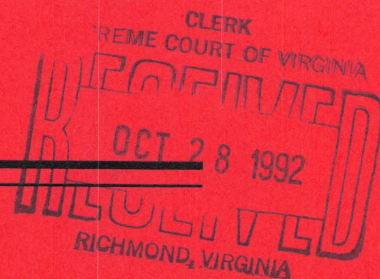


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IN THE  
**Supreme Court of Virginia**  
AT RICHMOND

---

RECORD NO. 920883

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**MAREFIELD MEADOWS, INC.,**

*Appellant,*

v.

**REGULA LORENZ,**

*Appellee.*

---

**JOINT APPENDIX  
VOLUME II**

---

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1 **BY MR. FLANNERY:**

2 **Q. So that the record is clear, would you please**  
3 **state your name again?**

4 **A. My name is Regular Lorenz.**

5 **Q. Will you state briefly your experience in horse**  
6 **competition and the horse industry?**

7 **A. I have been riding since I'm nine years old. I**  
8 **have competed since I'm 12 years old. I have had**  
9 **extensive experience with riding in different countries,**  
10 **Switzerland, Turkey, the United States.**

11 **Q. Have you had any experience in the buying and**  
12 **selling of horses?**

13 **A. Yes, I have.**

14 **Q. And how would you classify that?**

15 **A. I have mainly trained horses for other people**  
16 **and frequently sold these horses or some of these horse.**

17 **Q. Now, can you tell us where you presently**  
18 **reside?**

19 **A. I reside at Chestnut Hollow Stables in**  
20 **Middleburg.**

21 **Q. Did there come a time when you met Marlon**  
22 **Poynter?**

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1 A. Yes, there did.

2 Q. And do you recall approximately when that  
3 was?

4 A. I believe it was in the later part of 1986.

5 Q. And do you know a person by the name of  
6 Maxine Mickie?

7 A. Yes, I do.

8 Q. And when did you first meet her?

9 A. A little bit...together with Maxine...with  
10 Marion Poynter in the later part of 1986.

11 Q. And did there come a time when you had any  
12 discussion with either Marion or Maxine about Moronjo?

13 A. Yes, that was in early 1987.

14 Q. Directing your attention to what has already  
15 been marked for identification as Cross-Defendant's  
16 Exhibit 1, can you identify that?

17 A. This is a letter written to me on January 21st,  
18 1987 by Maxine Mickie.

19 MR. FLANNERY: I do now,  
20 at this time, offer that document into evidence, Your  
21 Honor.

22 THE COURT: All right, any

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1 objection? If not, it will be admitted.

2 **MR. MONAHAN:** What is the  
3 number of that?

4 **MR. FLANNERY:** That was  
5 Cross-Defendant Exhibit 1 for the record.

6 **MR. MONAHAN:** No, I have  
7 not objection.

8 (WHEREUPON, Cross-Defendant Exhibit #1 for  
9 identification was received in evidence.)

10 Q. Now, did you, as a result of that  
11 correspondence with Maxine Mickle, have conversations  
12 about the partnership with Maxine and Marion Poynter?

13 A. Yes, I did.

14 Q. Did there come a time when you entered into an  
15 agreement with them about the purchase and/or  
16 ownership of Moronjo?

17 A. Yes, sir.

18 Q. Now, I direct your attention to what's been  
19 marked Exhibit 1, I assume it's Plaintiff's, and it's  
20 marked here for identification. Do you recognize that  
21 agreement?

22 A. Yes, this is the agreement we signed on June

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1 9th, 1987.

2 MR. FLANNERY: Does the  
3 Clerk's records reflect that this is in evidence or not? It  
4 was moved in evidence?

5 MR. MONAHAN: I moved it  
6 in evidence and it was admitted yesterday.

7 MR. FLANNERY: All right.

8 Q. Now, in connection with the purchase of  
9 Moronjo, did you receive any commission?

10 A. Yes, sir, I did.

11 Q. And was Marefield Meadows aware of that?

12 A. Yes, sir, they were.

13 Q. And they were aware of that before the sale?

14 A. Yes.

15 Q. To your knowledge, under what circumstances,  
16 if any, does a purchaser also received a commission?

17 A. If the...

18 MR. MONAHAN: Your  
19 Honor, I think that's irrelevant.

20 THE COURT: It might be,  
21 what is your purpose in that?

22 MR. FLANNERY: Well, if the

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1 defense or I should say Marefield Meadows doesn't  
2 intend to go into that then I won't anticipate it. But if  
3 there's going to be cross examination, as I understand  
4 from talking to some of the witnesses about the  
5 circumstances of the commission, I don't see why I can't  
6 have my client...

7 THE COURT: Well, if it  
8 turns out that way, I'll let you come back on it.

9 MR. FLANNERY: Okay.

10 Q. Who drew up the agreement that you entered in  
11 which is Plaintiff's, Cross-Plaintiff's Exhibit 1?

12 A. That was a lawyer of Marion Poynter's and  
13 Maxine Mickle's.

14 Q. Did you discuss the agreement, or the draft  
15 agreement, with Marion Poynter or Maxine Mickle before  
16 you signed it?

17 A. Yes, we did.

18 Q. And you were satisfied with the agreement as  
19 signed?

20 A. I made some major...minor changes and then  
21 the final...the final version was presented to me which I  
22 then signed.

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1 Q. The final one which is Exhibit 1, that was  
2 satisfactory to you?

3 A. Yes.

4 Q. What was your principal interest in Moronjo at  
5 the time of purchase?

6 A. I'm a dressage trainer and my interest was to  
7 train this horse in dressage.

8 Q. And what, if you know, was the interest of  
9 Marefield Meadows?

10 A. To stand this horse at stud.

11 Q. And as a result of that agreement, were there  
12 any terms and conditions relating to the termination of  
13 your partnership? How does one go about terminating  
14 the partnership?

15 A. According to our agreement, the partnership...

16 MR. MONAHAN: Your  
17 Honor, if they're talking as to the agreement, it seems to  
18 me it speaks for itself and I would ask that the  
19 testimony....

20 MR. FLANNERY: I'll  
21 withdraw that question.

22 THE COURT: Very well.

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1 The agreement does spell out what it is to be.

2 Q. What was your understanding of what you had  
3 to do to terminate the partnership?

4 A. To give a direction to sell the horse.

5 Q. And did there come a time when you did that?

6 A. Yes.

7 Q. Now, directing your attention to the latter part  
8 of 1988 what, if anything, did you do?

9 A. I resigned at November...at Marefield Meadows  
10 with a letter of resignation.

11 Q. And who did you communicate that letter to?

12 A. I gave it the barn manager, Ingrid.

13 MR. FLANNERY: Excuse me  
14 a second, Your Honor. I'm trying not to duplicate the  
15 exhibits and I thought I had marked that, but I don't think  
16 I did.

17 Q. Directing your attention to what's been marked  
18 as Cross-Defendant's Exhibit 2, can you recognize that  
19 document?

20 A. Yes, this is my letter of resignation.

21 MR. FLANNERY: I'd like to  
22 move this into evidence at this time, Your Honor?

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1 **THE COURT:** All right, no  
2 objection, it will be admitted.

3 **(WHEREUPON, Cross-Defendant's Exhibit #2 for**  
4 **Identification was received in Evidence.)**

5 **Q.** Now, you may recall that Mrs. Poynter testified  
6 the other day that she did not believe that the date on  
7 this letter was correct, which is November 6th, 1988, do  
8 you recall that testimony?

9 **A.** Yes, I recall that. I have since checked my  
10 documents and I think she has a point. I think the date  
11 might be wrong.

12 **Q.** Now, you have checked these documents since  
13 her testimony, is that correct?

14 **A.** Since her testimony, yes.

15 **Q.** And what about the documents you checked  
16 that suggested the date would have been later than than  
17 November 6th?

18 **A.** There are several documents. One was an  
19 advertising that I had helped their barn manager to put  
20 into a magazine. And I did that after this date, the date  
21 on my letter...on the letter.

22 **Q.** That would be after the date that is on the

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1 letter?

2 A. On the letter, yes. Also, what I saw was  
3 another document, a letter that I had written to Marion  
4 Poynter about training horses for them after that date.  
5 So, I have to conclude that the date on my letter of  
6 resignation was wrong.

7 Q. And is it your recollection that you did any  
8 training of horses after your resignation?

9 A. No.

10 Q. Is it your recollection that you did anything for  
11 Marefield Meadows after you resigned?

12 A. No, I don't think I did.

13 Q. And so finding these other documents...

14 MR. MONAHAN: Your  
15 Honor...

16 MR. FLANNERY: Well, okay,  
17 I'm sorry. I won't lead, Your Honor, pardon me. I was  
18 trying to be more efficient, but I will stick to direct  
19 questions, pardon me.

20 Q. Now, what, if any, response did you receive to  
21 your letter of resignation?

22 A. I received a letter from Marion Poynter in which

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1 she acknowledged my resignation.

2 Q. Well, let me direct your attention to what's  
3 been marked Cross-Defendant's Exhibit 3. Can you  
4 recognize that as a copy of the response that you got  
5 from Marion Poynter?

6 A. Yes, it is.

7 MR. FLANNERY: At this  
8 time, Your Honor, I would like to move the response into  
9 evidence.

10 MR. MONAHAN: Would it be  
11 possible to see what you're...

12 MR. FLANNERY: I gave you  
13 a copy yesterday, but I'd be glad to let you look at it  
14 now.

15 MR. MONAHAN: This isn't  
16 yesterday, this is today.

17 MR. FLANNERY: The stage  
18 whisper, Your Honor, I don't have any problem with it.

19 MR. MONAHAN: Do you  
20 mind if our clients talks to us. I didn't think she was  
21 talking to anybody else, Your Honor. If she was, I'll  
22 caution her to just talk to us, but I don't think she was.

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1 THE COURT: Well, I think  
2 it was a conference among attorney/client...

3 MR. FLANNERY: I have no  
4 objection to a conference, Your Honor.

5 THE COURT: What's the  
6 date on this one?

7 MR. FLANNERY: The date  
8 on the letter is 10 November.

9 THE COURT: '89?

10 MR. FLANNERY: '88, Your  
11 Honor.

12 (WHEREUPON, Cross-Defendant's Exhibit #3 for  
13 Identification was received in Evidence.)

14 MR. FLANNERY: If I could  
15 read into the record excerpts from Defendant's Exhibit 2  
16 in evidence and Defendant's Exhibit 3 in evidence, it will  
17 make more sense where the questions will go from here.

18 THE COURT: All right.

19 MR. FLANNERY: In  
20 Defendant's Exhibit 2, Mrs. Lorenz's letter to Marion in  
21 the latter part of 1988 reads and I quote, "I will, of  
22 course, honor my commitments in Moronjo and continue

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1 riding him at Gerd's until you have made your decision as  
2 to whether you want to purchase my one-third ownership  
3 or release him for sale." That's the end of the quote,  
4 Your Honor, in Exhibit 2.

5 Q. And, Mrs. Lorenz, can you tell us who Gerd,  
6 G-E-R-D, is?

7 A. Gerd, that is Gerd Zuther, the President of  
8 November Hill Farm.

9 Q. And Moronjo was going to be at November Hill  
10 Farm, is that...

11 A. That's correct.

12 Q. Thank you. And from Cross-Defendant's  
13 Exhibit 3, the letter from Marlon Poynter to Mrs. Lorenz  
14 in the latter part of 1988, quote, "Will work out details  
15 of what comes next about Moronjo in businesslike way to  
16 the advantage of all one post."

17 Mrs. Lorenz, after you received that response  
18 from Mrs. Poynter, what communications, if any, did you  
19 have to foster a conclusion of your relationship involving  
20 Moronjo?

21 A. After that letter I first waited for a reaction  
22 because the horse...of what the decision was on this

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1 horse. They owned two-thirds of him, so I would leave  
2 it up to them what they were going to do next.

3 Then, since I didn't hear from them, my...I put  
4 in another request of, please let me know what to do with  
5 this horse. This was in December 22nd by...

6 Q. And when did you do that, to make it clear?

7 A. That's in '88.

8 Q. Did you get any response to your card in the  
9 last part of December of 1988?

10 A. No, I did not get a response to a card.

11 Q. What, if anything, did you do after that?

12 A. I called them on the telephone, but I only got  
13 the answering machine. I left a message on the  
14 answering machine to the extent, I still haven't heard  
15 from you and please let me know what your decision is  
16 with Moronjo.

17 Q. And did you get any response to the telephone  
18 messages you left?

19 A. No, I did not.

20 Q. And what did you do after you left the  
21 telephone messages?

22 A. I wrote one more letter and that was in the

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1 beginning of January to Marion Poynter. Thanked them  
2 for a gift that I had received from them and asked, again,  
3 that this was my fourth request and please let me know  
4 what we shall do with this horse.

5 Q. And directing your attention to what's been  
6 marked Cross-Defendant's Exhibit 4 for identification,  
7 can you identify that?

8 A. Yes, this is the letter that I was just talking  
9 about.

10 MR. FLANNERY: I offer that  
11 letter into evidence, Your Honor.

12 THE COURT: It will be  
13 admitted unless there is objection.

14 MR. MONAHAN: And what's  
15 the number on that, Counsel?

16 MR. FLANNERY: That's  
17 Cross-Defendant's Exhibit #4.

18 (WHEREUPON, Cross-Defendant's Exhibit #4 for  
19 Identification was received in Evidence.)

20 Q. Did there come a time when you got a response  
21 to your letter?

22 A. Yes, I got a letter from Marion Poynter to the

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1 effect that she was surprised about this having been my  
2 fourth request on a decision and that it was sort of clear  
3 to them the decision would be to bring the horse back  
4 from November Hill where he was at the time and stand  
5 him at stud at Marefield Meadows.

6 **MR. FLANNERY:** If we could  
7 mark this Cross-Defendant's 15 for identification, I  
8 believe that's next.

9 (WHEREUPON, the document referred to was marked  
10 Cross-Defendant's Exhibit #15 for Identification.)

11 Q. I direct your attention to what has been marked  
12 Cross-Defendant's Exhibit 15 for identification, can you  
13 identify that as the response from Marion...

14 **MR. MONAHAN:** Would it be  
15 possible, Your Honor, to see the letter that he's just  
16 handed...

17 **MR. FLANNERY:** I gave you  
18 a copy of it yesterday, but I'd be glad to...

19 **MR. MONAHAN:** There was  
20 no Exhibit 15 yesterday, Your Honor.

21 **THE COURT:** All right, let  
22 him have a copy.

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1           A. Yes, this is the letter from Marlon Poynter  
2 which is also signed by Maxine Mickie.

3           Q. So, both Marlon Poynter and Maxine Mickie  
4 signed this letter?

5           A. Yes.

6                   THE COURT: Was that  
7 introduced yesterday or is this the first time?

8                   MR. FLANNERY: I couldn't  
9 find it and that's why I had offered it today. I don't  
10 believe it was, Your Honor, but I think my list is...

11                  THE COURT: Neither the  
12 Clerk nor I think that has been admitted, yet. Are you  
13 moving its admission, now?

14                  MR. FLANNERY: Yes, I am.  
15 I tried to review it during the break and that's why I may  
16 have held the inquiry to the moment and...

17                  MR. MONAHAN: Your  
18 Honor, in response to your question, I have noted that  
19 that exhibit is also Exhibit 5 for the Cross-Defendant.

20                  Do you have a different Exhibit 5 for the Cross-  
21 Defendant?

22                  THE CLERK: Mr. Flannery

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1 has some of my exhibits, I don't have...

2 MR. FLANNERY: Mr.

3 Flannery is now checking to make sure.

4 THE COURT: Well, if you  
5 took them off the Bench I hope you will give them back  
6 right away.

7 MR. FLANNERY: I will. I  
8 will, Your Honor.

9 MR. MONAHAN: I also do  
10 not believe it was offered, it was simply marked for  
11 identification...

12 MR. FLANNERY: That's  
13 correct.

14 MR. MONAHAN: ...as  
15 Exhibit 5 yesterday. It was offered and then withdrawn  
16 so that they could preserve their Motion to Strike.

17 MR. FLANNERY: That's  
18 correct, Your Honor.

19 THE COURT: He agrees, all  
20 right.

21 MR. FLANNERY: I believe  
22 that is correct. Bear with me for a moment.

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1           Your Honor, I would liked to move the original  
2       5. Rather than hold up the Court, during the break I'll  
3       get the exhibit and replace it.

4                       THE COURT: All right.

5                       MR. FLANNERY: Rather  
6       than hold us up.

7                       MR. MONAHAN: My only  
8       question, Your Honor, is will we use the original number  
9       or Exhibit 15 at this point?

10                      MR. FLANNERY: My  
11       proposal would be to use the original number, Your  
12       Honor, rather than have a duplication.

13                      THE COURT: Well, let's ask  
14       the Clerk about that. The original number, is that all  
15       right to purport with your records?

16                      THE CLERK: That will be  
17       fine.

18                      THE COURT: She's logging  
19       these exhibits on a separate sheet, so she says that's all  
20       right.

21       (WHEREUPON, Cross-Defendant Exhibit #15 for  
22       Identification was withdrawn and replaced with Cross-

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1 Defendant Exhibit #5 previously marked for identification  
2 and received in Evidence.)

3 Q. And do you have any understanding about how  
4 Moronjo may be advertised during the period of time  
5 when you were in partnership with Marion Poynter and  
6 Maxine Mickle?

7 A. Yes. Our agreement stated that both owners  
8 names would have to be on any advertising.

9 Q. Did there come a time when you were apprised  
10 of the fact that there was advertising that did not reflect  
11 your joint ownership?

12 A. I was, yes.

13 Q. And what form was that?

14 A. It was in a postcard I saw somewhere of this  
15 horse that I owned a part of. And when I turned it  
16 around, the name of Marefield Meadows was mentioned,  
17 but my name was not there.

18 MR. FLANNERY: If we could  
19 mark this as 15, Cross-Defendant's 15. We have struck  
20 the old 15 that would have been a duplicate.  
21 (WHEREUPON, the document referred to was marked  
22 Cross-Defendant's Exhibit #15 for identification.)

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1                                   **MR. FLANNERY:** In fact I  
2 have found 5, Your Honor, and of course I left it right  
3 here where it would be obvious.

4           Q. Directing your attention to what has been  
5 marked as Cross-Defendant's Exhibit 15, can you identify  
6 that?

7           A. Yes, this is the postcard I was talking about.

8                                   **MR. FLANNERY:** Well, first  
9 of all, Your Honor, I offer this into evidence.

10                                  **THE COURT:** It will be  
11 admitted.

12           **(WHEREUPON, Cross-Defendant's Exhibit #15 for**  
13 **Identification was received in Evidence.)**

14           Q. And did there come a time when you received a  
15 bill for this postcard?

16           A. Yes.

17           Q. What was your understanding about such  
18 advertising, such expenses therefore.

19                                  **MR. MONAHAN:** Again,  
20 Your Honor, it seems to me that we're dealing now with  
21 what the agreement was and the agreement speaks for  
22 itself. Even if she has a correct or incorrect

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1 understanding it's irrelevant, it's what the written  
2 agreement says.

3 THE COURT: I was looking  
4 at one of the exhibits, would you repeat the question,  
5 please?

6 MR. FLANNERY: Yes, Your  
7 Honor, I asked the witness...I will repeat the question.

8 Q. Mrs. Lorenz, what was your understanding as to  
9 any expenses for advertising such as this that didn't  
10 reflect your joint ownership in the horse?

11 THE COURT: Well, that's  
12 what he's objecting to?

13 MR. FLANNERY: Too  
14 argumentative, Your Honor?

15 THE COURT: It's a little  
16 argumentative and I do have the contract.

17 Q. On about what date did you receive a billing for  
18 the expenses of this postcard, if you recall?

19 A. I do not recall this, but it might have been in  
20 the early part of '89.

21 MR. MONAHAN: Your  
22 Honor, I ask that that answer be stricken since her

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1 answer really comes down to, I do not recall. Might have  
2 been is not a response that is evidentiary.

3 A. It was in the early part of '89.

4 THE COURT: It was in the  
5 early part of '89.

6 MR. MONAHAN: Well, I  
7 suggest she answered the question and that's bound by  
8 her answer. She's not now entitled to correct it because  
9 I have pointed out that it doesn't say anything.

10 THE COURT: Well, I think  
11 that's to be expected. Sometimes people get a little  
12 confused. She's not necessarily following what you said.  
13 I think it's close enough. I'll overrule the objection.

14 Q. Now, Mrs. Lorenz, referring to Cross-Plaintiff's  
15 Exhibit 10 for identification, this collection of bills and  
16 so forth. And directing your attention to some of the  
17 papers, does that bill refresh your recollection as to the  
18 date that you were advised of any advertising costs in  
19 connection with such postcards?

20 A. Yes, this is a bill presented to me by Marefield  
21 Meadows with this advertising on it and the bill is dated  
22 March 10, '89.

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1 Q. And were there any attachments presented to  
2 you in connection with that bill?

3 A. Yes, there are attachments from the Mail Box,  
4 that is the advertising...that's where the advertising was  
5 done. And it says clearly "postcards" on there.

6 Q. And at least according to the information they  
7 supplied you, on or about what date did they place such  
8 order for postcards?

9 A. That was on the 15th of February, 1989.

10 Q. Now, following Mrs. Poynter's letter to you of  
11 January 10th, what did you do to press your point to sell  
12 Moronjo?

13 A. At that time I saw that I was not getting  
14 anywhere, so I called...I called Mr. McCahill, the law firm  
15 in Leesburg, and told them that I had a problem that I  
16 could not resolve myself and asked to retain them.

17 Q. And what, if anything, did he tell you to do?

18 MR. MONAHAN: Your  
19 Honor, is that admissible, it doesn't seem to me it is.

20 MR. FLANNERY: Well, she  
21 doesn't intend to go into it.

22 THE COURT: Well, I would

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1 have to sustain that objection, the way the question was  
2 asked. There may be a way you can rephrase it.

3 MR. FLANNERY: Your  
4 Honor...

5 THE COURT: What was  
6 done as a result of your conversation with him, if she  
7 knows, or something of that sort. But, as you say, he  
8 may not go into it.

9 Q. Why did you tell him that you needed to retain  
10 him?

11 THE COURT: She said  
12 because she couldn't resolve it herself.

13 Q. Was there anything else that you said to him by  
14 way of direction to Mr. McCahill at that time?

15 A. Not at that time.

16 Q. What, if anything, did you do as a result of your  
17 conversation with Mr. McCahill?

18 A. He asked me to send him all the information I  
19 had.

20 Q. Did you do that?

21 A. Yes, I did.

22 (WHEREUPON, the document referred to was marked

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1 Cross-Defendant Exhibit #16 for Identification.)

2 Q. Directing your attention to what's been marked  
3 as Cross-Defendant Exhibit 16 for Identification, can you  
4 recognize that?

5 A. Yes, this is my letter written to Mr. McCahill.

6 Q. And what directions...

7 MR. MONAHAN: Your  
8 Honor, may I have time to read this which has just been  
9 handed to me for the first time?

10 MR. FLANNERY: That is not  
11 true. Are you not talking about discovery?

12 THE COURT: All right.

13 MR. MONAHAN: I'm talking  
14 about...

15 THE COURT: Usually we  
16 read along...

17 MR. MONAHAN: ...I haven't  
18 seen it until this minute and I'd like to read it.

19 THE COURT: All right.  
20 Usually we read along, but if you need some time, go  
21 ahead.

22 MR. MONAHAN: Thank you.

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1 THE COURT: All right, sir,  
2 go ahead with your questions.

3 MR. FLANNERY: Thank you,  
4 Your Honor.

5 Q. What directions did you give Mr. McCahill in  
6 your correspondence?

7 MR. MONAHAN: Your  
8 Honor, that obviously speaks for itself, again.

9 MR. FLANNERY: It's not in  
10 evidence.

11 MR. MONAHAN: That  
12 doesn't make it admissible, to go through orally what a  
13 written document...

14 THE COURT: Well, he is  
15 going to have to ask the question. Either he has to do it  
16 now or I'll have to wait until I get the exhibit and read it  
17 myself, so I'll let him ask the question. And I hope you  
18 won't ask her everything in the letter.

19 MR. FLANNERY: No, no.  
20 The theory, Your Honor, is to get a summary rather than  
21 to have you read it or the Court have to. A series of  
22 pieces of paper going into evidence...

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1 **THE COURT:** All right, it  
2 will save a little time, go ahead and ask her.

3 A. I...I'm sorry.

4 Q. No, go ahead, you were going to respond to my  
5 last question which was, what directions did you give?

6 **THE COURT:** Don't read the  
7 whole letter, just state generally what you told him to  
8 do.

9 A. Yes, I told him that I could not resolve a  
10 partnership agreement that I had with the Meadows and  
11 I had never received a clear answer from them of how to  
12 go about it and my question was, what is my next step  
13 and how can I terminate this agreement and please advise  
14 me on that.

15 **MR. FLANNERY:** I offer  
16 Defendant's Exhibit 16 into evidence, Your Honor.

17 **THE COURT:** All right, it  
18 will be admitted.

19 (WHEREUPON, Cross-Defendant's Exhibit #16 for  
20 Identification was received in Evidence.)

21 Q. Now, at that time where was Moronjo, to your  
22 knowledge?



1           A. At that time he was in Charlottesville at  
2 November Hill Farm.

3           Q. Did there come a time when you were apprised  
4 of any decision to try to move Moronjo?

5           A. Would you rephrase that question?

6           Q. I'm sorry. Did there come a time when you  
7 were apprised of any decision to move Moronjo?

8           A. Asked about the decision?

9           Q. When did Moronjo move, if at all, from  
10 November Hill?

11          A. I don't know, some time in early spring, as I  
12 heard.

13          Q. Moronjo stayed at November Hill until the  
14 spring of '89?

15          A. Late...late probably February or...I don't...I  
16 don't really know when he was moved back, but he was  
17 moved back to Marefield Meadows, as I heard.

18          Q. When did he move back to Marefield Meadows,  
19 the month and the year?

20                                   MR. MONAHAN:     Your  
21 Honor, I...

22          A. I heard it was in February.

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1 **MR. MONAHAN:** ...I think  
2 she said that she doesn't know.

3 **THE COURT:** She doesn't  
4 know? All right, she doesn't know, that's it.

5 **MR. FLANNERY:** If I could  
6 mark this Defendant's Exhibit 17, is it?

7 (WHEREUPON, the document referred to was marked  
8 Cross-Defendant Exhibit #17 for Identification.)

9 **THE COURT:** Let's try to  
10 move along, please.

11 Q. Directing your attention to what has been  
12 marked as Exhibit 17, can you recognize that  
13 correspondence

14 A. Yes, this is a letter that I had written to Craig  
15 White in February the 1st of '89.

16 Q. And in connection with that correspondence,  
17 did you express to Mr. White any view you had about  
18 moving Moronjo?

19 A. Yes, I objected to the horse being moved back  
20 to Marefield Meadows for the reason that he would be  
21 without training.

22 Q. And you wrote this letter on or about what

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1 date?

2 A. I wrote it in the beginning of February,  
3 February the 1st.

4 Q. In connection with your communications with  
5 Mr. White, did you communicate to him on other  
6 occasions any concerns about training Moronjo during the  
7 period when you and Marefield Meadows were in dispute?

8 A. Yes, I talked to him several times about that.

9 Q. Were there any directions or concerns  
10 expressed to Mr. White relating to the breeding of  
11 Moronjo, who would have what rights, if any, during this  
12 period?

13 A. Yes, I was wondering what would happen with  
14 the breeding and whether I would still receive my one-  
15 third for the breeding fees or what.

16 Q. And was there any discussion with Mr. White  
17 about the concerns, if any, that you had about expenses?

18 A. Yes, I...

19 MR. MONAHAN: Your  
20 Honor, I just want to register this objection, now. What  
21 she may have talked with her lawyer about is not what's  
22 between the parties. He can offer it for the statement,

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1 but it does not have any relationship to what my client  
2 knows.

3 MR. FLANNERY: Your  
4 Honor...

5 MR. MONAHAN: If he wants  
6 to refer to communication to my client, that's different.

7 MR. FLANNERY: Your  
8 Honor, the state of mind of the parties and whether or  
9 not those minds would meet in agreement and her state  
10 of mind is communicated to her counsel who  
11 communicated that to Marefield Meadows' counsel and is  
12 most relevant on the question of the meeting of the  
13 minds.

14 And I see Mr. Cremins has gotten up and  
15 perhaps I spoke too soon.

16 MR. CREMINS: This is one  
17 step in the process, Judge. In a little while you're going  
18 to hear from Mr. White who is going to give you the other  
19 step in the process and it will satisfy Mr. Monahan's very  
20 appropriate comment that her telling her lawyer is not  
21 evidence that anybody told Mrs. Herbert.

22 But it is one step, Judge, and Mr. White will be

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1 next and link it up for you.

2 THE COURT: All right. I'll  
3 have to overrule the objection because I think it is proper  
4 under all these circumstances. With so many  
5 intermediaries, I don't know any other way we can do it  
6 to get it on the record.

7 MR. FLANNERY: May I  
8 proceed, Your Honor?

9 THE COURT: Yes, sir.

10 MR. FLANNERY: Thank you.

11 Q. And did you communicate to Mr. White your  
12 concern about where Moronjo would be boarded during  
13 this period of time while the two of you were in dispute?

14 A. Yes, I did and I would have preferred to leave  
15 him at November Hill.

16 MR. FLANNERY: Your  
17 Honor, I'd like to offer into evidence Defendant's Exhibit  
18 17.

19 THE COURT: All right.  
20 (WHEREUPON, Cross-Defendant's Exhibit #17 for  
21 Identification was received in Evidence.)

22 Q. During this period of time, that is January and

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1 February, were you aware of what, if any, plans  
2 Marefield Meadows was making in relation to breeding  
3 Moronjo whom you jointly owned?

4 A. I just know from that letter I received from  
5 Marion Poynter that they were taking him back to  
6 Marefield Meadows to breed, but I didn't know who or  
7 what.

8 Q. Did you express in words or substance...  
9 withdrawn.

10 At that point did you have access to any  
11 contracts that they were making to breed Moronjo?

12 A. None whatsoever.

13 Q. Did you have access to any of the decision  
14 process by which Marion Poynter and Maxine Mickle  
15 presumably were making decisions about Moronjo?

16 A. No, I had no communication.

17 Q. Were you given any opportunity to object to  
18 their conduct and the manner...

19 MR. MONAHAN: Your  
20 Honor, could we ask not to be led quite so much.

21 MR. FLANNERY: I'll  
22 rephrase the question.

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**THE COURT:** All right.

**Q.** What, if any, opportunity were you given to object to management decisions by Marion Poynter and/or Maxine Mickle as to those decisions pertaining to Moronjo?

**A.** None.

**Q.** When did you first become aware of their view that, as far as they were concerned, the horse could simply stand at stud with his muscle atrophying, if that was the case, at Marefield Meadows?

**A.** I saw that in some documents.

**Q.** In what year?

**A.** In this year, '90.

**Q.** Directing your attention to February 22nd, 1989, did you have a conversation on that day?

**A.** With whom?

**Q.** With Mr. White.

**A.** Could you give me the date again, in February?

**Q.** February 22nd.

**A.** Yes, I talked to Mr. White on the telephone that day.

**Q.** And where were you at the time?

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1 A. I was in Switzerland.

2 Q. And where, to your knowledge, was Mr. White?

3 A. To my knowledge, he was in his office in  
4 Leesburg.

5 Q. And what, if anything, was said? What did you  
6 say and what did he say?

7 A. He told me he had received an appraisal on the  
8 stallion, Moronjo, of \$80,000 and that he would  
9 communicate this to Marefield Meadows and I said, well,  
10 yes, we agreed that he would do that.

11 Q. What else, if anything else, was said in that  
12 conversation?

13 A. He asked me whether I was interested in the  
14 purchase of this horse for my part. And I said, I had  
15 always liked the horse, but I could only even think about  
16 this if I could find partners or a syndicate to do this with  
17 me. However, that he could sell...that my third could be  
18 sold to the Meadows, if they so desired.

19 Q. Now, directing your attention to...excuse me a  
20 second.

21 MR. FLANNERY: Pardon me,  
22 Your Honor, I'm trying to refer to the February 23rd

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1 letter which is Exhibit 4 for the Plaintiffs. Actually, it's  
2 Exhibit 2 and Exhibit 4 for the Plaintiffs.

3 Q. Well, are you aware of the letter of February  
4 23rd, 1989?

5 A. Yes, I am.

6 Q. And when did you first become aware of that  
7 letter?

8 A. When I returned from Switzerland.

9 Q. And when was that?

10 A. That was either March 3rd or March 4th, I don't  
11 quite recall the exact date.

12 Q. And what, if anything, did you do as a result of  
13 the dispute in that correspondence?

14 A. Of course, I called Mr. White. We had several  
15 conversations in the following days and I asked him about  
16 the letter that I had seen on my return and had he  
17 received any answer back on it. And he said, no, not yet  
18 and we will have to see what happens.

19 Q. And what was the next communication that you  
20 recall with Mr. White?

21 A. That was some time after March 9th when he  
22 called me and said he had talked to their lawyer, Georgia

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1 Herbert. And he said it looks like we have a problem,  
2 they mistook my letter for an offer.

3 But then he said, he didn't think this was  
4 anything for me to worry about since he had always made  
5 it clear to Georgia Herbert that I could certainly not  
6 purchase two-thirds of Marefield Meadows for an amount  
7 of \$53,000 unless I could find partners and Georgia  
8 Herbert was very well aware of that and he would  
9 communicate it to them in writing.

10 MR. MONAHAN: Now, Your  
11 Honor, I assume that's offered for state of mind and not  
12 for the truth or falsity of what was communicated  
13 between Herbert and White?

14 THE COURT: Yes, that's my  
15 sole purpose in receiving it.

16 MR. FLANNERY: Well,  
17 there's only one problem with that, Your Honor, and that  
18 is that it can be offered for the truth, as well, because  
19 the absent declarant is going to take the stand and will  
20 be available for cross examination which is the only  
21 objection to hearsay, anyhow.

22 And so it can be taken for the truth of the

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1 matter asserted, if you will, subject to that right of cross  
2 examination almost immediately to follow.

3 THE COURT: Well, I have  
4 admitted it and we will see if that's the way it  
5 developed.

6 MR. MONAHAN: Note my  
7 exception.

8 THE COURT: Otherwise, I  
9 am not accepting it at this point for the truth of the  
10 matter, but just to show state of mind at this point.

11 MR. FLANNERY: Yes, Your  
12 Honor.

13 Q. Now, to your knowledge, did Mr. White send  
14 any correspondence to Marefield Meadows' counsel  
15 reflecting the circumstances in which you could buy  
16 Moronjo as opposed to them buying him from you?

17 A. Yes, he did.

18 Q. And directing your attention to what's been  
19 marked Plaintiff's Exhibit 6...and I don't know if this is  
20 in evidence or not...can you recognize that?

21 A. Yes, this is the letter that Mr. White wrote to  
22 Georgia Herbert.

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1 **MR. FLANNERY:** Your  
2 Honor, it may be in evidence...

3 **THE COURT:** I think it is.  
4 Yes, I'm sure it is.

5 **MR. MONAHAN:** It's the  
6 letter of the 9th that White wrote to Herbert.

7 **Q.** Now, Cross-Plaintiff's Exhibit 2 is the February  
8 23rd letter and that's the White letter of negotiation, as  
9 far as you are concerned.

10 Now, did there come a time when you saw what  
11 is Plaintiff's Exhibit 7 which is the March 17th letter of  
12 response?

13 **A.** Yes, I saw this letter on March 20th, I believe.

14 **Q.** Now, did you ever authorize...first of all, did  
15 you ever authorize Mr. White that you would pay anything  
16 but pro rata expenses?

17 **A.** No.

18 **Q.** Did you ever authorize him or anyone to make...

19 **MR. MONAHAN:** Your  
20 Honor, it seems to me we're leading again, I'd object.

21 **THE COURT:** Yes, it is  
22 leading.

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1 Q. What, if any, authorization did you give for an  
2 unconditional offer to buy?

