

RECEIVED APR 14 2009

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IN THE CIRCUIT COURT OF FAIRFAX COUNTY, VIRGINIA

In Re: Estate of Bruce Holcombe Butterworth,  
Deceased  
Fiduciary Number FI-2006-000542

Commissioner's Report  
of Debts and Demands

To the Honorable Judges of the Circuit Court of Fairfax County, Virginia:

At the request of Wayne T. Kosmerl, counsel for the above estate, the undersigned gave the notice required under Virginia Code § 64.1-171, setting the 17<sup>th</sup> day of March, 2008, at 2:00 p.m. at the office of your commissioner in Fairfax, Virginia, as the time and place for receiving proof of debts and demands against the estate of Bruce Holcombe Butterworth. At the said time and place, the said Wayne T. Kosmerl along with Maxine Chew, his legal assistant, Howard Birmiel, counsel for Butterworth Management, and Hollis Butterworth, the executor for the decedent, appeared on behalf of the estate. James Murray appeared on behalf of the Washington Savings Bank in order to substantiate the bank's claim against the estate. Frances Scherl appeared, along with her counsel, Elizabeth C. Morrogh; and also Moire Scherl appeared to offer proof of their respective claims against the estate. No other person appeared to offer proof of any debts or demands against said estate.

Several creditors filed claims against the estate with the commissioner of accounts in the following amounts:

Capital One	\$	3,705.77
MBNA # 0450	\$	2,497.89
MBNA # 0450	\$	2,497.89
Mina B. Frantz, Julie Butterworth and Frances Scherl	\$	50,000.00
Moire A. Scherl and Raymond P. Scherl	\$	169,805.00
Raymond P. Scherl	\$	350,000.00
Washington Savings Bank	\$	2,835,866.26

*John T. Frey*



Your commissioner gave notice to the estate and to each claimant of the hearing, a copy of which is attached hereto as Exhibit 1.

The estate does not dispute the claim of MBNA or the claim of Capital One; however, the estate represents that the two claims filed with your commissioner by MBNA are duplicates of the same claim and that the estate has satisfied the claim by MBNA. Your commissioner has examined the account numbers and amounts of such claims and is satisfied that the claim by MBNA filed with your commissioner on June 5, 2006 in the amount of \$2,497.89 is in fact identical to the claim by MBNA filed on November 30, 2006. Furthermore, your commissioner received notice on April 13, 2007 from MBNA that their claim filed on November 30, 2006 has been satisfied and released. Your commissioner is of the opinion that the two claims by MBNA are duplicates of the same satisfied claim and that the duplicate claim should be denied in its entirety. The claim by Capital One is allowed in its entirety in the amount shown. The estate disputes all other claims filed with your commissioner and provided each such claimant with notice of the hearing, a copy of which is attached hereto as Exhibit 2.

*Claim of Mina B. Frantz, Julie Butterworth & Frances Scherl*

The claim by Mina B. Frantz, Julie Butterworth and Frances Scherl arises out of a Decree for Divorce ordered between Frances Scherl and the decedent in the Circuit Court of Anne Arundel County, Maryland on April 6, 2001, in the matter styled *Butterworth v. Butterworth*, Case No. C-2001-68829-DV. The Decree for Divorce incorporates the Voluntary Separation and Property Settlement Agreement entered into between Ms. Scherl and the decedent on January 2, 2001. Paragraph 2.06 of said agreement provides: “[u]ntil Julie is 21, Husband (the decedent) shall maintain his existing life insurance policy with minimum death benefits of \$50,000.00 naming the parties’ daughters, Mina and Julie, as the sole beneficiaries and shall provide Wife (Ms. Frances Scherl) with proof that he has done so upon reasonable request.” Julie Butterworth reached the age of 21 on August 25, 2006, five months after the decedent’s death. The estate has no knowledge of and presented no evidence of any existing life insurance policy which benefits Mina or Julie.

The estate disputes the claim, asserting that the decedent provided for his daughters through alternative means. The estate represents that the decedent left Julie with at least \$50,000.00 of equity in a home he sold to

Julie, as well as leaving both his daughters an interest in an irrevocable trust which holds real estate and also providing them with an interest in a residuary trust created through the decedent's last will and testament. The estate believes that the decedent has provided for his daughters well beyond the value mandated by Paragraph 2.06 of the Property Settlement Agreement and contends that the decedent's obligation as per the Property Settlement Agreement has been satisfied through alternative financial arrangements.

