

20200212000058010
02/12/2020 09:16:59 AM
CORDEED 1/13



20200122000028020 1/2 \$197.50
Shelby Cnty Judge of Probate, AL
01/22/2020 08:39:46 AM FILED/CERT

This instrument prepared by:
Maurine C. Evans
The Evans Law Firm, P.C.
1736 Oxmoor Road, Suite 101
Birmingham, Alabama 35209

Send Tax Notice To:

Michael Todd Scoggins
931 West 42nd Street
Anniston, AL 36206

WARRANTY DEED

STATE OF ALABAMA)
SHELBY COUNTY)

This deed is being re-recorded to include
the attached order.

KNOW ALL MEN BY THESE PRESENTS

That in consideration of \$10.00 Dollars (\$10.00), and other good and valuable consideration, to the undersigned grantor, in hand paid by the grantee herein, the receipt whereof is acknowledged, Stephen Bailey, Trustee of the Michael Todd Scoggins Trust dated July 6, 2011, does grant, bargain, sell and convey unto Michael Todd Scoggins, an unmarried man, its undivided interest in the following described real estate, situated in Shelby County, Alabama, to-wit:

Lot 6, according to the amended map of Timber Park, as recorded in Map Book 13, Page 115, in the Probate Office of Shelby County, Alabama,

Subject to Easements, Restrictions, and Rights of Way of Record.

This is not the homeplace of the grantor.

TO HAVE AND TO HOLD to the said grantee, his heirs and assigns forever.

This Warranty Deed is executed pursuant to and in compliance with the April 4, 2019 Order of the Circuit Court of Calhoun County, attached hereto.

And The Michael Todd Scoggins Trust does for itself and for its beneficiaries and their heirs, executors, and administrators covenant with the said Grantee, his heirs and assigns, that The Michael Todd Scoggins Trust is lawfully seized in fee simple of said premises; that it is free from all encumbrances unless otherwise noted above; that it has a good right to sell and convey the same as aforesaid; and The Michael Todd Scoggins Trust and its trustee, beneficiaries and their heirs, executors, and administrators shall warrant and defend the same to the said Grantee, his heirs and assigns forever against the lawful claims of all persons.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on this the 25th day of July, 2019.

WITNESS:

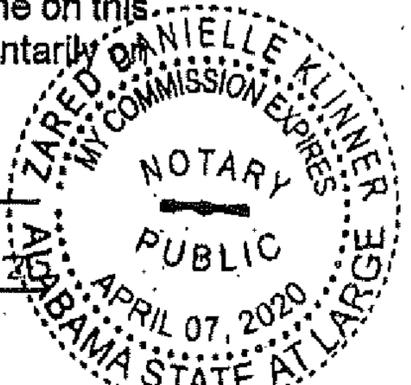
Stephen Bailey [SEAL]
Stephen Bailey, As Trustee of
The Michael Todd Scoggins Trust
dated July 6, 2011

STATE OF ALABAMA)
COUNTY OF Shelby)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Stephen Bailey, as Trustee of The Michael Todd Scoggins Trust dated July 6, 2011, whose name is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day, that, being informed of the contents of the conveyance, he executed the same voluntarily the day the same bears date.

Given under my hand and official seal this the 25 day of July, 2019.

Danielle Klinner
Notary Public
My Commission Expires: 4/7/2020



Real Estate Sales Validation Form

This Document must be filed in accordance with Code of Alabama 1975, Section 40-22-1

Grantor's Name Stephen Bailey, Trustee
Mailing Address _____

^{of}
Michael Todd Scoggins Trust

Grantee's Name Michael Todd Scoggins
Mailing Address 931 W. 42nd Street
Anniston, AL 36206

Property Address 1411 Timber Circle
Helena, AL 35080

Date of Sale 7/25/19
Total Purchase Price \$ _____

or
Actual Value \$ _____

or
Assessor's Market Value \$172,250.00



20200122000028020 2/2 \$187.50
Shelby Cnty Judge of Probate, AL
01/22/2020 08:39:46 AM FILED/CERT

The purchase price or actual value claimed on this form can be verified in the following documentary evidence: (check one) (Recordation of documentary evidence is not required)

- Bill of Sale
- Sales Contract
- Closing Statement

- Appraisal
- Other Assessor's Market Value

If the conveyance document presented for recordation contains all of the required information referenced above, the filing of this form is not required.

