

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA :

Criminal No. 17-201-1 (ABJ)

:  
v. :

PAUL J. MANAFORT, JR., :

Defendant. :



PETITION OF WILLIAM CLAYTON BATCHELOR TO ADJUDICATE INTEREST  
IN PROPERTY PURSUANT TO 21 U.S.C § 853(n)

File in Related  
Misc. Case  
18-mc-0167

Pursuant to 21 U.S.C. § 853(n), the undersigned William Clayton Batchelor hereby petitions the Court to allow fiduciary compensation to be paid from the Manafort Family 2008 Irrevocable Trust, in the amount of \$73,853.44, as further detailed herein. Petitioner makes the following statements in support of this request:

A. BACKGROUND FACTS

1. Petitioner is the owner of the Northwestern Mutual Universal Life Insurance Policy #18268327, identified in Notice of Forfeiture dated October 11, 2018.
2. On June 16, 2008, Defendant Paul Manafort and his wife Kathleen executed an irrevocable trust titled the "Manafort Family 2008 Irrevocable Trust" (hereinafter the "Trust"), and named Petitioner as Trustee of that Trust. The beneficiaries of the Trust are the Manaforts' daughters and some other family members.<sup>1</sup>

<sup>1</sup> The Trust was a typical irrevocable life insurance trust, the purpose of which is to hold life insurance on the Grantor's life, outside of the Grantor's taxable estate for estate tax purposes. Upon the death of the Grantor (or Grantors), the proceeds of the life insurance are paid to the beneficiaries to "make up" for the estate tax liability paid from other assets, or in some cases to pay the tax directly. A key component of this type of trust is that the Grantor retains no right, title, or interest in the trust assets.

3. The Trust is governed by the laws of the Commonwealth of Virginia.
4. As Trustee, Petitioner applied to purchase a joint life insurance policy (the "Policy") on Paul and Kathleen Manafort through Northwestern Mutual.
5. Around August 1, 2008, the Policy application was approved.
6. Between August of 2008 and June of 2013, the Manaforts made a series of gifts to the Trust totaling \$2,752,000.00.
7. Pursuant to the Trust document, whenever a gift was made to the Trust, Petitioner was required to give notice to the "Powerholders," designated persons who had a limited right to withdraw a portion of the gift. If a right of withdrawal was exercised, Petitioner was obligated to pay over the amount subject to withdrawal. None of the withdrawal rights were ever exercised.
8. Between August of 2008 and June of 2013, Petitioner paid from the Trust assets life insurance premiums of \$2,744,000.00 to Northwestern Mutual.
9. After June of 2013, the Manaforts made no further gifts to the Trust, and Petitioner made no further premium payments. A summary of cash in and cash out of the Trust account is attached as Exhibit A.
10. By the terms of the Trust, Petitioner is entitled to reasonable compensation for fulfillment of his administrative and fiduciary duties as Trustee. To date, Petitioner has not been paid for serving as fiduciary.

**B. LEGAL STANDING**

1. In order to claim an interest in forfeited property, Petitioner must have standing pursuant to 21 U.S.C § 853(n)(6), Subparagraph (A) *or* (B). Standing under Subparagraph (A) exists when "the petitioner has a legal right, title, or interest in

the property, and such right, title, or interest renders the order of forfeiture invalid in whole or in part because the right, title, or interest was vested in the petitioner rather than the defendant or was superior to any right, title, or interest of the defendant at the time of the commission of the acts which gave rise to the forfeiture of the property under this section.” Standing under Subparagraph (B) exists when “the petitioner is a bona fide purchaser for value of the right, title, or interest in the property and was at the time of purchase reasonably without cause to believe that the property was subject to forfeiture.”