In *Lebovitz v. Campbell*, the decedent entered into a property settlement agreement requiring him to maintain a Metropolitan Life Insurance policy for his minor child, "then owned by decedent," until the child reached the age of 21. 216 A.D.2d 768, 628 N.Y.S.2d 839 (1995). The decedent allowed the Metropolitan Life Insurance policy to lapse but the estate argued that the decedent maintained "substitute insurance policies" substantially fulfilling the obligations set forth in the property settlement agreement as the child was a benefactor of a group life insurance, of a stock distribution and of an investment plan provided by the decedent's employer. The lower court found that these other arrangements actually predated the property settlement agreement and thus reasoned that they could not be considered a substitution or a replacement for the Metropolitan Life Insurance policy. The appellate court affirmed. *Id.* at 769, 628 N.Y.S.2d 839, 840.

When presented with a scenario analogous to the case at hand, the court in *Principal Mutual Life Ins. Co. v. Karney* construed that the property settlement agreement referred to a contemporaneous life insurance trust and not to an irrevocable trust created 10 years after the divorce. 5 F.Supp.2d 720 (E.D. Mo., 1998). The estate contended that since an irrevocable Children's Trust was the only instrument in existence at the decedent's death which benefitted his daughters, that he must have created said trust to satisfy his obligations under the settlement agreement. However, the Court was "not willing to leap to such a legal conclusion." *Id.* at 730. The trust did not refer to the settlement agreement or the divorce decree, it was not funded by insurance policies and it did not purport to supply the minimum monetary amount referred to in the settlement agreement. The Court found that the decedent's creation of the Children's Trust "was an independent undertaking" to provide additional financial support for his daughters and did not fulfill the obligations explicitly set forth in the Property Settlement Agreement. *Id.*

In the instant case, the decedent contracted with Ms. Scherl to sustain a life insurance policy of at least \$50,000.00 for the benefit of their children until such time as Julie reaches the age of 21. It is moot that the decedent gave his children gifts during his life, that his children may receive substantial amounts from the estate or that they are beneficiaries of trusts created by the decedent. No evidence has been presented to your commissioner which shows that the decedent intended to replace the mandated insurance policy or that he contemplated fulfilling the terms of the Property Settlement Agreement through alternative arrangements. Your commissioner will not speculate as to the decedent's intention when he provided gifts to his children. As in *Karney*, the decedent's Property Settlement Agreement specifically referred to a contemporary life insurance policy. Your commissioner finds that the decedent failed to maintain the life insurance policy for the benefit of his daughters in contravention of his contractual obligation.

In Virginia, marital property settlements are considered contracts and thus afforded their plain meaning when terms are unambiguous. *Pysell v. Keck*, 263 Va. 457, 559 S.E.2d 677 (2002); *Southerland v. Southerland*, 249 Va. 584, 457 SE.2d 375 (1995). The estate does not dispute the meaning of paragraph 2.06 within the Property Settlement Agreement and your commissioner finds the clause clear and unambiguous and that it should be given its plain meaning. The Supreme Court of Virginia found a decedent in contractual breach of his obligations, as per a property settlement and support agreement, when he cancelled an insurance policy which he agreed to maintain for his children. *Jones v. Harrison*, 250 Va. 64, 458 S.E.2d 766 (1995); See also *Rogers v. Rogers*, 63 N.Y.2d 582, 473 N.E.2d 226 (1984). In your commissioner's opinion, the decedent is in breach of his obligation to maintain life insurance for the benefit of his daughters as set forth in the Property Settlement Agreement and incorporated per the Decree for Divorce. The claim by Mina B. Frantz, Julie Butterworth & Frances Scherl should be allowed in the amount of \$50,000.00

*Attorney fees for failing to comply*

Mina B. Frantz, Julie Butterworth & Frances Scherl further allege that the Property Settlement Agreement requires the estate to pay their attorney fees which were incurred furthering their claim against the estate. The pertinent part of paragraph 7.01 of the Property Settlement Agreement provides: "[i]f either party shall fail to comply with the provisions of this

Agreement and it becomes necessary for the other party to enlist the services of an attorney at law and/or a court of law or equity to enforce compliance, then the party who erroneously or wrongfully failed or refused to comply shall pay all reasonable attorney's fees and court costs incurred by the other party in seeking enforcement of this Agreement." As set forth in this report, your commissioner finds that the decedent is in breach of the Property Settlement Agreement, specifically, his obligation to maintain a \$50,000.00 life insurance policy for the benefit of his children. Pursuant to Paragraph 7.01 of said agreement, your commissioner is of the opinion that the decedent, and accordingly his estate, is required to reimburse the claimants for their attorney fees.