Instructions

Grantor's name and mailing address - provide the name of the person or persons conveying interest to property and their current mailing address.

Grantee's name and mailing address - provide the name of the person or persons to whom interest to property is being conveyed.

Property address - the physical address of the property being conveyed, if available.

Date of Sale - the date on which interest to the property was conveyed.

Total purchase price - the total amount paid for the purchase of the property, both real and personal, being conveyed by the instrument offered for record.

Actual value - if the property is not being sold, the true value of the property, both real and personal, being conveyed by the instrument offered for record. This may be evidenced by an appraisal conducted by a licensed appraiser or the assessor's current market value.

If no proof is provided and the value must be determined, the current estimate of fair market value, excluding current use valuation, of the property as determined by the local official charged with the responsibility of valuing property for property tax purposes will be used and the taxpayer will be penalized pursuant to Code of Alabama 1975 § 40-22-1 (h).

I attest, to the best of my knowledge and belief that the information contained in this document is true and accurate. I further understand that any false statements claimed on this form may result in the imposition of the penalty indicated in Code of Alabama 1975 § 40-22-1 (h).

Date 1/15/20

Print Maurine C. Evans as attorney for
Michael T. Scoggins

Sign Maurine Evans
(Grantor/Grantee/Owner/Agent) circle one

Unattested
Shelby County, AL 01/22/2020
State of Alabama
Deed Tax: \$172.50



20200212000058010 02/12/2020 09:16:59 AM CORDEED 3/13
AlaFile E-Notice

11-CV-1998-000996.00
Judge: BRIAN P HOWELL

To: EVANS GEORGE DANIEL
gdevans@evanslawpc.com

NOTICE OF ELECTRONIC FILING

IN THE CIRCUIT COURT OF CALHOUN COUNTY, ALABAMA

MICHAEL THOMAS SCOGGINS, ADMIN. OF EST. VS. BOBBY BLANKENSHIP, ET AL.
11-CV-1998-000996.00

The following matter was FILED on 4/11/2019 1:23:43 PM

Notice Date: 4/11/2019 1:23:43 PM

KIM MCCARSON
CIRCUIT COURT CLERK
CALHOUN COUNTY, ALABAMA
25 WEST 11TH STREET
ANNISTON, AL, 36201

256-231-1750
Kim.McCarson@alacourt.gov



ELECTRONICALLY FILED
4/11/2019 1:23 PM
11-CV-1998-000996.00
CIRCUIT COURT OF
CALHOUN COUNTY, ALABAMA
KIM MCCARSON, CLERK

20200212000058010 02/12/2020 09:16:59 AM CORDEED 4/13

IN THE CIRCUIT COURT OF CALHOUN COUNTY, ALABAMA

MICHAEL THOMAS SCOGGINS,)
ADMINIS. OF EST., ET AL)

Plaintiffs,)

V.)

BOBBY BLAKENSHIP, ET AL.)

Defendants.)

CASE NO. CV-1998-000996.00

ORDER

The Court has before it an Emergency Motion for Accounting and Termination of the Trusts filed by Matthew Tyler Crimson Scoggins and Michael Todd Scoggins. After the Motion was filed, the Court set the matter for hearing on April 5, 2019 at 9:00 a.m. and gave notice to Stephen Bailey and other interested parties and participants.