3 A. No offer on my behalf to buy unless I had  
4 partners.

5 Q. What, if any, approval to breed did you agree to  
6 give to Marefield Meadows?

7 A. None.

8 Q. What, if any, closing date did you agree upon  
9 with Marefield Meadows?

10 A. No agreement on that.

11 Q. What, if any, manner of payment did you  
12 demand of Marefield Meadows if they were to buy you  
13 out?

14 A. No agreement.

15 Q. What, if any, manner of payment did you agree  
16 to pay yourself if you were to buy them out?

17 A. No agreement.

18 Q. What, if any, accounting did you have as of  
19 March the 9th, 1989?

20 A. I had their monthly statements that they sent  
21 me.

22 Q. Did you have any information as to their

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1 breeding as of March 9th, 1989?

2 A. No.

3 Q. Did you have any contracts in which they hoped  
4 to breed as of March 9th, 19...

5 MR. MONAHAN: That's  
6 right back to leading, Your Honor.

7 THE COURT: Correct.

8 MR. FLANNERY: I'll  
9 withdraw the question, Your Honor.

10 Q. What, if any, contracts for breeding had  
11 Marefield Meadows shown you as of March the 9th,  
12 1989?

13 A. None.

14 Q. To your knowledge, had Mr. White requested  
15 orally or in writing, contracts from Marefield Meadows?

16 MR. MONAHAN: I object to  
17 that, it would be hearsay, Your Honor.

18 A. Yes, I believe he did.

19 MR. FLANNERY: State of  
20 mind, subject to linking up as I believe Mr. White will  
21 testify. Also in evidence we have the February 23rd  
22 letter which requests this very information.

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1 THE COURT: All right, I'll  
2 overrule. Just be sure not to lead.

3 Q. What, if any, requests had Mr. White made to  
4 review contracts for breeding?

5 A. To me or to them?

6 Q. To Marefield Meadows.

7 A. He wrote them to submit these contracts to  
8 him.

9 Q. And as of March 9th, 1989, had you seen any  
10 such breeding contracts?

11 A. I had not, no.

12 Q. Had you received any representations as to  
13 what, if anything, Marefield Meadows was doing by way  
14 of breeding contracts?

15 A. No.

16 Q. What, if any, authority had you given Marefield  
17 Meadows as of March 9th, 1989, to breed any mares,  
18 their own or anyone else's?

19 A. No authority from my side.

20 MR. FLANNERY: I'm trying  
21 to shorten this up, Your Honor.

22 THE COURT: All right.

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1                                   **MR. FLANNERY:**       I'm  
2       passing a copy of what's being marked Cross-Defendant's  
3       Exhibit 18 to Counsel while it's being marked, since I will  
4       be asking the witness to refer to it next.  
5       (WHEREUPON, the document referred to was marked  
6       Cross-Defendant Exhibit #18 for Identification.)

7                                   **MR. CREMINS:**       What  
8       number is that, Mr. Flannery?

9                                   **MR. FLANNERY:** 18.

10           Q. Directing your attention to what has been  
11       marked Exhibit 18, Defendant's 18 for identification,  
12       would you look at that and see if you can recognize that?

13           A. Yes, this is a letter I had written to Mr. White  
14       on March 21st.

15           Q. Now, did you have a conversation with Mr.  
16       White before he wrote that letter?

17           A. Yes.

18           Q. And what, if anything, did you say and did Mr.  
19       White say in that conversation?

20           A. I had received the acceptance letter of the  
21       Meadows and frantically called Mr. White and showed my  
22       surprise at the acceptance of...of a figure which

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1 supposedly was taken as an offer.

2 And I said, you had no authority to do that.  
3 And he said, no, but they don't seem to understand this  
4 and then gave me directions to write a letter, which I did  
5 here.

6 Q. And the letter of acceptance you're referring to  
7 is this letter of March 17th, 1989, Plaintiff's Exhibit 7?

8 A. Yes.

9 Q. And so it's following that letter that you had a  
10 conversation with her and Mr. White as you have just  
11 described?

12 A. Yes.

13 Q. And that prompted you to write the letter that  
14 is before you?

15 A. Right.

16 MR. FLANNERY: Your  
17 Honor, I offer that letter setting forth the authority  
18 granted Mr. White into evidence.

19 MR. MONAHAN: May I ask  
20 for what purpose such a letter is offered, Your Honor? It  
21 seems to me that, again, it does not establish anything  
22 except as between Mr. White and herself. If it's

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1 admitted for that purpose, that's one thing, but it  
2 certainly is not binding on my clients in this litigation.

3 THE COURT: Well, I don't  
4 think that's what she claimed. Apparently, from her  
5 viewpoint, it does show what it purports to show, but...

6 MR. FLANNERY: I might  
7 add, Your Honor, that the very last witness that  
8 Marefield Meadows called was Mrs. Lorenz to ask  
9 basically this same question. And I don't know if the  
10 objection is he only wanted it orally but he doesn't want  
11 it in writing, but it seems to be exactly the same subject.

12 THE COURT: Well, I'll have  
13 to overrule the objection and admit it.

14 (WHEREUPON, Cross-Defendant Exhibit #18 for  
15 Identification was received in Evidence.)

16 MR. MONAHAN: I hope I  
17 have a continuing objection to these documents, Your  
18 Honor.

19 THE COURT: Yes, if you  
20 object to all of them it will be continuing. You can state  
21 your objections if you like, but if you want to just say it  
22 will be continuing, that's all right.

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1 Q. Now, to your knowledge, did Mr. White  
2 subsequently take steps protesting and trying  
3 to...withdrawn.

4 What steps, if any, did your Counsel take after  
5 he notified them that there was this misunderstanding?

6 MR. MONAHAN: Now, I'd  
7 have to object to that, Your Honor. If she wants to  
8 testify to what she understood he took, that's one thing,  
9 but it's not a proper question.

10 MR. FLANNERY: Well, I'll  
11 lay a foundation for the question.

12 THE COURT: All right.  
13 Well, you can ask her what she understood it to be.

14 Q. Were you copied on the correspondence from  
15 your Counsel during this period?

16 A. Yes.

17 Q. What correspondence, if any, was  
18 communicated by your Counsel to Marefield Meadows  
19 following this conversation with Mr. White?

20 A. From Marefield Meadows or to Marefield  
21 Meadows?

22 Q. No, from Mr. White to Marefield Meadows or

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1 counsel.

2 A. There was a letter clarifying that this was not,  
3 in his opinion, an offer and only negotiations and that  
4 many points had not been met to qualify this as an offer.

5 Q. And what, if any, response did he obtain?

6 A. I do not know that.

7 MR. FLANNERY: 19 and 20.

8 (WHEREUPON, the documents referred to were marked  
9 Cross-Defendant Exhibits #19 and #20 for identification.)

10 Q. If I could direct your attention to Exhibits 19  
11 and 20. Are these two letters that your Counsel  
12 forwarded to Mr. Monahan then representing Marefield  
13 Meadows?

14 MR. MONAHAN: Now, Your  
15 Honor, it's quite apparent she can testify these are  
16 copies of letters that she received, but she doesn't know  
17 what happened to the originals. She is not in a position  
18 to say.

19 MR. FLANNERY: Those are  
20 from Monahan's files, presumably.

21 MR. MONAHAN: I don't  
22 care what files they're from, this witness is not

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1 appropriate to say, Your Honor.

2 THE COURT: Well, I think  
3 his objection that he's just stated is proper. So long as  
4 it's clear that they are copies.

5 MR. FLANNERY: Well, I'll  
6 offer them only subject to identification. When Mr.  
7 White takes the stand, then he can say what he knows  
8 and, after all, some of this testimony is anticipated and  
9 subject to...

10 THE COURT: All right.

11 MR. FLANNERY: You can't  
12 through one witness always put on a case and this is one  
13 of those situations.

14 Q. Did you receive those two letters, copies of  
15 those letters, from Mr. White?

16 A. Yes, but later.

17 Q. On or about what dates, as far as you know,  
18 were those letters signed?

19 MR. MONAHAN: Object to  
20 that, Your Honor, she said she received them later. They  
21 may speak for themselves as to the date, but she cannot  
22 testify as to when they were sent. She can testify as to

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1 when she received them.

2 THE COURT: Yes, she can.

3 MR. FLANNERY: Okay, I  
4 think that's fair.

5 Q. On or about what date did you get those  
6 letters?

7 A. I don't recall the date.

8 Q. Do you recall the month or the year?

9 A. Yes, in April.

10 Q. Of what year?

11 A. Of 1989.

12 MR. CREMINS: What are the  
13 dates on the letters, just so I'll have it.

14 MR. FLANNERY: The dates  
15 on the letters marked for identification are March 26th,  
16 1989 corresponding to 19.

17 MR. CREMINS: 3/26 and  
18 what was the other one?

19 MR. FLANNERY: And the  
20 other one is April 26th, 1989 corresponding with Exhibit  
21 20.

22 MR. CREMINS: Thank you,

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1     sir.

2                   **THE COURT:** Just so you  
3     attorneys will know, we will finish this case today  
4     because I have no more time to extend it to any  
5     additional date. So it would behoove all of you,  
6     especially Mr. Flannery here now, to increase the tempo  
7     of his examination and let's get on with...

8                   **MR. FLANNERY:** Okay, Your  
9     Honor.

10                  **THE COURT:** ...this as  
11     rapidly as possible because...

12                  **MR. FLANNERY:** In fact, I  
13     have finished slogging through the paperwork.

14                  **THE COURT:** All right.

15                  **Q.** Directing your attention to the question of  
16     expenses, what, if any, directions or objections have you  
17     communicated to Marefield Meadows during the period of  
18     time when they have had the sole custody of Moronjo?

19                  **A.** I have not communicated with Marefield  
20     Meadows directly, but I have objected to all the expenses  
21     and I have not given approval to any of the expenses,  
22     according to the agreement, where it says, all expenses

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1 must be approved by both parties.

2 Q. And what, if any, directions have been given to  
3 Counsel to object to using Moronjo?

4 A. I have told them that I did not agree with him  
5 moving back from November Hill to Marefield Meadows.  
6 He had communicated that to them, it was done anyhow.  
7 Later on he was moved...

8 MR. CREMINS: Excuse me,  
9 I'm sorry, Judge. Just for the record, Mr. McCahill just  
10 came in and he is here in the capacity of being a  
11 representative of the law firm and is still a Defendant  
12 rather than being here on his own behalf.

13 In case there was any objection to that, I  
14 wanted to point out, Your Honor, that he is here.

15 THE COURT: Thank you. I  
16 assume there will be no objection in his capacity as a  
17 member of the law firm, Defendant law firm.

18 (No response.)

19 Q. And you were saying you objected to certain  
20 movements of Moronjo during this period?

21 A: Yes. He was later moved to Middleburg  
22 Equestrian Center which I had not approved. He was then

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1 moved back to November Hill Farm which, again, I had  
2 not approved.

3 MR. FLANNERY: Your  
4 Honor, I'm going to show the witness several exhibits  
5 and I'm making copies available to Counsel.

6 If I can, for the record, identify several exhibits  
7 that I'm going to show the witness by date so that it's  
8 clear on the record, since I've only given Counsel of  
9 these documents and they don't have the numbers on  
10 them.

11 (WHEREUPON, the documents referred to were marked  
12 Cross-Defendant Exhibits #21, #22, #23, #24 and #25  
13 for Identification.)

14 MR. FLANNERY: Exhibit 21  
15 is a letter dated May 8, '89, Exhibit 22 is a letter dated  
16 July 17th, '89, Exhibit 23 is a letter dated July the 25th,  
17 '89, Exhibit 24 is a letter dated December 8th, '89 and  
18 Exhibit 25 is a letter dated December 11th, '89.

19 Q. And if I could ask you to look at Exhibits 21  
20 through 25 and see if you can identify those?

21 (WHEREUPON, the witness examined the documents.)

22 MR. CREMINS: Your Honor,

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1 we still have the issue of the objection to Exhibit 10 and  
2 I suggest we should stop this right now. Before we left  
3 last night, you asked me and, perhaps me and Mr.  
4 Flannery both, to review...10, if you recall, is an outside  
5 accountant's compilation which had the big stack of bills  
6 and things. And if Your Honor wants to address that, I'm  
7 prepared to.

8 THE COURT: It had a black  
9 edge around it, is it?

10 THE CLERK: I think it's a  
11 manila folder.

12 MR. FLANNERY: It's right  
13 here.

14 MR. CREMINS: It was  
15 Exhibit #10, I believe, Your Honor.

16 MR. FLANNERY: This is it,  
17 right here, Your Honor.

18 THE COURT: Oh, yes, I  
19 remember.

20 MR. FLANNERY: If I can  
21 confer with co-counsel for a moment.

22 (WHEREUPON, Counsel conferred inaudibly.)

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1                   **THE COURT:** There was a  
2 recap that accompanied that and I think you gentlemen  
3 were going to look through the individual bills to see if  
4 the recap conformed with the bills in the folder.

5                   **MR. CREMINS:** Well, I had  
6 stated an objection that was substantially broader than  
7 that to the whole exhibit and Your Honor asked me if I  
8 would at least look at the supporting documents to see  
9 whether I wanted to hold on my objection or whether I  
10 would reconsider my position after looking at those  
11 documents.

12                   **THE COURT:** So, what is it  
13 now, what is your position now?

14                   **MR. CREMINS:** My position  
15 on both the documents, the supporting documents and  
16 the compilation is, that I can find no basis under Virginia  
17 law for either of those to be admitted and I'll be very  
18 brief with it, Judge.

19                   Bills from third parties are hearsay. And we all  
20 deal with this in our everyday practice. You deal with it  
21 in personal injury cases when the Plaintiff wants to get  
22 in a hundred dollar bill from the doctor.

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1 But there are exceptions to that rule that's  
2 very, very narrow. I know of no case that allows an  
3 outsider, that is somebody who is not a party...and  
4 that's what this woman was, she was an independent  
5 contractor/consultant.

6 I know of no case that allows an independent  
7 contractor to come into a party's books, review them  
8 and, through her, get what is otherwise hearsay into  
9 evidence. It doesn't cease to be hearsay...and I forgot,  
10 I think her name was Nicholson, Mrs. Nicholson...Sharon  
11 Nicholson was the lady who was testifying.

12 I know of no basis on which that stack of bills  
13 comes into evidence. And if that doesn't come into  
14 evidence, then her summary of them can't come into  
15 evidence, either. So, with all due respect...

16 THE COURT: Well, I haven't  
17 ruled on that yet and I think you have set out the law,  
18 certainly as I understand it.

19 Mr. Flannery, do you know any exception to  
20 that rule?

21 MR. FLANNERY: No, I  
22 don't, Your Honor. In fact, what I was going to do with



1 these letters was, I was going to stand by my guns on  
2 this and have these marked for identification. I have had  
3 that same problem regarding those exhibits. And I don't  
4 think it's actually mine, and therefore...

5 THE COURT: Well, you can  
6 make it a proffer, but I'll have to sustain the objection to  
7 the admissibility of the summary as well as the  
8 supporting documents.

9 MR. MONAHAN: Well,  
10 Judge, somehow I've been left out of this consideration.

11 THE COURT: Well, I  
12 thought Mr. Cremins was stating exactly what your  
13 position was, that you objected to this summary.

14 MR. MONAHAN: I offered  
15 the exhibits, I offered the summary.

16 THE COURT: Well, now Mr.  
17 Flannery is offering them, apparently.

18 MR. FLANNERY: No, Your  
19 Honor, I'm not.

20 THE COURT: Well, I beg  
21 your pardon.

22 MR. FLANNERY: I'm sorry,

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1 I only...

2 THE COURT: All right, Mr.  
3 Monahan, if you know of some exception to the rule as  
4 stated by Mr. Cremins, I will be glad to hear it.

5 MR. MONAHAN: Mr.  
6 Cremins has stated a rule that has no applicability  
7 whatsoever in this case, the way I understand the law.  
8 These are household...or what amount to household  
9 expenses incurred.

10 He has complained because the independent  
11 bookkeeper, he says, went into the books of my client  
12 and pulled out these bills. And I submit to you, Your  
13 Honor, that simply isn't the testimony.

14 The testimony was that while she is an  
15 independent contractor, she works on a regular basis for  
16 Marefield Meadows, she compiles and pays the bills, she  
17 keeps the books and, in this instance, she rendered  
18 statements based upon the compilation of the bills.

19 Certainly, we are not expected to bring in every  
20 bill that was compiled over the 16 months...or rather we  
21 are expected to bring in the bills, which we have done,  
22 but we are not expected to bring in every feed supplier,

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1 every farrier, every person of that ilk.

2 THE COURT: Well, what is  
3 usually done, and I'm sure you have seen it done this  
4 way, you just have the witness testify as to the total  
5 expenditures and give a total. It's every similar to a  
6 landowner giving his opinion of what the property is  
7 worth.

8 Well, certainly, a person testifying about his  
9 medical and hospital expenses can state the total of what  
10 was paid out, but the bills themselves are not admissible  
11 not matter who prepared them.

12 So, I think Mr. Cremins is right.

13 MR. MONAHAN: But that's  
14 exactly what we have done, sir. We attempted initially  
15 to have the person who is responsible testify to the sum  
16 total. They then asked that the statements be produced.  
17 We produced those.

18 We are in exactly the position the Court has  
19 described. And in terms of the appropriateness of that,  
20 I would submit that that's exactly what Mr. Friend has to  
21 talk about when he talks about one of the exceptions to  
22 the hearsay rule is the compilation based upon, quote,

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1 inconvenience.

2 The determination of what is sufficiently  
3 inconvenient to justify use of secondary evidence seems  
4 to be a matter of discretion varying according to the  
5 circumstances of the case. The courts have exhibited a  
6 tendency towards more liberal application of the  
7 inconvenience rule, however.

8 And I submit that that's exactly what we tried  
9 to do for Your Honor. We tried to avoid the  
10 inconvenience of you having to go through the bills and  
11 making your own compilation by bringing in the  
12 accountant whose testimony has never been questioned  
13 on the basis of the substance.

14 Now Mr. Flannery wants to, and I think he has  
15 a right to say, some of these bills shouldn't be allowed  
16 because Mrs. Lorenz says she never consented to them.  
17 The bills are in, they can be looked at, he can pull them  
18 out, the Court can subtract them, but the compilation is  
19 for the convenience of the Court.

20 I don't want you, Your Honor, to have sit here  
21 and go through those things and add them up and that's  
22 all we've offered.

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1                   **THE COURT:** All right.  
2       Usually it's a moot question because counsel usually  
3       stipulates the amount after having investigated. I take  
4       it you're not willing to do that?

5                   **MR. CREMINS:** Judge, I was  
6       never provided any of that until yesterday. The  
7       document that he's relying on didn't even exist until last  
8       Friday.

9                   Now, he comes in with a compilation and a  
10      stack of bills like that and dumps them up there. Now,  
11      request for admissions would have gotten those if they  
12      are truly legitimate.

13                  My point is, how can an outsider testify to  
14      what those bills are and how can an outsider testify  
15      under the rules that he's talking about where you get a  
16      doctor bill for \$50 and you pay it so, therefore, the Court  
17      says well, gee, it must be reasonable and it must be  
18      related to your broken leg or otherwise you wouldn't  
19      have paid the bill.

20                  We don't have that here, Judge. And  
21      furthermore, we don't have a situation where bills are  
22      being incurred by outsiders. These people had a fiduciary

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1 duty, fiduciary duty to make these things known and to  
2 provide them to all of us.

3 This is their former partner that they're keeping  
4 them away from. And to just dump this stuff in here at  
5 the trial and then say, well, gee, you know, you should  
6 stipulate to it, I'm sorry, Judge, with all due respect,  
7 that's too much.

8 MR. MONAHAN: Now wait  
9 just a minute, if I may respond all the way through to  
10 that. I'm not asking them to stipulate. They can refuse  
11 to stipulate. I, therefore, put the evidence in.

12 As far as being an outsider, Your Honor heard  
13 the evidence. You don't have to be an employee if you  
14 are an independent contractor that is working in the  
15 regular course of the business. And that's what she was  
16 doing, compiling the bills, sending them out, paying them  
17 off, sending out the bills.

18 And finally, as far as keeping Mrs. Lorenz in the  
19 dark, Mrs. Lorenz received the bills, she admitted she  
20 received the billings. It's that she doesn't like them  
21 because she was not consulted about incurring them  
22 which is an entirely different objection.

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1                   **MR. FLANNERY:** She's in no  
2 better position, Your Honor, than this Court to say that  
3 any of those bills mean anything. That's exactly the  
4 same problem that Mrs. Lorenz has been in all along.

5                   **MR. MONAHAN:** That's not  
6 true, Your Honor.

7                   **MR. FLANNERY:** The  
8 evidence that's in the record is clear. In the one  
9 instance where we had an opportunity to find out  
10 anything, there was an unauthorized disbursement of  
11 money for advertising that was a direct breach of the  
12 contract.

13                   The witness has testified that she gave her  
14 permission for them to do nothing during this entire  
15 period when the contract provides it requires her express  
16 permission.

17                   So, I don't know why, since we received this  
18 self-serving nonsense in the mail, that that bootstraps  
19 this stuff into admissibility and, oh, contraire, and this  
20 minor Shop Book Rule quoted in part by Counsel, does not  
21 stand for the proposition that we can take it, because it's  
22 on a piece of paper and somebody said, I sat here with

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1 pieces of paper and I sent out a bill, that doesn't make it  
2 satisfactory under the Shop Book rule.

3 I endorse Mr. Cremins' position, this paper is  
4 inadmissible.

5 **THE COURT:** I can't...what  
6 were you about to do, then, with respect to the summary  
7 and this sheet of paper?

8 **MR. FLANNERY:** I wasn't  
9 going to do anything with that, Your Honor. At one point  
10 there was...I don't know what the circumstance was, but  
11 there was a question about those records, where they  
12 were. And they were down here and I put them up on  
13 the...

14 **THE COURT:** Well, yes. I  
15 thought you were getting ready to use this...

16 **MR. FLANNERY:** No.

17 **THE COURT:** ...and I was  
18 then put to it to rule.

19 **MR. FLANNERY:** No. We  
20 came to a point when, because I was discussing  
21 expenses, Mr. Cremins said, at this juncture we should  
22 revisit the question of those to inform us on how perhaps

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1 we should proceed from here, what, if anything, we have  
2 to meet.

3 THE COURT: Where is that  
4 summary, not that I'm going to consider it now, but is  
5 the summary somewhere here?

6 MR. MONAHAN: It should  
7 be with those. They were a single exhibit.

8 MR. CREMINS: #10, Your  
9 Honor.

10 MR. FLANNERY: I think it  
11 was #10.

12 THE COURT: No, it's not in  
13 order. Maybe you can dig it out. Do you remember what  
14 it was? It was a typewritten page.

15 THE CLERK: I don't recall  
16 having seen it, but I will be happy to.

17 THE COURT: It's typed on  
18 one sheet of paper by itself.

19 Well, let's move along. I'll get back to this in  
20 just a little while.

21 MR. FLANNERY: Excuse me,  
22 Your Honor?

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1                                   **THE COURT:**    Let's go  
2 ahead. I'll get back to this in just a short time. I'll have  
3 to rule on this, which I will.

4                                   **MR. FLANNERY:** Okay.

5                   **CONTINUATION OF DIRECT**  
6                   **EXAMINATION BY MR. FLANNERY:**

7                   Q.    I was addressing Exhibits 21 through 25 and, if  
8 I may, I'll do this the slower way. Do those letters  
9 correspond to directions from your counsel's objection to  
10 the expenses incurred with relation to Moronjo?

11                  A.    Yes, except for this one. This one objects to  
12 the horse being jumped, but not to the other, right.

13                  Q.    And this one is Exhibit 21?

14                  A.    Right.

15                  Q.    And that's an objection to the incurring of  
16 additional expenses?

17                  A.    Oh, yes, I overlooked that.

18                               **MR. FLANNERY:** No further  
19 questions, Your Honor.

20                               **THE COURT:** All right.

21                   **CROSS EXAMINATION**

22                   **BY MR. MONAHAN:**



1 Q. Mrs. Lorenz, when you wrote the letter which  
2 you misdated as being November, what did you do with  
3 that?

4 A. I gave it to Ingrid, the barn manager.

5 Q. That's the barn manager at Marefield Meadows?

6 A. Correct.

7 Q. And you had reviewed the agreement, had you,  
8 the agreement of 1987 which form...

9 A. I don't know whether I reviewed it at that time.

10 Q. I see. At that time were you aware that it  
11 contained a provision for a 60 day notice to terminate?

12 A. Yes.

13 Q. You also were aware, were you not, that a  
14 substantial object of your agreement was that you would  
15 be trainer for Marefield Meadows?

16 A. It was an object, not a substantial one, yes.

17 Q. Well, let's put it another way. As far as  
18 dressage went, you were the expert?

19 A. At that time, yes.

20 Q. And the ladies didn't know anything about  
21 dressage?

22 A. Not as much as I did, no.

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1 Q. And you were training the horse in dressage?

2 A. Yes, that was my intent.

3 Q. And it says in the agreement, specifically, that  
4 you would be the trainer of the horse?

5 A. That's correct, yes.

6 Q. And when you gave notice in November, you  
7 gave notice that you were about to leave...or excuse me,  
8 when you gave notice misdated November, you gave  
9 notice that you would not be their trainer, is that correct  
10 or did you say you would continue to train for as long as  
11 they want?

12 A. I said I would honor my commitment.

13 Q. Well, what was your commitment at that point?

14 A. My commitment was to train the horse.

15 Q. For how long?

16 A. If they so requested.

17 Q. If they requested?

18 A. Correct.

19 Q. Is it true, however, that you had already told  
20 the representatives of Marefield Meadows that you  
21 weren't going to train any longer?

22 A. No, I don't believe that.

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1 Q. And how long did you continue to train?

2 A. After my resignation?

3 Q. After your misdated letter?

4 MR. FLANNERY: Excuse me,  
5 did you say misstated the letter?

6 MR. CREMINS: Misdated  
7 letter.

8 MR. FLANNERY: Oh.

9 A. I went to November Hill several times and rode  
10 the horse down there.

11 Q. Well, that doesn't answer my question. How  
12 long did you continue to train the horse?

13 A. After my resignation?

14 Q. After the misdated letter.

15 A. The horse was sent to November Hill and was in  
16 training at November Hill, so I could not train him unless  
17 I went there to ride him.

18 Q. Let's go through it again, Mrs. Lorenz. You  
19 wrote a letter bearing a misdate. And I question you  
20 specifically, how long in terms of time did you continue  
21 to train the horse after that letter?

22 A. Until I left for Europe.

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1 Q. When did you stop training the horse? And the  
2 answer I want to know is in a date or an approximate  
3 date.

4 A. Mid-December.

5 Q. Mid-December. And the letter went out the  
6 first week in December?

7 A. According to our misdated letter, yes, that's  
8 what it comes down to?

9 Q. That it went out in the first week in December?

10 A. Right.

11 Q. So, actually, when you quit training the horse  
12 in mid-December it would have been about ten days later?

13 A. Correct.

14 Q. Thank you. Now, how long did you stay in  
15 Europe? I'm a little confused.

16 A. Approximately two weeks.

17 Q. Okay. I'm going to hand you Exhibits 2 and 3  
18 for the Cross-Plaintiff and are you saying that the letter  
19 dated November 6th and actually written in mid-December  
20 preceded or followed the letter dated November 10?

21 A. Well, this...

22 MR. FLANNERY: Excuse me,

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1 Your Honor, are these Plaintiff's? I think he said  
2 Plaintiff.

3 MR. MONAHAN: I said  
4 Cross-Plaintiff.

5 MR. FLANNERY: Okay, it's  
6 Cross-Defendant.

7 MR. MONAHAN: Oh, oh, I  
8 see, Plaintiff and Defendant are both written at the  
9 bottom.

10 MR. FLANNERY: I didn't  
11 mean to interrupt, but I thought...

12 MR. MONAHAN: Thank you.

13 Q. You have in your hands at this point, in your  
14 left hand one dated November 10 and one dated  
15 November 6th in your right hand, being respectively  
16 Exhibit 3 and Exhibit 2 for the Cross-Defendant, is that  
17 correct?

18 A. That's correct.

19 Q. And are you saying that the date November 10,  
20 that letter came after your letter which was misdated?

21 A. Yes.

22 Q. So, they're both misdated, you're saying?

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1 A. I believe they are. I...

2 Q. Okay, that's the question that I asked.

3 A. Right.

4 Q. And after the two letters, it is my  
5 understanding from your direct testimony, that you then  
6 waited for a response, leaving it up to them as to what  
7 you would do next since they owned two-thirds?

8 A. That's right, sir.

9 Q. All right. Finally you heard from them on 13  
10 January, is that right?

11 A. January 10th.

12 Q. Was it before or after you contacted Mr. White?

13 A. It was the day after that. I contacted Mister...

14 Q. Or Mr. McCahill...

15 A. ...McCahill, right.

16 Q. ...I didn't mean Mr. White. All right.

17 Because they had stated in their letter what,  
18 that immediately contact Mr. McCahill within 24 hours?

19 A. It appeared that no decision was forthcoming  
20 on their part, what to do with the stallion, so I needed  
21 somebody to help me terminate my agreement.

22 Q. Now, the only agreement up to then that you

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1 had put into writing was the one that you were going to  
2 terminate your training of the horse, wasn't it?

3 A. I gave my resignation to ride their horses.

4 Q. Yes, yes, to ride the horse.

5 A. Right, and...

6 Q. And...excuse me, I didn't mean to interrupt.

7 Do you still have something to say on that subject?

8 A. Yes, on the subject of Moronjo which was also  
9 in the same letter of my resignation.

10 Q. As...

11 A. As I...

12 Q. As the trainer of the horse or the rider of...

13 A. As an owner of the horse.

14 MR. FLANNERY: Let the  
15 witness finish the answer. If you don't like it, then try  
16 to cross examine her.

17 THE COURT: All right,  
18 objection sustained. Let the witness complete the  
19 response. Do you have anything else you were saying?

20 A. I also directed in the same letter, what do we  
21 do now with Moronjo and I offer him...my third to them,  
22 to buy me out at that time. That was the first time.

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1 Q. And that was mailed early in December?

2 A. Yes. It was not mailed, it was hand delivered.

3 Q. Hand delivered?

4 A. Right.

5 Q. And 60 days had not expired when you went to  
6 see...or called Mr. McCahill on the telephone, had it?

7 A. According to this date, no.

8 Q. According to what you say is not a correct  
9 date?

10 A. Right.

11 Q. Mrs. Lorenz, by your own reasoning, isn't it  
12 true that if Moronjo was boarded someplace where  
13 expenses were to be incurred it had to be with the  
14 consent of both parties?

15 A. Yes.

16 Q. So, if Moronjo was at November Hill in  
17 December of 1989 or February of 19...excuse me, may I  
18 correct myself? If Moronjo was at November Hill in  
19 December of 1988 or February of 1989, both parties had  
20 to consent to the continuing incurring of that expense,  
21 didn't they?

22 A. Yes.

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1 Q. And under your agreement, if both parties  
2 didn't concur in the incurring of that expense, he was to  
3 be boarded either at your farm or at Marefield Meadows  
4 where there would not be any expense?

5 A. Yes or the party that didn't agree would not  
6 have to pay for that expense.

7 Q. By February you weren't agreeing to pay any  
8 expense, were you?

9 A. I had agreed to November Hill previously.

10 Q. By February of 1989 you were not agreeing to  
11 pay any expenses, were you?

12 A. At that time, no.

13 Q. Thank you. Now, let me ask you about  
14 something I think I heard you say. You have identified  
15 the letter of February 23, 19...here we are...1989 which  
16 is marked Exhibit 2 for somebody, as having seen that  
17 before, have you not?

18 A. Yes.

19 Q. You saw that I believe, according to your  
20 testimony, approximately March 3 or March 4?

21 A. Correct.

22 Q. And did you call Mr. White the same day about

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1 that letter, the day you saw it?

2 A. I don't think so, I think it was within two or  
3 three days.

4 Q. Within two or three. So, it could have been as  
5 late as March 7th?

6 A. I don't think it was that late. It was like one or  
7 two days later, so it would be the 5th or maybe the 6th.

8 Q. The 5th or 6th, all right. And you asked him if  
9 he had an answer to it?

10 A. Yes.

11 Q. And you and he discussed it and you said, we  
12 will have...either you or he said, we will have to see  
13 what happens?

14 A. Correct.

15 Q. At the time when you read the letter or at the  
16 time that you talked to Mr. White on or before the 6th of  
17 March, did you tell him, this letter contains an offer by  
18 me to purchase, but I can't purchase under those terms?

19 A. No, I did not because I did not even think that  
20 this would be an offer.

21 Q. So, you did not suggest to him that the second  
22 paragraph was wrong?



1           A.   Not at that time, no.

2           Q.   And you did not suggest that he get in touch  
3 with Mrs. Herbert or Mrs. Poynter or Maxine or anybody  
4 to make sure that there were no misunderstandings?

5           A.   No, I did not, simply because I did not ever  
6 think this would be considered as an offer. To me this  
7 was a negotiation and nothing else.

8           Q.   And so he in fact, to your knowledge, did not  
9 do anything until after March 9...on or after March 9, is  
10 that correct?

11          A.   I don't know what he did in between, but what  
12 I know of is March 9, yes.

13          Q.   Now, did he write the letter of March 9 at your  
14 direction, the letter which is Exhibit Number...

15          A.   No, that was not at my direction. I know which  
16 one you mean.

17          Q.   It was not at your direction?

18          A.   No, it was just based on what I had told him on  
19 the telephone.

20          Q.   All right. Did you see that letter before it went  
21 out or...

22          A.   No.

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1 Q. ...have it read to you on the phone before it  
2 went out?

3 A. No, sir.

4 Q. And then I assume you received that within a  
5 couple days, tops?

6 A. A few days, yes.

7 Q. Well, let me ask you, where were you during  
8 the period from March 5 to March 9 again, were you back  
9 in Switzerland or in this country?

10 A. In this country.

11 Q. Okay. Did you receive a phone call from Mr.  
12 White on March 9?

13 A. No, not on March 9, no.

14 Q. When did you first learn that the conversation  
15 between Mr. White and Mrs. Herbert had occurred?

16 A. It was...

17 Q. Excuse me. Just for the record, I'm speaking  
18 of the conversation of March 9...

19 A. Right.

20 Q. ...in which he was told that they accepted the  
21 offer.

22 A. Yes.

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1 Q. When was that, that you first heard of it?

2 A. I think that was early...early morning of March  
3 10th. It was soon after he had spoken to her, I know, he  
4 called me.

5 Q. And when you learned on March 10, early in the  
6 morning, that Marefield Meadows was taking the position  
7 that there was an agreement on your part to buy their  
8 two-thirds, what instructions did you give to Mr. White?

9 A. I did not at that time worry too much about it  
10 because Mr. White told me very clearly he had more or  
11 less straightened it out with Georgia Herbert and that she  
12 had always known that I could only purchase two-thirds  
13 interest of this horse if I could find partners and she  
14 know that and she was aware of it.

15 Q. So you relied on his assurances that nothing  
16 had happened?

17 A. No, no, not that nothing had happened, but I  
18 had not seen anything in writing, so I thought they were  
19 negotiating about it and I did not consider this too  
20 serious and figured they would straighten it out.

21 Q. Well, let me say this: On the morning of March  
22 the 10th you had been informed that at least Georgia

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1 Herbert and Mrs. Poynter took that as an offer, didn't  
2 you?

3 A. Yes, Mr. White told me so.

4 Q. And that they, in fact, had accepted it by a  
5 telephone call of Georgia Herbert, you were told that?

6 A. Yes.

7 Q. And you say you were satisfied from the  
8 conversation that there wasn't any problem?

9 A. I was not satisfied, but I left it up to Mr. White  
10 to negotiate and see whether this could be straightened  
11 out and clarified.

12 Q. Did you ask Mr. White, well, for goodness sake,  
13 you've written two letters, write another one and get it  
14 straight, get it on record, get it down on paper what the  
15 problem is?

16 A. I did that on the 20th of March.

17 Q. I was asking about the morning of the 10th.

18 A. No.

19 Q. No. So, finally, after another letter came from  
20 Georgia Herbert on the 17th, you instructed him on the  
21 20th to write a letter saying, hey, this is all mixed up or  
22 we haven't got a deal or whatever the letter of the 20th

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1 says?