The claimants submitted a billing ledger demonstrating that their attorney, Elizabeth Chichester Morrogh, incurred \$1,976.00 in fees pursuing their claim against the decedent's estate. Your commissioner finds that this amount is reasonable and that the claim for attorney fees should be allowed in said amount.

*Claim by Raymond P. Scherl*

Mr. Scherl filed a claim with your commissioner in the amount of \$350,000.00 "for assets from Partnership Business Ventures which were never distributed from Bruce H. Butterworth." As proof of the claim, Mr. Scherl submitted a Proof of Claim filed with the United States Bankruptcy Court, District of Maryland on May 11, 1995. However, Mr. Scherl withdrew this claim, through letter received by your commissioner on March 11, 2008, after verifying that the debt had been discharged by the United States Bankruptcy Court.

*Claim of Moire A. Scherl and Raymond P. Scherl*

The claim filed by Moire A. Scherl and Raymond P. Scherl in the amount of \$169,805.00 arises from an Indemnity Mortgage, executed on July 10, 1992, wherein Thompson Creek Town Homes, Inc. and B & S, Inc. borrowed said amount from David A. Bramble, Inc. As a condition of qualifying for the loan, the decedent along with Moire A. Scherl and Raymond P. Scherl personally guaranteed the obligation. The businesses failed to repay the loan and this claim is for contribution from the estate to share the burden of the debt guaranteed to David A. Bramble, Inc. The decedent filed for bankruptcy in the United States Bankruptcy Court, District

of Maryland on December 9, 1994, and the decedent received a Chapter 7 discharge under Section 727 of Title 11, entered by the Court on November 12, 1998.

Raymond Scherl withdrew his other claim against the estate upon learning and verifying the decedent's discharge of debt. However, Moire A. Scherl and Raymond P. Scherl contend that the said indemnity deed was not scheduled when decedent filed for bankruptcy, and therefore has not been discharged. The estate argues that the discharge order released the decedent from any and all prior debts, whether or not the particular debt was presented to the bankruptcy court. Upon review, your commissioner agrees with the estate's position.

Whether a debt is scheduled or not, 11 U.S.C § 727(b)<sup>1</sup> releases a debtor from all debt in existence before the date of discharge. *Horizon Aviation of Virginia, Inc. v. Alexander*, 296 B.R. 380 (E.D. Va. 2003); *Madaj v. Madaj*, 149 F.3d 467 (C.A.6. Mich. 1998). The only exceptions to a pre-existing debt being discharged are purely statutory and set forth in 11 U.S.C. § 523. *Id.* at 382; 149 F.3d 467, 470. 11 U.S.C. § 523 deems a debt not automatically discharged if the creditor had no notice of the bankruptcy proceeding and 1) the debt was procured fraudulently or maliciously;<sup>2</sup> or 2) the omitted creditor has been deprived of his opportunity to file a proof of claim and share in the distribution of the bankrupt estate.<sup>3</sup> *Id.* If there are no assets to be distributed, and a creditor is not prejudiced by the failure to schedule his debt, there is no reason to stay a discharge. *See generally*, AM. JUR. 2d *Bankruptcy* § 3624. In *Madaj*, the Court affirmed the bankruptcy court's refusal to reopen petitioner's bankruptcy case to schedule an omitted debt because it was already discharged in bankruptcy under 11 U.S.C § 727(b). 149 F.3d 467. Similarly, the *Horizon* Court felt that reopening a bankruptcy case to list an omitted debt would be futile unless it was a

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<sup>1</sup> "Except as provided in Section 523 of this title, a discharge under subsection (a) of this section discharges the debtor from all debts that arose before the date of the order for relief under this chapter..." 11 U.S.C. 727.

<sup>2</sup> 11 U.S.C. § 523 (a)(3)(B) excepts a discharge of debts within the classes listed within § 523 (a)(2), (4), (6) which list debts that arise from fraud, misrepresentation, willful and malicious injury and similar debts that a bankruptcy court may deem not dischargeable. This statute is concerned with creditors possessing such claims and being denied the opportunity to be heard and contest the discharge of the debt. *In re Harmon*, 213 B.R. 805, 807-08 (Md. 1997).

