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ATTORNEYS AT LAW

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January 1, 2004

Trust E. Worthy
President, Trust Services
First Local Bank of Anywhere
123 Main Street, Suite 2100
Anywhere, USA 22211

RE: D. Every Family Irrevocable Life Insurance Trust

Dear Mr. Worthy,

We have been engaged to represent the beneficiaries of the D. Every Family Irrevocable Life Insurance Trust (ILIT) in a matter involving the appropriateness of the assets held in said trust. Under the Unified Prudent Investor Act (UPIA), you as trustee are required to investigate the appropriateness of ILIT assets *including life insurance policies*, monitor the continuing appropriateness of ILIT assets, and manage ILIT assets in a manner that minimizes costs and maximizes benefits to trust beneficiaries.

A review of trust account statements shows receipt of \$5,000,000 in life insurance death benefits produced by an investment of \$40,000 per year in premium. By comparing the performance of this trust asset to industry benchmarks, it would appear the trust should have received between \$7,500,000 and \$11,200,000 for the same premium investment, depending upon the investment objectives set forth in the written Investment Policy Statement (IPS) for this trust.

A further review of annual policy statements appears to show you have been paying excessive Cost of Insurance (COI) Charges, Premium Loads, Fixed Administrations Expenses and/or Cash-Value-Based "Wrap-Fees", and that invested assets underlying policy cash values appear to have under-performed their benchmarks for the respective asset classes, to lack diversification, and to be inconsistent with the trust objective to maximize benefits to trust beneficiaries.

As such, please produce the trust IPS and all documentation as to your investigation of the appropriateness of ILIT assets, your monitoring of the continuing appropriateness of ILIT assets, and your management of ILIT assets to minimize costs and maximizes benefits to trust beneficiaries. In the absence of such documentation, we will seek damages in the amount of \$6,200,000 representing the difference between the death benefits actually received versus the death benefits that should have received under UPIA.

Sincerely,

J.D. Esquire

J.D. Esquire, Esq.