2 A. The letter came to me on the 20th, not on the  
3 17th.

4 Q. I said the letter of the 17th.

5 A. Yes, which reached me on the 20th.

6 Q. And on the 20th, that's when you told him  
7 what?

8 A. Yes. That's when I...that's when I got really  
9 concerned. I saw all these figures in writing, especially  
10 the \$53,000 on my part, which I didn't have and have  
11 always said I would never have, and I said you had...I  
12 don't think you had authority. And he said, no, no, but  
13 they mistook this and I will...and then he directed me to  
14 write a letter disaffirming their authority to do that.

15 Q. He got you to write a letter on the 20th?

16 A. Yes.

17 Q. Rather than you getting him to say, write to  
18 them?

19 A. Yes.

20 Q. You had seen the \$53,333.33 before the 20th,  
21 so that number didn't confuse you on the 20th because  
22 you had already seen it in the letter of the 23rd, had you

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1 not?

2 A. Yes, as a negotiation number, discussion.

3 Q. Mm-hmm, thank you.

4 MR. FLANNERY: Perhaps  
5 Counsel could refrain from commenting on the answers he  
6 obtains from the witness. Objection, Your Honor.

7 THE COURT: All right, well,  
8 I don't know exactly what you're referring to, I...

9 MR. FLANNERY: He was,  
10 mm-hmm, well, okay, (clears throat) and then you  
11 say...that's a summation. That would be an  
12 inappropriate way to do it.

13 MR. MONAHAN: I'd like to  
14 ask the Court whether the reporter has any of the  
15 statements made or claimed to have been made by me as  
16 just represented by Mr. Flannery.

17 MR. FLANNERY: Do you  
18 want her to play back the tape?

19 THE COURT: No, we won't  
20 do that. I think he doesn't like remarks or body English  
21 or whatever you call it, but that just may be his style. I  
22 wouldn't take it too seriously, Mr. Flannery.

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1 All right, sir, let's move on, please.

2 Q. Other than the letters, did you ever make any  
3 objections to Ingrid or to Maxine or to Marion to the  
4 exercise of Moronjo?

5 A. Incurred after my...

6 Q. Anytime yourself, from the time of your  
7 misdated, letter on.

8 A. To Ingrid or who, excuse me?

9 Q. Anybody, Max or Marion, Ingrid, anybody on  
10 the farm.

11 A. Not that I recall, no.

12 Q. Did you limit who could ride the horse?

13 A. Yes.

14 Q. And when did you do that?

15 A. When did I do that?

16 Q. Mm-hmm. (Indicates affirmatively).

17 A. Soon after I resigned.

18 Q. And who did you intend should ride the horse?

19 A. I figured that was my duty.

20 Q. Shortly after you resigned you said, only I can  
21 ride the horse?

22 A. That was the stipulation in our agreement.

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1 Q. All right, that's all I want to know.

2 May I ask you one other thing. While you were  
3 at the farm performing various functions before  
4 November...excuse me, before the misdated letter, did  
5 you oversee the care of Moronjo?

6 A. I did as much as I could.

7 Q. I don't understand that qualification.

8 A. I was not always at the farm, but when I was  
9 there, I did.

10 Q. Mm-hmm. And did you also suggest when  
11 veterinarian care was necessary before the misdated  
12 letter?

13 A. Of course, if I thought he needed it.

14 Q. And did Moronjo get veterinarian care?

15 A. Oh, yes.

16 Q. And did you also make yourself aware of and  
17 advise as to the diet of Moronjo?

18 A. Yes, I did.

19 Q. And, to your knowledge, were your dietary  
20 suggestions followed?

21 A. Yes, they were.

22 Q. So, if Moronjo had colic in '86 or '87 or '88,

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1 that was while you were supervising him, wasn't it?

2 A. Today was the first time I heard about the colic  
3 of Moronjo.

4 Q. It wasn't very serious, then?

5 A. And it happened at a date where he was not  
6 even at Marefield Meadows.

7 Q. Oh, where was he then?

8 A. He was at Little Five Points. So that...I'm  
9 surprised to hear that.

10 Q. Well, then, it couldn't have been very serious.  
11 As I say, you were his trainer at that time.

12 A. I was his trainer, but I knew nothing about it,  
13 but I supervised these horses at Little Five Point.

14 Q. My point is, he couldn't have had colic very  
15 long or very seriously or you would have known, wouldn't  
16 you?

17 A. Well, I certainly would.

18 MR. MONAHAN: That's all  
19 I wanted to ask, thank you.

20 THE COURT: All right.

21 MR. CREMINS: Judge, I  
22 have a couple of questions, but I don't care whether you

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1 take our break first or whatever you pleasure is.

2 THE COURT: Well, you say  
3 you have literally a couple of questions, maybe we can  
4 finish with this witness and then take a break.

5 MR. FLANNERY: I might  
6 have some redirect, but I'll only take a minute, Your  
7 Honor.

8 THE COURT: All right, a  
9 minute or two.

10 MR. CREMINS: May I have  
11 Plaintiff's Exhibit #7, please?

12 THE CLERK: #7?

13 MR. CREMINS: Yes, ma'am.

14 THE CLERK: I do not have  
15 #7 here.

16 THE COURT: The reporter  
17 may have it.

18 MR. MONAHAN: Excuse me,  
19 which 7 are you looking for, yours or mine?

20 MR. CREMINS: 7 is  
21 Marefield Meadows to Georgia Herbert, a two-page letter.  
22 I think it's 7.

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1 **MR. MONAHAN:** No, it's  
2 not mine.

3 **THE COURT:** Gentlemen,  
4 while you're at it, please check your tables anyway  
5 because it's easy to...

6 **MR. MONAHAN:** That's #5  
7 according to my list, Mister...

8 **MR. CREMINS:** Is it 5? I'm  
9 sorry, maybe it is.

10 **THE COURT:** Is that it?

11 **MR. CREMINS:** I have it.

12 **THE COURT:** All right, sir.

13 **CROSS EXAMINATION**

14 **BY MR. CREMINS:**

15 Q. Mrs. Lorenz, did you ever consent or agree to  
16 provide the \$53,000 they claim you owed them by  
17 certified check?

18 **MR. MONAHAN:** Excuse me,  
19 Your Honor, could I ask Mr. Cremins to speak up. He's  
20 right near me an I still can't hear him.

21 **THE COURT:** All right, sir,  
22 would you kindly speak a little louder?

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1 **MR. CREMINS:** I certainly  
2 will, Judge. I'll get over here where...

3 **MR. MONAHAN:** Thank you  
4 very much, that's most considerate.

5 **MR. CREMINS:** I have the  
6 same problem. It's amazing what wonders age do for  
7 you.

8 **Q.** Did you ever consent to providing this \$53,000  
9 they claim you owed them by cashier's check?

10 **A.** No, sir.

11 **Q.** And did you ever agree to any settlement date  
12 to this alleged sale?

13 **A.** No, sir.

14 **Q.** Specifically, did you ever agree to any 60 day  
15 settlement date that Mr. Monahan suggested in paper or  
16 by mouth?

17 **A.** No, sir.

18 **MR. MONAHAN:** Your  
19 Honor, may I point out that this is co-counsel asking the  
20 same questions that Mr. Flannery asked.

21 **THE COURT:** Well, it's  
22 pretty close. Maybe you have forgotten some of his

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1 questions, but I know you try to avoid that when  
2 possible.

3 MR. CREMINS: I will try  
4 and avoid it, Judge, and I'm going to be very, very brief.  
5 But I'm up here in my representative capacity of the  
6 attorneys Mr. Monahan saw fit to sue.

7 THE COURT: All right.

8 MR. MONAHAN: He has  
9 conveniently two hats and I never know which one he  
10 wears, Judge.

11 THE COURT: Well, for  
12 brevity we'll try to concentrate and we won't take quite  
13 as long.

14 Q. Did you ever agree to keep Marefield Meadows  
15 informed of any sale of this animal after you bought him  
16 for \$53,000 by cashier's check?

17 A. No.

18 Q. Did you ever agree to give them a right of first  
19 refusal or an option after you bought him for \$53,000?

20 A. No, sir.

21 Q. Did you ever agree to treat as your legal, moral  
22 and ethical obligation, to allow them to simply enter into

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1 breeding contracts, did you just say, that's okay with  
2 me?

3 A. No, sir.

4 Q. Is there any way you would have agreed to  
5 purchase this animal without resolving that breeding  
6 contract issue?

7 A. No way, no.

8 Q. Is there any way or was there any participation  
9 by you in establishing or fixing the amount of the stud  
10 fees that were charged after your resignation from the  
11 partnership?

12 A. Not after my resignation, no.

13 Q. Did you agree to give special deals to those  
14 who booked Moronjo's stud services before January or  
15 who were previous users of his stud services?

16 A. No, sir.

17 MR. CREMINS: I have no  
18 further questions, Judge.

19 THE COURT: All right, sir.

20 MR. FLANNERY: Just a  
21 couple, Your Honor.

22

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**REDIRECT EXAMINATION****BY MR. FLANNERY:**

**Q. Now, is any rider competent to ride Moronjo?**

**A. No, I don't think so.**

**Q. What kind of a rider is required to ride Moronjo?**

**A. I believe a bad rider can make the horse bad and a good rider can make the horse good. Any horse, not just Moronjo.**

**Q. Was there any professional motivation in requiring that condition in your partnership agreement as to Moronjo; that is, that you would be responsible for training him?**

**A. Yes, I believe there was.**

**Q. Did it relate to this response you have just given?**

**A. Right.**

**Q. Was there anybody at Marefield Meadows, to your knowledge, who was competent to ride Moronjo?**

**A. Not to the extent to be proven, no.**

**Q. Was there anyone there competent to exercise him in any fashion and, if so, how?**

**A. For light exercise, Ingrid, their barn manager,**

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1 can ride horses.

2 Q. And did you give permission for that?

3 A. Later on I did, yes.

4 Q. Was it your understanding, following your letter  
5 of resignation and your notice of termination, that the  
6 horse would be sold in one way or the other within some  
7 limited period of time?

8 A. I was hoping for that, yes, sir.

9 Q. Did you seek not to compromise the value of  
10 this animal in the meantime?

11 A. The stallion at that time was still at November  
12 Hill where I knew he was in good training, so I didn't  
13 worry about that.

14 Q. So, your concern arose after he was  
15 transported back to Marefield Meadows?

16 A. Right.

17 Q. Would you agree with Mr. Zuther that the  
18 animal handling ability at Marefield Meadows was  
19 amateur?

20 A. Yes, I would.

21 Q. Now what, if any, decisions did you make  
22 following your letter of resignation as to veterinarian

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1 care?

2 A. None.

3 Q. What, if any, decisions did you make as to diet  
4 after your resignation about Moronjo?

5 A. None.

6 Q. What, if any, decisions did you make as to  
7 board after your resignation?

8 A. None.

9 Q. What, if any, decisions did you make as to  
10 breeding after you left?

11 A. None.

12 Q. What, if any, decisions did you make as to the  
13 transportation of the horse after your resignation?

14 A. None.

15 Q. What, if any, decisions did you make as to the  
16 showing of this horse?

17 A. None.

18 MR. FLANNERY: No further  
19 questions.

20 THE COURT: All right. We  
21 will take a break in just a minute. Now, let me get an  
22 idea about what other evidence, if any, you gentlemen

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1 want to introduce. Do you have any other witnesses?

2 MR. FLANNERY: I don't  
3 think I'll be calling any more witnesses, Your Honor.

4 THE COURT: All right. How  
5 about you, Mr. Monahan?

6 MR. MONAHAN: I expect  
7 we'll have some, about three or four short ones in  
8 rebuttal.

9 THE COURT: All right, sir.

10 MR. CREMINS: I think Your  
11 Honor would like to hear from Craig White, so I'll put him  
12 on briefly and that my foot is on the accelerator and not  
13 in a coasting position.

14 THE COURT: All right, sir,  
15 fine. We will take a ten-minute break.

16 BAILIFF: All rise.

17 (WHEREUPON, a brief recess was taken.)

18 BAILIFF: Be seated, please,  
19 and come to order.

20 THE CLERK: Mr. White,  
21 were you sworn?

22 MR. WHITE: No, I have not

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1 been.

2 **CRAIG E. WHITE**, having been duly sworn by the Clerk of  
3 the Court, was examined and testified as follows:

4 **DIRECT EXAMINATION**

5 **BY MR. CREMINS:**

6 Q. State your name please?

7 A. My name is Craig White.

8 Q. And are you a member of the Virginia Bar sir?

9 A. I am.

10 Q. When did you pass the Bar exam?

11 A. It would have been in October of 1988.

12 Q. All right sir. And were you then sworn in shortly  
13 after that?

14 A. Yes sir I was.

15 Q. So you had been an attorney for three or four  
16 months when the outward effects in this case occurred?

17 A. That's correct.

18 Q. All right sir, and were you employed with the law  
19 firm of Hanes, Sevilla, Saunders & McCahill at that time?

20 A. I was.

21 Q. And would that be as an associate attorney?

22 A. As an associate attorney.

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1 Q. And were you given the assignment of  
2 representation of Mrs. Lorenz' interests in this case?

3 A. Yes sir I was.

4 Q. Would you tell Judge Jamison very briefly, your  
5 understanding of what your mission or assignment was  
6 from your client?

7 A. Yes, Your Honor. When I was approached by  
8 telephone call by Mrs. Lorenz she indicated that she was  
9 involved in a partnership with Marefield Meadows. That  
10 there had been problems with that partnership for some  
11 time and that she would like me to take efforts to  
12 dissolve that partnership for her and all issues related to  
13 that partnership.

14 Q. All right sir. Did she provide you with a  
15 partnership agreement?

16 A. Yes she did.

17 Q. That's Exhibit 1 in this trial, is it not?

18 A. I believe so.

19 Q. Did you review it?

20 A. Yes I did.

21 Q. Did you make a determination in your mind as to  
22 what issues needed to be resolved?

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1           A. I certainly did.

2           Q. We'll come back to them later sir. I want to then  
3 take the period of time from roughly early January to  
4 mid-February and I want to ask you with whom were you  
5 dealing in your negotiations on this case?

6           A. Very early on it began with one of the principals  
7 of Marefield Meadows. I believe it was Maxine Nichol.  
8 That was for a very brief period of time.

9           Then Marefield Meadows retained Georgia Herbert  
10 and I dealt exclusively with her thereafter.

11          Q. Would you summarize for us the progress of your  
12 negotiations with Georgia Herbert up to mid-February of  
13 1989?

14          A. There really was no progress. Numerous,  
15 numerous phone calls. What we all know, I guess from  
16 the business as telephone tag. We'd try to communicate  
17 back and forth. I'd leave a message at her office, she'd  
18 call back leave a message at my office and so forth and  
19 so on. Sometimes, you know we'd have two or three  
20 phone messages until we finally reached each other.

21          But that was the status of the way things were  
22 going back and forth. We would talk about the various

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1 issues in the case, but no progress was made.

2 Q. Did a couple times where Mr. White in mid-  
3 February of 1989 when the method of contact between  
4 you and Ms. Herbert was directed to be changed?

5 A. Yes.

6 Q. Tell the Judge when, how and why?

7 A. I believe it was February 16. It was a phone call  
8 between myself and Georgia Herbert wherein, I don't  
9 know who made the initial call, myself or her, but we got  
10 on the telephone finally. We started to talk about  
11 possible prices in the case for the horse. I believe I had  
12 the Thompson appraisal at that time. Not in hand, but  
13 had talked with him on the telephone. He had given me  
14 some ball park figures. I called . . .

15 THE COURT: Excuse me.  
16 Who is he, now? I didn't get that.

17 A. Mr. Thompson was the ultimate appraiser.

18 THE COURT: Oh he was the  
19 appraiser, I remember him. Yes we have his letter.

20 A. But I did not have his written appraisal in hand  
21 but I had talked to him.

22 THE COURT: All right.

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1           A. And he had given me some ball park figures so  
2 we were discussing those at the time. Mentioned  
3 breeding rights, other issues in the case that obviously  
4 you've heard evidence of.

5           And she very quickly said Craig we're not getting  
6 anywhere, we've been playing this game for God knows  
7 how long, approximately six weeks. It had been.  
8 Telephone calls are not working, you call me, I got to call  
9 my client, my client calls me, I call you back and it just  
10 didn't work.

11           So she said from now on we will continue our  
12 negotiations via writing so I can share that with my client  
13 and so forth and so on. It made sense, so that's what we  
14 did from there on out.

15           Q. I want to lay in front of you your February 23  
16 letter, since that's the one that's causing the furor in  
17 this case, let me direct my questions to that sir. First of  
18 all, why did you write it?

19           A. To continue our negotiations based on that  
20 phone call, the last one I just discussed to Your Honor.  
21 I needed to continue discussions however, it had to be by  
22 writing. And that . . .

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1 Q. Okay. How about when you dealt with the why,  
2 I want you to stop. Go ahead, I'll let you know.

3 A. Well I'm done with the why, that's the reason it  
4 was written.

5 Q. All right. I want to know and I want you to tell  
6 Judge Jamison what you had been instructed by your  
7 client to do with respect to additional negotiations over  
8 the dissolution of this partnership, as of the date of that  
9 letter?

10 A. I was instructed to find a price that would be  
11 acceptable to both parties. I was instructed to resolve  
12 the issues regarding the expenses. My client and I had  
13 talked about a pro rata basis for my client to pay  
14 expenses.

15 We talked about breeding rights, whether or not she  
16 would have the right to breed one of her horses. In fact,  
17 she named Mrs. Lorenz and told, I believe she skipped  
18 one year where she didn't get one so it was the issue of  
19 whether or not there would be an additional breeding  
20 right for that year.

21 There were breeding contracts that were  
22 outstanding. All of those were issues that she had

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1 instructed me to negotiate and resolve for her.

2 Q. When you sent that letter to Georgia Herbert, the  
3 letter of February 23rd, what was your understanding of  
4 what that letter was?

5 A. Simply it was continued negotiations. It was  
6 really a stream of consciousness type of letter, whereas,  
7 if I would, had been on a telephone I would have talked  
8 about numerous issues. I tried to do it in the form of a  
9 letter quickly. Unfortunately people have picked out a  
10 certain paragraph here where it deals only with price.  
11 But certainly this isn't drafted in the form of some kind  
12 of unqualified offer. Because it wasn't intended to be  
13 that. It was simply . . .

14 Q. All right. Go ahead, I'm sorry.

15 A. It was just simply my thought process of issues  
16 we needed to discuss, throw it out on the table. We now  
17 had a figure from Mr. Thompson, the appraiser, which to  
18 me was nice to have, since we'd had had no independent  
19 third person have input into this case to date.

20 So I was merely throwing that issue out onto the  
21 table so we can try to make some progress since we  
22 hadn't for the past six weeks.

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1 Q. Did you talk or have any occasion to discuss  
2 your letter with Georgia Herbert until her telephone call  
3 to you of March 9, which is one of the other sensitive  
4 points to this case? Between February 23 and March 9?

5 A. I don't believe we did.

6 Q. All right sir. So what was the response that you  
7 received from Georgia Herbert to your February 23 letter?  
8 First when was it and secondly what form did it take?

9 A. Okay it was a telephone call on March 9.

10 Q. All right, now, were you in here yesterday when  
11 Georgia Herbert testified?

12 A. I was.

13 Q. You heard her testimony?

14 A. Yes I did.

15 Q. All right. I want you to tell Judge Jamison about  
16 that conversation as you recall it from start to finish?

17 A. Certainly. It was . . .

18 THE COURT: Give me the  
19 date on which this call was made or this conversation  
20 was had?

21 A. This was March 9, 1989, Your Honor.

22 THE COURT: All right. Go

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1 ahead.

2 A. Okay. At that time there was a phone call again  
3 initiated by who, I'm not certain. But it began with the  
4 confusion that Ms. Herbert referred to before whereas  
5 she thought she was talking about her clients, or she  
6 says I misinterpreted her thinking that I was purchasing  
7 or my client was interested in selling her interest to  
8 Marefield Meadows.

9 We played that game for a minute where we weren't  
10 sure what we were talking about. Who is buying and who  
11 is selling. Once that was resolved and she said no, I  
12 called to accept your offer of Mrs. Lorenz buying my  
13 client's two-thirds interest for \$80,000.00.

14 I said, I expressed surprise, you're accepting what?  
15 Because that's the first I really had heard the term offer.  
16 She said your February 23 letter is an offer. I have been  
17 instructed by my clients to accept that offer.

18 And I said hold on. Hold on one minute. My  
19 February 23 letter is not a letter, it was a respon. . . it  
20 was directly in response to your request on the 16th of  
21 February to continue our negotiations by writing. I've  
22 simply written out the information that we need in order

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1 to continue our negotiations.

2 One, throwing out a price figure. Certainly that's  
3 not all there is to resolve a partnership. The horse is the  
4 principal asset of the partnership and certainly an  
5 important part to resolving it.

6 The price by no means was the only issue and I had  
7 thrown that out because I was happy to see we have a  
8 new figure. Someone has come in and put an \$80,000.00  
9 price on the horse, that we had some formula to try to  
10 work out. But Your Honor that was merely a starting  
11 point and that's what I told Ms. Herbert in our  
12 conversation.

13 And she said ... I added to that that not only was  
14 that only a starting point on that issue but I said you  
15 must realize and I'm sure you realize that financing is  
16 required. My client needs a partnership. She needs or a  
17 syndicate, some form or way of financing this  
18 transaction.

19 She said I do realize that and then she went on to  
20 say she more or less blamed it on her clients, saying well  
21 this is all my client's request. They've instructed me to  
22 accept this offer.



1 I said well you're using that term again, offer. It's  
2 not an offer. It was merely negotiations, my client needs  
3 to obtain a syndicate partnership, do you realize that?  
4 And she said, yes I do.

5 And we also talked about the other issues. I said we  
6 have other issues we need to resolve. Breeding rights,  
7 expenses, breeding fees, contracts, etc. Do you  
8 understand we need to resolve that? Yes I do, was her  
9 response.

10 So I felt reassured after the 9th that we did not have  
11 a contract. She understood we did not have a contract  
12 and I was relieved.

13 THE COURT: Well you said  
14 she understood you didn't have a contract. Now, what  
15 made you think she understood you did not have a  
16 contract when she testified yesterday that you  
17 apparently agreed to it. You remember what you said?

18 A. Right. Yes she . . .

19 THE COURT: You said  
20 great.

21 A. All right. When she testified yesterday about  
22 the great aspect, she had said, I think her testimony was

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1 she said she called and we accept, I said great. And I  
2 don't have specific recollection of the word great, but  
3 I'm sure I was very happy to hear that we had made  
4 progress.

5 I certainly was not saying great we have a signed,  
6 sealed and delivered contract and offer. Your Honor you  
7 have to put yourself in my shoes based on the prior  
8 testimony of how long this negotiation had gone on. Six  
9 weeks of telephone calls where we had not made any  
10 progress whatsoever.

11 Finally I had someone calling up saying we accept or  
12 we agree with your price, whatever the case was. I can't  
13 quote what her response was but it was something along  
14 the lines we agree with that price. We want to do that.

15 Of course I was happy. We have progress. Now  
16 from there, I say, let's all right, we have to get our  
17 financing in order, we have to deal with the rest of the  
18 issues. So, of course, I was happy and relieved that we  
19 had made progress. But that was the extent of it.

20 I certainly was not telling her great we have a  
21 contract and I'm pleased with that. Because that simply  
22 was not the case.

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**1 CONTINUATION OF DIRECT**

**2 EXAMINATION BY MR. CREMINS:**

**3 Q. Mr. White . . . I'm sorry Your Honor, were you?**

**4 THE COURT: No that's all.**

**5 That's all I have.**

**6 Q. I'd like to move quickly to your letter of March**  
**7 9 which is an Exhibit that Judge Jamison has and I'd be**  
**8 happy to show you a copy of it in case you need to**  
**9 refresh your recollection. Now I've forgotten the Exhibit**  
**10 number Judge but it is one of the early.**

**11 THE COURT: It is Exhibit 4.**

**12 A. Yes.**

**13 Q. Now what was the purpose of sending that**  
**14 letter?**

**15 A. Again, another status report as to where we**  
**16 stand. After my phone call or before, I don't know**  
**17 exactly when this was written. Whether it was before.**

**18 MR. MONAHAN: I believe it**  
**19 is number 6.**

**20 MR. CREMINS: Number 6?**  
**21 Exhibit 6 Judge. It's a one page letter Your Honor.**

**22 THE COURT: I'm sorry. It's**

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1 a one page letter. I was looking at this letter of the  
2 23rd.

3 MR. CREMINS: It's the a ..

4 THE COURT: Well I don't  
5 have the, we don't have it up here. Maybe ...

6 MR. FLANNERY: It's also  
7 Defendant's, it turns out it is also Defendant's Cross  
8 Exhibit 9.

9 MR. CREMINS: Here it is  
10 Judge.

11 THE COURT: All right Sir.  
12 I have it. Here we are. It's number 6, let the record  
13 show correction.

14 CONTINUATION OF DIRECT  
15 EXAMINATION BY MR. CREMINS:

16 Q. Mr. White let me go back and ask you this  
17 question. Do you recall whether you wrote that letter  
18 before Herbert's phone call you just told the Judge  
19 about, or after the phone call?

20 A. I honestly don't have a recollection as to  
21 whether it was before or after.

22 Q. But it was the same day?

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1           A. But it was certainly the same day.

2           Q. All right. And I had asked you what your  
3 purpose was in writing that letter to Georgia Herbert and  
4 your answer was?

5           A. Again another status report. Just bring her up  
6 to speed that you know, we have a price we'd like to  
7 work with the \$53,333.00 figure. She's out looking for  
8 partners to do so, hopefully it's going to work. And if  
9 so, you know, we can move on from there.

10          And that was, again, just a status report. A  
11 continue negotiations update. That was the extent of it.

12          Q. All right sir, in between that letter of March 9  
13 and your receipt of Georgia Herbert's letter of March 17,  
14 which is the two page acceptance letter, Your Honor,  
15 that should be what the next numbered Exhibit. We don't  
16 have Herbert's.

17                               MS. GAFFNEY: Number 7.

18                               MR. FLANNERY: Plaintiff's  
19 7.

20                               THE COURT: The Clerk says  
21 she doesn't have it.

22                               MR. CREMINS: Maybe it's

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1 down here.

2 **THE COURT:** Gentlemen, I  
3 started to tell awhile ago but didn't finish. Please check  
4 the tables and make certain you don't have any admitted  
5 Exhibits on your tables. Because we certainly need to  
6 get those back from you if you do.

7 Q. I'll direct your attention to the March 17 Georgia  
8 Herbert letter.

9 A. Yes.

10 Q. And my first question is, in between your letter  
11 to her of March 9 and your phone call on March 9, in  
12 which you told her about all these other issues and all  
13 the reasons why you didn't think there was any contract,  
14 did you talk to her at all?

15 A. Yes I did.

16 Q. When?

17 A. It was sometime between March 9 and March 17.  
18 The exact date I do not recall.

19 Q. Why do you recall?

20 A. Well it was an interesting phone call in the sense  
21 that when we were talking she informed me that a March  
22 17 letter was coming. And . . .

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1 Q. Wait a minute. Let me go back. When you were  
2 talking when?

3 A. Between March 9 and March 17th.

4 Q. She told you that this letter was coming?

5 A. Right. She says, she said to me, I have written  
6 a letter, it's in the mail, it's harsh in tone, I apologize for  
7 the harshness. But just so you understand, we had a  
8 very good relationship as far as counsel go. We're on a  
9 first name basis and she said Craig I apologize for the  
10 harshness of the tone but my clients are insisting that  
11 this is an offer and they want to force the issue. So I  
12 have to write you this letter. It's in the mail. I apologize  
13 for the tone.

14 Q. What else was said at the time, if anything?

15 A. That's all I recall. That's why it stuck in my  
16 head as being interesting. I don't recall anything else.

17 Q. So as of that telephone call then you knew there  
18 was mail on the way?

19 A. Yes.

20 Q. All right. And when you got the March 17, 1989  
21 Georgia Herbert letter, it had attached to it a letter of  
22 March 6 from Marefield Meadows to Georgia Herbert, did

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1       It not?

2           A. Yes it did.

3           Q. All right. I want to direct your attention to  
4       those two letters. First of all, did you at any time on  
5       behalf of your client, Mrs. Lorenz, agree that she would  
6       provide a cashier's check in the sum of \$53,333.33?  
7       When I say did you agree, I mean did you represent that  
8       in words or substance to Georgia Herbert?

9           A. I not only did not agree, but it was never  
10      discussed.

11          Q. Did you at any time in your discussions with  
12      Georgia Herbert represent that the breeding issue was  
13      resolved?

14          A. Certainly it was not. That was at the forefront.

15          Q. Did you at any time ever represent to her that it  
16      did not need to be resolved, that your client would buy  
17      this horse without it being resolved?

18          A. No. Never made that representation.

19          Q. Did you ever reach an agreement with Georgia  
20      Herbert on the issue of the debits and credits of the  
21      partnership, that is who owed who what from the  
22      accounting standpoint?



1 A. Never resolved.

2 Q. Did you ever talk about it in any detail?

3 A. In terms of the accounting?

4 Q. Yes sir.

5 A. No. We talked generally about expenses. The  
6 one-third, two-third pro rata but not all of the debits and  
7 credits.

8 Q. Did you ever agree with Georgia Herbert on  
9 behalf of your client to bind her in the event she sold this  
10 animal which she had agreed to pay \$53,000.00 for by  
11 cashier's check according to them, did she give Marefield  
12 Meadows the right of first refusal?

13 A. Absolutely not. Never discussed.

14 Q. Did you ever agree that she'd keep Marefield  
15 Meadows informed of the progress of Maronjo after she'd  
16 bought him for \$53,000.00 with a cashier's check?

17 A. No.

18 Q. Did you ever agree on her behalf with Georgia  
19 Herbert that it was Mrs. Lorenz's legal, morale and  
20 ethical obligation to follow through on any breeding  
21 contracts that were in existence and just say, Oh okay,  
22 if you made them that's fine, go ahead and continue?

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1 A. No.

2 Q. Did you ever agree on anything having to do with  
3 breeding?

4 A. No. No agreement.

5 Q. Specifically, did you ever authorize Marefield  
6 Meadows through Georgia Herbert, to continue to breed  
7 this animal?

8 A. No.

9 Q. Did you ever authorize them to keep either the  
10 money or the horses that were the result of the breeding?

11 A. No.

12 Q. Did you ever even discuss it with her?

13 A. No we did not.

14 Q. Did you ever talk with her about setting breeding  
15 fees?

16 A. Setting them?

17 Q. Yes.

18 A. No. Never.

19 Q. How much?

20 A. No.

21 Q. Okay. Did you ever talk with her and agree to a  
22 settlement date when your client was to present this

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1       **\$53,000.00 cashier's check?**

2           **A. No. Never discussed.**

3           **Q. Did she ever ask you for a settlement date?**

4           **A. No.**

5           **Q. Did she ever tell you not only did you buy it but**  
6 **you've got to have your money by such and such a date?**

7           **A. No.**

8           **Q. Did you talk to her after you got this March 17**  
9 **letter from her along with the Marefield Meadows letter?**

10          **A. Yes we did.**

11          **Q. Tell the Judge about that conversation. First**  
12 **when and then what was said?**

13          **A. It was some time afterward. After receiving the**  
14 **letter of the 17th, so probably around the 20th or so, of**  
15 **March 1989. Again, I expressed surprise. Number one,**  
16 **I thought after our conversation on the 9th that we didn't**  
17 **have a problem.**

18          **Although she'd warned me a letter was coming I was**  
19 **still nevertheless surprised to read it and see what it**  
20 **said. Also the fact that it introduced new terms. And I**  
21 **started to talk to her about, you know, what are we going**  
22 **to do from here? What's really going on?**

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1           She said Craig we can't discuss this anymore. They  
2 are going to retain someone who will litigate this matter.  
3 So she really wouldn't talk to me any further about it at  
4 that point.

5           Q. Did you send her a letter dated March 22, 1989  
6 summarizing the events as you saw it, summarizing the  
7 present status of the case?

8           A. Yes I did.

9                           THE COURT: Is that, what  
10 is that again?

11                          MR. CREMINS: I think that  
12 might have been put in by Mr. Flannery, but I'm not sure.

13                          THE COURT: February  
14 23rd?

15                          MR. CREMINS: No this is a  
16 March 22 letter.

17                          THE COURT: March 22.

18                          MR. CREMINS: To Georgia  
19 Herbert from Craig White, sir.

20                          THE COURT: Just a minute.  
21 Let's see if we can find it. I need to get these Exhibits.

22                          MR. CREMINS: It's been

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1 marked Cross Defendant's Exhibit 19 for Identification,  
2 sir. And let me just ask him if this is the letter he wrote  
3 and then I'm going to move it into evidence.

4 THE COURT: All right.

5 CONTINUATION OF DIRECT  
6 EXAMINATION BY MR. CREMINS:

7 Q. Is that the letter we've been referring to?

8 A. Yes it is.

9 Q. I'd like to move that in. I don't care if it's  
10 Flannery's or mine, Judge.

11 THE COURT: If there is no  
12 objection it will be admitted. March 22nd from Mr. White  
13 to Georgia Herbert.

14 Q. What was the purpose in that letter?

15 A. Again to set my position forth. Really a  
16 response to her letter of the 17th saying you're wrong,  
17 that's not what occurred and I wanted to straighten the  
18 record.

19 Q. Did you ever receive a request to set a  
20 settlement date in this case?

21 MR. MONAHAN: He's been  
22 asked and answered that question several times Judge.

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1 THE COURT: You did ask  
2 him and he said no.

3 MR. CREMINS: No further  
4 questions.

5 THE COURT: All right Mr.  
6 Flannery.

7 MR. FLANNERY: Yes Your  
8 Honor.

9 CROSS EXAMINATION  
10 BY MR. FLANNERY:

11 Q. I think I only have one. There's, if I could have  
12 Exhibit 20 again.

13 A. Your Honor, if I may? About that, I was  
14 misunderstanding about whether or not there was a  
15 request. When I was responding to Mr. Cremins, I, it was  
16 my understanding we were talking about on the phone or  
17 orally.

18 If you're talking about a written request, there  
19 is a letter, so that there is a written record, I believe it  
20 was in the 17th, the letter of the 17th is where it is, is  
21 my recollection.

22 THE COURT: The letter

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1 from whom? The only one I know of is on the 17th of  
2 March if that's the one you are referring to.

3 A. That's what I thought. I don't have it before me.  
4 If I'm mistaken.

5 THE COURT: Here it is. It  
6 is March the 17th from Ms. Herbert to you.

7 A. No, I'm mistaken Your Honor, I'm sorry. I'm  
8 mistaken.

9 CONTINUATION OF CROSS

10 EXAMINATION BY MR. FLANNERY:

11 Q. If I may approach the witness, Your Honor?  
12 Directing your attention to Defendant's Exhibit 20, do  
13 you recognize this as a letter from yourself to Mr.  
14 Monahan on or about April 26th, 89?

15 A. Yes.

16 Q. And could you just state what the purpose of  
17 that letter was?

18 A. Again this was a, setting forth my position to  
19 Mr. Monahan. I knew he was new to the case, probably  
20 had heard only one side of the story and I just needed to  
21 bring him up to speed as to what actually happened.

22 Q. And you heard Mrs. Lorenz say that she had

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1 gotten copies of correspondence. Did you send her a  
2 copy of this?

3 A. It does say that a courtesy copy was mailed,  
4 yes.

5 Q. And was it your practice to send courtesy copies  
6 of the correspondence?

7 A. Yes it was.

8 Q. Your Honor I move this into evidence now. It is  
9 just one of those that is subject to . . .

10 MR. MONAHAN: Your  
11 Honor, if at this point it is to be moved into evidence I  
12 would object to it as totally immaterial. This was written  
13 after the dispute had arisen between the parties and is a  
14 self-serving statement on behalf of one client's attorney  
15 to another.

16 I don't think that it's admissible in this case. It's  
17 subsequent to the occasion and the Court's going to have  
18 to decide this case on the contract and the conversations  
19 which evolved around the contract, not what was written  
20 some months later when other counsel had come into the  
21 case.

22 MR. CREMINS: It is no more

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1 self serving than the March 17th letter of Georgia  
2 Herbert. It's a confirmation, that's all it is. Every time  
3 I objected that was Mr. Monahan's response. It's a  
4 confirmation. That's what that was.