<sup>3</sup> 11 U.S.C. 523 (a)(3)(A) excepts a discharge when the creditor had no notice of a bankruptcy proceeding and was prejudiced by not receiving a share during distribution of the bankrupt estate. In a no-asset case there are no assets to be distributed to unsecured creditors and thus little risk of a creditor being prejudiced as a result of his unscheduled debt.

specific type of debt listed under 11 U.S.C. § 523. 296 B.R. 380.

There has been no allegation that the indemnity mortgage was procured by fraud or misrepresentation on the part of the decedent. Additionally, the decedent's bankruptcy case may be considered a no-asset case. In other words, there were no assets of the bankruptcy estate available to satisfy the debts owed to unsecured creditors. In a no asset case, the bankruptcy court will usually not set a deadline, or bar date, for filing proofs of claims against the debtor since there are no assets to be distributed. *Horizon Aviation*, 296 B.R. 380, 383; *Madaj*, 149 F.3d 467, 470. Even if claimant's assertion, that he did not have notice of the bankruptcy proceeding, is true, he makes no further allegation nor offers any proof that the lack of notice has left him disadvantaged. Whether or not the decedent scheduled the unsecured claim of Moire A. Scherl and Raymond P. Scherl with the bankruptcy court, the claimants are in no worse of a position since there were no assets available for distribution to unsecured creditors in the decedent's bankruptcy case. If a debt exists before a debtor's discharge and it is not a debt classified within the exceptions of § 523, it is automatically discharged when the creditor receives notice of the bankruptcy case. *Id.*

Your commissioner finds that the estate provided the claimant with notice of the bankruptcy case, as well as documentation of the Discharge of Debtor Order, by letter dated November 16, 2006. Further, Raymond Scherl filed a "proof of claim" against decedent's bankruptcy estate on or around May 11, 1995. He was aware of the decedent's bankruptcy proceeding and should have been on notice that the indemnity mortgage may be discharged by the court. Pursuant to 11 U.S.C § 727(b), your commissioner is of the opinion that the debt asserted by the claimant was discharged by order of the bankruptcy court on November 12, 1998. Therefore, the claim filed against the estate by Moire A. Scherl and Raymond P. Scherl should be denied in its entirety.

*Claim by Washington Savings Bank*

The decedent owned and operated Butterworth Management Corporation, a business which is involved in the construction and sale of new homes. Butterworth Management Corporation entered into a loan agreement with Washington Savings Bank, where Washington Savings Bank extended a line of credit to Butterworth Management Corporation for the construction and sale of four homes. The loans were secured by the real

estate and the decedent executed guaranty agreements in which he became personally obligated on the debts incurred constructing the four homes. Your commissioner finds that those four homes have been completed and sold, and that the debts incurred for their construction have been paid in full. However, at the time of the decedent's death, Butterworth Management was involved in various stages of construction for several other homes. Washington Savings Bank and the executor for the estate agreed that the line of credit would be left open for up to two years subsequent to the decedent's death in order to allow the completion of these homes and to maximize the assets of the estate. The loans are secured by the homes under construction. The estate does not dispute the validity of the claim by Washington Savings Bank but the amount being claimed against the estate.

Washington Savings Bank filed its claim against the estate on December 11, 2006, in the amount of \$2,835,866.26. As the homes were completed and sold, the debt was repaid and reduced accordingly. On the date of the hearing, the claimant acknowledged that only \$1,345,776.13 remained outstanding on the line of credit, represented by four credit facilities secured by different real estate. On March 24, 2008, the claimant formally amended the claim filed with this office to reflect an outstanding debt of \$1,350,718.97, including interest thereon. By facsimile received February 26, 2009, the claimant filed another amendment, reducing the claim to \$191,515.30, indicating that two of the four facilities had been paid in full, and that substantial curtailments had been made on the remaining notes. Your commissioner finds that the estate agreed to repay the outstanding loans to Butterworth Management in order to maximize the value of the assets of the estate. Your commissioner is thus of the opinion that the claim by Washington Savings Bank is a proper debt of the estate; however, the estate should only be responsible for its payment in the event that the sale of the remaining collateral is insufficient to retire the outstanding debt.