2. In the current case, Petitioner fulfills both standing requirements. Mr. Manafort never had any right, title, or interest in the insurance policy, so Petitioner’s title to the insurance policy and claim for compensation was always superior to Mr. Manafort’s. When Mr. Manafort made a gift to the Trust, he gave up all right, title, or interest in the money he gifted. The subsequent purchase of the life insurance policy and payment of the premiums by Petitioner were wholly independent of any “right, title, or interest” of Mr. Manafort. Indeed, the Trust was designed so that Mr. Manafort would not have any right, title, or interest in the Trust assets, including the life insurance policy. Title to the life insurance policy was originally and has remained at all times in the name of Petitioner, in satisfaction of the requirements of Subparagraph (A). The availability of the life insurance policy for forfeiture is subject to the provisions of the Trust, including the provisions for compensation to the Trustee.
3. Petitioner was also a bona fide purchaser of the life insurance policy. Petitioner purchased the life insurance policy directly from Northwestern Mutual, not from

Mr. Manafort, and did so without any knowledge of the criminal activity underlying Mr. Manafort's funding of the Trust.<sup>2</sup> The fact that the Trust was funded with gifts of money that was subsequently determined to have originated from criminal activity does not alter Petitioner's standing as a bona fide purchaser of the life insurance policy in satisfaction of the requirements of Subparagraph (B).

C. BASIS FOR PETITIONER'S CLAIM

1. Article VII(C) (4) of the Trust provides that, "unless waived, individual Trustees will be entitled to reasonable compensation, based on the duties and responsibilities assumed and the time and effort expended. An individual Trustee's fee that does not exceed the published fee schedule of a bank or trust institution licensed to do business in Virginia shall be conclusively deemed reasonable." See attached Exhibit B.
2. The duties and responsibilities of the Trustee are two-fold. First, there are the administrative duties of the Trust: receiving assets when gifted to the Trust, giving notice to Powerholders of their withdrawal rights, acting on the withdrawal rights if exercised, paying the insurance premiums, and maintaining bank and insurance records. Second, there is the fiduciary duty – the duty to protect and preserve the Trust assets for the beneficiaries, and the responsibility of faithfully receiving and making payments, and maintaining an asset valued in the millions of dollars. Petitioner performed these duties in good faith, without any reason to believe the Trust was being funded with criminally-derived funds.

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<sup>2</sup> At the time the Trust was established and until details of this investigation became public, Petitioner knew only that Mr. Manafort was an established lobbyist, and that he had amassed a sizable fortune. Mr. Manafort never discussed with Petitioner his actual business dealings or the source of the money he gifted to the Trust.

3. To date, Petitioner has not been paid any compensation for services as Trustee.<sup>3</sup>  
The Manafort's did not fund the Trust with sufficient assets to pay the life insurance premium AND the fiduciary fee in any given year.<sup>4</sup>
4. The attached Exhibit C shows the value of the Trust assets each year, along with the fiduciary fee for each year based on (a) the Virginia Fiduciary Guidelines, and (b) the published fee schedule of Trust Company of Virginia, as an example of an amount that would be "conclusively deemed reasonable" by the Trust document. In each case, the fee is calculated and earned on an annual basis. Column C on Exhibit C shows Petitioner's calculated fee in the amount of \$73,853.44.<sup>5</sup>

D. OTHER RELEVANT FACTS

1. Petitioner's obligation to safeguard the Trust assets for the benefit of the Trust beneficiaries also effectively protected the availability of those assets for forfeiture. In 2017, Mr. Manafort attempted to borrow from the Trust and use the Trust assets to secure his bond, putting Petitioner in the awkward position of having to protect the Trust from the person who originally funded the Trust and named Petitioner as Trustee. See attached Exhibit D as an example of Petitioner's email response to Mr. Manafort's verbal demand/request to borrow from the Policy. Petitioner dutifully refused those requests by Mr. Manafort. In all likelihood if the Policy was NOT

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<sup>3</sup> The Trust did pay legal fees to Petitioner's firm, Wright & Batchelor LLP, for various legal issues including analyzing the effect of non-payment of insurance premiums, actuarial projections for the insurance policy, and options for terminating the Trust. Those fees amounted to \$5,254.66 over ten years, and are subtracted from the amount of Petitioner's fee.