5 **MR. FLANNERY:** Well I go  
6 one step further Your Honor, if I may. And that is that  
7 the testimony of how Georgia Herbert steps out of the  
8 case and Mr. Monahan comes in during this period of  
9 time. And I respectfully submit and I think the conduct  
10 of the parties allows us to argue that.

11 That there was purposeful delay here to get through  
12 the breeding period, up to and including the conduct of  
13 counsel. And this letter puts the Defendants on, excuse  
14 me, put Marefield Meadows on notice. Marefield  
15 Meadows on notice, that there is confusion. Not once,  
16 but I think three times now.

17 And so when they're talking about problems with the  
18 horse, they don't have any defense that they  
19 misunderstood our position. From the first conversation  
20 on March the 9th and the subsequent letters by this  
21 witness and oral communications by others on  
22 subsequent dates, they have actually no reason to rely on

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1 the fact that there was some contract while they're doing  
2 all this stuff.

3 They've been told from the get go we don't have a  
4 contract, we've only had a conversation about price and  
5 we have other terms to discuss.

6 THE COURT: Well the mere  
7 fact that it's after the fact with respect to the March 9th  
8 talk between Herbert and White is not in and of itself  
9 sufficient reason to keep it out, if it has any relevance at  
10 all.

11 It is three pages, I don't know whether it has or not.  
12 This is not a jury case. I just have to look at it and read  
13 it and decide whether it's relevant. If it's not, I certainly  
14 won't consider it.

15 MR. FLANNERY: Your  
16 Honor, at this time, the only conversation . . .

17 THE COURT: But I will let  
18 it in subject to my ascertaining the nature and rejecting  
19 it if it is not proper.

20 MR. FLANNERY: Excuse me  
21 Your Honor for speaking. I thought you had finished, I  
22 didn't realize I was interrupting. I try not to do that.

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1 I also at this time would like to say that the  
2 testimony of Mrs. Lorenz that was offered subject to the  
3 connection of this witness appearing has now been  
4 served. And I now ask that they be accepted, not just for  
5 state of the mind but the truth of the matter is served.

6 That this witness is present for cross examination  
7 and I say that now so that Mr. Monahan will find no  
8 excuse whatever opportunity he has to state, to avail  
9 himself of that opportunity.

10 THE COURT: An  
11 examination of?

12 MR. FLANNERY: Mr. White.  
13 You may recall Mrs. Lorenz testified about certain  
14 conversations with Mr. White. The objection was a  
15 hearsay objection.

16 The unavailable declarant is present and he has  
17 already testified about those conversations and if she  
18 wants to, if Mr. Monahan wants to ascertain anything  
19 else, he has the opportunity to do it. Which cures any  
20 hearsay objection. And so I now offer those  
21 conversations for the truth of the matter of serving.

22 THE COURT: All right. But



1 he'll have to wait until he's finishes examination.

2 **MR. FLANNERY:** Thank you.

3 I have no further questions Your Honor.

4 **MR. MONAHAN:** You've  
5 heard his tender didn't you, Your Honor?

6 **THE COURT:** Yes.

7 **MR. MONAHAN:** And as I  
8 would oppose, object to his tender of the testimony of  
9 Mrs. Lorenz for anything more than the Court let it in, her  
10 state of mind as to what he recited to her as being true.

11 He's here. I could cross examine him. But that  
12 doesn't mean that it's true because he told it to her  
13 which is what Mr. Flannery contends.

14 **THE COURT:** No. I don't  
15 think he's contending that it's true . . .

16 **MR. FLANNERY:** I think it's  
17 true that . . .

18 **THE COURT:** It's just true  
19 that he said it, not that it is true.

20 **MR. MONAHAN:** Well for  
21 that purpose it's admissible for exactly what the Court  
22 said. It would show her state of mind.

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1 THE COURT: That's right.  
2 That's correct. And that's the way, what would be  
3 considered. All right sir you can go ahead and cross  
4 examine.

5 CROSS EXAMINATION

6 BY MR. MONAHAN:

7 Q. I understand that you say you'd been practicing  
8 about three or four months at the time you had any of  
9 these conversations with Ms. Herbert?

10 A. Approximately yes.

11 Q. On the other hand, you had, I assume, studied  
12 contracts and felt yourself competent to practice law in  
13 the area of contracts or you wouldn't have undertaken  
14 this representation?

15 A. Certainly.

16 Q. And where did you go to law school? I missed  
17 that.

18 A. T. C. Williams.

19 Q. Okay. And they have a contracts course?

20 A. They do.

21 Q. And in that contracts course you were advised I  
22 supposed that an offer and an acceptance makes a

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1 contract? That's true isn't it?

2 A. As a generalization, yes.

3 MR. FLANNERY: Your  
4 Honor, is this a symposium? I thought this was up to  
5 you, I... maybe let him go on?

6 THE COURT: Well this is  
7 cross examination, you know. You have to be, have a  
8 good deal of latitude or a whole lot of facts.

9 Q. So you wrote your letter of February 23, 1989  
10 with that knowledge?

11 A. With the general knowledge of contract law?  
12 Yes.

13 Q. And you have the letter of February 23 before  
14 you, sir?

15 A. Yes I do.

16 Q. Now there is a second paragraph which contains  
17 language, which I summarize correctly as it appears in  
18 the letter. It simply states my client will sell to yours for  
19 \$56,666.66 or she will buy the interest of your clients  
20 \$56,666.66. Is that true?

21 A. Your figures are slightly off but yes.

22 Q. All right. I apologize on a poor memory. And in

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1 that second paragraph there are no qualifiers are there?  
2 In the second paragraph?

3 A. There are no qualifiers, however there did not  
4 need to be.

5 Q. Just answer my question sir. In the written  
6 second paragraph are there any qualifiers?

7 A. No there are not.

8 MR. CREMINS: I think the  
9 witness has the right to explain his answers.

10 MR. FLANNERY: Well I have  
11 another objection. I thought the letter spoke for itself  
12 for every other witness except this one.

13 MR. MONAHAN: Since this  
14 is the author, I'd like to find out if he sees it any  
15 different than anybody else.

16 THE COURT: Well if any  
17 witness can explain his answer, so it is proper.

18 Q. So your position is that there are none but there  
19 didn't need to be?

20 A. That's right. If I may answer, there didn't need  
21 to be based on my prior testimony about our  
22 conversations, between myself and Ms. Herbert on

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1 February 16. Wherein she said negotiations will be in  
2 writing, therefore I'm not writing an offer. I had no  
3 intention to write an offer. I don't need to have any  
4 qualifiers.

5 Q. Okay, so she had said Craig, it's now February  
6 16th, 17th?

7 A. 16th, I believe as well I know.

8 Q. And she said Craig we're not getting anywhere.  
9 From now on if you want me to consider anything, put it  
10 in writing?

11 A. Generally, yes.

12 Q. So as you were told, without speaking to her  
13 again, you felt that you would write her and you then let  
14 the letter of February 23rd carry out that intent?

15 A. Well on the 16th we began to speak about these  
16 things. The price being in or around \$80,000.00, being  
17 the value of the horse. We started to talk about that as  
18 well as the other issues in this letter.

19 But that's when she said we're not doing this by  
20 phone anymore, we're doing it by writing. Please write  
21 me. She didn't say please write me an offer. Please give  
22 me a statement in writing as to what your offer is. She

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1 just said please continue this by writing, phone calls are  
2 not getting anywhere.

3 Q. Now do you still have the letter in front of you?

4 A. I do.

5 Q. In the third paragraph you stated if I'm reading  
6 correctly, in the event Marefield Meadows elects neither  
7 to purchase nor to sell it's interest, then it should be  
8 sold to private placement. Is that right?

9 A. Yes, it, well it speaks for itself. But as to what  
10 you read, that's certainly a part of it.

11 MR. FLANNERY: Objection.  
12 Interrupting the answer, I'd like to hear the whole answer  
13 myself. My hearing is not so terrific.

14 THE COURT: All right. Let  
15 him finish.

16 MR. CREMINS: My  
17 paragraph 3 says a lot more than that too, Judge.

18 THE COURT: Well it does,  
19 mine too. I must have a different sheet.

20 MR. FLANNERY: Yes I guess  
21 the letter doesn't always speak for itself with Mr.  
22 Monahan cross examining.

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1 **MR. MONAHAN:** Your Honor  
2 I again apologize if I transgress in any fashion. I am  
3 assuming that the Court will tell me rather than Mr.  
4 Flannery.

5 **THE COURT:** Well I think  
6 you, it's not the same wording but I suppose it could be  
7 said that the it follows generally what you said. I . . .

8 **MR. MONAHAN:** That does  
9 say what I said, doesn't it?

10 **THE COURT:** Although it ...  
11 A. In bits and pieces maybe.

12 **MR. MONAHAN:** Yes.

13 **THE COURT:** The third  
14 paragraph goes into a good many other things that you  
15 didn't mention.

16 **CONTINUATION OF CROSS**

17 **EXAMINATION BY MR. MONAHAN:**

18 Q. Which of them in the third paragraph, have you  
19 written in there as a qualification on your statement that  
20 your client will purchase the stallion?

21 A. As I stated before, this letter was not intended  
22 to qualify anything. This was not saying she will buy it

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1 for this price or sell for another price. This was setting  
2 for the price figure as one of many components to resolve  
3 the partnership.

4 That's what paragraph 2 is about, paragraph 3 is  
5 now moving on to say if we don't have the price  
6 resolved, we might have to go to public sale, but  
7 regardless, we have the other issues then presented in  
8 this letter. In addition to more.

9 Q. Mr. White, I agree that it doesn't appear in  
10 there, many of the reasons I'm asking you, where are the  
11 qualifiers in paragraph 2 contained in paragraph 3, that's  
12 all. Are there any in the letter?

13 A. I answered that there was not any qualification  
14 but that there did not need to be. Based on my prior  
15 conversation with Ms. Herbert.

16 Q. So your answer is there are none. And then you  
17 expanded on it?

18 A. That's correct.

19 MR. FLANNERY: Objection.

20 Asked and answered.

21 THE COURT: Overruled.

22 Q. Now I'm interested after that you said you got a

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1 phone call from Georgia Herbert on the same day, March  
2 9, that you wrote her a letter?

3 A. That's correct.

4 Q. But you don't know whether you wrote it, the  
5 letter, before or after the phone call?

6 A. That's correct.

7 Q. In that the order of things, knowing that you had  
8 a phone call and knowing you had a letter whether  
9 written before or after, did you in your own mind or even  
10 physically attempt to determine whether the letter was  
11 consistent with the phone call?

12 A. I'm not sure I understand the question?

13 Q. Well you knew you'd written a letter, didn't you?

14 A. Yes, I had written a letter the 9th.

15 Q. You knew that on the 9th that you'd written it?

16 A. At some point yes.

17 Q. And at some point you knew you'd talked to  
18 Georgia Herbert on the phone?

19 A. Yes. Yes.

20 Q. And all I'm asking you is when both things had  
21 been accomplished and before the letter was mailed, or  
22 after the letter was mailed, at any time did you attempt

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1 in your own mind to review and see if the letter was  
2 consistent with the phone call? Or the phone call  
3 consistent with the letter?

4 THE COURT: Are you  
5 speaking of the March 9th telephone call?

6 MR. MONAHAN: Yes sir.

7 A. Whether I did that on the 9th or not, I cannot  
8 say. However, it is my view that it is consistent.

9 Q. But you don't know whether, as an attorney,  
10 having received the phone call, having written a letter,  
11 you made any attempt to consider whether they were  
12 consistent at that time?

13 A. No, if I ran to the mailbox or looked, that kind of  
14 thing to see, to pick it up and read it, I'm just saying I  
15 don't recall doing that.

16 Q. I didn't ask that sir. I asked whether in your  
17 own mind you reviewed what you'd written and you  
18 reviewed what had come in over the phone and you  
19 determined that they were consistent?

20 A. Well certainly. Otherwise I would not have . . .

21 MR. CREMINS: Your Honor  
22 I'm going to object. Mr. Monahan is granted a lot of

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1 leeway. All he's doing now is arguing with the witness  
2 and not giving him a chance to answer the questions.

3 THE COURT: All right.  
4 Let's let him answer the question Mr. Monahan. It's the  
5 exception is that you're not giving him enough time or  
6 interrupting him when he tries to answer. So just let him  
7 answer.

8 MR. MONAHAN: All right.  
9 I would be delighted if he would answer Your Honor. I  
10 don't mean to inhibit him in anyway.

11 THE COURT: All right. Ask  
12 him your next question.

13 MR. MONAHAN: I didn't get  
14 an answer to that one because Mr. Cremins interrupted  
15 sir. I'd like the answer.

16 THE COURT: All right. You  
17 may ask it over again and give him time to answer.

18 Q. All right. The only question that was pending  
19 was knowing on the 9th that you'd had a phone call,  
20 knowing on the 9th that you'd written a letter, and as an  
21 attorney did you attempt on the 9th, to reconcile in your  
22 own mind, whether they were consistent?

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1 A. Certainly.

2 Q. So you felt they were?

3 A. Yes I did.

4 Q. Thank you. Now when did you call your client to  
5 tell her that you had a problem or that there was a least  
6 a question as to content of your letter of February 23?

7 A. Well I think it was on the 9th. If not on the 9th,  
8 very soon thereafter. I'm sure after my phone call with  
9 Georgia Herbert, I would have at least advised my client  
10 as to what occurred. So it was either on the 9th or as  
11 soon as I could have gotten a hold of her.

12 Q. Was it before the letter of the 17th?

13 A. Oh yes.

14 Q. All right. Do you know how much before the  
15 letter of the 17th?

16 A. Like I said Mr. Monahan, it was probably either  
17 the 9th or the 10th of March.

18 Q. Now knowing whether you believed it was valid  
19 or not, that there might be a problem and concern, being  
20 concerned enough to talk to your client about it, were  
21 you concerned enough to write Georgia Herbert and  
22 straighten it out?

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1           A. No. I think the word problem came from you Mr.  
2 Monahan. I never did say there was a problem. I didn't  
3 feel there was a problem because I had talked with  
4 Georgia Herbert on the 9th.

5           After we had talked about the fact that financing  
6 was necessary. After talking about the other issues and  
7 her acknowledging that financing was necessary. And  
8 her more or less agreeing with my position. At that point  
9 in my phone call, I did not think there was a problem.  
10 But I also felt I should at least advise my client that one  
11 occurred. So I talked to her.

12           Q. So you were satisfied to tell her but not Georgia  
13 Herbert?

14           A. We'd already talked.

15           Q. In writing? You didn't feel it necessary to talk  
16 to Georgia Herbert?

17           A. Not in writing.

18                               **MR. CREMINS:** He did talk  
19 to her in writing. He sent her a letter dated March 9th,  
20 Judge.

21                               **MR. MONAHAN:** Which does  
22 not mention a problem does it?

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1 **MR. CREMINS:** Judge that's  
2 a matter of argument. March 9 not only mentions the  
3 problem, it mentions several of them.

4 **THE COURT:** Well it says at  
5 this time Mrs. Lorenz' intends to locate the financial  
6 resources.

7 **MR. CREMINS:** Right and it  
8 says that if she doesn't there's going to have to be a  
9 public sale. That's two times to Ms. Herbert saying we  
10 don't have a deal.

11 **MR. MONAHAN:** Well let me  
12 ask you Mr. White, since Mr. Cremins has come to your  
13 defense . . .

14 **MR. FLANNERY:** Objection  
15 to that's a unnecessary preference. It happens  
16 repeatedly, we all have our styles of cross examination  
17 but this badgering the witness . . .

18 **THE COURT:** All right I will  
19 listen a little more carefully.

20 **CONTINUATION OF CROSS**

21 **EXAMINATION BY MR. MONAHAN:**

22 Q. When Georgia Herbert said, in effect, I've read

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1 your letter, my clients accept your offer to say it, offer  
2 to say it?

3 A. Are we talking about on the 9th?

4 Q. On the 23rd, now. On the, yes, on the, in the  
5 phone call, I've read your letter of April, of February  
6 23rd, my clients accept the offer to sell their interest to  
7 your client, are you saying you didn't think you had a  
8 problem?

9 A. Not after our conversation.

10 Q. Okay. And you are also saying that you felt that  
11 there was nothing in the written letter of the 23rd that  
12 needed to be straightened out by mail?

13 A. I thought we had done that on our telephone  
14 conversation on the 9th.

15 Q. So that answers it. There was nothing that  
16 required straightening out by mail? Okay. All right. And  
17 you say that when she said I accept or my clients accept  
18 your offer and you said great, all you thought that meant  
19 was we were making progress?

20 MR. CREMINS: First of all,  
21 he never testified that he remember saying great, Judge.  
22 But forgive me for the nit picking objections. But Mr.

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1 Monahan just loves to jump on something that a witness  
2 says might have happened and he makes it sound like it's  
3 etched in granite with the Ten Commandments. I just  
4 object to the way he asked the question.

5 THE COURT: Well I, of  
6 course I'm listening to the way he expresses himself as  
7 well as what he says and I'm, I weigh it to put whatever  
8 weight on it that appears to be . . . But all lawyers have  
9 their own way of examination and sometimes it may be  
10 unsuitable to opposing counsel. But that's part of the  
11 trial case. Just try not to be irritating to the other  
12 attorneys, if you can help it.

13 MR. MONAHAN: I'll try not  
14 to irritate you Mr. Cremins.

15 MR. CREMINS: Thank you  
16 sir.

17 CONTINUATION OF CROSS

18 EXAMINATION BY MR. MONAHAN:

19 Q. My question was, you don't remember saying  
20 great?

21 A. I don't remember that term is what I believe I  
22 said.

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1 Q. Oh I see. Do you remember any term?

2 A. Not specifically, no.

3 Q. So if Georgia Herbert says you said great, you  
4 couldn't contradict her?

5 A. No. I couldn't.

6 Q. And today you testified that if you used the term  
7 all you meant was hey we're making progress?

8 A. Of course. I did testify to that. And I gave you  
9 my reason.

10 Q. And then you went on to find out that it wasn't  
11 the offer of your client that was being accepted to sell  
12 her interest, but it was the offer of Mrs. or Marefield  
13 Meadows to sell their interest to your client, is that  
14 right?

15 A. Eventually we came to realize that that's what  
16 we were talking about.

17 Q. And then, of course, you say, well that's not so  
18 great?

19 A. No I was still happy that we had made progress.  
20 But I knew we didn't have an offer and an acceptance, if  
21 that's what you're getting at. I was still, nevertheless  
22 happy that at least we had a figure that someone was

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1 agreeing with. Now we can move on and resolve the rest  
2 of it, hopefully.

3 Q. Did you on that date tell her that your letter  
4 should have been qualified by any kind of requirement  
5 that says your client be permitted to syndicate, that it  
6 was a contingent offer?

7 A. I told her in my conversation that that was a  
8 requirement. That that was required, yes.

9 Q. Did you tell her that your letter had been  
10 inherent by not including that term?

11 A. I do not believe so.

12 Q. Now I'm not quite clear on your letter, you  
13 testified something about you talked to Herbert in  
14 between the letter of the 9th and the letter of the 17th.  
15 At that time she told you a letter was in the mail, did she  
16 not?

17 A. Yes. Sometime prior to the 17th, yes.

18 Q. Now let's go on and get it straight. Do you mean  
19 that she told you there was a letter already in the mail  
20 which turned out to be dated March 17th?

21 A. Yes.

22 Q. Or the conversation with her occurred between

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1 the 17th and the day it was, you received the letter?

2 A. I see what you're saying. That's correct. That's  
3 the only way that it would work. Of course.

4 Q. She mailed the letter on the 17th, you . . .

5 A. It was prior to my receiving it.

6 Q. On the 17th or early on the 18th or the 19th, but  
7 before you got it?

8 A. It was before I received it and after she had  
9 written and dated it, yes. That's correct. I apologize.

10 Q. So all she was really doing was not setting up  
11 any additional facts concerning the purported sale. She  
12 was simply saying gee, I apologize for the tone of the  
13 letter. I didn't want to perpetuate . . .

14 MR. CREMINS: That's A,  
15 argumentative and B, asking him to read her mind, Judge.

16 MR. MONAHAN: Well, I'm  
17 asking what she was saying Judge.

18 THE COURT: Yes he did ask  
19 what she was saying. I think it's unnecessary to dwell  
20 on it because I have it firmly fixed in mind.

21 MR. MONAHAN: All right  
22 sir. The point is, you didn't continue discussion of

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1 further terms on that phone call, did she. It was simply  
2 to tell you the letter was coming?

3 A. That's all I recall.

4 Q. Mr. White as an attorney representing a seller or  
5 a purchaser of an item and if there is an agreement for  
6 the purchase or sale of the item, as an attorney, don't  
7 you understand that it will accomplished within a  
8 reasonable period of time?

9 MR. CREMINS: Objection,  
10 Your Honor. That's a classic argument. He's now  
11 seeking to try and get in some settlement date that is not  
12 even in this case.

13 THE COURT: Yes it's a, I  
14 think it is argumentative. I'll have to sustain the  
15 objection, because you could rephrase the question in  
16 such a way that it would not sound argumentative. Try  
17 again.

18 Q. Are there ever implied terms in a contract, sir?

19 A. You're asking me my knowledge of the law?

20 Q. Yes sir.

21 A. There can be, sure.

22 Q. Thank you. Did you ever convey to Marefield

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1 Meadows or to Marefield Meadows counsel, any  
2 instructions given you by Mrs. Lorenz with respect to  
3 limiting the jumping of this horse?

4 A. Would you please rephrase? I'm not sure I  
5 understood the beginning of the question.

6 Q. You were, from the beginning?

7 A. The whole question if you would.

8 Q. Did you ever convey instructions from Mrs.  
9 Lorenz, given to you by her, to, did you convey to  
10 Marefield Meadows or their counsel any instructions with  
11 respect to limitations on jumping the horse?

12 A. I believe that's contained in one of the letters  
13 already in evidence.

14 Q. The answer is yes, then?

15 A. To the best of my knowledge, yes.

16 Q. Did you do it on only one occasion?

17 A. With respect to jumping?

18 Q. Yes.

19 A. I believe only myself. I believe that's correct.

20 Q. All right, did you observe any letters written by  
21 Mr. McCahill on behalf of Mrs. Lorenz to counsel?

22 A. I don't recall what he wrote. He may have. I

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1 don't know.

2 Q. Did you ever instruct, did you ever convey a  
3 message as to who could be the rider of the horse?

4 A. If I did so, it would be in that letter.

5 Q. The same letter? Thank you.

6 THE COURT: All right sir.

7 Whose on?

8 MR. CREMINS: I have no  
9 other questions meant to redirect.

10 THE COURT: All right sir  
11 you may step down.

12 MR. WHITE: Thank you,  
13 Your Honor.

14 MR. CREMINS: I apologize.  
15 I told you my case would only take a half hour and it took  
16 45 minutes, but that is my case.

17 THE COURT: All right, sir,  
18 so you rest?

19 MR. CREMINS: Yes, sir.

20 THE COURT: All right, sir.  
21 Now, I believe you gentlemen said you might have some  
22 rebuttal?

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1 **MR. MONAHAN:** Yes, sir.

2 I'd like to call Georgia Herbert again, please.

3 **THE COURT:** Mr. Flannery  
4 are you going to have any surrebuttal?

5 **MR. FLANNERY:** I didn't  
6 hear the last word because the door, was it surrebuttal?

7 **THE COURT:** Are you going  
8 to have any...yes, surrebuttal?

9 **MR. FLANNERY:** I certainly  
10 hope not. I don't anticipate it, but...

11 **THE CLERK:** This is going  
12 to take a few minutes. I don't know if she would be  
13 upstairs or anything like that.

14 **THE COURT:** She is not in  
15 the witness room?

16 **THE CLERK:** No, apparently  
17 the Deputy here made arrangements about calling her.

18 **THE COURT:** All right. It  
19 will be a little while, so will you call somebody else,  
20 please, while she is on her way here?

21 **MR. MONAHAN:** Yes, sir.

22 **THE COURT:** Is she being

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1 called?

2 THE CLERK: No, I will call  
3 her.

4 THE COURT: All right, just  
5 a minute.

6 MR. MONAHAN: Ask Ingrid,  
7 the barn manager, to come in, please.

8 THE COURT: I believe Mr.  
9 Cremins mentioned something about a break. Well, if we  
10 need one we can have it now. How long will this witness  
11 take?

12 MR. MONAHAN: Very brief,  
13 Your Honor.

14 THE COURT: All right, let's  
15 take her, then. Go ahead. Have you been sworn?

16 MS. GORLEY: Yes.

17 THE COURT: You are still  
18 under oath.

19 WALTRAUD INGRID GORLEY, having been duly sworn by  
20 the Clerk, was examined and testified as follows:

21 DIRECT EXAMINATION

22 BY MR. MONAHAN:

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1 Q. Would you state your name, please?

2 A. Waltraud Ingrid Gorley.

3 Q. I'm afraid you may have to speak up for  
4 everybody to hear you.

5 THE COURT: Just a little  
6 louder, please.

7 A. Waltraud Ingrid Gorley.

8 THE COURT: You might  
9 have to spell your first name.

10 A. W-A-L-T-R-A-U-D.

11 THE COURT: Did you all get  
12 the other? All right, go ahead. The reporter just  
13 indicated she got the spelling.

14 Q. Would you state your employment, please?

15 A. I'm the Manager at Marefield Meadows.

16 Q. And what do your duties entail?

17 A. The care of all the horses at Marefield  
18 Meadows.

19 Q. How long have you been with Marefield  
20 Meadows?

21 A. Two and a half years.

22 Q. Was Moronjo there when you arrived?

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1 A. Yes, sir.

2 Q. After that time did you see to the care and  
3 training of Moronjo or, as farm Manager, did you  
4 participate in the care and training of Moronjo?

5 A. The care only.

6 Q. The care only. Who did the training?

7 A. Regi Lorenz.

8 Q. Did there come a time in December of  
9 1989... '88, excuse me... 1988 when you received a letter  
10 delivered by hand from Regi Lorenz?

11 A. Yes, sir.

12 Q. And what did you do with that letter?

13 A. I was to give it to Miss Poynter with witnesses  
14 in the house.

15 Q. And did you, in fact, deliver that to Mrs.  
16 Poynter?

17 A. Yes, sir.

18 Q. Do your records indicate on what date that  
19 was?

20 A. It was the same day that Miss Lorenz took  
21 Moronjo to November Hill and that is dated in my log.

22 Q. You say the same date Mrs. Lorenz took him to

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1 November Hill?

2 A. Yes, sir.

3 Q. Had there been agreement he would go down  
4 there?

5 A. I believe so, yes, sir.

6 Q. What date was that, calender date?

7 A. That was December 6th, 1988.

8 Q. At that time did Mrs. Lorenz give you any  
9 instructions about who was to ride or exercise the horse?

10 A. She took him away.

11 Q. Did you ever receive any directions as to the  
12 exercise of the horse or the riding of it?

13 A. I was told not to touch him.

14 Q. Who told you that?

15 A. Miss Lorenz.

16 Q. And when was it that Mrs. Lorenz told you  
17 that?

18 A. That was after the horse was brought back to  
19 Marefield Meadows.

20 Q. Would that have been in the spring of 1989?

21 A. I believe so, I'm not sure of that date.

22 Q. Was there anyone else competent to ride him at

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1 Marefield Meadows?

2 A. No, sir.

3 Q. In terms of the medical care given to Moronjo,  
4 can you describe the quality of it?

5 MR. FLANNERY: Objection,  
6 foundation.

7 THE COURT: How would  
8 she know that, that calls for a medical conclusion.

9 MR. FLANNERY: I thought  
10 we had the vet here, Your Honor.

11 THE COURT: I'll sustain the  
12 objection.

13 Q. Just let me ask you this: Was the vet in regular  
14 attendance at Marefield Meadows to look after the  
15 horses?

16 A. Yes, sir.

17 MR. MONAHAN: That's all  
18 I wanted to ask.

19 THE COURT: All right, sir.

20 MR. FLANNERY: A couple  
21 of questions, Your Honor. I'll be very brief.  
22

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**CROSS EXAMINATION****BY MR. FLANNERY:**

Q. Do you know what Mrs. Poynter did with the letter you delivered to her on or about December the 6th?

A. I just delivered it.

Q. Did she ever tell you in words or substance that she had it destroyed or...

MR. MONAHAN: Your Honor, is he going to make her his own witness for this purpose?

MR. FLANNERY: Sure, my witness for this purpose.

THE COURT: All right.

WALTRAUD INGRID GORLEY, having been previously sworn by the Clerk, was recalled and testified as follows:

**DIRECT EXAMINATION****BY MR. FLANNERY:**

Q. What, if anything, do you know happened to the letter, either directly or indirectly.

A. I don't recall.

Q. What was your riding experience as of December of '88?

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1 A. I've been riding since I'm five years old.

2 Q. And at what level have you competed?

3 A. At hunter jumper level.

4 Q. In the FCI, is that...

5 A. No, I did not show horses.

6 Q. So, you're a competent rider, though?

7 A. Right.

8 Q. And did there come a time when you were  
9 permitted to exercise Moronjo?

10 A. Oh, yes.

11 Q. And it was a limited kind of exercise, is that  
12 correct?

13 A. Correct.

14 Q. And do you recall about when that was?

15 A. That was when Miss Lorenz was at Marefield  
16 Meadows and she was the trainer and she taught me on  
17 Moronjo and some of the other horses.

18 Q. And did there come a time in 1989...well, did  
19 anyone permit you to ride the horse in 1989 at Marefield  
20 Meadows?

21 A. No, I was not allowed to do it, at Miss Lorenz's  
22 instructions.

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1 Q. Well, who told you that was her instructions all  
2 through 1989?

3 A. Not the whole year, sir.

4 Q. Oh, there was a time when you could exercise  
5 the horse in 1989?

6 A. Yes, sir.

7 Q. Do you recall when that was?

8 A. Not exactly, it's in my log.

9 Q. Were you informed by Mrs. Poynter that Mrs.  
10 Lorenz said that you could exercise the horse in a certain  
11 way?

12 A. I was shown a letter that I had permission to do  
13 so.

14 MR. FLANNERY: No further  
15 questions, Your Honor.

16 MR. CREMINS: No  
17 questions.

18 THE COURT: All right, you  
19 may step down.

20 REDIRECT EXAMINATION

21 BY MR. MONAHAN:

22 Q. And what was the nature of the exercise you

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1 were describing?

2 A. Just light field riding.

3 Q. And was that sufficient to keep the horse in its  
4 training weight?

5 A. No, sir.

6 MR. MONAHAN: Thank you  
7 very much.

8 MR. FLANNERY: Well, one  
9 further question, then.

10 **RECROSS EXAMINATION**

11 **BY MR. FLANNERY:**

12 Q. Would you have been competent to exercise  
13 Moronjo in jumping and dressage at the level of Mrs.  
14 Lorenz?

15 A. Only in jumping.

16 Q. Was there anybody at the place that could even  
17 come close to you or Mrs. Lorenz, at Marefield Meadows?

18 A. In dressage?

19 Q. That's correct.

20 A. At that time, no.

21 Q. Was there, to your knowledge, people at  
22 November Hill who did have comparable experience to

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1 Mrs. Lorenz, who could have exercised the horse  
2 properly?

3 A. Yes, sir.

4 MR. FLANNERY: Thank you.

5 THE COURT: All right, if  
6 there are no further questions you may step down. Any  
7 need to hold the witness?

8 MR. FLANNERY: Not for us,  
9 Your Honor.

10 MR. MONAHAN: No, Your  
11 Honor.

12 THE COURT: All right,  
13 you're free to leave. Next witness?

14 MR. MONAHAN: I'd like to  
15 call Jeff Marsh if the Court thinks Mrs. Herbert is not  
16 here.

17 THE COURT: Is Mrs.  
18 Herbert here now?

19 THE CLERK: Yes.

20 MR. MONAHAN: Oh, all  
21 right.

22 THE COURT: Which would

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1 be the shortest time?

2 **MR. MONAHAN:** Your  
3 Honor, if I might, Miss Herbert is removing herself from  
4 a Board of Supervisors' meeting where she is a  
5 Supervisor.

6 **THE COURT:** Well, bring her  
7 in, then.

8 **MR. CREMINS:** Judge, since  
9 she's testified on most of the issues that Mr. White has,  
10 I would assume her testimony has got to be real brief,  
11 maybe nonexistent.

12 **THE COURT:** All right.

13 **MR. MONAHAN:** This will  
14 be very brief.

15 **GEORGIA HERBERT,** having been previously sworn, was  
16 examined and testified as follows:

17 **DIRECT EXAMINATION**

18 **BY MR. MONAHAN:**

19 Q. You are still sworn?

20 A. Yes, sir.

21 Q. Directing your attention to your conversation  
22 which was a phone call to Mr. White...from Mr. White,

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1 occurring on or about February 16, 1989?

2 A. Yes, sir.

3 Q. What, if anything, did you say to Mr. White  
4 about your putting everything in writing, by your, I mean  
5 you, Georgia Herbert, putting everything in writing or did  
6 he with his responding to you, his writing to you...

7 MR. CREMINS: Objection.

8 MR. FLANNERY: Objection.

9 MR. CREMINS: That has  
10 been answered. She spent time yesterday talking about  
11 it.

12 THE COURT: Yes. It is in  
13 the record.

14 MR. CREMINS: I know we  
15 all heard it, Judge.

16 THE COURT: I remember  
17 it very clearly. Can you go to another question, please?

18 MR. MONAHAN: All right.

19 Q. In terms of your full conversation on March 9,  
20 1989 with Mr. White, do you remember the conversation?

21 A. Yes, sir.

22 Q. In the course of that conversation, did he say

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1 that he had already written you that day...

2 MR. CREMINS: I object to  
3 that. That has already been answered.

4 MR. MONAHAN: Well, Mr.  
5 Cremins, your memory is much better than mine.

6 THE COURT: You say in  
7 the course of that conversation, did you what?

8 MR. MONAHAN: Did Mr.  
9 White indicate to Mrs. Herbert that he had written to her  
10 already...a letter was on the way on the date of March 9.

11 THE COURT: Well, since  
12 I can't remember that, her response to that, Mr. Cremins  
13 says she has been asked and answered,, I will have to let  
14 her answer that.

15 MR. CREMINS: I will  
16 withdraw my objection, if you don't remember, Judge.

17 THE COURT: I am not  
18 certain about it. Go ahead.

19 Q. Was a letter mentioned as being on the way  
20 that day?

21 A. Not that I recall.

22 Q. When Mr. White spoke to you about his client's

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1 need for financing on that day, did he condition the  
2 agreement on...would there be an agreement if she didn't  
3 get it...

4 MR. CREMINS: Object to  
5 that.

6 THE COURT: If she didn't  
7 get what? The financing? Well, do you know, do you  
8 recall whether such statement was said? Was made?

9 MRS. HERBERT: I recall  
10 that he did not.

11 THE COURT: That is my  
12 recollection of your testimony, yesterday. What, let's,  
13 let me, well, I'd better not ask you...

14 MR. MONAHAN: I would  
15 be happy for you to ask her. You have to decide the case.

16 THE COURT: I know. I may  
17 ask her later. Go ahead.

18 Q. When did the question of closing in 60 days  
19 first come up?

20 MR. CREMINS: Objection,  
21 Your Honor.

22 THE COURT: Well, if you

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1 remember.

2 **MR. CREMINS:** The whole  
3 premise of thought of Mr. Monahan's questions to Mr.  
4 White, was that this was something that is implied. There  
5 has never been any suggestion to the conversation  
6 between Miss Herbert and Mr. White.

7 **THE COURT:** Well, ask her  
8 if there was any discussion about a 60 day closing  
9 period.

10 Q. All right. May I ask you that question?

11 A. My I answer the question in terms of what was  
12 said? What was said, as I recall, was that Mr. White said  
13 that was great and that they suggest terms, what kind of  
14 terms. Well, it became clear that we were talking...what  
15 offer I was talking about. Well, did they agree to any kind  
16 of terms and some...I can't remember his exact language,  
17 but 60 days came into that conversation, would they give  
18 her 60 days or so?

19 **MR. CREMINS:** Objection.  
20 That is not responsive.