#### *407 Mallard Drive Deficiency*

The estate is aware of one other potential claim. That claim arises from the financing of a house located at 407 Mallard Drive, Greensboro, Maryland, sold from the decedent's real estate development company to his daughter, Julie Butterworth Lee. From the settlement statement and the report of the foreclosure auditor, it appears that the decedent acted as a co-signer with his daughter when she obtained financing upon the property. After the decedent's death, the lender foreclosed. The Caroline County,



Maryland foreclosure auditor reported a deficiency in the amount of \$11,601.05 in connection with such sale. To the extent that the lender asserts a claim against the estate for such deficiency, the deficiency would constitute a debt of the decedent to the extent that he was a co-borrower on such debt.

*Butterworth Management Attorney Fees*

The estate reported to your commissioner that the estate incurred attorney fees in winding down the operations of Butterworth Management. Your commissioner finds that the estate's assets consist of little more than the decedent's business assets. Thus, it appears reasonable to your commissioner that the estate would incur substantial attorney fees in protecting and winding down Butterworth Management to maximize the assets to the estate. The estate estimated that such fees total \$200,000.00, to be divided equally between the estate and the business entity. Your commissioner is of the opinion that such attorney fees were a reasonable and necessary expense of administration. Your commissioner will approve an account which shows one-half of the legal fees incurred in the wind-down of the decedent's business as an administrative expense of the estate.

Your commissioner makes no finding as to the priority of the debts in the distribution of the estate based upon your commissioner's assumption that the estate is solvent, in light of the reduction in the claim of the Washington Savings Bank by \$2,644,350.96. If there have been adjustments to estate assets subsequent to the hearing or if additional claims have been received that render the estate insolvent, upon request, your commissioner hold additional hearings as required and will issue a supplemental report setting forth the priority of debts in the distribution of the estate.

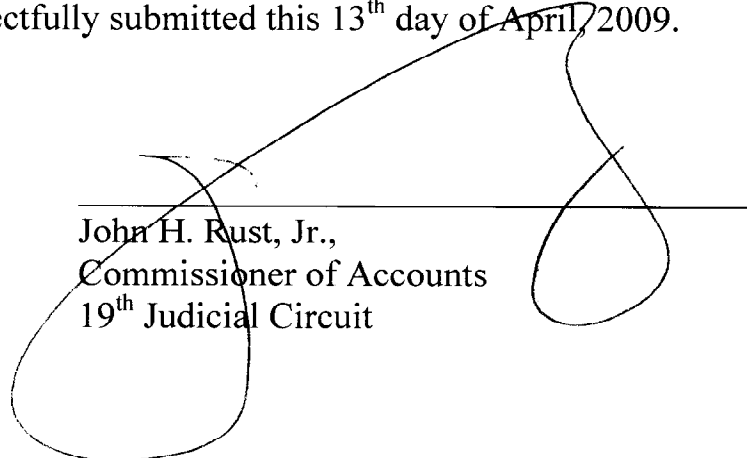
Respectfully submitted this 13<sup>th</sup> day of April, 2009.

I, JOHN T. FREY, Clerk of the Circuit Court of Fairfax County, Virginia, do hereby certify that the foregoing Account or Report has been filed in my office for more than fifteen days, and that no exceptions have been filed thereto, and the same is now recorded pursuant to the provisions of §§26-33 and 26-35 of the Code of Virginia, as amended.

Teste: JOHN T. FREY, Clerk

9-17-09  
Date

BY:   
Deputy Clerk

  
\_\_\_\_\_  
John H. Rust, Jr.,  
Commissioner of Accounts  
19<sup>th</sup> Judicial Circuit

Commissioner's Fee for this Report	750.00	
<u>Publication costs</u>	<u>10.00</u>	
Total Amount Due	760.00	- UNPAID

cc: Hollis Butterworth, Executor  
Howard Birmiel, Esquire  
Wayne T. Kosmerl, Esquire  
Capital One  
Frances Scherl  
James Murray  
Julie Butterworth  
MBNA  
Mina B. Frantz  
Moire A. Scherl  
Raymond P. Scherl  
Washington Savings Bank



John H. Rust, Jr.  
Commissioner of Accounts

COMMONWEALTH OF VIRGINIA  
CIRCUIT COURT OF FAIRFAX COUNTY  
OFFICE OF THE COMMISSIONER OF ACCOUNTS  
THE FAIRFAX BUILDING  
10555 Main Street, Suite 500  
Fairfax, Virginia 22030  
703-667-4900



Joseph A. Barsanti  
Deputy Commissioner

February 15, 2008

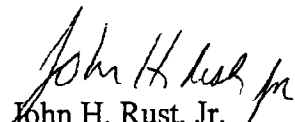
Capital One  
2323 Lake Club Drive  
Suite 300  
Columbus, OH 43232

RE: Estate of Bruce Holcombe Butterworth  
Fiduciary No. FI-2006-0000542  
Claimant: Capital One # xxxx2214

Dear Sir or Madam:

Enclosed is a notice of a debts and demands hearing in the captioned estate at which your claim will be considered. Contested claims must be proven by satisfactory evidence. Contested claims not proven by satisfactory evidence are subject to being disallowed. A purpose of the hearing is to receive such evidence as you may choose to offer in support of your claim.