<sup>4</sup> If the Manafort's did not provide additional funding for the Trust, Petitioner would eventually have borrowed against the policy to pay the fiduciary fees, or waited until the Trust terminated to collect the fees.

<sup>5</sup> Petitioner's general practice is to charge a fiduciary fee based on the facts, circumstances, and responsibility involved in a given case, even if a higher fee would be allowed by the terms of the governing document. In this case, Petitioner adjusted the fee to reflect various considerations specific to this Trust, and the amount charged is substantially less than the "conclusively deemed reasonable" amount that would be allowed based on the published fee schedule of the Virginia Trust Company.

held in the Trust by Petitioner - as a bona fide purchaser and owner of the Policy - Mr. Manafort would have liquidated or leveraged the Policy long before it was identified as an asset subject to forfeiture. The Government should not benefit from the protections the Trust provided without also allowing for the cost of that protection.<sup>6</sup>

2. As of October 17, 2018, the policy had a surrender value of \$2,784,012.40, which would result in taxable income to the Trust in the amount of \$40,012.40.<sup>7</sup> See attached Exhibit E. If the Policy is surrendered in order to fulfill the forfeiture order, the Trust will need to file an income tax return and pay any tax on the income triggered by the surrender. Petitioner's fee, if approved, should offset any taxable income. Petitioner estimates the net amount to the Government would be approximately \$2,710,158.96.

#### E. REQUEST FOR RELIEF

Given the foregoing Petitioner's claim, the current illiquidity of the Trust assets, the tax reporting in connection with the surrender of the Policy, and the fact that the life insurance policy remains titled in Petitioner's name, Petitioner requests that the Court modify the preliminary order of forfeiture to:

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<sup>6</sup> It seems that the appropriate target of the forfeiture should be the Trust itself rather than the life insurance policy. Once Mr. Manafort made gifts to the Trust, he gave up all right, title, and interest in that money. His connection ended with the gifts. He never had any interest in the life insurance policy; the policy was purchased in good faith by Petitioner. In that light, the government would be entitled to forfeiture of the Trust assets, subject to the terms of the Trust including fiduciary compensation.

<sup>7</sup> These amounts change slightly over time, so the final amounts will be close to but not exactly as stated herein.

1. State that the forfeiture is subject to Petitioner's claim for compensation in the amount of \$73,853.44 and any income tax liability triggered by the surrender of the life insurance policy;
2. Direct Petitioner to surrender the life insurance policy for its cash surrender value, pay Petitioner's fee as stated herein, and file the necessary tax returns;
3. Direct Petitioner to turn over the remaining balance with all related documentation in whatever manner the Court requests after the expiration of the claim period and receipt by Petitioner of the proceeds of the life insurance policy.

The foregoing Petition is signed by William Clayton Batchelor, Trustee, under penalty of perjury, this 31<sup>st</sup> day of October, 2018.



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William Clayton Batchelor, Trustee  
1601 18<sup>th</sup> Street NW Suite 2  
Washington, DC 20009  
202-462-7799  
wcb@wrightandbatchelor.com