21 **MR. FLANNERY:** I have  
22 another objection, Your Honor. I want her testimony read

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1 back for yesterday, because I asked her that question  
2 yesterday and she said there was no discussion about 60  
3 days in the March 9th conversation and I want...I want  
4 her testimony...I don't know if we have it in this  
5 courtroom, but I would like to have that when I examine  
6 her, but I remember asking her that question.

7 THE COURT: Well,  
8 can...can you resolve that additional...further thought?

9 MRS. HERBERT: What...

10 THE COURT: He says that  
11 nothing in your yesterday's testimony touched on the 60  
12 days closing time. That is what he said. Do you recall  
13 anything about 60 days, because you just mentioned 60  
14 days.

15 MRS. HERBERT: What I  
16 recall was that 60 days was suggested to me by Mr.  
17 White in that conversation as being would they give her  
18 that much time to get the money together.

19 THE COURT: All right.  
20 Would they give her that much time to get the money  
21 together. Was anything said about closing in 60 days?

22 MRS. HERBERT: No, sir.

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1                   **MR. CREMINS:**     That is  
2     why I asked that it be stricken, because it is not  
3     responsive, Judge. That is precisely my point.

4                   **THE COURT:**     Well. All  
5     right.

6                   **MR. MONAHAN:**         I  
7     apologize, Your Honor. I don't care whether it is closing  
8     or 60 days to get the money. Thank you very much.

9                   **THE COURT:**     All right.

10                  **MR. MONAHAN:**     That's  
11     all.

12                  **MR. FLANNERY:**     I have  
13     one or two questions, Your Honor.

14     **CROSS EXAMINATION**

15     **BY MR. FLANNERY:**

16                 **Q.**    Do you recall receiving any information from  
17     Mr. White about his letter dated March, 9th that went out  
18     to your office before you had your conversation on March  
19     9, 1989?

20                 **A.**    Yes, sir.

21                 **Q.**    And what information did you receive that his  
22     letter went out before your conversation with him on

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1 March, 9th?

2 A. He...he told my secretary that several days  
3 after our conversation on March, 9th.

4 Q. So that was within days of your March, 9th  
5 conversation?

6 A. Yes, sir.

7 Q. All right. Do you recall the exact date?

8 A. I don't recall. I could probably tell you from  
9 my...

10 Q. Let me direct your attention to what has been  
11 marked Exhibit 26 for identification. Do you  
12 recognize...does that refresh your recollection...does  
13 that refresh your recollection as to the date?

14 A. Yes.

15 Q. And what was that date?

16 A. March 14th.

17 MR. FLANNERY: No further  
18 questions.

19 THE COURT: All right.

20 MR. CREMINS: Your  
21 Honor, I don't have any other questions.

22 THE COURT: All right.

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**REDIRECT EXAMINATION****BY MR. MONAHAN:**

**Q.** Do you have that memorandum in front of you at this point? Is that the memorandum that you spoke of?

**A.** Yes, sir.

**q.** What is the date on that?

**MR. CREMINS:** Your Honor, is he trying to impeach his own witness?

**MR. MONAHAN:** No. I am not. I am asking her about the date on there...

**MR. CREMINS:** He doesn't like the answer, so he is trying to impeach her.

**THE COURT:** I think you can broaden her explanation rather to impeach her.

**Q.** What date in on there?

**A.** March...March, 14th.

**Q.** Of 1989?

**A.** Right.

**Q.** And does it also refresh your memory that Mr. White made any statement about what Mrs. Lorenz would do in terms of the interest she owned in the horse?

**A.** It said that she was willing to sell...well,

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1 this...I didn't have a conversation with Mr. White...

2 MR. CREMINS: No matter  
3 what that message, Your Honor...

4 MRS. HERBERT: The  
5 message is...

6 MR. CREMINS: Your  
7 Honor, I am going to object to it unless she is the author  
8 of this message.

9 MR. FLANNERY: It was  
10 only used to refresh her recollection.

11 THE COURT: Well,  
12 apparently, no one objected at the time it was handed to  
13 her, so if it does refresh your recollection, it is alright.  
14 You may proceed.

15 MR. CREMINS: But Judge,  
16 this is a phone message that he secretary took. How  
17 could it refresh her recollection?

18 THE COURT: Well, I didn't  
19 understand it...I missed the part about the secretary. I  
20 do recall now that she did say that. You didn't write that  
21 memo yourself?

22 MRS. HERBERT: No, sir.

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1 THE COURT: All right, I  
2 don't think you can use it then.

3 MR. MONAHAN: All right,  
4 may this witness step down, Your Honor?

5 THE COURT: All right.

6 MR. FLANNERY: I have no  
7 further questions.

8 THE COURT: All right. You  
9 are free to leave. Thank you.

10 THE COURT: All right, call  
11 your next witness.

12 MR. MONAHAN: I'd like to  
13 put Mr. White back on the stand please, Your Honor.

14 THE COURT: All right.

15 MR. MONAHAN: This will  
16 be very brief.

17 CRAIG E. WHITE, having been previously sworn was  
18 examined and testified as follows:

19 DIRECT EXAMINATION

20 BY MR. MONAHAN:

21 Q. Mr. White did you call Ms. Herbert's office on  
22 the 14th?

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1 A. I don't recall.

2 Q. Did you . . . do you recall ever leaving the  
3 message that your client was willing to sell a one-third  
4 interest for \$22,000.00 or she can possibly get  
5 \$44,000.00 financing to buy the two-thirds interest?

6 MR. CREMINS: Object Your  
7 Honor. That, he just said he doesn't recall. Now Mr.  
8 Monahan reads into evidence the statement that can't get  
9 in any other way and wants you to take it as evidence.

10 MR. MONAHAN: Mr.  
11 Cremins doesn't listen to the questions, Judge. I asked  
12 him whether he recalled a message of the 14th of March.  
13 He said he couldn't recall making a call on the 14th.

14 So I asked if he ever made a call which embodied  
15 those....

16 THE COURT: Yes, I think  
17 that's acceptable. I think the question is appropriate. If  
18 you can, do you?

19 A. I don't recall Your Honor.

20 THE COURT: Don't recall it.  
21 All right that's it then.

22 Q. Did you ever, you don't ever recall making an

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1 offer to sell the one-third interest for \$22,000.00?

2 A. Well certainly not an offer.

3 Q. Do you recall saying your client is willing to sell  
4 a one-third interest?

5 A. No I don't.

6 Q. And that's not in any correspondence either, I  
7 don't suppose?

8 A. I don't recall, no.

9 Q. All right.

10 A. If you have some correspondence I'll be happy to  
11 look at it and see if I can recall.

12 Q. Well let me just ask you to refresh your memory,  
13 at least to the extent of what you said on March 21.

14 MR. CREMINS: Judge,  
15 we're now talking about different negotiations for a  
16 totally different price. I, maybe they'll sue him next  
17 week for this but it is not at issue here.

18 THE COURT: I don't think  
19 it's the 21st anywhere yet.

20 MR. MONAHAN: This is a  
21 different letter being offered to establish that Mr. White  
22 had authority, not price isn't a . . .

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1 **MR. FLANNERY:** What does  
2 this have to do with rebuttal, Your Honor? What are we  
3 doing here? How is Mr. White supposed to defend . . .

4 **THE COURT:** Well he's a, he  
5 can call him back and make him his own witness.

6 **MR. FLANNERY:** I don't  
7 object to that. I don't see where the subject matter  
8 leads to the rebuttal case.

9 **THE COURT:** Well  
10 apparently it carries, I don't know this, but apparently it  
11 carries, hadn't been introduced before and carries some  
12 information that seems to impeach his previous  
13 testimony. I don't have the . . .

14 **MR. FLANNERY:** Okay I'll  
15 be patient and see if does, Your Honor. Thank you Your  
16 Honor. I'm sorry.

17 **CONTINUED DIRECT EXAMINATION**

18 **BY MR. MONAHAN:**

19 **Q.** Do you remember writing that letter sir?

20 **A.** If I may read the provision you referred to. I  
21 believe this is in evidence.

22 **THE COURT:** It's not in

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1 evidence.

2 Q. Do you believe it is or is not, excuse me?

3 A. I thought it was introduced but that . . .

4 THE COURT: Maybe so but  
5 I haven't seen it. It's not among the others.

6 A. It is in evidence.

7 MR. MONAHAN: It is in  
8 evidence?

9 THE COURT: Well in that  
10 case . . .

11 MR. CREMINS: March the  
12 21st, I've got the 9th, the 23rd, the 22nd.

13 MR. MONAHAN: This I  
14 believe is number 17 of the Defendant's Your Honor. Do  
15 you have these five letters that were handled?

16 MR. FLANNERY: Number 17  
17 of the Defendant's is the letter dated February 1st of 89.

18  
19 THE COURT: Well Mrs. King  
20 says we don't have it up here.

21 MR. MONAHAN: Oh I'm  
22 sorry, Your Honor it is number 19, I'm sorry. So I will

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1 withdraw the question and excuse the witness and refer  
2 to Exhibit numbered 19. Do you have a 19? For Mr.  
3 Flannery the Cross Defendant?

4 MR. FLANNERY: The  
5 problem Your Honor, these tables . . .

6 THE CLERK: Did you say  
7 number 19?

8 MR. MONAHAN: 19.

9 THE CLERK: No sir.

10 MR. MONAHAN: Do you  
11 have the 19?

12 THE CLERK: I go up to  
13 number 18.

14 MR. MONAHAN: Oh he went  
15 clear to 25.

16 THE CLERK: No I did not  
17 get those.

18 MR. FLANNERY: Is it, it's  
19 not before the witness?

20 THE COURT: Well let's see  
21 the letter. We'll have it copied if you can't find it.

22 MR. FLANNERY: Is it not up

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1 there with you?

2 **MR. WHITE:** No it's not.

3 The three documents that I had up here Mr. Cremins gave  
4 me.

5 **THE COURT:** 19 the Clerk  
is the date of the Exhibit number.

6 **MR. MONAHAN:** Yes sir.  
7 It's the number which was given. The date is March 22,  
8 1989. There should be a 19 and a 20, which I, are not  
9 down here on the table.

10 **THE COURT:** Was the date  
11 on it . . . just a minute I think we've found it. There's a  
12 date on it of March 22.

13 **MR. MONAHAN:** Right.

14 **THE COURT:** And numbered  
15 Exhibit 19?

16 **MR. MONAHAN:** Yes sir.

17 **THE COURT:** We do have it,  
18 I'm sorry.

19 **MR. MONAHAN:** I have no  
20 further questions then of this witness.

21 **MR. CREMINS:** No  
22 questions.

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1 **MR. FLANNERY:** No

2 questions, Your Honor.

3 **THE COURT:** All right. You  
4 may step down.

5 **THE COURT:** All right, sir,  
6 next witness.

7 **MR. MONAHAN:** I'd like to  
8 call Jeff Marsh, please.

9 **THE COURT:** Jeff Marsh.

10 **ALFRED JEFFREYS MARSH,** having been previously sworn  
11 by the Clerk, was recalled and testified as follows:

12 **DIRECT EXAMINATION**

13 **BY MR. MONAHAN:**

14 Q. Mr. Marsh, you qualified yourself yesterday,  
15 but how long have you been dealing with horses in the  
16 horse business?

17 A. I've been in the horse business all my life. I  
18 started Eurosport as an entity, as a company in 1981.  
19 That's when we started promoting and selling European  
20 sporting horses, at that period in time.

21 Q. Are you familiar with the practice in the horse  
22 trade or business as to who owns foals born to mares?

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1 **MR. CREMINS:** Your Honor,  
2 I object. This is out of order and it's way beyond the  
3 scope of this witness' expertise. He's now going to tell  
4 Your Honor what the law in Virginia is with respect to  
5 who owns foals and I don't think that's proper, Judge, I  
6 really don't.

7 **THE COURT:** Well, that  
8 is...it's a pretty good objection, Mr. Monahan. It does  
9 call for a legal conclusion.

10 **MR. MONAHAN:** Judge, I'm  
11 not asking for a legal conclusion at all. I guess, again,  
12 Mr. Cremins and I hear a question differently. The  
13 question I asked was, within the trade what is the  
14 understanding and I think I'm entitled to ask that.

15 **MR. CREMINS:** That's  
16 irrelevant.

17 **THE COURT:** Well, it might  
18 not be the law.

19 **MR. MONAHAN:** It may not  
20 be, but someone has got to come forward with the law.  
21 In the meantime, I think the law and the trade are two  
22 different things, but they're both relevant here.

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1 THE COURT: Well, Mr.  
2 Monahan, I have to decide the case on the law. I'm sure  
3 he knows a lot about horses, but he is not qualified to  
4 say who owns a foal...

5 MR. MONAHAN: All right,  
6 sir.

7 THE COURT: ...because  
8 that's strictly a legal question.

9 MR. MONAHAN: Please  
10 note my objection...exception, I mean.

11 THE COURT: All right.

12 MR. MONAHAN: That's all  
13 I have, Your Honor.

14 THE COURT: All right, sir,  
15 any questions?

16 MR. CREMINS: No, sir.

17 MR. FLANNERY: No  
18 questions, Your Honor, no evidence, Your Honor.

19 THE COURT: Thank you for  
20 coming again. You are now excused and free to leave.

21 MR. MONAHAN: I'll rest.

22 THE COURT: All right. Mr.

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1 Monahan rests, does everyone rest?

2 MR. FLANNERY: I believe  
3 so, Your Honor. I was thinking of it in the other sense,  
4 pardon me, of resting.

5 THE COURT: All right then  
6 I will declare a brief recess.

7 MR. CREMINS: Judge could  
8 I just ask you a quick question? Is your inclination for us  
9 to go ahead and have closing argument now and you make  
10 your decision? Do you want us to submit briefs? How do  
11 you want us to do this?

12 THE COURT: Well I was  
13 coming to that. I'm glad you asked. You can all  
14 appreciate the fact that we have a voluminous collection  
15 of Exhibits and the file is in the other room which is quite  
16 voluminous also.

17 There was a time when we first started, though  
18 before we ever started trying the case, that I thought on  
19 my part that I could hear the evidence and decide the  
20 case today. But that's beyond my abilities.

21 So what I am going to request of counsel, well first  
22 let me tell you that I'm going to have to study all of

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1 these exhibits. Study all of the pertinent pleadings. And  
2 I have about 17 pages of notes that I have taken. So I'm  
3 going to have to have some time to decide the case.  
4 Hopefully not too long.

5 Now what I would like you gentlemen to do, well I'm  
6 offering you the opportunity to do it, I'm not asking you  
7 to do it. I think it would be helpful to me and might  
8 expedite the decision. Each of you file a memorandum  
9 with me, in the form of a letter, an informal letter, which  
10 will give me your particular position with respect to the  
11 issues that are to be decided.

12 While you're doing that, I'll be going over all of  
13 these exhibits, studying my own notes and studying  
14 pertinent portions of the file. This case is far too  
15 important for me to try to decide it today. I wouldn't  
16 dream of doing that or even within the next few days.

17 So I'll ask you gentlemen then to submit a letter  
18 memoranda setting forth your positions and the issues as  
19 you understand them, and I will give careful  
20 consideration.

21 Now that would obviate the need for any oral  
22 argument and I hope that you'll agree that you don't need

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1 to argue it any further. It was argued at great length last  
2 night and has been argued for two days. So it would  
3 simply be repetitious for me to hear oral arguments.

4 I would much rather have your argument in writing.  
5 I have done this before and I find it to be very helpful and  
6 very important in my decision.

7 **MR. CREMINS:** How many  
8 days would you think would be, let me focus my question  
9 to your schedule, forget about mine. When would be the  
10 most opportune time for you to have the briefs at your?

11 **THE COURT:** All right. I'll  
12 tell you that. I'll answer that and let me say this, it will  
13 not be necessary for one to file a brief and another one  
14 to answer. That unnecessarily prolongs it.

15 I'd just like to have a brief from each one of you at  
16 approximately the same time, give and take a few days of  
17 difference in arrival.

18 **MR. MONAHAN:** With all  
19 due respect Your Honor, I would like to preserve my  
20 chance to rebut. I open and close in this case, it seems  
21 to me since I have the burden of proof.

22 **THE COURT:** Well . . .

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1 **MR. MONAHAN:** Now I'm  
2 perfectly willing to have them file memorandum with out  
3 seeing mine if that's what they want to do. But I want a  
4 chance to respond the last response.

5 **THE COURT:** All right. I  
6 think that's only fair. I think that we'll have to do that.  
7 Well, let's see ... what, if you have your calendar, look  
8 at December. Can you get it to me some time during the,  
9 let's see, this is the 21st.

10 **MR. CREMINS:** I could get  
11 it to you whenever you say you wish to have it.

12 **THE COURT:** All right.

13 **MR. MONAHAN:** It's very  
14 nice of Mr. Cremins to say that on his behalf.

15 **MR. CREMINS:** Just so that  
16 I don't break any long standing traditions, I will not  
17 speak for Mr. Monahan. I was saying to you that I will  
18 have mine to you whenever you tell me you want it.

19 **THE COURT:** All right sir.  
20 I'd like to have it on the, let's see just a minute, the 12th  
21 of December. That's 17 days.

22 **MR. CREMINS:** All right sir.

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1 And would you like that mailed to that P. O. Drawer?

2 THE COURT: Yes sir. I'd  
3 ask you to mail it to P. O. Drawer 29, Fredericksburg.

4 MR. FLANNERY: I'm sorry,  
5 I didn't hear the, in 17?

6 THE COURT: 17th.

7 MR. FLANNERY: Okay.  
8 Pardon me I didn't hear that.

9 MR. CREMINS: He said the  
10 12th in 17 days.

11 THE COURT: I'm sorry. It  
12 was the 12th in 17 days.

13 MR. FLANNERY: Okay, the  
14 12th.

15 THE COURT: Yes sir.

16 MR. MONAHAN: Your Honor  
17 may I have until the 18th to respond?

18 THE COURT: Yes sir.

19 MR. MONAHAN: Thank you.

20 THE COURT: Respond by  
21 the 18th. Just a minute now before I adjourn Court. I  
22 will adjourn very shortly but I need to put this in my

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1 book.

2 All right after I receive your respective memoranda,  
3 I'll need a little time. Unfortunately perhaps that's a  
4 busy time for everybody but I'll start reading them as  
5 soon after I receive them as I can. And I will render a  
6 decision as soon as I can.

7 MR. CREMINS: Will Your  
8 Honor be ruling before then or do you want us to wait  
9 until then to rule on this issue about the admissability of  
10 all these expense items, to-wit: Exhibit 10 of Mr.  
11 Monahan's.

12 THE COURT: I'm going to,  
13 I think I know of a case in point. And so I need to do a  
14 little research on that point. And I'll have to wait to  
15 make a decision on that.

16 MR. CREMINS: All right sir.  
17 Okay.

18 THE COURT: All right.  
19 Court will be adjourned.

20 MR. MONAHAN: Thank you  
21 for your patience, Your Honor.

22 THE COURT: Your welcome.

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1 MR. CREMINS: Thank you  
2 Judge.

3 MR. FLANNERY: Thank you  
4 Your Honor.

5 THE COURT: Your quite  
6 welcome.

7 (WHEREUPON, proceedings were concluded at 5:20 p.m.)

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**C A P T I O N**

The Trial came on before the Honorable James A. Jamison, Judge of the Circuit Court of Fauquier County, Virginia, in the matter, on the date, and at the time and place set out on the title page hereof.

It was requested that the Trial be taken by the reporter and that same be reduced to typewritten form.

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## CERTIFICATE OF REPORTER

STATE OF VIRGINIA AT LARGE:

I, L. DARLENE PRICE, Notary Public for the State of Virginia at Large, do hereby certify that the foregoing was reported by stenographic and mechanical means, which matter was held on the date, and at the time and place set out on the title page hereof and that the foregoing constitutes a true and accurate transcript of same.

I further certify that I am not related to any of the parties, nor am I an employee of or related to any of the attorneys representing the parties, and I have no financial interest in the outcome of this matter.

GIVEN under my hand and Notarial seal this  
26th day of July, 1991.

My Commission Expires: Notary Public

May 17, 1992

*L. Darlene Price*

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V I R G I N I A:

IN THE CIRCUIT COURT OF FAUQUIER COUNTY

REGULA LORENZ,

Plaintiff and  
Third-Party Plaintiff, :

vs. :

MAREFIELD MEADOWS, INC., :  
MARION K. POYNTER, and : In Chancery No. CH89-150  
MAXINE A. MICKEL, :

Defendants, :

HANES, SEVILA, SAUNDERS :  
and McCAHILL, P.C. :  
and CRAIG WHITE, ESQ., :

Third-Party Defendants. :

MEMORANDUM OF LAW OF THIRD-PARTY DEFENDANTS

On November 19 and 20, 1990, this Honorable Court heard the testimony and evidence of all parties to this action. The central legal issue pending before this Court is whether, in the course of negotiating a dissolution of the partnership between MFM and Regula Lorenz involving the ownership of a stallion named Maronjo, Mrs. Lorenz made an unconditional offer to buy the share in Maronjo owned by MFM.

MFM contends that the February 23, 1989 letter [Cross-Plaintiff's Exhibit No. 2] from Craig White, former counsel for Mrs. Lorenz, to Georgia Herbert, former counsel for MFM, constituted an unconditional offer to buy Maronjo for the sum of \$53,333.33. In fact, the correspondence was merely the memorialization of ongoing preliminary negotiations to attempt to settle all partnership disputes between MFM and Regula Lorenz.



I. MAREFIELD MEADOWS HAS FAILED TO MEET  
ITS BURDEN OF PROOF TO ESTABLISH THE  
ALLEGED CONTRACT OR ITS BREACH.

Marefield Meadows, Inc., as Cross-Plaintiffs in this matter, bears the burden of proof of establishing the existence of the alleged contract to purchase. Michie's Jurisprudence, Contracts, § 88. "[T]here is no presumption of a contract, and . . . the making of the contract . . . must be established by a preponderance of the evidence." Mullins v. Mingo Lime, Etc., Company, 176 Va. 44, 49 (1940). The party alleging the breach must first establish the existence of a contract between the parties. Bloom. - Mich. Co. v. Copps Bros., 141 Va. 18, 32 (1925).

If the party alleging the breach meets its burden of proving the existence of a contract, it must then establish the breach by a preponderance of the evidence. Michie's Jurisprudence, Contracts § 89, citing Hoge v. Prince Wm. Exc., 141 Va. 676, 682 (1925). See also Collier v. Rice, 232 Va. 522, 525 (1987). Cross-Plaintiff MFM has failed to meet either burden of proof. Neither the voluminous record before this court nor MFM's trial testimony established the existence of a contract by a preponderance of the evidence. Having failed to prove even the existence of a contract, MFM has certainly failed to prove any breach thereof.

II. THERE CAN BE NO CONTRACT  
BETWEEN THE PARTIES WITHOUT  
A MEETING OF THE MINDS.

There can be no binding contract between parties until an offer by one has been accepted by the other. Michie's Jurisprudence, Contracts § 17. In its simplest terms, an offer



is a manifestation of an assent to enter into a bargain made by the offeror to the offeree, conditioned on a manifestation of assent by the offeree. Id.

A contract does not exist unless and until there is a meeting of the minds between the parties. "Mutuality of obligation is essential to the validity of a contract, and it is not binding upon either party until the minds of the parties meet on one and the same set of terms." Crews v. Sullivan, 133 Va. 478, 486 (1922). See also Smith v. Farrell, 199 Va. 121, 128 (1957). The minds of the parties must meet upon all the essential particulars, with "a clear mutual understanding and a positive assent on the part of either party." Creecy v. Grief, 108 Va. 320, 323 (1908). "[I]f there has been no meeting of the minds during the course of the negotiations sufficient to create a valid contract, it is unnecessary to examine the technical form of the purported agreement." Montagna v. Holiday Inns, 221 Va. 336, 347 (1980).

A contract created by correspondence as is alleged in this case must be clear and unequivocal on its face.

When an agreement is sought to be established by means of letters, such letters will not constitute an agreement, unless the answer be a simple acceptance of the proposal without the introduction of any new term. And again, if the original offer will leave anything to be settled by future arrangement, it is merely a proposal to enter into an agreement . . . The agreement is not complete until there is upon the face of the correspondence a clear accession on both sides to one and the same set of terms.

Gibney and Co. v. Arlington B. Co., 112 Va. 117, 121 (1911).

See also Lynch. H. Co. v. Chesterfield Mfg. Co., 107 Va. 73, 77



(1907), Bloom.-Mich. Co. v. Coppes Bros., 141 Va. 18, 32-32 (1925). There was never any meeting of the minds between MFM and Regula Lorenz on the partnership dissolution matters in dispute.

Mrs. Lorenz resigned from her partnership with MFM on or about December 6, 1988, in a letter to Ms. Poynter, President of MFM. [Cross-Defendant's Exhibit No. 2]. This written resignation from the partnership was a direction to sell, as provided in Paragraph 16 of the Partnership Agreement. [Cross-Plaintiff's Exhibit No. 1]. In her subsequent communications to MFM, Mrs. Lorenz sought MFM's decision as to whether or not it would exercise its option to purchase her share in Maronjo. When it became clear that the parties could not resolve the dissolution amicably, Mrs. Lorenz sought the assistance of Craig White of the law firm of Hanes, Sevilla, McCahill and Saunders, to negotiate a dissolution of this partnership. The letter from Craig White to Georgia Herbert, counsel for MFM, on February 23, 1989 [Cross-Plaintiff's Exhibit No. 2], was intended to be a memorialization of the status of negotiations regarding the partnership dissolution made at the specific request of Georgia Herbert.

Marefield Meadows contends that the instant litigation is not about the dissolution of a partnership, but only the sale of a horse. In fact, MFM denies that there was ever a partnership between itself and Mrs. Lorenz in the first place. [Transcript of Testimony of Marion Poynter, p. 39, l. 18; p. 59, l. 23 - p. 60, l. 1-2; p. 61, l. 5-8]. Certainly the minds of the parties



could not have met, when there is not even agreement as to the subject matter of the contract, let alone its details.

The testimony at trial of both Craig White and Georgia Herbert illustrates this point. Both testified as to their confusion as to which "offer" was being accepted in Georgia Herbert's March 9, 1989 "acceptance" phone call to Craig White. [See, e.g., Transcript of Testimony of Georgia Herbert p. 8, l. 5-23 - p. 9, l. 1; p. 46, l. 23 - p. 47, l. 1-20]. Craig White believed that Georgia Herbert was accepting Mrs. Lorenz's offer to sell her interest in Maronjo for \$26,666.66. Georgia Herbert thought she was accepting an offer to sell MFM's interest in Maronjo for \$53,333.33. Regardless of which was the case, both attorneys knew and acknowledged that there was much more to be agreed upon before there could be a binding agreement satisfactory to all concerned.

The trial testimony and record in this case does not bridge the enormous gap between the parties' understanding; there never was a meeting of the minds. In his February 23, 1990, letter to Georgia Herbert, Craig White mentioned an appraisal price for Maronjo, as a starting point for negotiating the partnership dissolution. He set forth in this letter a number of essential terms which needed to be agreed upon before any sale could go through such as the prorating of 1989 expenses for Maronjo, breeding fees and breeding rights. Mr. White also requested copies of all contracts for the breeding of Maronjo in 1989.

On March 9, 1990, Georgia Herbert telephoned Craig White, purportedly accepting the offer to purchase allegedly extended in the February 23 letter. Ms. Herbert did not address the



issues of expenses, breeding fees and breeding rights which Mr. White raised in his letter and which were essential to Mr. White and his client. [Transcript of Testimony of Georgia Herbert p. 9, l. 5-8; p. 20, l. 5-13].

Mr. White's March 9, 1989 letter to Ms. Herbert [Cross-Plaintiff's Exhibit No. 6], sent before any legally effective acceptance was received, discusses Mrs. Lorenz's need for financing if she was going to purchase Maronjo, and addresses the possibility of a public sale if financing was not available to her. If Mr. White's February 23, 1989 letter is construed by the Court as an unconditional offer to buy, then White's March 9 letter was a modification of that offer to include the condition of Mrs. Lorenz obtaining financing.

In a March 17, 1989 letter to Mr. White [Cross-Plaintiff's Exhibit No. 7], Ms. Herbert purported to confirm her March 9, 1989 telephonic "acceptance." However, the contents of this letter only confirm the fact that the minds of the parties involved had never met on the terms essential to an agreement. Ms. Herbert's letter introduced new terms which had never been discussed, let alone agreed upon by the parties.

In that letter Ms. Herbert suggested a settlement date of 60 days hence and a requirement for payment by certified check. [Transcript of Testimony of Georgia Herbert p. 9, l. 9-12; p. 23, l. 7-10]. She also unilaterally determined that MFM would retain custody and control over Maronjo until such payment was made. Ms. Herbert also injected new terms which had never been addressed in the previous communications, namely her request for written permission to exercise Maronjo and transfer of



possession of Maronjo's registration papers. A condition which Mr. White had suggested in his February 23 letter, i.e. the prorating of expenses for Maronjo, was flatly refused by Ms. Herbert in her March 17 letter, further illustrating that there was no meeting of the minds and no agreement.

III. AN ACCEPTANCE IS INEFFECTIVE  
UNLESS IT MIRRORS THE OFFER MADE.

The use of the word "accept" does not, in and of itself, make a communication an acceptance. Wilston on Contracts, § 73, citing United States v. Braunstein, 75 F. Supp. 137 (D.C. S.D. N.Y.).

An acceptance to be effectual must be identical with the offer and unconditional. Where a person offers to do a definite thing and another accepts conditionally or introduces a new term into the acceptance, his answer is either a mere expression of willingness to treat or is a counter-proposal, and in neither case is there an agreement. This is true, for example, where an acceptance varies from the offer as to time of performance, place of performance, price, quantity, quality, etc.

Gibney and Co. v. Arlington B. Co., 112 Va. 117, 121 (1911).

Counter-Plaintiff contends that Georgia Herbert's March 9, 1989 telephone conversation with Craig White constituted an acceptance of an offer which he purportedly extended on February 23, 1989. It is uncontested that the parties had previously agreed that negotiations between them would be in writing.

[Transcript of Testimony of Georgia Herbert p. 36, l. 23 - p. 37, l. 1, 8-21; Transcript of Testimony of Marion Poynter p. 11, l. 6-10; p. 37, l. 19-23 - p. 38, l. 1-5] . Even if Craig White's February 23 letter were an offer to purchase, Georgia Herbert's March 9 telephone call to him was legally ineffective



as an acceptance. It was Georgia Herbert's requirement, expressed in a February 16 telephone conversation with Mr. White, that the parties would only negotiate by letter. Ms. Herbert failed to comply with the conditions which she herself established.

Moreover, the March 17, 1989 letter from Georgia Herbert to Craig White, which Counter-Plaintiff styles a "confirmation of acceptance", is equally ineffective as an acceptance. Ms. Herbert rejected essential terms which Mr. White had proposed in his February 23 letter, including the prorating of expenses. Furthermore, she introduced significant new terms which she had not even discussed with Mr. White, i.e. a 60-day settlement date, payment by certified check, the surrender of Maronjo's registration papers and MFM's retention of custody until settlement date. In no way can either the March 9 telephone call or March 17 letter be construed as the mirror image of Craig White's February 23 letter.

Ms. Herbert's "acceptance," conditioned on terms new and different from those proposed by Mr. White, represents an offer by MFM to enter into a different contract entirely. See Wiliston on Contracts, § 77. Such a conditional acceptance constitutes a counteroffer as well as a rejection of the original offer. "A reply to an offer, although purporting to accept it, which adds qualifications or requires performance of conditions, is not an acceptance but is a counteroffer." Id. citing Larsen and Fish, Inc. v. Schultz, 5 N.J. Super. 403, 69 A.2d 328.



IV. MFM HAS NOT ESTABLISHED  
ANY DAMAGES, WHICH ARE TO BE  
MEASURED AT THE TIME OF BREACH.

"The burden of proof is upon the plaintiff to establish every essential element of his case by a preponderance of the testimony, and . . . this includes the proof of his damage on account of the alleged value of the defendants to carry out their part of the contract." Hopkins v. LeCato, 142 Va. 769, 785 (1925). MFM has not only failed to prove a contract and its breach by a preponderance of the evidence, but has also failed to prove any damages at all. Counter-Plaintiffs are seeking to apply an inappropriate standard in proving the damages they allege.

MFM claims damages in the amount of \$80,000.00, the alleged contract price for Maronjo in March of 1989, offset by the auction sales price brought in 1990. Even if there had been a contract to buy Maronjo, the difference between the contract price and the sale price a year later would be totally irrelevant to any damages sustained. It is well established that the proper measure of damages is the difference between the contract price and the market price at the time and place delivery was to take place. Richardson Construction Company v. Whiting Lumber Company, 116 Va. 490, 491-92 (1914). See also D.B. Dobbs, Handbook on the Law of Remedies, 870 (1973).

The alleged contract price was \$80,000.00. MFM introduced into evidence the appraisal of Lou Thompson on the issue of "value." According to Mr. Lou Thompson, President of the American Hanovarian Society, Maronjo was worth \$80,000.00 in



late February of 1989, when Mr. Thompson viewed and appraised the stallion for the parties of the instant litigation. When the \$80,000.00 market price is subtracted from the \$80,000 contract price, it is readily apparent that even if a contract did exist, no damages arose from its alleged breach.

Moreover, the vendee is entitled only to the difference between the contract price and the value at the time of the breach, which are the "direct and immediate fruits of the contract." Williams V. Snyder, 190 Va. 226, 232 (1949). See also United Virginia Bank v. Ford, 215 Va. 373, 375 (1974), Michie's Jurisprudence, Damages, § 20, § 23. MFM has not even attempted to prove that the damages it alleges were the "direct and immediate fruits" of the alleged contract.

V. MFM EXHIBIT NO. 10 IS  
INADMISSIBLE AS PROOF OF OTHER  
DAMAGES ALLEGEDLY SUSTAINED.

MFM has claimed damages in the amount of \$27,147.75, allegedly representing expenses for the upkeep of Maronjo both before and after March 9, 1989, as well as the alleged unpaid purchase price offset by the California sale price on April 29, 1990.

In an attempt to support their claim for damages, Counter-Plaintiffs have offered as evidence a folder of bills and a statement by Sharyn Nicholson, an independent contractor for MFM, which purports to be a compilation of bills incurred on Moronjo's behalf. This comprises Cross-Plaintiff's Exhibit No. 10, which is the subject of an objection on which this court has yet to rule.



Even if there were a contract between Mrs. Lorenz and MFM, the documents contained in Counter-Plaintiff's Exhibit No. 10 would be inadequate proof of any damages sustained. First, Counter-Plaintiffs contend that the instant litigation concerns only the sale of a horse. By claiming damages for expenses which precede the date of the alleged contract, MFM is, in effect, conceding that Georgia Herbert and Craig White were negotiating the dissolution of the partnership and not merely the sale of a horse. If, however, this Court should find that a contract for the sale of Maronjo was entered into on March 9, 1989, Mrs. Lorenz respectfully submits that this Court should disregard MFM's claims for any expenses preceding that date, as they would pertain to the previous ownership of the horse, and not his sale.

Secondly, MFM is claiming damages based upon unauthenticated bills which were first shown to counsel for Mrs. Lorenz on the date of trial. These "bills" were compiled by a third party with no firsthand knowledge of the goods or services for which Mrs. Lorenz was being billed. A proper foundation, which must precede the introduction of bills as evidence has not been established. Walters v. Littleton, 223 Va. 446, 450 (1982).

The Walters court held that bills were admissible into evidence when the party seeking to admit them has personally received them, and has testified from firsthand knowledge as to their necessity and authenticity. An adequate foundation must be established for the bill's relevancy. Id. at 450-51.



In the context of a personal injury case, it has been held that "proof of medical expenses by the introduction of bills through the sole testimony of the plaintiff requires consideration of four major components: (1) authenticity, (2) reasonableness in amount, (3) medical necessity, and (4) causal relationship." McMunn v. Tatum, 237 Va. 558, 568 (1989).

In the instant case, Cross-Plaintiff has offered no testimony as to any of these four elements. In fact, the only testimony whatever as to these bills was by a third party, Sharyn Nicholson, who neither received nor paid the bills herself. There has been no testimony that these bills are accurate statements of charges actually made by those providing services for Maronjo. There has been no testimony that these charges were reasonable, considering the prevailing costs of such services. There has been no testimony as to the necessity of the goods or services represented in these bills. There has been no testimony as to a causal relationship between the bills included in Counter-Plaintiff's Exhibit No. 10 and the purported contract between Mrs. Lorenz and MFM. In every respect, then, this compilation of bills fails to meet the test of relevancy and admissibility. "[T]he burden is on the plaintiff to prove each item of his claim, not on the defendant to disprove it." Plantation Pipeline Company v. Tate, 15 Va. Cir. 154, 156-57 (1988).