Prior to the hearing on this motion, the Court undertook to review the motion, the attached documents and the Court file which extends back to a wrongful death suit resulting in a settlement in 2002 for Michael Scoggins and his brother, Matthew Scoggins, over the death of their father. These two brothers were children at the point the wrongful death settlement was reached benefitting them. That settlement resulted in a substantial sum, which was used to purchase annuities for the benefit of the two brothers. Ultimately, the settlement was approved by the Court and for several years under the terms of the settlement, the annuities paid benefits for Michael and Matthew Scoggins through payments made to their mother and natural guardian. The terms of those annuities provided that those payments would continue up to October 1, 2010, and thereafter be paid to the legal conservator of the Estate of Matthew Todd Scoggins and similarly to the legal

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conservator of the Estate of Matthew Tyler Crimson Scoggins. After each child reached his majority, payments were stated to be made payable directly to Matthew and Michael.

The Court records and exhibits to the pending motion indicate that Stephen Bailey in 2009 was then practicing under the firm name of Bailey & Holliman. Attached exhibits show that Mr. Bailey petitioned the Probate Court of Calhoun County under Case No. 29498 and 29499 to appoint Michael Thomas Scoggins, the grandfather of the Michael and Matthew as conservator for each child. The stated reason for this appointment by the petitions filed by Mr. Bailey was to acquire authority to reopen the wrongful death settlement in this case in order to permit the sale of the annuities benefitting Michael and Matthew. The Probate Court of Calhoun County as shown by its orders attached as exhibits, however, refused to grant general conservatorship letters over Michael and Matthew, and instead granted only a "special" conservatorship on April 20, 2010 under both case numbers. The Probate Court appointed Michael Thomas Scoggins as only a "special" conservator with the limited authority to petition the circuit court to reopen the current case, CV98-996. The order of the Probate Court further provided that the special conservator would not have any authority or power to receive or manage any funds or assets of the estates of the brothers, Michael and Matthew. The orders further required that the Probate Court be informed of any activity by the Circuit Court and that the petitioner should return to the Probate Court for increasing the minimal bond should the receipt or management of funds become a factor. As will be discussed later in this order, Bailey made no further filings in the Probate Court nor any disclosure to that court that the receipt and management of the funds of the brothers had become involved.

This Court became involved when Mr. Bailey filed a motion in June of 2010 requesting authorization to sell part or all of the four structured settlements then existing for Michael and

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Matthew. At that point in time, both Michael and Matthew were still minors. This Court was led to believe by Mr. Bailey's representations that Michael Thomas Scoggins, who was the administrator in the wrongful death suit, had been appointed by the Probate Court as the conservator for his minor grandsons, Michael and Matthew. Mr. Bailey failed to disclose to this Court the limitations of the special conservatorship granted and instead led this Court to believe that his client - the grandfather of the boys - had authority to act on behalf of the two minors. In fact, as has now been disclosed, Mr. Michael Thomas Scoggins was neither the owner nor beneficiary of the annuities established to benefit his grandsons, and neither he nor Mr. Bailey had any right whatsoever to the annuities that they were seeking to sell in the petition before this Court.

From evidence presented on the pending motion at the April 5, 2019 hearing, this Court has determined that after Mr. Bailey presented his petition to this Court to sell the annuities, he then created two lengthy trust documents, one as a trust for Matthew Tyler Scoggins and one for Michael Todd Scoggins. The trusts which Mr. Bailey admittedly drafted show they were created and executed on July 6, 2011 and were funded by \$10.00 each with the grandfather Michael Thomas Scoggins signing as "settlor." The trusts named Mr. Bailey and Michael Askew as co-trustees for each trust. This Court did not establish nor direct the establishment of these trusts. Those trusts documents also named Mr. Bailey's law partner, John K. Holliman, as "trust advisor." Though no conservator had been appointed for the two brothers, Michael and Matthew, the trusts drafted by Mr. Bailey did not require a bond, court oversight, or any periodic accounting that would normally be required. The Court was not made aware that the petitioner grandfather Mr. Bailey represented had no authority from the Probate Court to receive or manage any funds on behalf of the two minor brothers at that time. To the contrary, Mr. Bailey led the Court to believe that his client was fully empowered by the Probate Court to act on behalf of the minor brothers