Exhibit A

**Manafort Family 2008 Irrevocable Trust Cash In and Cash Out**

William Clayton Batchelor, Trustee

<u>date</u>	<u>deposits</u>	<u>payments</u>	<u>description</u>
08/05/08	\$ 1,288,000.00		Initial Gift
08/05/08		\$ 10.00	Wire Fee
08/08/08		\$ 1,283,000.00	Northwestern Mutual premium
06/02/09	\$ 288,000.00		Gift
06/02/09		\$ 10.00	Wire Fee
06/16/09		\$ 293.18	Wright & Batchelor LLP legal
07/02/09		\$ 288,000.00	Northwestern Mutual premium
06/28/10	\$ 288,000.00		Gift
06/28/10		\$ 10.00	Wire Fee
06/30/10		\$ 288,000.00	Northwestern Mutual premium
09/09/10		\$ 597.96	Wright & Batchelor LLP legal
06/30/11	\$ 288,000.00		Gift
06/30/11		\$ 10.00	Wire Fee
07/05/11		\$ 288,000.00	Northwestern Mutual premium
08/19/11		\$ 616.00	Wright & Batchelor LLP legal
02/01/12		\$ 769.00	Wright & Batchelor LLP legal
05/07/12	\$ 288,000.00		Gift
05/07/12		\$ 15.00	Wire Fee
05/18/12		\$ 288,000.00	Northwestern Mutual premium
07/19/12		\$ 595.80	Wright & Batchelor LLP legal
06/12/13	\$ 312,000.00		Gift
06/12/13		\$ 15.00	Wire Fee
06/24/13		\$ 309,000.00	Northwestern Mutual premium
09/16/13		\$ 1,542.00	Wright & Batchelor LLP legal
09/05/17		\$ 840.72	Wright & Batchelor LLP legal
09/29/17		\$ 2.00	Bank Paper Fee
10/31/17		\$ 2.00	Bank Paper Fee
11/30/17		\$ 2.00	Bank Paper Fee

total in \$ 2,752,000.00

total out \$ 2,749,330.66

Current bank balance \$ 2,669.34





Exhibit B

Trustee or the sole Trustee of the Trust Share. The Trustee shall also have discretion, on one or on multiple occasions, to divide the Trust Share into separate trusts, in amounts or proportions the Trustee deems appropriate, and appoint the primary beneficiary as the Co-Trustee or sole Trustee of one or more of those separate trusts.

### C. GENERAL PROVISIONS.

1. If there is no other applicable provision in this document for the appointment of a successor Trustee, the acting Trustee may designate a successor to take office upon the death, resignation or incapacity of the acting Trustee.

2. A Trustee may resign by giving thirty (30) days written notice.

3. An individual serving as a Trustee will cease to serve upon the issuance of a certification by a physician that said individual is incapable of handling and managing trust business.

4. Unless waived, individual Trustees will be entitled to reasonable compensation, based on the duties and responsibilities assumed and the time and effort expended. An individual Trustee's fee that does not exceed the published fee schedule of a bank or trust institution licensed to do business in Virginia shall be conclusively deemed reasonable. Individual Trustees may be paid fees that exceed such published fees if they demonstrate that the fee sought is reasonable under the circumstances. Individual Trustees will also be entitled to reimbursement for accounting, tax preparation, legal and investment management fees as expenses, which will not be considered a part of the fees paid to the Trustee. A corporate Trustee shall receive compensation in accordance with its published fee schedule in effect when the services are rendered.

5. No bond or security will be required of any Trustee.

6. Unless waived, Trustees will render annual written accounts to the oldest generation of income beneficiaries with a member then living, and to all beneficiaries to whom distributions were made. Trustees will not be required to file an Inventory or accounts with the Commissioner of Accounts or any other public official or court.

7. The Trustee may require as a condition precedent to the payment of a discretionary distribution that a beneficiary furnish his or her own certification or other evidence of health, income, assets and need for such distribution, in form and content satisfactory to the Trustee. The Trustee shall be entitled to rely upon the certification of

