

Members of the Judiciary Committee,

To take advantage of grieving families, the elderly, vulnerable adults, and children that have just lost their parents or a family member is an unconscionable act of betrayal by the fiduciaries that have been appointed as public administrators. I think this unscrupulous Asset Recovery practice is abhorrent overall- any of the good things are balanced against the shysters who scam excessive fees from the estate. It is a loophole under the priority, where public administrators (hereinafter PA's) would open an estate in 42 days where there are no heirs, but only PA's/creditors can open an estate if the heirs have not.

How can an asset recovery system work with a PA (public administrator) where the PA actually delegates some of the PR (personal representative) duties to them and signs a contract for excessive fees. The asset recovery company charges the estate an additional 1/3 of the estate and the attorney still charges the estate for the same work? Every time the heir objects or has a claim, they are charged a fee. Many people have written to the PA/PR attorneys

**There is no licensing, other than as a business through LARA for the Asset Recovery people.** In most cases, clients knew their Dad or Mom or spouse, sibling, owned the house, it is not like the asset recovery company found some getaway house in the Caribbean or up north, and all they do on the unclaimed assets, is to run a name with the Michigan Dept. of Treasury escheats- lost property and US savings bonds. In the Lenheiser case- they got over \$80K!

**When the PA gets involved it forecloses for the family the ability to open a small estate or the economy of an informal practice.**

I think the PA's need to be very very careful and have some sort of standardized form that they send to each family to provide notice of intent to open an estate, and ascertain that there is no small estate, or there is a Trust, or give the family the opportunity to do it themselves.

**The PA/PR and all heirs, need to sign a full standard disclosure of any regular relationship of PA PR and their use of the regular companies used in their probate cases under the supervision of the State Public Administrator.** The PA, has the knowledge that the asset recovery company is owned by a/the realtor, and has another company that cleans out the house, owned by the realtor, and another company that manages the estate, and any relationship with a title company? Usually, the heir does not understand probate and is elderly, the child lives in another state, and the heir does not do this with the frequency that the PA PR does.

**A standardized Notice of Intent to File to Open an Estate to the heirs a minimum of 21 days, is something that needs to be done before this estate is filed with the probate court.** It would give time to the heirs to respond that the estate was taken care of as a small estate, and not require a formal estate.

All notices should be on a Standardized Form and sent by **CERTIFIED** mail to all heirs, to the actual address of any real property involved, and posted on the house as well.

**All estates (both testate and intestate) using an Asset Recovery Company if the practice is still allowed, would be subject to the formal SUPERVISED oversight process of a judge's approval of the contract and all payments for services.** See Exhibit 1 from Wayne County Probate Court Judge Freddie Burton. Currently there are no laws against anyone opening an asset recovery company or bond required of the asset recovery company.

All ethical rules under the Michigan Rules of Professional Conduct govern for the PA, (and any agents hired by PA), and PA's acting as PR or any other attorneys should be cleared with the Attorney Grievance Commission as there is a potential for conflicts with the constraints of PR regarding duty of loyalty, fee sharing, excessive fees, etc.

I would like to see the current legislation incorporate those important changes. Thank you for your attention to these critical matters.

Respectfully Submitted,

Karen M. Woodside  
39111 Six Mile Road, Ste. 151  
Livonia, MI 48154

STATE OF MICHIGAN PROBATE COURT COUNTY OF	NOTICE OF INTENT TO REQUEST INFORMAL APPOINTMENT OF PERSONAL REPRESENTATIVE	FILE NO.
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Estate of \_\_\_\_\_

*formal*

I, \_\_\_\_\_, intend to request my ~~informal~~ appointment as personal representative of the estate. A copy of the application is attached. This notice is being served upon each person whose right to an appointment is prior or equal to my own. The court will not act upon my application until 14 days after the date this notice was mailed or until 7 days after this notice was personally served.

The actions you may take include:

- Upon paying a filing fee, filing a petition for formal proceedings to appoint a personal representative.
- Upon paying a filing fee, filing an application for informal appointment of yourself as personal representative provided you have a higher priority to be appointed.
- Contacting an attorney for assistance in representing you in any proceeding you wish to file in the court.

The court will not be able to provide you with any legal advice in completing or filing the forms.

_____		Date	
Attorney name	Bar no.	Applicant signature	_____
Address	_____	Address	_____
City, state, zip	Telephone no.	City, state, zip	Telephone no.

**NOTICE TO APPLICANT:** You must attach this notice and a proof of service to the application for informal appointment when you file it with the court. If you are unable to serve an interested person because the address or whereabouts of that interested person is unknown, you must publish notice by using form PC 563a.

Do not write below this line - For court use only

FREDDIE G. BURTON, JR.  
JUNE E. BLACKWELL-HATCHER  
JUDY A. HARTSFIELD  
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LISA M. NELSON  
DAVID BRAXTON  
LAWRENCE J. PAOLUCCI  
JUDGES OF PROBATE



FREDDIE G. BURTON, JR.  
CHIEF JUDGE OF PROBATE

APRIL K. MAYCOCK  
PROBATE REGISTER

JEANNE S. TAKENAGA  
PROBATE REGISTER EMERITUS  
Served 1990-2011

March 1, 2016

Joseph M. Xuereb, Esq.  
7752 Canton Center Rd., Suite 110  
Canton, Mich. 48187

Re: Probate Asset Recovery --  
Fee Calculation in Wayne County Probate Court

Dear Atty. Xuereb:

The Wayne County Probate Court has been conducting a review of its cases involving Probate Asset Recovery and Ralph Roberts Realty in conjunction with estates you have commenced in your capacity as a Wayne County Public Administrator involving situations where real estate has gone through a foreclosure sale and is in the redemption period. In these scenarios, under the auspices of your position as public administrator, a petition for approval of sale of real estate is filed for which Ralph Roberts Realty is to receive a commission - typically 6% of the sales price. In addition, Probate Asset Recovery, an entity also owned by Ralph Roberts, receives an asset recovery fee of 1/3 of the sales amount, pursuant to a petition filed by you as personal representative.

The Judges of the Wayne County Probate Court have concerns regarding the finder's fee paid to Probate Asset Recovery. The nature and value of the benefit provided to the estate in these situations is unclear and cannot be readily determined based on the format and information that has been provided in the petitions for payment of the asset recovery fee filed to date.

Pursuant to this review I have recommended to the entire Bench the business model used to date -- a fee of 1/3 of the sales price -- will no longer be authorized by the Wayne County Probate Court. Instead, compensation will be based on a summary of the specific services provided by Probate Asset Recovery (or any other entity furnishing these services) to each estate. The amount approved will be based on the time spent, an itemization of the services rendered, and a proposed hourly rate. As with fees for a personal representative and attorney for an estate, the Court will be the ultimate arbiter of the value of the services, and the burden to support these fees shall rest with the fiduciary.

Sincerely,

Hon. Freddie G. Burton, Jr.  
Chief Judge

RGB/co

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