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seeking the sale of the annuities previously established for their benefit. Believing Mr. Bailey's representations to be truthful, this Court considered the petition and ultimately granted the petition allowing the sale for the annuities which had been established to benefit Michael and Matthew Scoggins. A hearing was held by this Court on June 22, 2011 on Bailey's motion to sell those annuities. Mr. Bailey established the trust on July 6, 2011 and this Court entered an order approving the petition to sell on August 31, 2011. Thereafter, an auction was held by Mr. Bailey to sell the four annuities established for the benefit of Michael and Matthew Scoggins, although neither Mr. Bailey nor his client, Michael Thomas Scoggins, had any authority whatsoever over the annuities in question. None of those deficiencies were reported to this Court and the Court is now aware that none of these events were reported back to the Probate Court as it had ordered in its grant of limited conservatorship. Instead, Mr. Bailey, requested that the funds resulting from the sales of these annuities be paid over to the trust that he had established outside the purview of this Court.

After the current Emergency Motion was filed, the Court convened to hear the motion on April 5, 2019, at 9:00 a.m. Those present included John Holliman, who is an attorney licensed to practice in the state of Alabama. Mr. Holliman addressed the Court and informed the Court that he had previously been a law partner of Stephen Bailey but had separated from Mr. Bailey in 2013. Mr. Holliman received a subpoena from the movants in the matter for the documents that he held concerning the substance of the motion. Mr. Holliman represented to the Court that he was willing to produce those documents but was concerned with potential ethical concerns in doing so voluntarily and, despite the subpoena, requested that the Court enter an order authorizing him to produce those documents to the movants' attorneys. The Court having considered the subpoena issued by the movants to Mr. Holliman and Mr. Holliman's request, finds that it is appropriate and

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therefore ORDERS, ADJUDGES and DECREES that Mr. Holliman is directed to forthwith provide the movants' attorneys with all documents responsive to the subpoena served upon Mr. Holliman. Mr. Holliman, whose name appears designated as a "trust advisor" in the trusts Bailey drafted, advised the Court that until the separation of his practice from that with Mr. Bailey, Mr. Holliman was completely unaware that he had been named as a trust advisor. Furthermore, Mr. Holliman told the Court that the signature on a trust amendment is not his and that he did not sign any amendment to the trust.

Also present at the hearing was Alyssa Enzor Baxley. Ms. Baxley was appointed to the position of "trust advisor" succeeding Mr. Holliman in that position. Similar to Mr. Holliman, Ms. Baxley received a subpoena from the movants in this matter requesting her appearance and the production of documents in her possession pertaining to the subject matter of the motion. Like Mr. Holliman, Ms. Baxley requested the Court to specifically order her to produce the documents. She, like Mr. Holliman, had filed no objection or motion to quash the subpoena and, like Mr. Holliman, the Court having considered her request, finds that the same is due to be granted. Ms. Baxley is there ordered to forthwith provide to the movants' attorneys the documents made subject to the request of the subpoena served upon her.

Also present at the hearing was Brian Grayson, who appeared as attorney for Michael Askew. Like Holliman and Baxley, Mr. Askew had received a subpoena for his presence and documents in his possession pertaining to the subject matter of the hearing. Before the commencement of the hearing, Mr. Askew, through his attorney, had provided to movants' counsel the requested documents and Mr. Askew had specifically been excused from attending the hearing by Order of this Court. Mr. Askew's part in this matter was that of a "co-trustee" under the terms

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of the trusts written by Mr. Bailey. Facts disclosed at the hearing showed that Mr. Askew's participation had apparently ceased in 2016.

Mr. Stephen Bailey had also been directed by this Court to appear at the hearing and had further been subpoenaed by the movants, who requested not only his presence, but production from him of all documents pertaining to the substance of the motion before the Court and Bailey's activities.