**EXHIBIT C****Manafort Family 2008 Irrevocable Trust fee calculation**

William Clayton Batchelor, Trustee

				COLUMN A	COLUMN B	COLUMN C
<u>year</u>	<u>value</u>	<u>surrender cost</u>	<u>net value</u>	fiduciary fee per guidelines	fiduciary fee per VTC fee schedule	fee charged by Petitioner
2009	\$ 1,228,963.00	\$ 787,802.00	\$ 441,161.00	\$ 4,412.00	\$ 5,293.93	\$ 4,412.00
2010	\$ 1,522,250.00	\$ 743,831.00	\$ 778,419.00	\$ 7,088.14	\$ 9,341.00	\$ 7,088.14
2011	\$ 1,825,307.00	\$ 699,861.00	\$ 1,125,446.00	\$ 9,377.23	\$ 13,191.73	\$ 9,377.23
2012	\$ 2,416,465.00	\$ 655,891.00	\$ 1,760,574.00	\$ 12,552.87	\$ 19,225.00	\$ 12,552.87
2013	\$ 2,474,554.00	\$ 611,920.00	\$ 1,862,634.00	\$ 13,063.17	\$ 20,195.00	\$ 13,063.17
2014	\$ 2,840,268.00	\$ 567,950.00	\$ 2,272,318.00	\$ 15,111.59	\$ 24,087.00	\$ 15,111.59
2015	\$ 2,919,152.00	\$ 523,980.00	\$ 2,395,172.00	\$ 15,725.86	\$ 25,254.00	
2016	\$ 2,999,910.00	\$ 480,009.00	\$ 2,519,901.00	\$ 16,349.51	\$ 26,439.00	
2017	\$ 3,074,555.00	\$ 436,039.00	\$ 2,638,516.00	\$ 16,942.58	\$ 27,566.00	
2018	\$ 3,142,688.00	\$ 392,069.00	\$ 2,750,619.00	\$ 17,503.10	\$ 28,631.00	\$ 17,503.10
gross fee calculation				\$ 128,126.04	\$ 199,223.66	\$ 79,108.10
less legal fees billed				\$ (5,254.66)	\$ (5,254.66)	\$ (5,254.66)
				\$ 122,871.38	\$ 193,969.00	\$ 73,853.44





## TRUST MANAGEMENT FEE

MARKET VALUE OF ASSETS	ANNUAL FEE
First \$1 Million	1.20%
Next \$4 Million	.95%
Over \$5 Million	.65%

- A minimum annual fee of \$4,000 will apply.
- Quotes available for accounts over \$10 million.
- The Trust Fee Schedule applies for managed IRA accounts.

## SERVICES PROVIDED

- Active management of client assets in accordance with established objectives
- Collection and distribution of income
- Daily cash investments and safekeeping of assets
- Periodic statements of account transactions and review of assets

Fees charged by outside investment managers are separate and apart from the fees payable under this schedule. Services are intended to be all-inclusive. However, if non-routine or extraordinary services are required, additional separate charges will be imposed. Examples include: estate settlement services, litigation, real estate management/sales, insurance policy management, court accountings, asset distribution and tax preparation services.

The Trust Company of Virginia is a division of TCV Trust & Wealth Management.

## APPENDIX

### GUIDELINES FOR FIDUCIARY COMPENSATION

#### INTRODUCTION

The Judicial Council of Virginia, in establishing the Standing Committee on Commissioners of Accounts in 1993, charged the Standing Committee with promoting uniformity of practice among commissioners of accounts. Mindful of the Supreme Court's consistent holdings that the circumstances in each case determine the allowance of fiduciary compensation, the Standing Committee recommended to the Council for approval the following Guidelines for Fiduciary Compensation in order to promote a degree of uniformity among the Commissioners of Accounts in Virginia in their task of determining compensation to be allowed fiduciaries. The Guidelines are not intended as a substitute for the analysis the Commissioner must do to determine the statutory "reasonable compensation" in each case. The Judicial Council approved the Guidelines in December 2004.

#### A. DECEDENTS' ESTATES

1. Where the will clearly sets out compensation in a specific dollar amount or a specific percentage that the Executor is to receive, the will controls, and the Executor is entitled to the amount set out.

2. Where the will states that the Executor shall receive for services the compensation set out in a referenced published fee schedule in effect at the time such services are rendered, fees as set out in the fee schedule shall be presumed to be reasonable, as that term is used in § 26-30. The burden of persuading the Commissioner that fiduciary compensation taken according to such a fee schedule is not reasonable would be on an objecting party. The ultimate responsibility of determining the reasonableness of the compensation rests with the Commissioner.

3. Paragraph 2. above does not apply in the case where the will is silent as to the Executor's compensation. In such a case, if the Executor (corporate or otherwise) uses a published fee schedule to determine compensation, the other guidelines set out herein apply. There is, however, no presumption that such a published fee schedule is not reasonable.