Very truly yours,

  
John H. Rust, Jr.  
Commissioner of Accounts



JHRJ/tlw

Enclosure

*Exhibit 1*



John H. Rust, Jr.  
Commissioner of Accounts

COMMONWEALTH OF VIRGINIA  
CIRCUIT COURT OF FAIRFAX COUNTY  
OFFICE OF THE COMMISSIONER OF ACCOUNTS  
THE FAIRFAX BUILDING  
10555 Main Street, Suite 500  
Fairfax, Virginia 22030  
703-667-4900



Joseph A. Barsanti  
Deputy Commissioner

February 15, 2008

MBNA America  
P.O. Box 15409  
Wilmington, DE 19885-5409

RE: Estate of Bruce Holcombe Butterworth  
Fiduciary No. FI-2006-0000542  
Claimant: MBNA # xxxx0450

Dear Sir or Madam:

Enclosed is a notice of a debts and demands hearing in the captioned estate at which your claim will be considered. Contested claims must be proven by satisfactory evidence. Contested claims not proven by satisfactory evidence are subject to being disallowed. A purpose of the hearing is to receive such evidence as you may choose to offer in support of your claim.

Very truly yours,

John H. Rust, Jr.  
Commissioner of Accounts

*JHR*

JHRJ/tlw

Enclosure



John H. Rust, Jr.  
Commissioner of Accounts

COMMONWEALTH OF VIRGINIA  
CIRCUIT COURT OF FAIRFAX COUNTY  
OFFICE OF THE COMMISSIONER OF ACCOUNTS  
THE FAIRFAX BUILDING  
10555 Main Street, Suite 500  
Fairfax, Virginia 22030  
703-667-4900



Joseph A. Barsanti  
Deputy Commissioner

February 15, 2008

Elizabeth Chichester Morrogh  
Blankingship Keith PC  
4020 University Drive  
Suite 300  
Fairfax, VA 22030

RE: Estate of Bruce Holcombe Butterworth  
Fiduciary No. FI-2006-0000542  
Claimant: Mina Butterworth Franz, Julie Butterworth, Frances  
Scherl

Dear Sir or Madam:

Enclosed is a notice of a debts and demands hearing in the captioned estate at which your claim will be considered. Contested claims must be proven by satisfactory evidence. Contested claims not proven by satisfactory evidence are subject to being disallowed. A purpose of the hearing is to receive such evidence as you may choose to offer in support of your claim.

Very truly yours,

A handwritten signature in cursive script that reads "John H. Rust, Jr.".

John H. Rust, Jr.  
Commissioner of Accounts

Handwritten initials, possibly "JR" or "JH", in cursive script.

JHRJ/tlw

Enclosure



John H. Rust, Jr.  
Commissioner of Accounts

COMMONWEALTH OF VIRGINIA  
CIRCUIT COURT OF FAIRFAX COUNTY  
OFFICE OF THE COMMISSIONER OF ACCOUNTS  
THE FAIRFAX BUILDING  
10555 Main Street, Suite 500  
Fairfax, Virginia 22030  
703-667-4900



Joseph A. Barsanti  
Deputy Commissioner

February 15, 2008

Mr. & Mrs. Raymond P. Scherl  
2013 Cox Neck Road  
Chester, MD 21619

RE: Estate of Bruce Holcombe Butterworth  
Fiduciary No. FI-2006-0000542  
Claimant: Raymond Scherl \$350,000.00  
Moire and Ray Scherl \$169,805.00

Dear Sir or Madam:

Enclosed is a notice of a debts and demands hearing in the captioned estate at which your claim will be considered. Contested claims must be proven by satisfactory evidence. Contested claims not proven by satisfactory evidence are subject to being disallowed. A purpose of the hearing is to receive such evidence as you may choose to offer in support of your claim.

