

# HIST&RICHARDS

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Paul Hist, CPA

Les D. Richards, CPA

May 31, 2001

Dear Sir:

This letter is in reference to the Ida Baldwin Estate and the administration of the estate by John Denison, executor.

Bob Denison, the beneficiary of the Bob Marshall Denison Trust, retained me to compile the financial transactions of the estate. The compiled transactions were for the period from August, 1997 thru December, 2000. As a result of such compilation I gave testimony in a court hearing held in Aspermont, Tx. on May 24, 2001.

My findings were that there was no documentation for any estate expenditures other than the canceled checks themselves. Some one hundred fifty of these checks were written to John Denison and were labeled as "reimbursements" or "paybacks". These one hundred fifty checks were in total more than \$94,000 and were commonly in even dollar amounts such as \$500, \$750, \$1,500, etc.

There were frequent expenditures for items of a personal nature such as groceries, doctor bills, and prescription drugs. The compiled grocery expenditures exceeded \$16,000. There were also other expenditures that gave the appearance of being of a personal nature such as a satellite dish, a guitar and clothing. In addition estate housing was inhabited by John Denison and his family with no evidence of rental income being received by the estate.

The executor of an estate has the responsibility to act as a fiduciary and to protect and administer the estate assets in the best interests of the estate beneficiaries. My conclusion, after reviewing the estate financial transactions is that John Denison has not administered the estate in a fiduciary capacity. He has used estate funds for personal benefit. There was no indication that he acknowledged another beneficiary existed other than himself.

It is my opinion that the other beneficiary, the Bob Marshall Denison Trust, has suffered great financial harm due to the irresponsible estate administration.

A proper accounting is needed and restitution of all improper expenditures on behalf of John Denison and his family should be made.

I would be pleased to provide any further information you wish.

Sincerely,

A handwritten signature in black ink, reading "Paul Hist", is displayed on a yellow rectangular background.

Paul Hist, CPA



1 A. Yes, yes.

2 Q. Then on 6/26 of '99, \$2,075 reimbursement/ranch?

3 A. Correct, that was probably a mileage reimbursement.

4 Q. From years past?

5 A. From -- yeah, from the past.

6 Q. But we don't know that from the check?

7 A. It's not indicated right there.

8 Q. And you don't have a receipt?

9 A. And that's my fault for not indicating it right  
10 there.

11 Q. And you don't have a receipt?

12 A. And that amount would be mileage, I'm sure.

13 Q. And you don't have a receipt?

14 A. Not for that, no.

15 Q. Well, you don't have any receipts, do you?

16 A. No, I don't have the receipts.

17 Q. And that's part of the problem here.

18 A. And -- but I do have my mileage documented.

19 Q. There is not a single receipt that has ever been  
20 produced, despite our numerous requests for receipts, to see  
21 what corresponds to these checks for reimbursements. Is that  
22 right?

23 A. Right. My checks are my receipts, sir.

24 Q. Or paybacks. That is another phrase that you use,  
25 isn't it?