This Court had previously ordered Mr. Bailey to appear and provide an accounting for any and all funds and disbursements that he made on behalf of the two movants. One of the movants, Matthew Scoggins, filed a *pro se* motion for accounting with the Court in June 2018 resulting in this Court's order setting the hearing for July 18, 2018, ordering Bailey to appear and for Bailey to provide an accounting for the monies held in trust and a current ledger of any remaining monies. That accounting was due by July 11, 2018, but Bailey failed to provide those documents and instead requested a continuance claiming that one to three weeks would be necessary for him to present a full accounting for his activities on behalf of the trust. The Court granted the continuance and reset the hearing for August 6, 2018. Bailey failed to appear and instead filed another continuance request which was denied by this Court. He claimed on that occasion that the trust documents were lost and that he was unable to acquire bank records. The Court denied the motion to continue and ordered Bailey to appear on August 23, 2018 to show cause why he should not be held in contempt. Finally, on January 17, 2019, another hearing was held with Mr. Bailey again being ordered to appear. After that hearing was concluding in his absence, Mr. Bailey finally appeared and presented a few pages of financial information to the Court containing an incomplete listing of receipts and disbursements which he claimed he had made from the trust accounts for

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the movants in this case. The current motion before the Court has those documents attached.

When the current motion was called at 9:00 am on April 5, 2019, Mr. Bailey, as he had in the past, failed to appear. The Court therefore undertook to hear the statements of Mr. Holliman and Ms. Baxley and attorney Brian Grayson on behalf of Mr. Askew. The Court also heard the presentation of the movants' attorney, Mr. Evans, and considered the filed motion and attached documents. During the hearing, this Court expressed its extreme concern over the activities disclosed in this motion. In particular, this Court was and is concerned over Mr. Bailey's failure to truthfully present the position of the petitioner he represented who sought to sell the annuities benefitting the then minor beneficiaries who are movants here.

After hearing this presentation, the Court determined that the motion was well taken and resolved to take the necessary steps to acquire Mr. Bailey's presence for purposes of undergoing testimony and production of documents concerning his activities. The hearing was then adjourned.

At approximately 10:00 or shortly thereafter and after all counsel had left, court staff found Mr. Bailey had again belatedly appeared in the courtroom. The Court then notified Mr. Evans, the counsel for the movants, who then returned to the courthouse. The Court then allowed Mr. Evans, as attorney for the Movants, to question Mr. Bailey who was placed under oath by the Court. His testimony was both shocking and revealing.

During his testimony, Mr. Bailey confirmed that as a consequence of the petitions and trusts mentioned above, he ultimately received "in trust" in May of 2012 approximately 1.2 million dollars as the sales proceeds of the four annuities previously established to benefit Matthew Tyler Crimson Scoggins and Michael Todd Scoggins.

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Mr. Bailey's testified that once he had control of the money under the trusts he drafted, he determined who was paid, in what amount and when payments were made. He determined who was hired with those funds and what items should be purchased. The Court was shocked to hear that Mr. Bailey determined the fees he should be paid, as well as those to co-trustee, Michael Askew, and trust advisor, Alyssa Baxley. According to Mr. Bailey's testimony, he paid himself based on "what [he] needed." He admitted that none of those fees had been independently determined or judicially reviewed and that none of the purchases he made with trust funds, which included houses and vehicles, had been approved by any court. In fact, on January 19, 2019 as mentioned above, Bailey submitted a partial listing of disbursements and receipts for periods from January 2016 to 2018. That listing shows that Bailey had paid himself from the "Matthew Scoggins Trust" \$179,559.90 and from the "Michael Todd Scoggins Trust" \$150,421.91 in the last two years alone. Mr. Bailey's listing submitted in January of 2019 showed that nearly every single disbursement made over the past 12 months was made to himself with virtually no money being paid to the alleged beneficiaries, Michael and Matthew Scoggins. Mr. Bailey testified that by November or early December 2018, he had spent all of the funds that he had received in the trusts he established. Mr. Bailey testified that he has provided no accounting to Michael or Matthew Scoggins even after these brothers reached their majority in 2012 and 2014. No accounting was made to either of them or to this Court.