Very truly yours,

John H. Rust, Jr.  
Commissioner of Accounts

*By JV*

JHRJ/tlw

Enclosure



John H. Rust, Jr.  
Commissioner of Accounts

COMMONWEALTH OF VIRGINIA  
CIRCUIT COURT OF FAIRFAX COUNTY  
OFFICE OF THE COMMISSIONER OF ACCOUNTS  
THE FAIRFAX BUILDING  
10555 Main Street, Suite 500  
Fairfax, Virginia 22030  
703-667-4900



Joseph A. Barsanti  
Deputy Commissioner

February 15, 2008

David S. Musgrave  
Ober, Kaler, Grimes & Shriver  
120 East Baltimore Street  
Baltimore, MD 21202-1643

RE: Estate of Bruce Holcombe Butterworth  
Fiduciary No. FI-2006-0000542  
Claimant: Washington Savings Bank

Dear Sir or Madam:

Enclosed is a notice of a debts and demands hearing in the captioned estate at which your claim will be considered. Contested claims must be proven by satisfactory evidence. Contested claims not proven by satisfactory evidence are subject to being disallowed. A purpose of the hearing is to receive such evidence as you may choose to offer in support of your claim.

Very truly yours,

John H. Rust, Jr.  
Commissioner of Accounts

*JHR*

JHRJ/tlw

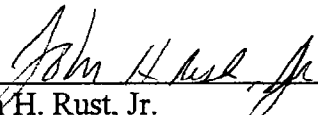
Enclosure

IN THE OFFICE OF THE COMMISSIONER OF ACCOUNTS  
CIRCUIT COURT OF FAIRFAX COUNTY, VIRGINIA

**IN RE: Estate of Bruce Holcombe Butterworth** )  
**Deceased** ) **NOTICE**  
**Fiduciary No. FI-2006-0000542** )

Pursuant to the provisions of §64.1-171 of the Code of Virginia, 1950, as amended, notice is hereby given that the undersigned Commissioner of Accounts has appointed the 17th day of March, 2008, at 2:00 P.M., at his office at 10555 Main Street, Suite #500, Fairfax, Virginia, as the time and place for receiving proof of debts and demands against the estate of Bruce Holcombe Butterworth, at the request of Hollis S. Butterworth, Executor of said estate.

Given under my hand as Commissioner of Accounts this 13th day of February,  
2008.

  
\_\_\_\_\_  
John H. Rust, Jr.  
Commissioner of Accounts for  
Fairfax County, Virginia

*JH Rust*

JHRJ:tlw



Estate of Bruce H. Butterworth  
P. O. Box 9  
Annapolis Maryland 21404-0009

February 26, 2008

**Certified Return Receipt Requested**

Frances Scherl  
23 St. Andrews Road  
Arden NC 28704

RE: Proof of Debts and Demands against the  
Estate of Bruce Holcombe Butterworth  
Fiduciary No. FI-2006-0000542  
Claim of \$50,000.00

Dear Ms. Scherl:

Enclosed please find the publication of notice by the Commissioner of Accounts, Circuit Court of Fairfax County, Virginia in the Estate of Bruce Holcombe Butterworth for a hearing on the debts and demans against the estate scheduled for March 17, 2008 at 2:00 p.m. at the office of Commissioner of Accounts, 10555 Main Street, Suite 500, Fairfax, Virginia.

Please be advised of the following:

1. You have the right to attend and present your case;
2. You have the right to obtain another date for the hearing if the Commissioner of Accounts finds the initial date inappropriate.
3. You will be bound by any adverse ruling.
4. You have the right to file exceptions with the Judge in the event of an adverse ruling.

Yours truly,



Hollis S. Butterworth  
Personal Representative

Exhibit 2

Estate of Bruce H. Butterworth  
P. O. Box 9  
Annapolis Maryland 21404-0009

February 26, 2008

**Certified, Return Receipt Requested**

Mina Butterworth Frantz  
6205 Carter Avenue  
Baltimore MD 21234

RE: Proof of Debts and Demands against the  
Estate of Bruce Holcombe Butterworth  
Fiduciary No. FI-2006-0000542  
Claim of \$50,000.00

Dear Ms. Frantz:

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Yours truly,



Hollis S. Butterworth  
Personal Representative

Estate of Bruce H. Butterworth  
P. O. Box 9  
Annapolis Maryland 21404-0009

February 26, 2008

**Certified Return Receipt Requested**

Moire A. Scherl  
Raymond P. Scherl  
2013 Cox Neck Road  
Chester MD 21619

RE: Proof of Debts and Demands against the  
Estate of Bruce Holcombe Butterworth  
Fiduciary No. FI-2006-0000542  
Claim of \$169,805.00 and \$350,000.00

Dear Mr. and Mrs. Scherl:

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1. You have the right to attend and present your case;
2. You have the right to obtain another date for the hearing if the Commissioner of Accounts finds the initial date inappropriate.
3. You will be bound by any adverse ruling.
4. You have the right to file exceptions with the Judge in the event of an adverse ruling.

