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November 26, 2013

Mr. Bryan F. Russ, Jr.
Palmos, Russ, McCullough & Russ, PLLC
306 Cedar Street
Hearne, Texas 77859

Via facsimile
(979) 279-3712

Re: *Calvert Historical Foundation v. John C. Paschall*,
Cause No. 11-09-18,927-CV (82nd District Court)

Dear Mr. Russ:

I write concerning the discovery responses and accounting that you mailed on behalf of John Paschall on November 20, 2013. Many of the answers were incomplete or unresponsive. According to the accounting, for example, the estate has \$86,518.07 in cash on hand. According to Mr. Paschall's response to the first request for production, however, the estate has no bank accounts. That raises an obvious question: where is the money? Did Mr. Paschall co-mingle the funds in his personal bank account or bury the money in his back yard?

Request No. 2 of the first RFP specifically demanded "documents for any account into which trust or estate proceeds were deposited, regardless of the name on the account." Thus if Mr. Paschall deposited estate funds into his IOLTA account, his personal checking account, or any other account, he is obligated to produce all records related to those deposits. Further incomplete responses include the following:

1. Mr. Paschall produced no records documenting the debts identified in the accounting, nor did he produce any documents (*e.g.*, receipts and cancelled checks) proving that he paid them. Requests No. 1 and 3 of the first RFP obligated him to produce these records. Request No. 3, for example, obligated him to produce "documents reflecting payments to [his] attorneys or any other person or entity," yet he produced no documents regarding the \$16,522.00 paid to your firm.
2. Request No. 1 of the second RFP obligated Mr. Paschall to produce "all income tax returns" from the time that he assumed control over Ms. Oscar's affairs until the present, yet he responded that "[t]here are no tax returns." I find it impossible to believe that Mr. Paschall has not filed any income tax returns between 1992

and the present. If he was depositing the estate's money into his personal bank accounts, he was obligated to report that as income, and my client is entitled to see his tax returns.

3. If estate funds were deposited into any bank account at any time, Interrogatory No. 2 of the first set obligated Mr. Paschall to provide certain information. I find it impossible to believe that so much money has moved around over a nine-year period without touching a bank account, thus Mr. Paschall's answer appears to be unresponsive. And even if there "are" no bank accounts at present, that fails to address bank accounts that previously existed. Did Ms. Oscar die without any bank accounts?
4. In his response to Interrogatory No. 5 of the first set, Mr. Paschall wrote that "[t]he purpose of the [\$38,000] loan from G.H. Ingram was to pay for nursing home care and medicines for Ms. Oscar." According to the accounting, however, Mr. Paschall paid \$1,767.96 to Pruett Medical Supply, \$2,900.00 to Calvert Nursing Home, and \$2,927.31. That leaves \$30,404.73 unaccounted for. Request No. 1 of the second set obligated Mr. Paschall to produce all records relied upon in answering the interrogatories. In addition to records documenting the nursing home and medical payments, Mr. Paschall needs to provide records documenting the expenditure of the remaining \$30,404.73, and he needs to explain the *full* purpose of the loan.
5. Mr. Paschall's answer to Interrogatory No. 1 of the third set is unresponsive. He failed to explain, for example, "the method of selecting a buyer, and the method for determining a price" for each item of real estate. Moreover, Requests No. 1 and 2 of the second set (as well as Request No. 1 of the first set) obligated Mr. Paschall to produce all records related to Mr. Hoegemeyer's involvement in selling real estate.

As you know, the Court ordered Mr. Paschall to respond to the Plaintiff's discovery requests by September 16, 2013, but Mr. Paschall defied that order for two months. In fact, Mr. Paschall is still defying to Court's order insofar as his answers are evasive and incomplete. Please let me know not later than noon on December 3, 2013 whether Mr. Paschall intends to comply with the discovery requests and the Court's order. If I do not receive complete responses by December 9, 2013, I intend to cite Mr. Paschall for contempt.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ty Clevenger', with a long horizontal flourish extending to the right.

Ty Clevenger