Mr. Bailey testified that he had used some of the money to purchase real estate held in the trust name. Two parcels with houses still remain in the name of the trusts according to Bailey and both are in arrears on taxes. Bailey testified that he also unilaterally appointed other co-trustees including one who was an employee of his law firm and listed as a trustee on deeds. Other documents admitted during Bailey's testimony show tax records for "trust" property being directed

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to Bailey's wife, Cindy. None of the real property is held in the names of Michael or Matthew Scoggins, individually.

Further, Bailey testified that he had established LLCs to purchase vehicles for the two brothers but admitted neither LLC currently held any assets. In short, according to Mr. Bailey, he had exhausted all the funds with the only remaining assets of the trusts he established being the two pieces of real estate, specifically: 1411 Timber Circle, Helena, Alabama, and 516 Fox Run Lane, Pell City, Alabama. During Bailey's operation of the trusts he established, he admitted that the funds he received were maintained under his control in accounts over which he was the authorized signor.

During his testimony before the Court, Bailey claimed to have no memory of the limited authority granted by the Probate Court and he denied reading those orders attached to the pending motion. He did acknowledge however that Mr. Askew, his original co-trustee, had resigned as trustee and had given Mr. Bailey notice of that in late 2015 at which time the investment accounts for the two brothers collectively still totaled over \$850,000.00. Thereafter, Mr. Bailey admitted that he alone controlled the distribution of the assets himself and since that time, had spent all of those funds, with hundreds of thousands of dollars being paid by Bailey to himself.

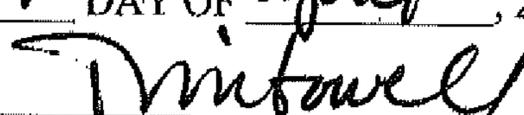
The Court having heard this testimony and reviewed the documents presented by the Movants, finds this motion is well taken. The Court further concludes that a fraud has been perpetrated on this Court by Mr. Bailey in the proceedings under which he sought and received access to the annuities and funds belonging to Matthew and Michael Scoggins. In light of all these facts, the Court finds that any trusts previously created by Mr. Bailey for the benefit of the movants, and specifically The Matthew Tyler-Crimson Scoggins Trust and The Michael Todd Scoggins Trust to be void and any authority Mr. Bailey has assumed under those documents is hereby

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extinguished. The Court further directs that the remaining assets identified by Bailey held by those trusts specifically the real estate located at 1411 Timber Circle, Helena, Alabama, and 516 Fox Run Lane, Pell City, Alabama, shall be transferred to the purported beneficiaries of the trusts. The Court therefore ORDERS that the Pell City house is to be promptly transferred to Matthew Tyler- Crimson Scoggins and that the Helena house is to be promptly transferred to Michael Todd Scoggins.

Furthermore, in light of Mr. Bailey's admission that he has spent all the Movants' funds and has identified payments to himself of \$329,981.81 for the period from January 2016 to December 2018, the Court orders and directs that Stephen Bailey pay that amount to the Clerk of this Court within 30 days of the date of this order to await further order of the Court. Since Mr. Bailey only provided some documentation pertaining to his activities on April 5, 2019, the Court directs that this matter will be reset upon the motion of the Movants to determine further liability arising under these actions.

DONE AND ORDERED THIS THE 11th DAY OF April, 2019.


 Brian P. Howell
 Presiding Judge



Filed and Recorded
 Official Public Records
 Judge of Probate, Shelby County Alabama, County
 Clerk
 Shelby County, AL
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 \$59.00 CHERRY
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Allie S. Beal