VI. THE PARTY ALLEGING A BREACH  
OF CONTRACT HAS THE DUTY  
TO MITIGATE DAMAGES.

A plaintiff who alleges damages from a breach of contract has a duty to mitigate those damages. "Where a party is



entitled to the benefit of a contract and can save himself from a loss arising from a breach of it at a trifling expense or with reasonable exertions, it is his duty to do it, and he can charge the delinquent with such damages only as with a reasonable endeavor and expense he could not prevent." Standard Ice Company v. Lynchburg Ice, 29 Va. 521, 534-535 (1921), citing Warren v. Stoddart, 105 U.S. 224. Damages awarded must be proportionate to the injury suffered. When the injured party fails, by negligence or willfulness, to make a reasonable exertion to mitigate the damage, "the increased loss that was avoidable by the performance of his duty falls upon him." Hannan v. Dusch, 154 Va. 356, 377 (1930). See also Haywood v. Massie, 188 Va. 176 (1948).

MFM retained control and custody of Maronjo after its purported agreement to sell the stallion to Mrs. Lorenz. As soon as it became apparent that there was a dispute between the parties as to whether a contract existed, MFM could have exercised its controlling vote over Maronjo and directed its sale, privately or at public auction. Instead, MFM allowed the horse to remain at MFM farm, where he was inadequately exercised and overfed, thereby reducing his value. It is entirely possible that, in the event of a prompt private or public sale to a third party, Maronjo would have brought the \$80,000.00 price which Mr. Thompson opined he was worth. His sale price at a public auction in California more than a year later is totally irrelevant to the damages, if any, sustained by MFM at the time of the alleged brief. Fluctuation and geographical differences in the market cannot be chargeable to a party with no control



over them. Therefore, even if Mrs. Lorenz did enter into and breach a contract to purchase Maronjo, MFM failed to meet its burden of proving any damages it may have sustained as a result of that breach.

VII. COUNTER-PLAINTIFFS ARE ESTOPPED  
FROM CLAIMING A CONTRACT, BASED ON  
THEIR ACTIONS SUBSEQUENT TO THE  
MARCH 9TH "ACCEPTANCE."

Although Counter-Plaintiff MFM asserts the existence of a contract based upon Georgia Herbert's March 9 telephonic "acceptance," its actions subsequent to that date estop it from claiming any contractual obligation by Mrs. Lorenz. MFM claims that Mrs. Lorenz contracted to buy Maronjo on March 9, 1989, but MFM retained custody of the horse after that date. MFM not only kept the horse at its own barn, but it actively sought to take advantage of this custody by breeding the stallion for its own pecuniary benefit.

On at least three occasions after its March 9 "acceptance," MFM bred its own mares to Maronjo. According to the testimony of Dr. Helen Poland, veterinarian for MFM, the MFM mare Recognition was covered by Maronjo on March 18 and again on May 4, 1989. The MFM mare Flower Bow was also covered by Maronjo, on March 24, 1989.

These breedings by MFM of its mares to Maronjo after March 9, 1989 resulted in the birth of at least two live foals, Mantissa by Recognition and Miranda by Flower Bow. As healthy offspring of the award-winning stallion Maronjo, these foals are valuable and highly desirable in their own right. Knowing this, MFM hired the Little River Production Company to videotape and



produce a promotional video for the purpose of advertising these foals, as well as others, for sale. [Cross-Defendant's Exhibits No. 12-14]. MFM is attempting to financially benefit from its unilateral and unauthorized exclusive custody and control over Maronjo after March 9, while charging Reggie Lorenz for the "purchase" and upkeep of the stallion during that same period of time.

If it can in any way be construed that Reggie Lorenz entered into a contract to purchase Maronjo on March 9, 1989, then the fruits of all unauthorized breedings of Maronjo subsequent to that date belong to Regula Lorenz. MFM cannot "have its cake and eat it too"; it cannot claim the benefits of ownership of Maronjo at the same time it charges that Mrs. Lorenz owned Maronjo through Craig White's letter of February 23, 1989.

If this Court of Equity finds that Mrs. Lorenz purchased Maronjo on that date, then any enhancement of the value of this asset through the birth of his offspring rightly belongs to Mrs. Lorenz.

#### CONCLUSION

At Georgia Herbert's behest, Craig White wrote her a letter on February 23, 1990 which sets forth a price at which they could begin negotiating the sale of Maronjo and the dissolution of the Regula Lorenz/MFM Partnership. This was intended to be, and was, a suggestion for preliminary negotiation and not an offer. The letter specifically set forth essential, non-price terms to be discussed at a later date.



Georgia Herbert purported to accept this "offer" telephonically on March 9, although she was aware that any purchase by Mrs. Lorenz was contingent upon her obtaining financial backing for the deal, and that Mr. White's proposal contained terms which were unacceptable to her clients. Ms. Herbert's "acceptance" was ineffectual, both because no offer had been made, and because, at her own insistence, the parties had agreed to communicate (hence, to contract) in writing.

Ms. Herbert's attempt at written acceptance in her March 17 letter failed as well. Ms. Herbert offered new terms (e.g., the 60-day settlement date) and rejected terms proposed by Mr. White (e.g., pro-rated expense payments for 1989), thereby rejecting any offer that Mr. White could have made, and making him a counter-offer which he did not accept.

All facts clearly indicate that there was no meeting of the minds between these parties, hence no contract for the sale of Maronjo. Even if this Court finds that a contract for the sale of Maronjo was entered into on March 9, 1989, MFM has not proven any damages.

There is no difference between the "contract" price and the value of Maronjo at the time of the alleged breach. MFM, therefore, has not proven any damages for which Mrs. Lorenz could be held legally responsible.

This Honorable Court is being asked to reward parties who have taken an inconsistent position on the alleged contract to sell Maronjo, and who have then illegally and surreptitiously bred the horse, creating new assets appurtenant to his ownership. If it is found that Mrs. Lorenz "purchased" Maronjo



on March 9, 1989, equity demands that she be awarded all the assets of that purchase, including the foals which were the fruits of the unauthorized breeding of this stallion.

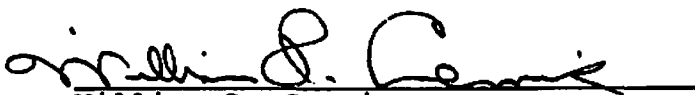
Respectfully submitted



William D. Cremins  
Virginia State Bar No. 4665  
Counsel for Hanes, Sevilla,  
Saunders and McCahill and  
Craig White

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Memorandum of Law of Third-Party Defendants was mailed, postage prepaid, this 11<sup>th</sup> day of December, 1990 to Thomas V. Monahan, Esq., Hall, Monahan, Engle, Mahan & Mitchell, P.O. Box 848, Winchester, Virginia 22601, counsel for defendants and John P. Flannery, II, Esq., Shamrock Farm, Route 2, Box 144A, Leesburg, Virginia 22075, counsel for plaintiff and third-party plaintiff.



William D. Cremins



December 12, 1990

The Honorable John A. Jamison, Judge  
Designate  
Fifteenth Judicial Circuit  
P. O. Box 29  
Fredericksburg, VA 22404

Re: Regula Lorenz v. Marefield Meadows, Inc.  
Counter-Claim  
Marefield Meadows, Inc. v. White, et al  
Third-Party Claim  
In Chancery No. CH-89-150, Fauquier County

Dear Judge Jamison:

At the conclusion of the two-day hearing in the above matter, you informed counsel that, in lieu of oral argument, you wished all counsel to submit to you by December 14, 1990, a letter setting forth their contentions in this case, with reference to the law supporting those contentions, and that thereafter Marefield Meadows, Inc., as requested by it, would be entitled to file any rebuttal it desired to present on or before December 18, 1990. All counsel acquiesced in this method of procedure. Accordingly, letters as directed by the Court are to be filed by counsel for Regula Lorenz, Marefield Meadows, Inc. and Craig White and the law firm of Hanes, Sevila, Saunders & McCahill on or before December 14, 1990. This letter summarizes the position of Marefield Meadows,



Inc. as to the counter-claim against Regula Lorenz and the third-party claim against Craig White and his employer, Hanes, Sevilla, Saunders & McCahill.

Although there may be subsidiary matters raised as to each of the issues which this Court is called upon to determine, there are in fact only four main or major issues which this Court must decide. These are:

1. Whether the evidence established an offer made on behalf of Regula Lorenz by Craig White and accepted on behalf of Marefield Meadows, Inc. by Georgia Herbert binding Regula Lorenz to purchase a two-third share of the stallion Maronjo for \$53,333.33, resulting in damages to the extent that that sum has not been recovered by the sale of the stallion.

2. The amount, if any, owed by Regula Lorenz to Marefield Meadows, Inc. for expenses incurred under the joint venture agreement prior to March 9, 1990, for the horse Maronjo.

3. The amount, if any, owed by Regula Lorenz to Marefield Meadows, Inc. for expenses incurred by Marefield Meadows, Inc. subsequent to March 9, 1990, to the use and benefit of the stallion Maronjo, as to which that corporation is entitled to be compensated by Regula Lorenz.

4. In the event that the real or apparent authority of Craig White to contract for Regula Lorenz was not sufficient to bind Regula Lorenz with respect to the undertaking of the



contract, whether and, if so, to what extent Craig White and the law firm are liable to Marefield Meadows, Inc.

I.

THE CONTRACT

The contract in this instance was clear, unambiguous and accepted in complete accord with the terms of the offer.

On February 23, 1989, Craig White, who had been and was acting as agent for Regula Lorenz, wrote to Georgia Herbert, agent for Marefield Meadows, Inc.:

"[I]n accordance with Paragraph 16 of the parties' agreement Ms. Lorenz grants Marefield Meadows, Inc. the option to purchase her interest for \$26,666.66 (1/3 of \$80,000). However, if Marefield Meadows, Inc. prefers, Ms. Lorenz is willing to purchase its interest in Maronjo for \$53,333.33 (2/3 of \$80,000)." (Pl. Ex. 2).

This offer to buy the interest of Marefield Meadows, Inc. was accepted without qualification by Georgia Herbert in her telephone statement to Craig White on March 9, 1989. It had not been withdrawn, modified or amplified during the intervening fourteen days and the acceptance was in no way less than a complete acceptance of the offer as made. It is of course Hornbook law that "to constitute a contract there must be an offer and also an acceptance." 4B Michie's Jurisprudence, Contracts, §18.

It is also Hornbook law that, once the offer is accepted as made, the offeror is bound by his contract and cannot



thereafter vary its terms or impose new conditions and demands. In this instance, it is submitted that the offer is complete and unambiguous. Counsel for Ms. Lorenz and Mr. White would have the Court read into that unambiguous offer matters previously discussed in relation to winding up the joint venture or discussed after offer and acceptance but clearly not a part of the offer accepted.

The Supreme Court of Virginia stated as recently as November 9, 1990:

"Additionally, in the absence of an ambiguity, which the trial court correctly concluded did not exist in this case, we must interpret the contract by examining the language explicitly contained therein. '[W]here an agreement is complete on its face, is plain and unambiguous in its terms, the court is not at liberty to search for its meaning beyond the instrument itself.' Globe Company v. Bank of Boston, 205 Va. 841, 848, 140 S.E.2d 629, 633 (1965) (citations omitted)." Graphic Arts Mutual Ins. Co. v. C.W. Warthen Co., Inc., 7 VLR 895 (1990) (copy attached).

In the same case, the Supreme Court stated:

"We must interpret the contract as written. We are not free to rewrite its terms. \* \* \*."  
"It is the function of the court to construe the contract made by the parties, not to make a contract for them. The question for the court is what did the parties agree to as evidenced by their contract. The guiding light in the construction of a contract is the intention of the parties as expressed by them in the words they have used, and courts are bound to say that the parties intended what the written instrument plainly declares.' Magann Corp. v. Electrical Works, 203 Va. 259,



264, 123 S.E.2d 377, 381 (1962) (citations omitted)." Graphic Arts Mutual Ins. Co. v. C.W. Warthen Co., Inc., supra.

During the course of this trial, the Court permitted, over the continuing objection of Marefield Meadows, Inc., a great deal of testimony concerning events occurring before the written offer of White on behalf of Lorenz and his later attempts to qualify the offer after its acceptance. The Court pointed out that there was no jury and stated that it would subsequently determine what was relevant and what was not.

It is submitted that the Court should now determine that all of the testimony thus admitted cannot vary the terms of the unambiguous written offer and its unequivocal acceptance.

Without conceding, therefore, that the offer made is either ambiguous or incomplete, and without waiving its continuing objection, counsel would like to address such of the arguments as it can anticipate will be raised from that evidence improperly before the Court.

First, the suggestion was made that, because the offer was in writing, acceptance had to be in writing. This was based upon the testimony of Georgia Herbert and Craig White that Ms. Herbert had requested of Mr. White that he put any future proposal in writing, a request which resulted in the letter of February 23, 1989. In the first place, neither witness attributed to Ms. Herbert a requirement that they



communicate only in writing. The simple "they accept" was all that was required to accept the straight-forward offer made. Even if a written response had been requested, its absence would not negate the contract. "If the parties are fully agreed, there is a binding contract, notwithstanding the fact that a formal contract is to be prepared and signed." 4B Michie's Jurisprudence, Contracts, §16.

Ms. Lorenz seeks to find unresolved contractual issues in the balance of the February 23, 1989, letter (Pl. Ex. 2) and in the letter of Maxine Mickel to Georgia Herbert dated March 6, 1989, which accompanied the letter of Ms. Herbert to Mr. White dated March 17, 1989 (Pl. Ex. 7).

As to the balance of the February 23, 1989, letter, the simple answer is that any fair reading of the letter subsequent to its second paragraph demonstrates that Mr. White was talking of remaining issues to wind up the partnership but in no way qualifying the offer to purchase the share of Marefield Meadows, Inc. in Maronjo. Indeed those were issues to be resolved in connection with the winding up of the venture but they existed whether or not the private sale proposed was accepted. Further, all of the items were specifically set forth not as matters to be agreed upon under the proposed contract of sale but were stated as matters as to which Ms. Lorenz was already contractually entitled under the existing venture contract of June 9, 1989.



(Pl. Ex. 1). The terms were not proposed as a part of an offer then being made, nor stated to be other than rights already accrued.

As for the Mickel letter, it is suggested that to suggest that it qualified the acceptance is a complete red herring. First, the letter of Ms. Herbert of March 17, 1989, to which the Mickel letter was an enclosure, confirmed the acceptance of March 9, 1989, made of the offer of February 23, 1989, but in no way created any new condition or attempted to vary any existing portion of the agreement. While the Mickel letter is referred to, its content is not referred to as in any way creating additional terms of the agreement. In fact at the bottom of page one of the latter letter the words appear "We would like to request a few courtesies and considerations as well." (Pl. Ex. 7, attachment). This makes clear that, even in the communication to Ms. Herbert, what followed was not a counter offer but simply an expression of hoped-for courtesy.

The Herbert letter does indicate that Marefield Meadows, Inc. will agree to accept payment in the form of a certified check in sixty days. This statement is not an effort to work out terms of sale different from the contract agreed to but a courtesy to Ms. Lorenz. Implied in the simple contract of purchase was an agreement to pay cash immediately upon being



asked to do so. See, e.g., McDaniel v. Daves, 139 Va. 178, 123 S.E. 663 (1924) (consideration payable on demand).

"Although J.C. proved the existence of a joint obligation on which he and Anne were joint obligors, the evidence is silent as to when the obligation was to be repaid. Yet, this silence simply means that the obligation proved by J.C. was payable on demand. In Young v. Ellis, 91 Va. 297, 301, 21 S.E. 480, 482 (1895), we wrote as follows: 'An agreement to pay money, no time being specified, is held to be an agreement to pay the same on demand. . . .' See McDaniel v. Daves, 139 Va. 178, 187, 123 S.E. 663, 665 (1924); and 14B M.J. Payment §9 (Repl. Vol. 1978)." McComb v. McComb, 226 Va. 271, 307 S.E.2d 877, 883 (1983).

The obligation of Ms. Lorenz being to pay cash on demand, it does not vary the terms of the contract that Marefield Meadows, Inc. specified any substituted payment by check be certified and extended sixty days to comply with the immediate obligation.

The fallaciousness of such reasoning is demonstrated by pointing out that, upon acceptance, both parties were fully and equally bound. If Ms. Lorenz had then tendered cash and demanded immediate possession of Maronjo, Marefield Meadows, Inc. would have been bound to comply.

Although both the offer and acceptance are silent as to any qualification of the offer, counsel for Ms. Lorenz and Mr. White suggest that the Court should accept the testimony of Mr. White that, after acceptance in accordance with her instructions, either Ms. Herbert subsequently agreed to vary



the contract by agreeing that it was to be consummated only if Ms. Lorenz obtained syndication or that the contract should have been understood to be contingent on syndication even though unexpressed.

As to the latter suggestion, it is obvious that the Court is being asked to rewrite the unambiguous contract to something different than is embodied in the offer and acceptance. Authority negating the power of this Court to arrive at a different contract than that agreed to has already been amply furnished.

While it is true that after the acceptance of the written offer, the parties might have varied its terms by a subsequent agreement, that there was such an agreement is refuted by the facts.

First, Georgia Herbert has specifically denied that, when Craig White suggested that the offer to purchase was subject to the condition of syndication, she agreed to that condition. Her testimony is replete with her statements of this fact. Moreover, it is corroborated by her letter of March 17, 1989, which contains no mention of any such condition.

Conversely, the contention of Mr. White that the need for syndication was to be a condition is expressly rebutted by his letter of March 9, 1989. (Pl. Ex. 6). The letter is dated, of course, the same day as the telephone acceptance of



the written offer of February 23, 1989. While that letter speaks of Ms. Lorenz efforts "to locate the financial resources to enable her to purchase Marefield Meadows, Inc.'s interest in Maronjo," it is totally silent as to any condition imposed on the contract or any agreement to create a contingency to the obligation to purchase, based upon syndication.

If there had in fact been a modification of the terms of the offer and acceptance during the course of the telephone conversation of Ms. Herbert and Mr. White on March 9, 1989, it is submitted that, if Mr. White's letter had not left his office, he would have retrieved it and set forth the modification. If the letter was already beyond his reach at that time, he would have followed it with a second letter setting forth the terms of the subsequent agreement.

It therefore appears that there was no subsequent agreement to modify the written offer as accepted. Mr. White suggests that he was not concerned about the letter of March 9, 1989, written by him nor did he think it necessary to write any addition or correction since it expressed his understanding of his discussion with Ms. Herbert. To this, we respond, exactly so. As Ms. Herbert testified, there was discussion in the phone call about the need of Ms. Lorenz to arrange financing but never an agreement that the obligation to purchase was contingent upon her ability to do so. The



letter reflects those discussions, even recognizing that if Ms. Lorenz does not fulfill her contractual obligation a public sale may result but nowhere is it suggested that she contractually reserved the right to withdraw from her contract in the event that a syndicate or other financing could not be arranged.

It perhaps is worth noting further that, even after this dispute had arisen, Mr. White wrote to Ms. Herbert on March 22, 1989 (Def. Ex. 19) and on April 26, 1989, to present counsel for Marefield Meadows, Inc. (Def. Ex. 20). Although these self-serving letters by Mr. White were written in an effort to justify his position after the fact, nowhere is there any suggestion that the offer had been modified and the modification accepted by Ms. Herbert. In the letter of March 22, 1989, Mr. White states that, before he wrote his letter of February 23, 1989, "we discussed the fact that my client could only make such an agreement if she was able to form a syndication." He further states that, when the acceptance occurred, "you acknowledged our understanding that the sale could only occur if Ms. Lorenz could arrange a partnership or syndication to finance such purchase." It is submitted that "we discussed" and "understanding that sale could only occur" is not the language one uses to confirm or assert that there was agreement that syndication or other financing was a contingency the failure of which would release Ms. Lorenz



from her agreement to purchase. Where is there in this letter any "you and I agreed that Ms. Lorenz would be obligated to buy only if," or words of similar import? Even a layman would have so stated, if true.

Further, when the letter of April 26, 1989, (Def. Ex. 20) is considered, one does not find a statement by Mr. White that he and Ms. Herbert agreed to a modification of the offer and acceptance. He states only that he made it clear that his client would need financial assistance to enable her to purchase Maronjo. He writes that Ms. Herbert acknowledged his statement. He then devotes the balance of his letter to discussing matters irrelevant to the buy-sell agreement, matters discussed elsewhere in this submission to your Honor. If there had been a contingency with respect to financing agreed to as varying or adding to the written offer and its acceptance, surely Mr. White would have spelled that out in a letter written to present counsel for Marefield Meadows, Inc. as late as April 26, 1989, after there was an ongoing dispute about the nature of the contractual obligation.

Discussions previous to the express written offer did not qualify the offer as written and for there to be any subsequent modification, there would have had to be agreement, a meeting of the minds. The facts do not justify the conclusion that Ms. Herbert and Mr. White ever had a meeting of the minds except as to the written offer.



The matter of credibility is left to the Court for determination. As between Ms. Herbert and Mr. White, it seems obvious whose testimony is best buttressed by legal experience, length of practice, grasp of the situation in which the two attorneys found themselves, and lack of self-interest at the time of testifying.

It has been pointed out elsewhere in this letter that such matters as breeding arrangements, sharing of incurred expenses, pro rata computation of on-going expenses, and accounting for stud fees were not part of the buy-sell agreement which stood independently on its own two feet, although a sale would logically be a step in the winding up of the venture. The offer itself does not include those issues, and the actions of the parties demonstrate that the sale was not contingent upon agreement on such other matters.

First, the previous conversations of the parties or their agents nowhere suggested that a sale as between them required all other matters to be disposed of by agreement preliminary to such sale.

Second, the alternative to a sale as between the parties was, as stated by Ms. Lorenz and Mr. White, a public sale, i.e., see Pl. Ex. 6 and Def. Ex. 20. Obviously a public sale was a sale in which the various matters necessary to the conclusion of the venture agreement would not be resolved. They therefore were not considered impediments to sale.



Ms. Lorenz obviously did not consider the matters now raised to be integral to sale. On March 21, 1989, she wrote that she had been trying to put together a syndicate to acquire Maronjo. If the other matters had to be first resolved, it is submitted that she would not have been in a position to advise other persons of the nature of and obligations to which a syndicate interest would be subordinate. The subsequent sale of the stallion in April of 1990 free from considerations of the venture obligations proves that their resolution was not necessary to the sale.

## II.

### AGENCY

It is submitted that Craig White had both real and apparent authority to act for Ms. Lorenz and that this authority, whether real or apparent, created a binding contract. The law with respect to apparent authority is summarized at 1A Michie's Jurisprudence, Agency., §20:

"Necessity for Being Within Apparent Authority. -- Whether or not a contract made by an agent for his principal, which is not expressly authorized nor subsequently ratified by the principal, is binding on the principal, is dependent upon whether or not it was within the apparent scope of the authority of the agent to make such contract. The act of an agent within the apparent, but not within the real, scope of his authority, is binding on the principal when loss would otherwise result to one who has in good faith relied on such apparent authority. And conversely, a principal is not bound by any act of his agent which is not within the scope of the apparent authority



of the latter.

'Test for Determining Apparent Authority.

-- An act is within the apparent scope of an agent's authority when a reasonably prudent person having knowledge of the usages of the business is justified in supposing that he is authorized to perform it from the character of the known duties. It has also been stated that apparent authority arises from facts and circumstances which cause another to change his position to his detriment. Whether an agent is acting within his apparent authority is a question of fact to be determined by the jury."

The same authority, at section 25, states:

"While it is well settled that everyone who deals with an agent does so at his hazard and is bound, at his peril, to take notice of the extent of and the limitations upon the authority of the agent, it is equally well settled that the principal is bound to the extent that he holds another out as having authority to act on his behalf. Secret instructions to an agent, inconsistent with his apparent authority, are not binding upon third parties dealing with him. The apparent authority, so far as third persons are concerned, is the real authority, and when a third person has ascertained the apparent authority with which the principal has clothed the agent, he is under no obligation to inquire into the agent's actual authority. And one who has no notice of any limitation upon the powers of an agent has the right to deal with the agent upon the faith of his ostensible powers, whether his agency is general or special. There can be no doubt that, as a general rule, if a man expressly empowers another as his auctioneer, broker, factor or other professional agent and privately restricts his powers, a presumption of an authority to deal with the goods according to the agent's usual course of business will arise."

In this instance, there can be no question that Craig White had real authority to act for Ms. Lorenz in her efforts



to conclude the joint venture. By her own testimony she brought the attorneys into the proceeding in lieu of continuing her efforts to reach agreement with Marefield Meadows, Inc. A necessary part of the efforts which her lawyers were to exert on her behalf was to bring about the sale of Maronjo, first as between the parties, or, second, to third parties, as provided in paragraph 16 of the Venture Agreement, (Pl. Ex. 1).

After the beginning of January, 1989, Craig White, as agent for Ms. Lorenz, arranged the method of appraisal, made offers of price and received and replied to counter-offers and was in all respects fully representative of Ms. Lorenz, with her concurrence, in his dealings with Marefield Meadows, Inc. through Georgia Herbert. He was therefore the real agent of Ms. Lorenz in all respects and his authority was not limited because he failed to communicate or incorporate in the offer what amounted to an undisclosed term desired to be included in the sale-purchase offer by his principal.

Further, without withdrawing from the assertion that Mr. White was the real agent of Ms. Lorenz who in entering into the written contract on her behalf simply failed to assert a contingency, it is apparent that he certainly was her apparent agent, having as to Marefield Meadows, Inc., a third-party, full authority to contract for his principal, consistent with all of the authority which Marefield Meadows,



Inc., had been led by previous actions of Ms. Lorenz and Mr. White to believe were possessed by him. An undisclosed limitation on his authority to act, inconsistent with his previous displays of authority, would not be of a nature to destroy that apparent authority.

It should again be pointed out that, while there may have been statements between the parties prior to March 9, 1989, and prior to February 23, 1989, that Ms. Lorenz desired to arrange syndication of Maronjo if she acquired him, none of the discussions prior to the offer and acceptance at the figure ultimately agreed upon or at figures earlier suggested conditioned the offers of Ms. Lorenz upon successful syndication as conveyed to Marefield Meadows, Inc.

Finally, with respect to the contract, the determination of damages must be made. Counsel for Marefield Meadows, Inc., at the inception of the hearing on November 19, 1990, submitted a computation of the contract damages, as well as the damages arising both before and after the date of the contract of sale on March 9, 1990. The contract damages were computed based upon the agreed sale price, less the net price realized upon sale of Maronjo in April 1990 to liquidate and minimize damages, as established through the testimony of the agent, Jeff Marsh. That sale was by the agreement of the parties, memorialized in an Order of this Court signed by



Judge Robertson. The ultimate figure after sale and partial distribution was \$38,266.67. (Pl. Ex. 9).

In arguing to strike the evidence, counsel for Craig White and the law firm suggested that no damages had been proved since the sale price of \$53,333.33 was supported by the appraisal put into evidence. (Pl. Ex. 3). Reasoning that the refusal of Ms. Lorenz had left Marefield Meadows, Inc., holding its original interest in Maronjo, he argued that there could be no damages. With all due respect to counsel, this is egregious nonsense. One who contracts to sell an item has an absolute right to receive the sale price. If the buyer refuses to pay the agreed price and accept the merchandise, the seller is entitled to the agreed figure, subject only to mitigation whether the buyer's bargain was good or bad. Horace Mann Ins. Co. v. GEICO, 231 Va. 426, 344 S.E.2d 906 (1986).

Accordingly, judgment should be rendered for Marefield Meadows, Inc., on the contract issue in the sum of \$38,266.67, to partial payment of which the balance of funds held by Jeff Marsh should be applied, and to which should be added interest from the date of sale of the stallion on April 18, 1990.



### III.

#### DAMAGES ARISING BEFORE MARCH 9, 1989

There can be no real issue as to the amount of damages arising from the expenditures for the stallion Maronjo between November 1988 and March 9, 1989.

First the amount of the expenditures and the share attributable to Regula Lorenz were clearly established by the testimony of Sharyn Nicholson and by Pl. Ex. 10. These amounted to \$2,051.38.

Objection was raised to the testimony of Sharyn Nicholson on the basis that while she was the regular bookkeeper for Marefield Meadows, Inc., and kept its records, she somehow was disqualified to testify as to those records because she was not a salaried employee but an independent contractor working by the hour, that a summary of the records was inadmissible, or that the reasonableness of the expenditures had not been proved.

Both the objections in respect to the testimony of Ms. Nicholson as custodian of the records and her provision of a summary supported by the actual records are answered in full by the Virginia Supreme Court decision in E.I. DuPont De Nemours & Co. v. Universal M.P. Corp., 191 Va. 525, 62 S.E.2d 233 (1950), in which the Court stated:

"DuPont contends that much of the testimony of T. Coleman Andrews, an outside accountant, was inadmissible on the question of



damages because without proper verification by the persons who made the records he relied on, and that there was no occasion to use expert testimony.

"As we have stated, the books and records relied upon by Andrews were properly described and shown to have been the regular records kept in the regular course of business of Universal.

"In Virginia, we have adopted the modern Shopbook Rule advocated by Professor Wigmore, allowing in given cases the admission of verified regular entries without requiring proof from the original observers or record keepers, as a recognized exception to the hearsay rule. 5 Wigmore, Evidence, (3rd. Ed.) section 1530, pages 379, 383.

"In Lyric Theatre Corp. v. Vaughan, 168 Va. 595, 604, 191 S.E. 600, 603, quoting with approval from the same author, 2 Wigmore, Evidence, section 1230, we said:

"Where a fact could be ascertained only by the inspection of a large number of documents made up of very numerous detailed vouchers -- as, the net balance resulting from a year's vouchers of a treasurer or a year's accounts in a bank-ledger -- it is obvious that it would often be practically out of the question to apply the present principle (production of documentary originals) by requiring the production of the entire mass of documents and entries to be perused by the jury or read aloud to them. The convenience of trials demands that other evidence be allowed to be offered in the shape of the testimony of a competent witness who has perused the entire mass and will state summarily the net result. Such a practice is well established to be proper. . . .

"The most commonly recognized application of this principle is that by which the state of pecuniary accounts or other business transactions is allowed to be shown by a witness' schedule or summary.'



"See also French v. Virginian Railway Co.,, 121 Va. 383, 93 S.E. 585; Radtke v. Taylor, 105 Or. 559, 210 P. 863, 27 A.L.R. 1423; 1 Jones, Evidence, (4th Ed.) section 206, page 401."

As for the suggestion that the record lacked evidence to support the reasonableness of the bills actually paid by Marefield Meadows, Inc., a suggestion not made until the motion to strike, this is without merit. The issue was laid to rest by the majority opinion in Walters v. Littleton, 223 Va. 446, 290 S.E.2d 839 (1982), a personal injury case in which medical bills were proved by the testimony of the recipient of treatment alone, the Supreme Court reversing for failure of the trial court to admit the medical bills, holding that:

"With the proviso that a proper foundation must precede introduction of the bills, we agree with the reasoning of those courts which have held that evidence presented by bills regular on their face of the amounts charged for medical services is itself some evidence that the charges were reasonable and necessary. (Citations omitted)."

As pointed out, the testimony of Sharyn Nicholson laid the proper foundation with respect to the day-to-day expenses of Maronjo.

The only factual objection raised to the bills themselves, after counsel for Ms. Lorenz and the other defendants had examined them was the complaint of Ms. Lorenz that Marefield Meadows, Inc. had caused Maronjo to be



returned to the MFM stables between December 1988 and February 1989 from November Hill Farm without her consent. This complaint is without merit for three reasons.

First: The return of Maronjo to MFM stables did not result in an increased expense for which Ms. Lorenz was charged in this instance but eliminated the on-going expense of keeping him at November Hill Farm, an expense to be divided under paragraph 5 of the Venture Agreement. (Pl. Ex. 1).

Second: The sole purpose for which Maronjo was at November Hill Farm was for training in the art of dressage, Ms. Lorenz having acquired her one-third interest in the horse for the purpose of riding him as a show horse and Marefield Meadows, Inc., having acquired their two-thirds interest because of his potential for breeding.

In her letter dated mistakenly as November 5, 1988, but admittedly delivered on December 6, 1988, (Def. Ex. 2) Ms. Lorenz had resigned as trainer. Thereafter, she refused to let anyone else get on the stallion. See, e.g., Def. Ex. 17. Having resigned as trainer, even though indicating that she would continue to ride Maronjo at November Hill Farm, her expectation of training him to be ridden in shows was frustrated. There was no reason to leave Maronjo at November Hill Farm.



Third: MFM was clearly authorized by the Agreement of June 9, 1987, to return Maronjo to its stables during the period of time when the parties were attempting to negotiate his sale. Paragraph 6 of that Agreement provides:

"Maronjo shall not be allowed to board at any stable other than MFM or CHS without the express consent of both parties." See also, par. 8 and 10.

Clearly, once Marefield Meadows, Inc., did not agree to the incurring of further expense at November Hill Farm, it had the right to return him to MFM stables in accordance with those provisions to avoid further expense.<sup>1</sup>

For these reasons, the sum of \$2,051.38 is properly chargeable to Regula Lorenz for her obligations prior to March 9, 1989.

#### IV.

##### DAMAGES ARISING AFTER MARCH 9, 1989

As with the proof of expenses before March 9, 1989, discussed above, the testimony of Sharyn Nicholson establishes that the quantity of damages, i.e. expenses for

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<sup>1</sup>During the course of trial, defendant introduced into evidence a post card, (Def. Ex. 15). This is strictly a red herring. Examination of the post card will reveal that it contains no representation as to ownership but is merely information to interested parties as to where the stallion was to be found for breeding purposes.



the care of Maronjo, after March 9, 1989, to the time of his agreed sale, was \$1,493.37. Proof of the two sums separately was offered because the amounts incurred before March 9, 1989, were incurred at the instance of Regula Lorenz only while sums incurred after that date may be the responsibility of Regula Lorenz or the third party defendants, depending upon the holding of the Court allocating responsibility for the contract made.

The position of Ms. Lorenz with respect to the expenses after March 9, 1989, as to which Marefield Meadows, Inc., has sought only to recover from her the proportion stated in the Venture Agreement (Pl. Ex. 1), i.e. one-third, is difficult to comprehend. Clearly, expenses had to be incurred during the period between the repudiation of the contract by her and the sale of the horse.

It is submitted that Ms. Lorenz, and her agent, had the right to pay for Maronjo and demand his possession immediately following the agreement of purchase. When possession was not demanded, expenditures for the care of Maronjo were not only humanitarian but justified by the desire of Marefield Meadows, Inc., to preserve the object of the contract and to minimize damages.

The testimony of Ms. Lorenz did not single out any expense as objected to by her except the fact that Maronjo was sent to the Middleburg Equestrian Center and then to



November Hill Farm for training and exercise when he began to get fat due to the restrictions which had been placed on third parties exercising and training him by Ms. Lorenz. Possibly she will assert a general objection to all expenses after the contract. In either event, the objection is without merit.

In the first place, the right of Ms. Lorenz as a party to the Venture Agreement of June 9, 1987, to be consulted as to expenses to be incurred did not extend to each and every expenditure in every aspect and amount. If the Court will examine Pl. Ex. 1, you will find that paragraph 8 begins: "Approval of Expenses. Except as herein provided \* \* \*" and concludes: "Thus, no party shall be obligated to reimburse any portion of expenses which has not obtained its prior approval in concept, if not amount, except in emergencies as stated." Quite obviously the day to day charges inherent in keeping the horse alive were ones which were contemplated by the contract, necessarily approved in concept, and needed no further approval.

The major expense incurred after March 9, 1989 was incurred in sending him to the Middleburg Equestrian Center and then to November Hill Farm. In respect to these expenditures Marefield Meadows, Inc. was "damned if it did and damned if it didn't." The record of earlier proceedings in this cause will show that Ms. Lorenz complained because



Maronjo was removed from November Hill Farm and allegations were made by her counsel that the value of the horse was being destroyed because he was permitted to become diseased and fat. Examination by a veterinarian of Ms. Lorenz choosing in the summer of 1989 proved that the allegations with respect to disease were so exaggerated as to become canards.

