

COURT OF CHANCERY
OF THE
STATE OF DELAWARE

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April 9, 2012

*Via LexisNexis File & Serve
and First Class Mail*

John S. Grady, Esquire
Grady & Hampton LLC
6 North Bradford Street
Dover, DE 19904

Mr. Harold W. Smith, Jr.
10538 Waller Road
Laurel, DE 19956

Re: *IMO the Estate of Lula I. Smith*
C.A. No. 6628-VCN
Date Submitted: March 1, 2012

Dear Mr. Smith and Mr. Grady:

On February 17, 2012, following a hearing that Mr. Smith did not attend, I entered an order authorizing the private sale of Estate property (the "Property") with an address of 10538 Waller Road, Laurel, Delaware. The Property was the principal asset of the Estate of Lula I. Smith and was devised to Mr. Smith. The purpose of the sale was to pay the debts of the Estate.

Later, Mr. Smith requested that the Court reconsider its decision. The following sets forth the Court's conclusions as a result of a hearing held on March 1, 2012.¹ It appears that Mr. Smith has made arrangements with Sussex County for the payment of the major debt of the Estate, a tax bill of approximately \$21,000. He has agreed to pay \$500 per month, which would result in the satisfaction of that tax lien in something just short of four years. Other debts include medical expenses, payments due to siblings because of their payment of the decedent's funeral expenses, and payment of Mr. Grady's bill for legal services. Mr. Smith has indicated that he could pay \$200 per month toward these other debts.

Because the Property was devised to Mr. Smith and because it appears to be worth significantly more than all of the debts of the Estate, it seems appropriate that he be given a chance to protect or salvage his inheritance and that it not be sold immediately to pay the debts of the Estate.

¹ Shortly after the hearing, counsel for the Petitioner reported to the Court that the parties were negotiating a resolution of this matter. Accordingly, the Court deferred decision pending the efforts to reach resolution. On April 5, 2012, counsel for the Petitioner informed the Court that the negotiations had been unsuccessful.

Accordingly, the Court's Order of February 17, 2012, authorizing the private sale of the Property is vacated. Mr. Smith shall pay \$200 per month, beginning April 20, 2012, to Mr. Grady as attorney for the Estate, and those payments shall be applied in a fair and equitable manner toward the debts of the Estate, with priority being given to debts of those not members of the family. Nothing in this Letter Opinion and Order shall compromise the rights of third-party creditors and, if third-party creditors insist upon payment, the sale of the Property may be necessary. If Mr. Smith does not meet the payment obligation set forth in this Letter Opinion or to Sussex County for payment of the taxes due it, the order for sale may be reauthorized, on application. In the interim, Mr. Smith shall not subject the Property to any other liens or encumbrances, without Court approval. Similarly, Mr. Smith is hereby precluded from selling the Property, pending further order of the Court.

Among the debts of the Estate to be paid by Mr. Smith is the fee due Mr. Grady, together with his reasonable expenses. Mr. Grady shall provide a statement for his services to Mr. Smith within thirty (30) days of the date of this Letter Opinion. It is acknowledged that additional fees may be incurred by Mr. Grady

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and those will also be Mr. Smith's obligation. If, at any time, Mr. Smith does not wish to comply with the terms of this Letter Opinion and Order, he shall notify the Court and Mr. Grady and the authorization for a private sale will be reinstated.

The Court retains jurisdiction and it is expressly provided that the sale, as previously ordered, may become necessary.

IT IS SO ORDERED.

Very truly yours,

/s/ John W. Noble

JWN/cap

cc: Ms. Patricia E. Dise
Mr. Robert J. Smith
Mr. John W. Smith
Ms. Dorothy S. Wyatt
Mr. Donald L. Smith
Register in Chancery-K