsel, Ad Vocate, but neither Mr. Vocate nor Mr. Preston have responded to my inquiries. I learned from the heirs that none of them have received his or her share of the Estate. Bank statements indicate Mr. Preston withdrew most of the funds from the Estate account in December of 2011. Copies of bank statements for the Estate account at Big Money Bank of are attached as **Exhibit "I."** The First Amended Account for Final Settlement and the accompanying Verification of Funds listed the cash on hand as \$81,200.00. However, the bank statements for the Estate account reflect the balance was actually \$1,200.00. It would appear that someone, presumably Mr. Preston, added an "8" to the Verification of Funds after it was signed by the bank officer. Regardless of how it was accomplished, the former Administrator misappropriated Estate funds and

submitted false information to the Court. Both the First Annual Accounting, the Verification of funds, and the First Amended Final Account misstated the cash on hand in the Estate account. The remaining funds were withdrawn by Mr. Preston in January of 2012. See **Exhibit "I."**

I do not have any information concerning what Mr. Preston has done with the misappropriated funds. Big Money Bank provided me with copies of the bank statements free of charge, but the check images are an additional fee. The frequency of withdrawals and checks written on the account seem to indicate Mr. Preston used the Estate account as his personal checking account. As there remain no assets in the Estate I am unable to pay the bank's fee to obtain copies of the check images. I anticipate your client will want to review copies of the check images, and if your client will pay the costs involved I am happy to assist in obtaining such copies. Please let me know.

Additionally, because the Estate is now insolvent, there are no funds available for me to investigate any potential legal action against Mr. Preston. According to all of the information I have received, Mr. Preston lives in New Jersey. Pursuing an out of state former administrator is expensive and poses unique legal challenges. You mentioned you have some personal contacts in New Jersey, and you may be able to obtain additional information about Mr. Preston. If your client is interested in further research to evaluate whether it is worth pursuing legal action against your principal, I am willing to assist in any way possible. I have no way to know whether Mr. Preston is judgment proof without additional research.

Please advise what additional information would be helpful for you and your client, and whether your client is interested in investigating potential legal action against Mr. Preston in New Jersey. If Mr. Preston is not judgment proof, it would be ideal to obtain a judgment against him in Texas to be executed in New Jersey, in order to make the estate fully whole and recover our mutual attorney's fees.

To the extent your client is unwilling to assist me as above detailed, then please refer back to the first paragraph, which is my formal demand that your client

I look forward to working with you.

Very truly yours,

Deborah Dorigt

DD:bb

cc: Ad Vocate Via Email: AdVocate@AdVo.com
Via CMRRR# _____
Via First Class U.S. Mail

Bailey Preston Via CMRRR# _____
Via First Class U.S. Mail

Enclosures/Attachments