On the other hand, as a result of being subjected to the limitations imposed by Ms. Lorenz on training and riding, the horse did gain considerable weight although not sufficient to jeopardize his health according to the undisputed testimony of veterinary regularly in attendance, Dr. Helen M. Poland.

Caught in the "Catch-22" situation created by the limitations imposed Ms. Lorenz, see testimony of farm manager, Ingrid Gormly, upon exercise and training and the accusations that the condition of Maronjo was being allowed to deteriorate, the judicious choice was to send the stallion for training to places previously approved by Ms. Lorenz. Ms. Lorenz had disapproved of taking Maronjo from November Hill Farm. Now she disapproves of returning him there, even though it was to his benefit.

And it should not be overlooked that to get the horse back into shape was to the benefit of Ms. Lorenz, also. As a result of the limitations which she imposed, see Def. Ex. 17, and Def. Ex. 21 and Def. Ex. 25, both the witnesses Gerd



Zuther and Jeff Marsh agreed that his value was considerably diminished. Zuther after training him acknowledged that he was restored to top condition, resulting in his sale in April 1990, according to Jeff Marsh, for top dollar. Ms. Lorenz should not be heard in equity to complain of this beneficial result, especially since she does not deny it nor has she suggested any alternate course of conduct.

So that there can be no misunderstanding about the records of Dr. Poland concerning colic, it should be noted that this occurred before November 1988, when Regula Lorenz was the trainer of Maronjo and was not attributed to fault on the part of anyone. It was not a permanent injury and, indeed, there was no evidence of permanent injury of any kind to Maronjo.

The fact that Maronjo was bred to mares in 1989 was consistent with the Venture Agreement of June 9, 1989 (Pl. Ex. 1) and indeed both Ms. Lorenz and Marefield Meadows, Inc. considered themselves still bound as to breeding by that agreement. Ms. Lorenz insisted on her breeding rights, see ltr. White, April 26, 1989 (Def. Ex. 20), sent the mare of Irise Wojcek to be bred in accordance with her contract right, and was credited with her one-third of each breeding fee.

On the other hand, also in accordance with the rights asserted by Ms. Lorenz, Marefield Meadows, Inc., asserted its



reciprocal breeding rights, as a result of which two of its mares became pregnant after March 1989. The foals born were Mantissa and Miranda. (Mercurius was the result of a breeding occurring before November 1988).

At trial, the suggestion was made that the Court would have to determine ownership of the two foals as a matter of law. Here the breeding occurred because both parties were acting in accordance with the venture agreement and in particular paragraph 13. The first sentence of that paragraph is quite explicit: "Each party shall be able to breed any mares owned wholly by MFM or CHS to Maronjo free of charge." Mr. White in the letter of April 26, 1989, had asserted the insistence of Ms. Lorenz that that provision was still in effect. It was followed to the letter by Marefield Meadows, Inc., and the foals born of its mares belong to it.

This result is also consistent with the general law. In 4 Am. Jur. 2d, Animals, §10, it is stated:

"The general rule, in the absence of an agreement to the contrary, is that the offspring or increase of tame or domestic animals belongs to the owner of the dam or mother, and it appears that the same rule is applicable to tamed or reclaimed wild animals. In this respect the common law follows the civil and is founded on the maxim, 'partus sequitur ventrem,' which principle is based not alone on the fact that the male is frequently unknown, but also upon the circumstance that the dam, during the time of her pregnancy, is almost useless to the proprietor and must be maintained with greater expense and care;



wherefore, as her owner is the loser by her pregnancy, he ought to be the gainer by her brood. Furthermore, the increase of the increase, ad infinitum, of domestic animals comes within the rule and belongs to the owner of the original stock."

In view of all of the above, the Court should award for expenses incurred after March 9, 1989, the sum of \$1,493.37.

V.

### THIRD PARTY CLAIM

Marefield Meadows, Inc., in Point II, page 14 above, has presented the authority establishing the responsibility of Ms. Lorenz to Marefield Meadows, Inc. for the contract entered into by her agent. As such the verdict on all issues should be in favor of Marefield Meadows, Inc. against Ms. Lorenz.

Since, however, Ms. Lorenz has asserted that Craig White, her agent, acted without authority and Craig White, with whom she has settled her claim, see previous decree dismissing her action against White and the law firm, has confirmed the undisclosed statement to him that his principal would purchase if she could syndicate, it must be considered whether a release of the principal would absolve the agent.

This legal issue was argued upon demurrer and disposed of adversely to the third party defendants. Because their counsel has again sought to introduce it on the motion to strike, it must be mentioned again.



Counsel for the third party defendants has sought to obtain dismissal because of a lack of privity between his clients and Marefield Meadows, Inc., somehow suggesting that privity is necessary in a legal malpractice action and therefore is required here, where the issue is an agent failing to act in accordance with his instructions. This is not a malpractice claim and is not dependent upon privity.

More Hornbook law seems to be in order:

"It is well settled that one who purports as agent to enter into a contract, upon which the principal is not bound because of the fact that the agent has contracted without authority or in excess of his authority, is personally liable for the damage thus occasioned to the other contracting party. Moreover, even where the agent undertook to act, bona fide, believing he had the authority, but in fact, had none, he is responsible because he has been guilty of a wrong or omission depriving the party dealing with him of the benefit of the liability of the principal for whom he assumed to contract. The damages recoverable will include any loss which the third party has suffered through not having a valid contract." 3 Am. Jur. 2d, Agency, §303.

This general principal finds support in, among others, Catlett v. Hawthorne, 157 Va. 372, 161 S.E. 47 (1931); Warden v. Bank of Mingo, 341 S.E.2d 679 (W.Va. 1985); and Hagan v. Asa G. Candler, Inc., 1 S.E.2d 693 (Ga. 1939).

The case, from the point of view of Marefield Meadows, Inc., despite the proliferation of non-issues urged by counsel for Regula Lorenz and the third party defendants,



remains essentially a simple. Regula Lorenz, by her real or apparent agent entered into a contract which she has failed to carry out. She, or her agent if the Court finds that she is not responsible to Marefield Meadows, Inc. for unauthorized acts of that agent, should respond to the injured party in damages, and also respond for her share of expenses of Maronjo arising before the contract and also extending through the period after sale.

Marefield Meadows, Inc. will reserve its right to reply to the arguments made by other parties to this cause.

With all best wishes for the holiday season, I remain,

Very truly yours,

Thomas V. Monahan

TVM/ke

CERTIFICATE

I certify that I mailed a true copy of this letter on the 12th day of December, 1990, to John P. Flannery, II, Esquire, Shamrock Farm, Rt. 2, Box 144A, Leesburg, Virginia 22075, and to William D. Cremins, Esquire, WALSH & CREMINS, P.C., Suite 200, 4020 University Drive, Fairfax, Virginia 22030-6802.

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# JOHN FLANNERY, ESQ.

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Suite 304  
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Washington, D.C. 20006

December 12, 1990

Hon. John A. Jamison  
Judge Designate  
Post Office Drawer 29  
Fredericksburg, Virginia 22404

Re: Lorenz v. Marefield Meadows, Inc. et al., CH-89-150

Dear Judge Jamison:

This memorandum is submitted in a letter form post-trial as per the direction of this Court.

## I. PRELIMINARY REMARKS

Mrs. Regula Lorenz originally invoked this Court's powers under the Uniform Partnership Act, specifically §§ 50-7(4), 50-19 to -22, 50-32(1) of the Code of Virginia to dissolve the soured partnership she had with Ms. Poynter and Ms. Mickel. The principal asset of their partnership was an award-winning Hanoverian stallion named Maronjo.

Mrs. Lorenz's partners resisted this demand to conclude the partnership because, if they hadn't, the partnership would very likely have ended by February 1989 and such an expeditious schedule didn't suit Ms. Poynter or Ms. Mickel; after all, they wanted to breed Maronjo to their mares in March, April and May of 1989.

Nor is this mere speculation. Ms. Poynter and Ms. Mickel did exactly just what we've suggested. They misappropriated Maronjo to cover their mares from March through June of 1989 and today they're actively marketing his foals, telling this Court the most preposterous tale, that they can't recall what price they're asking for the foals.

Ms. Poynter and Ms. Mickel purposefully ignored Mrs. Lorenz's entreaties that they live up to the partnership agreement, pretended to misunderstand her so they could shirk their partnership obligations, and finally seized upon the so-called White letter, dated February 23, 1989, to delay the day of reckoning, pretending the letter was an "offer" they "accepted", although they well knew that "the White letter" left open many more questions than it resolved, reflecting the clashing of minds missing each other rather than meeting in any agreement. For



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instance, the White letter didn't resolve the parties' differences over boarding and training expenses. Nor did it resolve the respective parties' breeding rights -- perhaps the most important issue for Ms. Poynter and Ms. Mickel.

The White letter did, however, present Ms. Poynter and Ms. Mickel with an opportunity "to delay" the sale of Maronjo, permitting them to steal the breeding rights they were otherwise unable to negotiate.

Mrs. Lorenz filed her suit at equity because of this impasse. Only after filing this suit, upon reaching an agreement to sell Maronjo, and upon selling Maronjo, did Mrs. Lorenz dismiss her suit at equity, hoping that would be the end of the matter.

Ms. Poynter and Ms. Mickel, however, persisted in their prosecution of the frivolous cross-complaint. Accordingly, by way of our defense, we respectfully submit that: (a) Ms. Poynter and Ms. Mickel breached the partnership agreement they insisted upon and are not entitled to any of the expenses they claim; (b) the White letter was not an "offer" so it couldn't be accepted, nor was it "accepted", and so it shouldn't be "enforced"; and (c) if this Court concludes the White letter was an "offer" and it was "accepted", and Plaintiff vigorously insists it was not, then the foals sired without Mrs. Lorenz's permission belong to her. Otherwise, as to Mrs. Lorenz's defense, she respectfully directs this Court's attention to her Answer to this cross-complaint, filed on August 29, 1989, and attached hereto as Exhibit A for the Court's convenience.

Plaintiff further submits the following discussion.

## II. DISCUSSION

### A. THE PARTNERSHIP AGREEMENT

Poynter and Mickel entered into a partnership agreement with Mrs. Lorenz. Ms. Mickel said they both intended "...to be your [Mrs. Lorenz's] sole partners in owning him [Maronjo]" (emphasis supplied). See X Def Ex. 1 (Mickel letter to Lorenz, dated January 21, 1987). And so they did become her sole partners. See X Pl. Ex. 1 (Maronjo Partnership Agreement, dated June 9, 1987).<sup>1</sup>

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<sup>1</sup> Complainants' Exhibits are referred to as "X Pltf. Ex. \_\_", accompanied by a description of the exhibit referenced; Defendants Exhibits are referred to as "X Def. Ex. \_\_", also (continued...)



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Mrs. Poynter and Ms. Mickel insisted the partnership agreement be written because both "vowed that we [Ms. Poynter and Ms. Mickel] do nothing unless it is on paper -- it wouldn't matter if a saintly man with long flowing hair, wearing a white gown walked across our pond and proposed something to us. We'd still want it on paper." Id. Mrs. Poynter confirmed that was their position in January of 1987. Poynter Tr. 11.

Accordingly, Ms. Mickel wrote,

"Should the time come that the deal [the purchase of Maronjo] is imminent, we would, of course, want to draw up all of the proper legal papers that would be satisfactory to each party in [a] outlining responsibility for costs, [b] sharing of future breeding fees, [c] etc." Id.

By the terms of this correspondence, it was manifest there was more to buying a stallion, in Ms. Mickel's mind, than simply its purchase price; there was also the stallion's board and training expenses, and breeding, to cite several of the most important considerations.

So too, when Ms. Poynter and Ms. Mickel bought the stallion from November Hill, they had concerns other than the stallion's price that were reduced to writing, namely, they insisted on a medical examination (conducted by vet Poland), and that November Hill pay the expenses while Maronjo remained at November Hill, and there was even provision for how Maronjo could (or should) be used before he left November Hill; by reference to the November Hill sales contract, this Court can confirm that purchase contract provided for: (a) a "veterinarian examination", (b) that "November Hill Farm, Inc. [the seller] will pay for Maronjo's expenses through May of 1987", and (c) that "the stallion will participate at the stallion performance testing 1987 at Nov.[ember] Hill Farm" (emphasis supplied). See X. Def. Ex. 11 (Witness, Mr. Zuther).

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<sup>1</sup>(...continued)

accompanied by a description of the exhibit. As there have been excerpts of the trial testimony excerpted, specifically Ms. Marion Poynter, and Ms. Georgia Herbert; reference to the transcribed testimony is as follows: "Poynter Tr. \_\_" and "Herbert Tr. \_\_".



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Similarly, the partnership agreement<sup>2</sup> Ms. Poynter and Ms. Mickel insisted upon encompassed many more terms than just each partner's respective monetary contribution to the stallion's purchase price. It provided that Maronjo could not be lodged at a third party's stable without the parties' agreement. See X Pltf. Ex 1 (Agreement), ¶ 6. It otherwise provided for the expense of boarding and training the stallion; but that "no expense" could be incurred without prior approval of both parties. See X Pltf. Ex 1 (Agreement), ¶ 8. It provided for majority rule on decisions to train, breed, and advertise Maronjo. See X Pltf. Ex 1 (Agreement), ¶ 10. But, since Mrs. Lorenz was a minority owner, the agreement appropriately provided that Mrs. Lorenz "may not be forced to bear a share of any such expenses not previously approved". See X Pltf. Ex 1 (Agreement), ¶ 10.

And the partnership agreement provided that the Agreement was terminated "by directing that Maronjo be sold", See X Pltf. Ex 1 (Agreement), ¶ 16, accomplishing this "upon sixty (60) days prior written notice to the other", See X Pltf. Ex 1 (Agreement), ¶ 19. And Ms. Poynter was asked the following question and gave the indicated response:

Q. Was there any kind of any agreement on the part of you, yourself, for Marefield Meadows and Mrs. Lorenz to change that requirement of 60 days written notice, thereafter, which the agreement could be terminated?

A. No, sir. Poynter Tr. 76.

B. TERMINATION OF THE PARTNERSHIP AGREEMENT

In and around December 6, 1988, Mrs. Lorenz wrote a letter directing that Maronjo be sold, saying she was resigning as Maronjo's trainer, requesting Ms. Poynter's "decision as to w[h]ether you want to purchase my 1/3 ownership [in Maronjo] or release him for sale." See X Def. Ex. 2 (Lorenz letter to Poynter); Poynter Tr. 21. Thus did Mrs. Lorenz proceed in accordance with the partnership agreement's provisions for terminating the partnership. Ms. Poynter understood Mrs. Lorenz's letter to be a "direction to sell". Poynter Tr. 80. Mrs. Poynter

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<sup>2</sup> The agreement provided for a sharing of fees and profits. See X Pltf. Ex 1 (Agreement), ¶ 11. While Ms. Poynter and Ms. Mickel may dispute this was a partnership agreement (Ms. Poynter said she "objected to the word partnership", Tr. 39), the statutory authority is clear, when partners expect that they'll share profits from jointly owned property, that is prima facie evidence that there is a partnership. See § 50-7(4) of the Virginia Code.



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told her consultant, Sharon Nicholson, to destroy Mrs. Lorenz's letter. Poynter Tr. 17. At trial, Mrs. Poynter weakly insisted that Nicholson did not destroy the letter; she claimed instead that it was only "lost". Poynter Tr. 16, 26.

At trial, Mrs. Poynter misrepresented the sale of Maronjo did not come up when Mrs. Lorenz's resigned on December 6, testifying it did not come up -- "not at that time." Poynter Tr. 5. This despite the fact that Mrs. Lorenz's letter contradicts Ms. Poynter as does Ms. Poynter's response, saying, "We'll work out [the] details of what comes next about Maronjo in a business-like way, to the advantage of all one hopes." See X Def. Ex. 3 (Poynter letter to Lorenz).

Although Mrs. Poynter and Ms. Mickel knew what decision Mrs. Lorenz was demanding them to make, Poynter Tr. 28, they wrote a joint letter saying that they did not know what Mrs. Lorenz was talking about. Compare X Def. Ex. 5 (Poynter/Mickel letter to Lorenz, dated January 10, 1989). Mrs. Poynter conceded at trial that Mrs. Lorenz had asked for their decision to buy or sell publicly on at least three prior occasions. Poynter Tr. 23, 25, 26, 27; X Def. Ex. 4 (Lorenz letter to Poynter, dated January 3, 1989). But instead of taking steps to sell Maronjo, Ms. Poynter and Ms. Mickel purposefully misunderstood Mrs. Lorenz's latest request for a decision, announcing the unrelated "decision" to bring Maronjo back from training at November Hill to Marefield Meadows so Marefield Meadows could breed him. See X. Def. Ex. 5 (Poynter/Mickel letter to Lorenz, dated January 10, 1989). After all, Ms. Poynter had testified the purpose of Defendant Marefield Meadows was to "breed, raise and to a limited extent, train Hanoverian horses" (emphasis supplied). Poynter Tr. 4. Mr. Zuther of November Hill confirmed not only the amateur standing of Marefield Meadows as a breeding and training barn, but also that Maronjo was the only stallion that Marefield Meadows had who could sire a certified Hanoverian foal. See generally Zuther testimony.

#### C. SETTLEMENT NEGOTIATIONS

Since Mrs. Lorenz could not get Ms. Poynter or Ms. Mickel to respond, she retained counsel, the Hanes Sevilla firm, to compel her partners, in accordance with the partnership agreement: (a) to buy Maronjo or offer him at a public sale, and (b) to preclude further expenses or liability for further expenses incurred by her partners in the furtherance of their breeding business. See X Def. Ex. 16 (Lorenz letter to McCahill, dated January 11, 1989).

In response, Mrs. Poynter and Ms. Mickel retained Georgia



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Herbert, Esq..

In early February 1989, when Mrs. Lorenz discovered that Marefield Meadows intended to withdraw Maronjo from training at November Hill, she objected. See generally Lorenz testimony; X Def. Ex. 17 (Lorenz letter to White, dated February 1, 1989). There was little she could do however as Ms. Poynter and Ms. Mickel had control of Maronjo. Herbert Tr. 40. And they were arrogant in exerting their control; Maxine Mickel told Ms. Herbert, Meadows counsel, in mid-February that it was fine with her (Mickel) if the horse did nothing but simply stand at stud at Marefield Meadows even though it would mean Maronjo's muscles would atrophy and his price go down. Herbert Tr. 30.

Marefield Meadows wanted Maronjo at Marefield Meadows to breed him; thus, when Ms. Herbert bargained to have several appraisers evaluate Maronjo, Ms. Poynter told Ms. Herbert she "do[es]n't care at all how soon the appraisals are done after the horse [Maronjo] comes back to the Meadows" (emphasis in the original). See X Def. Ex. 6 (Herbert's Notes, dated February 13, 1989); Poynter Tr. 29.

It suited Marefield Meadows just fine that the negotiations were going nowhere. Herbert Tr. 36. And it hardly expedited matters, on February 16, 1989, that Ms. Herbert insisted all further discussions between the parties be in writing, rather than by phone. Herbert Tr. 36-37.

Shortly afterwards, Mr. White called Mrs. Lorenz, then in Switzerland, to discuss various settlement terms including expenses, breeding rights, and the sales price of Maronjo. See generally Lorenz testimony, White testimony. Mrs. Lorenz authorized Mr. White to discuss the sale of her interest in Maronjo. But she did not authorize Mr. White to make any firm offers, nor final decisions on her behalf. She most certainly did not authorize any purchase of Marefield Meadows' interest unless she could find a syndicate to underwrite such a purchase. Id.; see also X Def. Ex. 18 (Lorenz letter to White, dated March 21, 1989).

On February 23, 1989, Mr. White wrote a letter to Ms. Herbert "to confirm the status of this case", putting this in writing, since that's what Ms. Herbert's demanded on February 16, 1989. Herbert Tr. 36-37; see X Pltf. Ex. 2 (White letter to Herbert, dated February 23, 1989). The letter plainly was not intended as an offer. Mr. White, during his testimony said so, confirming he had no authority to make an unconditional offer to buy Marefield Meadows' interest. See generally White testimony. More than that, it is clear from the contents of his letter that, if Mr. White presumed anything in his correspondence, it was that Mrs. Lorenz



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would be selling her interest in Maronjo -- not buying anyone else's interest. Thus, Mr. White's correspondence discussed what Mrs. Lorenz's pro rata expense would be if she sold out to Marefield Meadows. And he discussed what, if any, breeding fees she might receive if she sold out. And he discussed what, if any breeding rights, she might enjoy if she sold her interest. Even presuming Marefield Meadows wanted to buy out Mrs. Lorenz, the letter remained silent as to when the stallion would convey to Marefield Meadows, and the manner by which Marefield Meadows, presumably, would be required to pay Mrs. Lorenz.

This begs the nice question, what terms may Marefield Meadows divine from this correspondence if Mrs. Lorenz is buying out Marefield Meadows, instead of the other way around. "Divine" is an appropriate term too since Mr. White's letter is entirely mute on a variety of issues including expenses, the disposition of breeding fees, and perhaps the one most significant to Marefield Meadows, "What breeding rights, if any, Marefield Meadows may enjoy if Mrs. Lorenz is buying their interest instead of vice versa?" Nor could that question be resolved in contract negotiations by setting the closing date far enough in the future to conceal what Marefield Meadows was really up to, breeding whichever mare they wished without express authority to do so. In any case, the White letter discussed no closing date at all.

The discussion that ensued between Ms. Herbert and her clients on about February 27, 1989, underscored the insufficiency of the White letter as the "offer" Marefield Meadows has since purported it to be, particularly as to breeding.

Ms. Poynter wanted to be sure, if Mrs. Lorenz did buy Maronjo, that Marefield Meadows could use Maronjo in the upcoming year for breeding, Poynter Tr. 41, that it was permissible for Marefield Meadows to breed its mares back to Maronjo if the stallion did not cover any mare successfully the first time, Poynter Tr. 41-42,<sup>3</sup> and she wanted this in writing.

Ms. Poynter was concerned that Mrs. Lorenz follow through on the breeding contracts Marefield Meadows had signed. Poynter Tr. 49. She also said she "probably" wanted that in writing. Poynter Tr. 65.

Maxine Mickel very plainly told Ms. Herbert she was concerned that if Maronjo was sold to someone else that the breeding

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<sup>3</sup> As the Chart below indicates, Maronjo had to cover Marefield Meadows' three Hanoverian mares on eight (8) occasions.



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contracts wouldn't be honored. Herbert Tr. 30-31. Ms. Herbert agreed that if Maronjo had to be sold to someone else, there would have to be some agreement about what to do. Herbert Tr. 31. Ms. Herbert suggested that they have Mrs. Lorenz sign "a standard breeding contract". Herbert Tr. 43.

Ms. Mickel was so concerned that she called Ms. Herbert again on February 27, 1989 to tell Herbert that Marefield Meadows also wanted to breed back their mares to Maronjo if Maronjo did not get their mares in foal. Herbert Tr. 33. She said she wanted to breed Marefield's mares back through the "current breeding season" which she took to mean a full year. Herbert Tr. 34. She wanted the breeding of their mares to be free. Herbert Tr. 44. Although Ms. Mickel told Herbert that she thought they would only need Maronjo through mid-May, she told Herbert it would take longer if they had to breed their mares back to Maronjo. Herbert Tr. 34. As noted in the Chart below, Marefield Meadows had to breed Maronjo back to Marefield Meadows' mares several times, not finishing the undertaking until May 31.

Ms. Herbert's remarks, following this conference with her clients, was that "time is not of the essence as far as my clients are concerned, and it suits them fine to let this take a while to resolve because that simply gives them more time to actually accomplish the breeding they want to accomplish." X Def. Ex. (Herbert Notes to Poynter file, dated February 27, 1989).

During her conversation with Mr. White on March 9, Ms. Herbert insists she "accepted" his written "offer". It was conceded by both Ms. Herbert and Mr. White that Mr. White misunderstood at first what Herbert was saying, thinking that Marefield Meadows finally agreed on a price to buy out Mrs. Lorenz, pleased at this development, although he plainly realized there was more to discuss. Herbert Tr. 47. Mr. White was terribly surprised therefore when he realized that Ms. Herbert thought Mrs. Lorenz had agreed to pay Marefield Meadows for Maronjo. Herbert Tr. 47. White believed he corrected Ms. Herbert's misimpression, discussing with her, before he got off the phone, other prices that might be agreeable, that is, other than a private sale. See generally White testimony. When asked if this were true, that White discussed other prices, Ms. Herbert said, "Not in that conversation." Herbert Tr. 24. Although that's exactly what Ms. Herbert wrote in her notes, that White discussed other prices or a "pvt [private] sale". See X Def. Ex. 9 (Herbert's notes, dated 3/9/89).

In addition, on March 9, 1990, Mr. White wrote Ms. Herbert plainly telling her that Mrs. Lorenz did not want to buy out Marefield Meadows and that she couldn't as she did not have the



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resources to do so. See X Pltf. Ex. 6 (White letter to Herbert, dated March 9, 1989); Herbert Tr. 44-45. While Mr. White could not remember at the time of the trial if he mailed that letter before he spoke to Ms. Herbert, Ms. Herbert remembered, and so testified during Marefield Meadows' rebuttal case, that she'd been informed his letter had been forwarded before she spoke to Mr. White on March 9, 1990. Herbert Tr. 61.

Although Ms. Herbert said she "accepted" the White "offer" on March 9, 1989, she admits that "as of March 9th, we [the parties] had no discussions of those issues [involving breeding Maronjo]." Herbert Tr. 20.

Nor would Ms. Poynter or Ms. Mickel accept pro rata payments for Maronjo's expenses, see X Def. Ex. 5 (Poynter/Mickel letter to Herbert, dated March 6, 1989), although that's all that Mr. White "offered", see X Pltf. Ex. 2 (White letter to Herbert, dated February 23, 1989). Ms. Poynter conceded expenses were something at issue and that "[s]omebody had to decide it." Poynter Tr. 66.

Nor on March 9th had there been any reference or agreement between the parties as to a closing date. Herbert Tr. 23. During cross, Mrs. Lorenz, by counsel, asked Ms. Herbert, "Did you make any reference to a closing date in your March 9th conversation?" Herbert Tr. 23. Ms. Herbert said, "No." Id. Asked if was true that her notes did not make any reference to "any closing dates", Ms. Herbert said, "That's right." Id. When Ms. Herbert was asked, "As of March 9, when you 'accepted' this alleged offer, what was the date that this transaction was to [take effect]?", she responded, "Didn't have one." Herbert Tr. 52. However, a day later, when recalled to testify as part of the rebuttal by Marefield Meadows, Ms. Herbert changed her testimony in the most artificial manner (to be charitable), saying instead, "I can't remember his exact language, but 60 days came into that conversation, would they give her [Mrs. Lorenz] 60 days or so?" Herbert Tr. 59.

Because none of these matters were the subject of any agreement (not expenses, breeding rights, closing date, or manner of payment), Marefield Meadows tries to finesse these differences by stating them, as if these terms were not materially different, in their correspondence of March 17, 1989 "confirming" an "acceptance" to an "offer" that never existed. See X Pltf. Ex. 7 (Herbert letter to White, dated March 17, 1989). Marefield Meadows then ran the clock, as Ms. Herbert implied they intended to do, disregarding correspondence trying to set the record straight and dissolve the partnership. See X Def. Ex. 19 (White letter to Herbert, dated March 22, 1989) and X Def. Ex. 20 (White letter to



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Monahan, dated April 26, 1989).

D. BREEDING MARONJO

And so, Marefield Meadows pursued undaunted their breeding program. Ms. Poynter testified that Marefield Meadows had three Hanoverian mares named: Recognition, Flower Bow and Alexa. Poynter Tr. 53. Maxine Mickel made the point that Flower Bow "was purchased by Marefield Meadows for the specific purpose of breeding to Maronjo." See X Def. Ex. 12 (Draft videotape script, written by Maxine Mickel); see generally Carina Elgin's testimony. And so, despite the fact that Ms. Poynter and Ms. Mickel insist that Mrs. Lorenz owned Maronjo after March 9, Maronjo covered each of these mares in 1989, succeeding in getting the mares in foal after that date. See generally Veterinarian Helen Poland's testimony. As the Chart below indicates, Maronjo covered each of Marefield Meadows' mares starting the very next day after Mr. White sent his letter.

**CHART: Maronjo's Breeding Activity**  
**Marefield Meadows' Mares**  
**February 24-May 31, 1989**

| Marefield Mares | Recognition | Flower Bow | Alexa        |
|-----------------|-------------|------------|--------------|
| Date: 1st Cover | February 24 | March 24   | May 28       |
| Date: 2nd Cover | March 18    |            | May 29       |
| Date: 3rd Cover | May 2       |            | May 31       |
| Date: 4th Cover | May 4       |            |              |
| Maronjo Foals   | Mantissa    | Miranda    | Name unknown |

Maronjo failed, however, to get any Marefield Meadows' mare in foal until March 24th (Flower Bow), and after that on May 4th (Recognition) and again on May 31st (Alexa). In other words, Marefield Meadows covered its mares at a time, after March 9th, 1989, when, it insists, Mrs. Lorenz owned Maronjo. Both Ms. Poynter and Ms. Poland confirmed that every one of these mares (Recognition, Flower Bow, and Alexa) had foals (Mantissa, Miranda, and Name Unknown) in the Spring of '90. Poynter Tr. 54; see generally Veterinarian Helen Poland's testimony. This Court heard the testimony of Marefield Meadows' film-maker, Ms. Carina Elgin,



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and saw the sales videotape that Marefield Meadows commissioned to promote Maronjo's "premier" foals. See X Def. Ex. 14 (Videotape). Ms. Poynter added that Marefield Meadows was promoting the foals in various publications including the Chronicle of the Horse. Poynter Tr. 55. But when asked what she estimated was the value of these foals, Ms. Poynter said, "I would have to consult a list. I don't have it with me." Poynter Tr. 56.

E. MARONJO IN DECLINE

And at what cost did these "amateurs", as Gerd Zuther described them in his testimony, conduct their breeding program. When Marefield Meadows made their "decision" to take Maronjo out of training at November Hill and bring him back to Marefield Meadows, they risked Maronjo's value as a stallion. As the appraiser noted, since Maronjo did not "have any foals on the ground at this time [February 1989]... it is not possible to make any judgment as to his qualities as a breeding stallion." See X Pltf. Ex. 3 (Thompson letter to White, undated, ¶ 6). Maronjo's value was therefore in performance and this quality Marefield Meadows put at risk. Ms. Mickel said she was prepared to let the stallion atrophy. And as Mr. Zuther testified, in the ten months after Maronjo left November Hill in top condition, Ms. Mickel made good her threat; Maronjo deteriorated to such an extent that, upon his return to November Hill in December 1989, Mr. Zuther could not work him, overweight and out of condition as Maronjo was, concerned as he was that Maronjo could have founder.

F. UNAUTHORIZED AND UNJUSTIFIED EXPENSES

Marefield Meadows incurred diverse expenses in pursuit of their breeding program. Marefield Meadows incurred these expenses in disregard of Mrs. Lorenz's request that the partnership be dissolved. And Marefield Meadows incurred these expenses without Mrs. Lorenz's knowledge or consent and over her express objection. Marefield Meadows incurred these expenses in disregard of Mrs. Lorenz's objections that Marefield Meadows not transfer Maronjo from November Hill to Marefield Meadows for breeding, and from Marefield Meadows to Middleburg Equestrian Center; yet Marefield Meadows proceeded over Mrs. Lorenz's objection. See X Def. Ex. 21 (McCahill letter to Monahan, dated May 8, 1989; X Def. Ex. 22 (Flannery letter to Monahan, dated July 17, 1989); X Def. Ex. 23 (Flannery letter to Monahan, dated July 25, 1989); X Def. Ex. 24 (Flannery letter to Monahan, dated December 8, 1989); and X Def. Ex. 25 (Flannery letter to Monahan, dated December 11, 1989). Mrs. Lorenz may not now be held accountable for Marefield Meadow's expensive misconduct.



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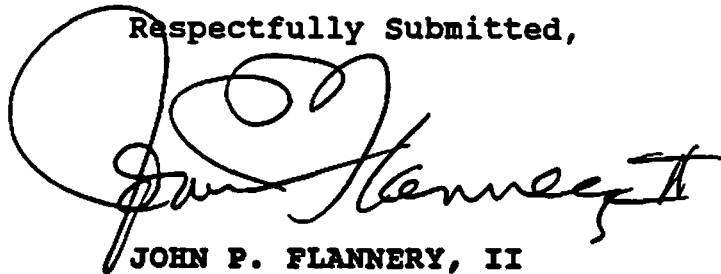
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III. CONCLUSION

Wherefore, for the reasons stated herein, based on the pleadings, testimony, and exhibits before this Court, Mrs. Lorenz respectfully requests that this Court deny Ms. Poynter, Ms. Mickel, and Marefield Meadows, Inc. any "relief" as they are owed none as a matter of law or equity, particularly given their record of financial misconduct and their amateurish and even inhumane attitude toward the stallion, Maronjo.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "John P. Flannery, II". The signature is stylized with large loops and a long horizontal stroke at the end.

JOHN P. FLANNERY, II

JPF/ks

cc: Hon. John A. Jamison (courtesy copy)  
✓ Thomas Monahan, Esq.  
William Cremins, Esq.

Enclosure (Exhibit A)



December 18, 1990

The Honorable John A. Jamison, Judge  
Designate  
Fifteenth Judicial Circuit  
P. O. Box 29  
Fredericksburg, Virginia 22404

Re: Lorenz vs. Marefield Meadows, et al  
Circuit Court of Fauquier County  
In Chancery No. CH-89-150

Dear Judge Jamison:

At the conclusion of the trial of this matter, counsel, in accordance with the wishes of the Court, agreed that all parties would send letter memoranda to the Court by December 12, 1990, and that I, as counsel for Marefield Meadows, Inc., could then send to you by December 18, 1990, a final response to the original submissions. (See transcript attached.) In accordance with the expressed permission of the Court, I am submitting this final response.

The response, of course, is to separate memoranda filed on behalf of Regula Lorenz and of the third-party defendants. Since only the memorandum filed by Mr. Cremins purports to present legal issues to the Court, while that of Mr. Flannery simply seeks to obfuscate by misconstruction of the evidence, the memorandum of Mr. Cremins will be disposed of first.

RESPONSE TO MEMORANDUM OF  
THIRD-PARTY DEFENDANTS

I. ESTABLISHING THE CONTRACT AND BREACH

The purported Point I of the Third-party Defendants (Memo, p. 2) is nothing more than the suggestion of several



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bare-bones principals of contract law, and the naked assertion, without reference to the facts proved, that the trial testimony does not establish the existence of a contract by the preponderance of the evidence. No effort is made therein to support such an assertion in the face of the proved offer of February 23, 1989, and its unqualified acceptance of March 9, 1989.

This point has been fully discussed in pages 3 and 4 of Marefield Meadows, Inc.'s initial submission to the Court of December 12, 1989. Offer and acceptance are proved.

## II. MEETING OF THE MINDS

Under Point II of the memorandum, counsel for the third-party defendants have adopted the tactic of first citing basic contract law as to which there is neither dispute nor applicability to this case, second of citing law which supports the position of Marefield Meadows, Inc., as if it supported the third-party defendants, and third ignoring the offer and acceptance in issue to discuss the dissolution aspects of the venture. Such tactics should not divert the Court.

The statement taken out of context from Montagna v. Holiday Inns, 221 Va. 336, 347, 269 S.E.2d 838 (1980), is misleading at best. In the case, the issue was whether there had been a binding settlement of a wrongful death claim, where a guest at the Holiday Inn was robbed and killed. There had been no court approval of the settlement and documents exchanged clearly revealed that, while the Holiday Inn now sought to claim a wrongful death settlement, the heirs of the deceased at all times intended and communicated to Holiday Inn that the settlement would cover only loss of personal property.