Yours truly,



Hollis S. Butterworth  
Personal Representative

Estate of Bruce H. Butterworth  
P. O. Box 9  
Annapolis Maryland 21404-0009

February 26, 2008

**Certified Return Receipt Requested**

Julie Butterworth Lee  
1142 Poole Place  
Concord NC 28027

RE: Proof of Debts and Demands against the  
Estate of Bruce Holcombe Butterworth  
Fiduciary No. FI-2006-0000542  
Claim of \$50,000.00

Dear Ms. Lee:

Enclosed please find the publication of notice by the Commissioner of Accounts, Circuit Court of Fairfax County, Virginia in the Estate of Bruce Holcombe Butterworth for a hearing on the debts and demans against the estate scheduled for March 17, 2008 at 2:00 p.m. at the office of Commissioner of Accounts, 10555 Main Street, Suite 500, Fairfax, Virginia.

Please be advised of the following:

1. You have the right to attend and present your case;
2. You have the right to obtain another date for the hearing if the Commissioner of Accounts finds the initial date inappropriate.
3. You will be bound by any adverse ruling.
4. You have the right to file exceptions with the Judge in the event of an adverse ruling.

Yours truly,



Hollis S. Butterworth  
Personal Representative

Estate of Bruce H. Butterworth  
P. O. Box 9  
Annapolis Maryland 21404-0009

February 26, 2008

**Certified Return Receipt Requested**

MBNA America  
Attn: Diana S. Lee  
P. O. Box 15409  
Wilmington DE 19885-5409

RE: Proof of Debts and Demands against the  
Estate of Bruce Holcombe Butterworth  
Fiduciary No. FI-2006-0000542  
Claim of \$2,497.89: Account 5329037277220450

Dear Sir/Madame:

Enclosed please find the publication of notice by the Commissioner of Accounts, Circuit Court of Fairfax County, Virginia in the Estate of Bruce Holcombe Butterworth for a hearing on the debts and demans against the estate scheduled for March 17, 2008 at 2:00 p.m. at the office of Commissioner of Accounts, 10555 Main Street, Suite 500, Fairfax, Virglnia.

Please be advised of the following:

1. You have the right to attend and present your case;
2. You have the right to obtain another date for the hearing if the Commissioner of Accounts finds the initial date inappropriate.
3. You will be bound by any adverse ruling.
4. You have the right to file exceptions with the Judge in the event of an adverse ruling.

Yours truly,



Hollis S. Butterworth  
Personal Representative

Estate of Bruce H. Butterworth  
P. O. Box 9  
Annapolis Maryland 21404-0009

February 27, 2008

Certified, Return Receipt Requested  
The Washington Savings Bank  
Attn: Commercial Loans & Estate  
Claims  
4201 Mitchellville Road  
Suite 503  
Bowie MD 20716

RE: Proof of Debts and Demands against the  
Estate of Bruce Holcombe Butterworth  
Fiduciary No. FI-2006-0000542  
Claim of \$2,835,886.26

Dear Sir/Madame:

Enclosed please find the publication of notice by the Commissioner of Accounts, Circuit Court of Fairfax County, Virginia in the Estate of Bruce Holcombe Butterworth for a hearing on the debts and demans against the estate scheduled for March 17, 2008 at 2:00 p.m. at the office of Commissioner of Accounts, 10555 Main Street, Suite 500, Fairfax, Virginia.

Please be advised of the following:

1. You have the right to attend and present your case;
2. You have the right to obtain another date for the hearing if the Commissioner of Accounts finds the initial date inappropriate.
3. You will be bound by any adverse ruling.
4. You have the right to file exceptions with the Judge in the event of an adverse ruling.

The Washington Savings Bank has filed a claim in the Estate of Bruce Holcombe Butterworth for \$2,835,886.26. Currently the outstanding principal balances on all outstanding loans total \$1,346,190.02, but The Washington Savings Bank has not revised its claim. We will request the Court to reduce the claim.

Yours truly,



Hollis S. Butterworth  
Personal Representative