4. Where all parties affected by the amount of the compensation are (i) competent to contract (ii) understand the issues involved (i.e., can give "informed consent") and (iii) agree in writing as to the amount of the compensation to be paid, then the agreement should be honored by the Commissioner.

5. Unless determined as set out in paragraphs 1., 2. or 4. above, the fee to be allowed the Executor on all property in the decedent's probate estate (calculated on the inventory value, including amended inventories) is as follows:

210

- (a) 5% of first \$400,000.  
4% of next \$300,000.  
3% of next \$300,000.  
2% over \$1,000,000.  
Over \$10,000,000 – by agreement with the Commissioner  
(prior consultation is required).

AND

- (b) 5% of income receipts (not including capital gains).

6. The value of real estate will be included as property in the decedent's probate estate for fee purposes only if the Executor is given the power to sell real estate and (i) is instructed to sell real estate in the will, or (ii) is requested to sell real estate by all affected beneficiaries or devisees, or (iii) is required to sell real estate to pay taxes or other charges against the estate, or (iv) the Commissioner determines that such sale is clearly in the best interest of the estate and the devisees or beneficiaries as a whole.

7. If the Executor employs an attorney or accountant to perform duties that should be performed by the Executor, the fees of those persons should be deducted from the compensation due the Executor. Note that this does not apply to reasonable fees paid to attorneys or accountants for tax work or litigation or other legal services reasonably necessary for the orderly administration of the estate.

8. If the Executor employs an investment advisor, the advisor's fees, if reasonable, should generally not be deducted from the Executor's compensation.

9. The Commissioner may also increase or decrease the otherwise allowable compensation in exceptional circumstances. Factors to be considered in determining the compensation include the nature of the assets, the character of the work, the difficulties encountered, the time and expertise required, the responsibilities assumed, the risks incurred and the results obtained. A consideration of these factors could result in a decrease or an increase of the compensation that would otherwise be determined using the standards set out elsewhere in these guidelines.

10. As a general rule, an Executor is not allowed compensation based on the value of assets not includable in the probate estate. The Commissioner may allow such compensation in circumstances where it is necessary for the Executor to assume some responsibility for the asset. The Executor is advised to make separate fee arrangements with the beneficial owners of non-probate assets.

11. If, after examining these "Guidelines," the Executor has any questions about the fee to be taken in a specific estate he or she should be encouraged to consult with the Commissioner in advance of taking any fee.

NOTE: The use of the word Executor above includes all fiduciaries charged with administering decedent's estates. The words "fee" and "compensation" are used interchangeably.



## B. TRUSTS

With respect to Trusts, the specific guidelines for compensation are:

1. Compensation should be taken on an annual basis, based on the fair market value of the trust assets (i.e, principal and undistributed income) at the beginning of the accounting period. Previously distributed income, of course, is not to be counted in determining compensation. Where the required accounting is for a period of less than one full year (see, for example, § 26-17.6.A.), the compensation should be pro-rated.

2. Paragraphs A. 1. through A. 4. apply as well to trusts.

3. Undistributed income and principal should be treated alike in determining the fair market value of the trust assets at the beginning of the accounting period. The fee schedule set out below applies to undistributed income and principal combined, with no compensation to be calculated on income received and distributed during the year.

4. The schedule of fees is as follows:

1% of the first \$500,000. (.01)  
3/4 of 1% of the next \$500,000. (.0075)  
1/2 of 1% over \$1,000,000. (.005)  
\$10,000,000 or more – by agreement with the Commissioner  
(prior consultation is required).

5. The guidelines set out in A. 7., 8., 9. and 11. above also apply to Trustees. In addition, the Commissioner may reduce the allowable compensation in certain circumstances, such as where the Trustee has delegated total investment responsibility to professionals or is not making any discretionary distributions.

## C. CONSERVATORS AND GUARDIANS

1. The same schedule of fees as set out for Trustees in B. 4. above should apply to both Conservators, Guardians of infants and Trustees of veterans under § 37.1-134.20 [now § 37.2-1016]. The percentages should be applied annually to the principal amount as shown on the inventory (initial account) and on the beginning balance of accountings (subsequent accounts). However, an additional fee of 5% should be allowed on non-investment income received during the account period (for example, periodic payments such as retirement payments). Compensation should be pro-rated when the required accounting is for a period of less than one full year (see § 26-17.4.A.). In situations where the ward or incapacitated person dies within a short time after the qualification, the Commissioner could consider additional compensation, understanding that much of the fiduciary's work occurs at the beginning of the estate.

2. The guidelines set out in paragraphs A. 7., 8., 9. and 11., and B. 1. above shall apply where appropriate.

Exhibit D

## Clay Batchelor

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**From:** Paul Manafort <pmanafort@dmpint.com>  
**Sent:** Monday, August 7, 2017 8:05 PM  
**To:** Clay Batchelor  
**Subject:** Re: 2008 Irrevocable Trust

Clay  
Lets do a loan to one of the Grantees – my daughter Andrea.  
Paul

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**From:** Clay Batchelor <[wcb@wrightandbatchelor.com](mailto:wcb@wrightandbatchelor.com)>  
**Date:** Monday, August 7, 2017 at 3:43 PM  
**To:** Paul Manafort <[pmanafort@dmpint.com](mailto:pmanafort@dmpint.com)>  
**Cc:** Mark Siciliano <[mark.siciliano@nmfn.com](mailto:mark.siciliano@nmfn.com)>  
**Subject:** 2008 Irrevocable Trust

Paul,

As I mentioned on the phone, the act of borrowing from the trust would risk bringing all of the trust assets into your taxable estate, which would defeat the purpose of having the trust. I have since confirmed that this is not just a risk, it is a probability that would subject the trust assets to a 40% estate tax which of course is a huge hit to the beneficiaries.

For that very reason the trust contains a strict prohibition against making any distribution to or for the benefit of the Grantors. In short, the trust does not allow me to do what you're asking.

I wonder if there is another "pot" or line of credit you could use in the short term. A HELOC is pretty easy to obtain in a short amount of time.

Clay

William Clayton Batchelor

Wright & Batchelor LLP

1601 18<sup>th</sup> Street NW Suite 2

Washington, DC 20009

202-462-7799

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Exhibit E

**Universal Life Policy 18-268-327** Summary for Kathleen B Manafort on 10/17/2018**CAUTION - JOINT UNIVERSAL LIFE POLICY****Client Information**

Insured: Kathleen B Manafort  
 Female born on 12/09/1952  
 Owner: RESTRICTION  
 Payer: William Batchelor Tee  
 Beneficiary: William C Batchelor

**FR Information**

Servicing FR: Mark H Sicillano

NO 007

044289

Total Policy Debt at 5% \$0.00

**Withdrawals****Payment Information**

Annual Planned Payment: \$288,000.00

Next Payment/EFT: 05/15/2019

Payment Method: Direct Mail

**Policy Information**

Plan: TT-SURVIVORSHIP UNIVERSAL LIFE

Contract Form Number: TT.SUL.(0805)

Policy Date: 06/18/2008

Policy Status: Active

**Tax - MEC Information**

MEC Status: No

Total Death Benefit \$31,037,381.81

Net Death Benefit: \$31,037,381.81

Death Benefit Option: B - Specified Amount Plus  
Policy Value**Contract Fund Value Information****Additional Benefits**

Policy Value \$3,165,088.62

Surrender Value: \$2,784,012.40

Max Available for Loan: \$2,694,674.20

Tax Income if Surrendered: \$40,012.40

Max Available for Withdrawal: \$2,766,702.55

**New Business/Underwriting**

**CAUTION: VALUES CHANGE WITH EACH TRANSACTION AND EACH DAY  
 VALUES MAY CHANGE BASED ON DATE OF DEATH**