The quotation from Gibney and Co. v. Arlington B. Co., 112 Va. 117, 121, 70 S.E. 485, 487 (1911), reproduced here in part only actually supports the position, of Marefield Meadows, Inc.:



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"When an agreement is sought to be established by means of letters, such letters will not constitute an agreement, unless the answer be a simple acceptance of the proposal without the introduction of any new term \* \* \* The agreement is not complete until there is upon the fact of the correspondence a clear accession on both sides to one and the same set of terms."  
(Emphasis added.)

Nothing can be less complicated nor less subject to interpretation or qualification than "I will sell you a horse for \$53,333.33" and "I accept."

While the third-party defendants state that the contract of sale, based on offer and acceptance, was not reached because "there was never any meeting of the minds between Marefield Meadows, Inc. and Regula Lorenz on the partnership dissolution matters in dispute," it is again submitted, as was pointed out in pages 6 to 8 of the original letter-memorandum of Marefield Meadows, Inc., that the offer and acceptance were not qualified upon resolution of the issues to be decided upon in dissolving the venture agreement. As pointed out in 4B, Michie's Jurisprudence, Contracts, §26, p. 34, "a meeting of the minds requires a manifestation of mutual assent, and a party's mental reservation does not impair the contract he purports to enter." As the same authority, in §27, p. 36, fn. 6, summarizes:

"If one makes to another an offer, verbal or written direct by letter or telegram, of a sort implying nothing to be done except to assent or decline, and the latter accepts it, adding no qualification, there is thus constituted a mutual consent to the same thing at the same time - in other words, a contract - and the question of the sufficiency of the transaction to work this result is one of law for the court. Watson v. Coast, 35 W.Va. 463, 14 S.E. 249 (1891)."

There is no way that any qualification of the offer of February 23, 1989, and its acceptance of March 9, 1989, has here been shown.



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At page 4 of the memorandum of the third-party defendants, it is stated that Regula Lorenz, in Def. Ex. No. 2 "resigned from her partnership," and that, under Paragraph 16 of the "partnership agreement" (Pl. Ex. No. 1.) this constituted a direction to sell. This statement is false in two respects. First, the letter, Def. Ex. No. 2, was not a resignation from the venture agreement but, as expressly stated therein, was notification of the election of Ms. Lorenz to "resign as trainer at Marefield Meadows." Second, the agreement requires an opportunity for the non-withdrawing member of the venture to buy, with appraisal, before any direction to sell is effective.

Even if an intention to dissolve the agreement of June 9, 1987, could be inferred from that letter of December 6, 1987, a requirement for dissolution of the agreement was sixty days notice. Par. 19, Pl. Ex. 1. The termination after sixty days was the event which would have led to efforts to resolve the various issues which defendants now contend had to be resolved, but Paragraph 19 and Paragraph 16 make clear that sale was to proceed whether or not such other issues had been resolved.

And, indeed, as pointed out in pages 13 and 14 of the letter-memorandum first submitted by Marefield Meadows, Inc., the parties by their conduct demonstrated that sale was to proceed independently of the resolution of the other issues. A simple offer was made and accepted. Any fair reading of the original agreement makes clear that this had always been contemplated by the parties. By the logic of the defendants, that the letter of resignation "was a direction to sell, as provided in Paragraph 16 of the Partnership Agreement," the resigning party could have thereafter frustrated the specified right of the other party to purchase in accordance with Paragraph 16 simply by insisting that there were other matters first to be agreed. Clearly, the sale was a separate transaction.

Opposing counsel states that the letter of February 23, 1989, was "intended to be a memorialization of the status of negotiations." These are the words of the author of that memorandum. According to Ms. Herbert, she requested a statement of the position of Ms. Lorenz (Herbert, p. 37), and



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according to Mr. White he wrote to continue dissolution negotiations. (White, p. 7). There is absolutely nothing which precluded, in the course of continuing negotiations, an offer which in turn resulted in a contract when an unqualified acceptance was made. In fact, the parties and their attorneys initially acted in accordance with that understanding.

Clearly there was to be a sale of Maronjo separate from all other issues as provided in Paragraph 16 of the initial agreement, there was clearly an offer by Ms. Lorenz to buy set forth in the letter of February 23, 1989, and an unqualified acceptance in the telephone call of March 9, 1989. As previously discussed in pages 6 to 12 of the initial letter-memorandum of Marefield Meadows, Inc., what subsequently occurred in no way modified the agreement of the parties or imposed other conditions.

Counsel for the third-party defendants suggests the parties could not have agreed with respect to the sale of Maronjo because there was disagreement whether the writing styled only "Agreement" (Pl. Ex. 1) should be characterized as a partnership or joint venture agreement. Since we are dealing with the separate agreement for the sale of Maronjo, this is obviously irrelevant.

The memorandum of counsel for the third-party defendants contains numerous representations of fact contrary to or not supported by the evidence. As examples:

As page 5, he states both attorneys knew and acknowledged that there was much more to be agreed upon before there could be a binding agreement. This is a bald assertion made without citation of the evidence. Looked at objectively, that is not what either Craig White (White, p. 13) or Georgia Herbert said (Herbert, p. 53). Both conceded that there were other matters to discuss with respect to winding up the venture, but they were not part of the written offer of Ms. Lorenz, they were not a qualification to the acceptance by Ms. Herbert on behalf of Marefield Meadows, Inc., of the acceptance of the offer to buy, and Mr. White does not express them at any time as contingencies qualifying the acceptance.



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The recitations in the letter of February 23, 1989, certainly do not justify the further statement on page 5 that "Craig White mentioned an appraisal price for Maronjo, as a starting point for negotiating the partnership dissolution." He, on behalf of his client, made an offer to buy.

On page 6, counsel refers to White's letter of March 9, 1989 (Pl. Ex. 6) as "sent before any legally effective acceptance was received." Aside from the fact that the letter does not express any qualification to the offer made, it was ineffective to change the offer. As stated in 4B Michie's Jurisprudence, Contracts, §23, p. 30, while an acceptance is effective when put in the course of transmission, a revocation (in this case, any effort to change the terms of the offer) is effective only when actually communicated. Colt Co. v. Elam, 138 Va. 124, 120 S.E. 857 (1924). Thus, Ms. Herbert's acceptance was effective when the telephone call was made, well before delivery of the letter of Mr. White.

That no new terms of the agreement were suggested by subsequent correspondence of Ms. Herbert was fully discussed. Pgs. 6-8, Original Memo of Marefield Meadows, Inc.

### III. ACCEPTANCE MATCHES OFFER

Here an offer was made and it was unequivocally and unreservedly accepted. Counsel for the third-party defendants seeks to avoid the contract by a reference to a case which states that an acceptance which is conditional or seeks to introduce a new term is not an acceptance.

While his law is correct, this simply is not an instance where Ms. Herbert, on behalf of her client, made a conditional acceptance or sought to introduce a new term into the acceptance. Her acceptance, in the words of the case cited by defendants, was "identical and unconditional" and it was the unconditional acceptance of an unconditional offer. Once the offer was accepted, it was too late for Mr. White to attempt to rewrite or modify it.

Counsel for defendants states that "it is uncontested that the parties had previously agreed that negotiations



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would be in writing." However, this is contradicted by the very testimony of Georgia Herbert which he cites. Mr. White was to express his position in writing, a request acknowledged by Mr. White in his testimony.

The March 17, 1989 letter from Ms. Herbert to Mr. White, to the extent that it discusses allowing time and method of payment, is wrongly characterized in page 8. See original memo of Marefield Meadows, Inc., pp.6-8.

#### IV. PROOF OF DAMAGES

The short answer to Point 4, to the extent that was not answered in Marefield Meadows, Inc.'s opening brief, is simply that third-party defendants fail to recognize that here we do not have a case where the vendee seeks damages for the failure of the vendor to convey fungible goods. In the cases cited by the defendants, other goods could have been purchased. This is an action by the vendor who, being initially required by its agreement to give the vendee until May 5, 1989, to carry out the agreement of purchase, sought on June 7, 1989, to have the Court complete specific performance in its counter-claim offering to deliver the stallion, Maronjo, for the agreed purchase price.

The cases cited by defendants have no application and the suggested measure of damages is not as stated by defendants but is as proved.

#### V. ADMISSIBILITY OF MAREFIELD MEADOWS, INC.'S EXHIBIT NO. 10

This point is fully developed at pages 19 to 21 of Marefield Meadows, Inc.'s opening memorandum. The reference to McMunn v. Tatum, 237 Va. 558, 379 S.E.2d 908 (1989), only lends further authority for the position of Marefield Meadows, Inc. for in McMunn, the Supreme Court of Virginia points out that, even in a personal injury case:

"In sum, a plaintiff may offer medical bills through the plaintiff's testimony alone if he lays a foundation showing (1) that the bills are regular on their face, and (2) that



they appear to relate to treatment, the nature and details of which the plaintiff has explained. If the defendant challenges the authenticity of the bills, they will be insufficient in themselves to create a jury issue, and independent proof of authenticity will be necessary. If the defendant challenges only their quantitative reasonableness, a jury issue is created on that question. The jury may then consider the bills as "some evidence" of their quantitative reasonableness, to be weighed against such evidence as the defendant may present on that question. If the defendant contests their medical necessity or causal relationship and further represents to the court that the defense will offer evidence on those issues, the bills will be insufficient in themselves to create a jury issue, and expert foundation testimony will be prerequisite to their admission." (Emphasis supplied).

The testimony of Sharya Nicholson supplied all of the necessary proof with respect to expenses incurred. See Marefield Meadows, Inc.'s memo, pp. 19-21. The defendants have offered no evidence on the issues covered by her testimony.

#### VI. MITIGATION OF DAMAGES

The third-party defendants would have this Court deny recovery to Marefield Meadows, Inc. because they speculate, in the absence of any evidence that "it is entirely possible" that damages might have been mitigated by sale in some other fashion than that agreed to by Marefield Meadows, Inc. and Ms. Lorenz. Such speculation and suggestion is entirely out-of-order. As stated in 5C, Michie's Jurisprudence, §49, p. 110, "mitigation of damages is an affirmative defense and its burden is entirely on the contract breaker." The duty of proving a failure to mitigate damages and failure to do so is a burden to be met by the party seeking to avoid the consequences of his breach of contract. Fox-Sadler Co. v. Earl E. Morris Roofing Co., 229 Va. 106, 327 S.E.2d 95 (1985); Foreman v. Caligari, Inc., 204 Va. 284, 130 S.E.2d 447



(1963). The failure of proof is one on the part of Ms. Lorenz and the third-party defendants.

It hardly need be pointed out that, even if defendants had met their burden in terms of proving mitigating circumstances, such proof would not be the bar to the recovery claimed but such "evidence is admissible in mitigation to ascertain the extent to which the damages claimed for such original act of the defendant are attributable to such subsequent act or omission of the plaintiff." 5C, Michie's Jurisprudence, Damages, §49, p. 109.

Factually, there is no substance to the suggestion in any event. Here the stallion Maronjo was owned one-third by Ms. Lorenz and two-thirds by Marefield Meadows, Inc., before the contract. After the contract, it was wholly owned by Ms. Lorenz and suit was immediately brought for specific performance, with Ms. Lorenz refusing to perform or acknowledge the buy-sell contract but insisting that any sale would be under the original contract of 1987. It was not until April of 1990 that agreement, memorialized in the decree of this Court, was obtained on the suggestion made by Marefield Meadows, Inc., in the summer of 1989 that the horse be sold to liquidate damages. Until that time Ms. Lorenz had insisted that any sale would require a termination of the claim of Marefield Meadows, Inc. for damages in its entirety, without disposing of her claims now abandoned. Her recalcitrance, or that of her counsel, was wholly responsible for the ultimate delay in scheduling of sale. There was no negligence or willfulness on the part of Marefield Meadows, Inc., to which a failure to mitigate damages can be attributed.

#### VII. CLAIM OF ESTOPPEL

The claim asserted in the Third-party Defendants' memo, p. 14, that in some fashion an estoppel prevents recovery in this case again fails as a matter of law, as well as factually.

Failure as a matter of law results, first, because the memorandum filed contains the first suggestion made that an estoppel is being offered as a defense.



This Court, before trial, on two occasions asked counsel to outline the issues which would arise. At no time was estoppel suggested. More importantly, while at common law an estoppel might be proved under a plea to the general issue, such pleas have been abolished in Virginia. In equity, estoppel has always been required to be set forth by special plea. Brooks v. Clintzman, 124 Va. 736, 98 S.E. 742 (1919); Newport News & O.P. Ry & Elec. Co. v. Lake, 101 Va. 334, 43 S.E. 566 (1903). There is no such pleading in this case and any issue of estoppel is precluded.

Additionally, Ms. Lorenz and the third-party defendants simply have not demonstrated a set of facts supporting the issue of estoppel. Their argument, at pages 14 and 15, of the memorandum filed, does not relate to the question of estoppel. Essential to that doctrine is the fact that:

"The party claiming it must have acted upon the statement or conduct of the other differently from what would have been his course without the statement or conduct. Consequently, an estoppel by conduct does not exist where the party setting it up has not relied on the conduct of the other party or been induced to do something which otherwise he would not have done." 7A Michie's Jurisprudence, Estoppel, §30, p. 498. See the many citations thereto.

There can be no estoppel here and the third-party defendants have pointed to not one incident or occurrence upon which Ms. Lorenz relied, causing her to change or to refrain from changing her position to her detriment. From day one the only position of the plaintiff has been that a contract was in effect and that Ms. Lorenz should perform. No estoppel arises.

#### CONCLUSION

Any reading of the conclusion to the memorandum of the third-party defendants demonstrates that there is not a single sentence in it which is factually correct. Every statement is refuted by the evidence, as discussed in the memoranda of Marefield Meadows, Inc.



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Judge Designate

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Particularly offensive is the remark that Marefield Meadows, Inc. "illegally and surreptitiously bred the horse." There is no support for a claim that breeding Maronjo was illegal, and the fact of doing so was just the opposite of surreptitious since Ms. Lorenz was advised it was occurring, exercised a similar right herself to the benefit of her friend Iris Wojack, and received an accounting on outside breedings. Such unfounded charges would be actionable if uttered in any setting other than a judicial one. As it is, they can only demean the judicial process.

Nothing suggested by third-party defendants has successfully questioned the right of Marefield Meadows, Inc., to recover on its cause of action, and the judgment requested should be rendered in its favor.

RESPONSE TO MEMORANDUM OF  
REGINA LORENZ

A reading of the memorandum-letter filed by John Flannery, Esq., on behalf of Ms. Lorenz reminds one of the down-to-earth expression: "He wouldn't recognize the truth if it bit him on the leg." A correlary to that down-home statement in this instance would be that "even if he recognized it, he would not let the truth get in his way."

What Mr. Flannery has attempted to do here is to introduce into this action the practice of certain criminal lawyers that, if you can't win on the law and you will lose on the facts, then talk to the jury about some other case.

He makes no effort to assist the Court by providing it with any theory of law or authorities which would support a verdict for his client or assist the Court in making its decision. His discussion of the facts, or the facts as he would have the Court believe they exist, is unrelated to the issues involved in whether there was a contract and whether there were expenses incurred for which Ms. Lorenz is liable.

Having taken a non-suit as to his claimed action revolving around specious claims of misconduct and fraud, he attempts to interject these wholly immaterial matters into the case involving offer and acceptance without suggesting



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how, in any way, they affect the right of Marefield Meadows, Inc., to its right of recovery.

#### I. PRELIMINARY REMARKS

From the very first and throughout to the end, facts are misstated, taken out of context, or put in juxtaposition in a fashion designed to mislead the Court. In the first paragraph of the preliminary remarks, he states that Ms. Lorenz invoked the jurisdiction of this Court and that "this demand" to dissolve the partnership was resisted to give time to breed Maronjo in March, April, and May of 1989.

In truth, the suit instituted was brought and defendants were served on May 19, 1989, no request for delivery to her of Maronjo ever having been received from Ms. Lorenz and three days after the expiration of the sixty days allowed her to arrange financing. Far from resisting the demands to conclude the partnership, Marefield Meadows, Inc., recognized and was ready to honor the agreement arrived at to transfer ownership of Maronjo to Ms. Lorenz by sale and, as the correspondence demonstrates, was prepared to complete the sale at any time upon the request (never received) that they do so.

A line-by-line refutation of the misstatements of counsel for Ms. Lorenz will result in an extended answer not justified by the fact that much of what is stated is as was pointed out at trial totally irrelevant or has been satisfactorily shown to be without merit elsewhere. That which is scurrilous, however, is not so easily ignored.

The references on page 1 of the memo of Mr. Flannery to "misappropriation" and "preposterous tale" respecting pricing of the foals are gratuitous misstatements of the evidence. The claim of impropriety in the breeding of Maronjo has been discussed in Marefield Meadows, Inc.'s opening memo at page 27. That there was a "preposterous tale" as to the pricing of foals is completely false. The only testimony on this point was that of Mrs. Poynter, when asked about the proposed prices of the foals, who said she would have to consult her pricing list at which point the Court indicated the point was not material and the line of questioning was abandoned.



(Poynter Tr. 56). Equally intemperate and ill-advised is the suggestion on page 2 of the writing by Mr. Flannery that Mrs. Poynter and Ms. Michel were motivated by a desire to "steal the breeding rights." This is totally unsupported by the evidence and involves character assassination which should play no part in any rational discussion.

On page 2 of that writing, Mr. Flannery suggests that foals "sired without Mrs. Lorenz's permission" belong to her. Nowhere does he offer any legal support for such a conclusion and factually it is submitted that the breeding activities of Maronjo were both known to and acquiesced in by Ms. Lorenz. Obviously, the breeding did not diminish the value of Maronjo and as discussed elsewhere it also resulted in benefit to Ms. Lorenz to recognize the venture agreement to this extent until the buy-sell agreement dispute was resolved. See original memo of Marefield Meadows, Inc.

## II. DISCUSSION

### A. THE PARTNERSHIP AGREEMENT

Counsel for Ms. Lorenz has discussed at great length, beginning on page 2 of his writing and going on to page 4, the formation of the joint venture agreement. The only significant statement is his acknowledgment on page 4 of the point made by Marefield Meadows, Inc., that a direction that Maronjo be sold would be accomplished "upon sixty (60) days prior written notice." As Marefield Meadows, Inc., has repeatedly pointed out, even if the resignation of Ms. Lorenz as trainer on December 6, 1988, could somehow be construed as a notice to terminate the joint venture or to sell Maronjo, the parties were mutually deep in negotiations for that sale during the sixty days and until the offer and acceptance which Ms. Lorenz thereafter refused to honor.

### B. TERMINATION OF THE PARTNERSHIP AGREEMENT

The statements set forth under this heading on pages 4 and 5 of the writing of Mr. Flannery, although replete with mischaracterization as to meaning and effect, require no answer since the statements are totally irrelevant to the issues before the Court, i.e. was there an offer and acceptance.



C. SETTLEMENT NEGOTIATIONS

From pages 5 through 9, Mr. Flannery, on behalf of Ms. Lorenz, discusses at great length a case which the Court is not trying, that is, matters related to the joint venture and its termination, but does not address the specific offer made and its acceptance. The tone of his discussion is such and his statements so misleading that, while strict adherence to the issues would perhaps render any response unnecessary, inaccurate and false references to the record make such statements impossible to ignore.

As pointed out in the Marefield Meadows, Inc., original memorandum, page 22, the withdrawal of Maronjo from November Hill Farm was in accordance with Paragraph 5 of the venture agreement (Pl. Ex. 1) under which Maronjo had originally been sent to November Hill Farm. The objection of Ms. Lorenz to his return to Marefield Meadows, where he would be maintained without cost is particularly difficult to understand since she had made clear that she no longer wished to be responsible for boarding and training expenses. (Ltr. to McCahill, Jan. 11, 1989, Def. Ex. 16).

Mr. Flannery proceeds to state, citing Herbert Tr. 30, that "Maxine Michel told Ms. Herbert, Meadows' counsel, in mid-February that it was fine with her (Michel) if the horse did nothing but simply stand at stud at Marefield Meadows even though it would mean Maronjo's muscles would atrophy and his price go down."

In fact, the exact wording of the transcript is:

"Q (Mr. Flannery): And in that conversation, did Maxine Nichol (sic) say to you, in words or substance, and I am directing your attention to the third paragraph, that in the final demos (sic), the horse will simply stand at stud and his muscles will atrophy and his price will go down?"

"A (Ms. Herbert): She said that in words or substance."



The transcript is completely silent as to Mr. Flannery's addition of the words "it was fine with her." To put the statement of Marion Michel in context, one should remember that it was a statement of February 18, 1989, made by Michel to her counsel after being informed that Ms. Lorenz would not allow proper exercising of Maronjo. (See Ltr. Lorenz to White, Feb. 1, 1989, Def. Ex. 17).

Mr. Flannery states at page 6 of his memorandum that "it suited Marefield Meadows just fine that negotiations were going nowhere." If he wishes to state that as argument or supposition on his part, he has a right to do so. When he elects to refer the Court to "Herbert Tr. 36" following the statement, and no evidence supporting the statement appears in the testimony of Ms. Herbert, it becomes an intentional effort to mislead the Court.

Mr. Flannery, at pages 6 and 7 of his memorandum, then discusses conversations which the respective parties had with their respective attorneys. As has been previously pointed out, reservations undisclosed to the other party to the contract do not affect the validity of the offer and acceptance.

The contents of the February 23, 1989, letter (Pl. Ex. 2) are before the Court. Paragraph 2 of that letter makes a clear, complete and unequivocal offer to sell or to buy. The offer to buy the two-third interest was accepted. Whether Mr. White anticipated that, of the two choices given, the former would be accepted is immaterial once the alternative given was accepted.

Again, the statements of Mr. Flannery at the top of page 7 of his letter, claiming that certain items were discussed "if she (Ms. Lorenz) sold out" were recited by Mr. White in his letter of February 23, 1989, represent a misstatement of that letter's contents. It is submitted that the balance of the letter in fact supports the fact that Mr. White in Paragraph 2 was making an unqualified offer on the part of Ms. Lorenz to sell or buy. The matters are brought up only after Mr. White first states: "In the event that Marefield Meadows \* \* \* elects neither to purchase Ms. Lorenz's 1/3 interest nor sell its 2/3 interest to Ms. Lorenz \* \* \*." None of those matters are stated, as represented by Mr. Flannery as



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Judge Designate

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subject to the qualification "if she sold out," nor related to either buying or selling as qualifications.

While Mr. Flannery contends that there were many peripheral issues of concern to the parties, the fact that none affected the completeness of the offer and acceptance nor at any time were expressed as contingencies was fully discussed in the original submission of Marefield Meadows, Inc. pp. 6 to 12. Mr. Flannery cannot suggest any way in which the offer and acceptance differed.

At the bottom of page 8, there appears another egregious example of rewriting what is plainly on record to suit the purposes of the rewriter. Mr. Flannery states that "on March 9, 1990, (sic) Mr. White wrote Ms. Herbert plainly telling her that Ms. Lorenz did not want to buy out Marefield Meadows." The letter of March 9, 1989, to which reference is made, Pl. Ex. 6, contains no such statement and, in fact, states that Ms. Lorenz is attempting to arrange financing so that she might purchase Maronjo.

#### D. BREEDING MARONJO

The matter of the utilization of Maronjo at stud has been fully covered previously. Orig. memo, Marefield Meadows, Inc., pp. 27, 28. The statements of Mr. Flannery setting out the breeding program add nothing of substance. The use of Maronjo was justified by the agreement between the parties and their mutual recognition of that venture agreement as controlling. Certainly, no damage to Maronjo resulted. There can be no legitimate claim for ownership of the foals except by Marefield Meadows, Inc.

#### E. MARONJO IN DECLINE

While a "risk" which did not occur is hardly worth replying to, the issue of "decline" is properly laid to rest by the testimony of Dr. Polen, Gerd Zuther and Jeff Marsh. The lack of exercise did permit Maronjo to gain weight but that resulted from the limitations on exercise imposed by Ms. Lorenz. The stallion was in top shape at the time of his sale in April, 1990. See original memo, Marefield Meadows, Inc., pp. 25 and 26.



The Honorable John A. Jamison,      -17-      December 18, 1990  
Judge Designate

**F. EXPENSES**

While Mr. Flannery says that his client should not be held accountable for expenses because Maronjo in February, 1989, was brought home to Marefield Meadows and at a later date sent for a brief period for exercise to Middleburg Equestrian Center, he nowhere suggests that any of the expenses were themselves improper or excessive.

The occasion and appropriateness of the expense submissions has been fully discussed. Original memo, Marefield Meadows, Inc., pp. 21-27.

**CONCLUSION**

Mr. Flannery has argued his issues at great length. His efforts cannot alter, however, the issues before the Court and, as to those, the law and the evidence require a judgment as requested by Marefield Meadows, Inc.

With all best wishes for the Holiday Season, I remain

Very truly yours,

Thomas V. Monahan  
Counsel for Marefield Meadows,  
Inc.

TVM:csf

**CERTIFICATE**

I hereby certify that I mailed a true copy of this letter on the 18th day of December, 1990, to John P. Flannery, II, Esq., Shamrock Farm, Route 2, Box 144A, Leesburg, Virginia 22075, and to William D. Cremins, Esq., WALSH & CREMINS, P.C., Suite 200, 4020 University Drive, Fairfax, Virginia 22030-6802.



VIRGINIA:

IN THE CIRCUIT COURT OF FAUQUIER COUNTY

REGULA LORENZ,

Plaintiff

vs

MAREFIELD MEADOWS, INC.  
et al

Defendants

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IN CHANCERY NO. CH89-150

OPINION

The comparative brevity of this Opinion is no indication of the research required to arrive at a decision. Over the period of time which has elapsed since our December trial, I have completed my reading of the presented portions of the record, including all exhibits and memoranda, as well as pertinent parts of the basic file itself. Every point made by each of counsel has been studied and considered. Failure to refer herein to any particular point raised by the attorneys does not mean that it has not been considered by the court. Each of these points was raised and exhaustively analyzed by counsel in their memoranda and I have paid special attention to the latter, as well as to those portions of the transcript sent me. Of course, I have adverted carefully to the copious notes I took during the trial, consisting of fourteen pages, single-spaced. With each analysis of the record, I have returned to the prime question presented at the hearing: Did a purchase contract come into existence between the plaintiff, Regula Lorenz, and Marefield Meadows, Inc., the



defendant through their then attorneys? More specifically, was there an offer by the plaintiff and an acceptance by the defendant?

Considering carefully the claims of the third-party defendants, Hanes, Sevila, Saunders and McCahill and Mrs. Lorenz that there were too many undecided questions to be resolved which prevented a meeting of the minds, a reading of Mr. White's letters of February 23 and March 9, 1989 and Mrs. Herbert's letter of March 17, and cutting directly to the question at issue, I must conclude that there was indeed an offer by Mrs. Lorenz and an acceptance by Marefield Meadows, resulting in a contract.

The Court finds that Mr. White had sufficient authority to make the offer contained in his letter of February 23 and followed up in his letter of March 9, 1989. This correspondence memorializes the earlier telephone conversation between Mrs. Herbert and Mr. White.

Mrs. Lorenz and Mr. White do not agree that a contract came into being and they have sought to list factors arising from the evidence amounting to what they feel to be qualifications of such acceptance which would render the contract void. I cannot concur that the acceptance was a qualified one or that any new term in the contract relationship was introduced. We continue to return to Mrs. Herbert's letter of March 17, 1989 addressed to Mr. Craig, in which she states:



"I am writing to confirm my March 9, 1989 (over-the-telephone) acceptance of your client's offer to purchase Marefield Meadows, Inc.'s interest in Moronjo for \$53,333.33, as indicated in your letters of February 23 and March 9".

Inevitably, certain details necessary to the closing of a sale of personalty or realty must be worked out, once an offer is accepted. Even an inability to come to terms on such details will not vitiate the contract when, as here, there has been an offer and an acceptance of the original terms. Enforcement of such a contract is then in the hands of the court if the basic terms are clear. Whether or not financing is readily obtainable or whether a 60-day or other delay is requested and granted, or whether delivery of registry and other papers may take time or other normal arrangements such as payment dates must be made do not affect the validity of the agreement itself. Proper exercise of the horse and such details of that nature are simply ancillary to the main transaction and necessary to the wrap-up but do not go to the validity of the agreement itself.

It is aptly stated in Globe Company v Bank of Boston, 205 Va 841, cited by plaintiff:

"Where an agreement is complete on its face, is plain and unambiguous in its details, the court is not at liberty to search for its meaning beyond the instrument itself and it is the function of the court to construe the contract made between the parties, not to make a contract for them".

In recalling many of the details of the two-day trial, argument of counsel throughout all of the memoranda submitted to the court, I am afraid that we all, including the court, have been flailing about in an effort to see if this simple contract can be given a meaning beyond the instrument itself. That is



simply not necessary. Mrs. Lorenz wanted the horse, Moronjo, and in effect she is now, albeit quite belatedly, getting him, or more accurately, her net portion of the proceeds of his sale.

With respect to Mr. White's authority to act for Mrs. Lorenz, after considerable independent research on the law of real and apparent authority, I find that Mr. Monahan's analysis in his Article II beginning on page 14 of his Memorandum of December 12, correctly expresses the law, with authorities cited. Here it means little whether White's authority was real or apparent because at either level, the authority he possessed did bind Mrs. Lorenz. I believe though that it was a true or real authority to act as her agent in this particular transaction. To go further, Mr. White and his law firm were simply acting as attorneys who must, as here, frequently act as agents for their clients.

There was presented to the court at the beginning of the trial by Mr. Cremins a proposed order to dismiss the third-party Cross-Bill against Hanes, Sevilla, Saunders and McCahill, Burke McCahill and Craig White upon the grounds that all matters in controversy between them and Mrs. Lorenz had been resolved to their mutual satisfaction, and settled. I have before me what appears to be an order accomplishing this but seems not to have been entered. Yet, I believe this was subsequently signed by the court, but its delivery to the Clerk had been held up at the request of Mr. Monahan which presumably was concurred in by other counsel. This dismissal order, moved for by Mrs. Lorenz against the Hanes, Sevilla law firm and Mr. White has not been

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entered. It showed the inked signatures (not photostated) by all counsel showing that it was asked for by Mr. Flannery, seen and agreed to by Mr. Cremins and seen and objected to as then premature, by Mr. Monahan. This leaves undecided the third party action of Marefield Meadows, Inc. against the above named law firm.

What good is an attorney if he cannot be relied upon to represent the interest of his clients as he considers proper? Although Mr. Cremins moved for the dismissal of Mr. White and his law firm from the third party action, it was necessary to deny his motion at the outset of the case because I needed to examine the evidence as to Mr. White's duties, how he performed them, and whether or not any impropriety or liability was incurred by him. I have concluded that none was and will dismiss Marefield's action against him and his firm.

The Court finds judgment in favor of Marefield Meadows, Inc. against the plaintiff, Regula Lorenz, on the contract whereby the plaintiff agreed to buy Moronjo from Marefield Meadows, Inc. for a price of \$53,333.33. I have learned from the evidence that the horse was sold in California and that apparently Mrs. Lorenz can now claim a net of \$14,000.00 of those proceeds.

I agree however with Mr. Cremins' position taken on behalf of Mrs. Lorenz that MFM, Inc. "cannot have its cake and eat it, too". It cannot claim benefits of ownership of Moronjo at the same time it charges that Mrs. Lorenz owned Moronjo through Craig White's letter of February 23, 1989 for the



reasons set out by Mr. Cremins in Article V beginning on page 10 of his Memorandum through page 13 thereof. In view of the tangled and conflicting evidence, I find that it is impossible for the court to fix any specific amount of damages suffered by MFM which should be found for it against Mrs. Lorenz. At least, MFM has not proven to the court's satisfaction by a preponderance of the evidence any real damages that it has suffered and I therefore find for Mrs. Lorenz on MFM's counter-suit against her. Therefore, I hold that the balance now being held should be paid to the plaintiff, Lorenz.

Each of counsel in this matter have actual figures before them from which to prepare an order for the court's entry, setting forth the foregoing holding. I hope that counsel can attempt to do this in an amicable manner and submit a sketch of the order to me at Post Office Drawer 29, Fredericksburg, Virginia 22404. If this hope proves impracticable, please get in touch with me by letter and I will fix a mutually agreeable date for a meeting of the attorneys with me to compose an order for entry at that time.

  
JOHN A. JAMISON, JUDGE DESIGNATE

Dated: June 19, 1991



Poynter m/R  
3Tm  
10/16/91

V I R G I N I A :

IN THE CIRCUIT COURT OF FAUQUIER COUNTY

REGULA LORENZ,

Plaintiff,

v.

IN CHANCERY NO. CH89-150

MAREFIELD MEADOWS, INC.,  
et al,

Defendants.

MOTION FOR RECONSIDERATION

Defendant, Marefield Meadows, Inc., moves the Court to reconsider its conclusion with respect to the proof of damages in the above case. Defendant, the claimant in the Counter-Claim against the Plaintiff, believes that a reconsideration of the record, now prepared and in the possession of the Defendant but available to the Court should it desire to examine the same, clearly reveals that, first, there was no issue with respect to the damages sought for expenses incurred prior to the date of sale of the stallion Maronjo. Second, there was no issue with respect to the contract price and the amounts recovered in an effort to mitigate damages, this being the true measure of loss to the Defendant and, third, by a clear preponderance of the evidence, the Defendant proved the damages to it incurred



in the expense of maintaining the stallion during the period during which the tender of performance was outstanding.

MAREFIELD MEADOWS, INC.

By \_\_\_\_\_  
Counsel

Thomas V. Monahan, Esquire  
HALL, MONAHAN, ENGLE, MAHAN & MITCHELL  
9 East Boscawen Street  
P. O. Box 848  
Winchester, Virginia 22601  
Counsel for Defendants,  
Marefield Meadows, Inc.,  
Marion K. Poynter, and  
Maxine A. Mickel

CERTIFICATE

I hereby certify that on this 16th day of October, 1991, a true copy of the foregoing Motion for Reconsideration was mailed to John P. Flannery, II, Esquire, Shamrock Farm, Rt. 2, Box 144A, Leesburg, Virginia 22075; and to William D. Cremins, Esquire, WALSH & CREMINS, P.C., Suite 200, 4020 University Drive, Fairfax, Virginia 22030-6802, Co-Counsel for Plaintiff.

\_\_\_\_\_



V I R G I N I A :

IN THE CIRCUIT COURT OF FAUQUIER COUNTY

REGULA LORENZ, :  
Plaintiff, :  
v. : In Chancery No. CH89-150  
MAREFIELD MEADOWS, INC., :  
et al., :  
Defendants. :

FINAL DECREE

THIS MATTER came on for trial on November 19 and November 20, 1990 before the Honorable John A. Jamison, Judge Designate, sitting without a jury, upon the Counterclaim filed against Regular Lorenz, by Marefield Meadows, Inc., Regula Lorenz having previously requested and been granted a dismissal of her Bill of Complaint, and upon the Cross-Claim filed by Marefield Meadows, Inc., against attorneys McCahill, White and their law firm. During the trial, the Court ruled upon numerous Motions of each of the parties as is more fully reflected in the transcript of the proceedings. Each party adversely affected by each of the Court's rulings duly noted their objection and exception to same.

At the time of the trial, there was also pending before the Court a proposed Dismissal Order in which Third-Party Plaintiff, Regular Lorenz, sought to dismiss her Third-Party Cross-Bill against the law firm of Hanes, Sevila, Saunders & McCahill, Burke McCahill, Esq. and Craig White, Esq. on the grounds that



all things and matters in dispute between them had been settled. The Court took this Motion to Dismiss under advisement and by separate Order dated June 19, 1990, granted the Motion and dismissed the claims of Regula Lorenz against McCahill, White and their law firm with prejudice.

On November 19, 1990, the Court heard the opening statements of all counsel and proceeded to hear evidence in support of the Counterclaim filed by Marefield Meadows, Inc. At the conclusion of that evidence, Regula Lorenz, by counsel, made a Motion to Strike the evidence and enter summary judgment in her favor. This Motion was denied by the Court to which Regula Lorenz duly noted her objection and exception.

Thereafter, Regula Lorenz presented her evidence and rested. Marefield Meadows, Inc. then offered its rebuttal evidence and rested.

Regula Lorenz, by counsel, then renewed her Motion to Strike which Motion was denied.

In lieu of closing argument, the Court requested and the parties agreed to provide written Memoranda of Law in support of their various positions. The Court then took all matters in controversy under advisement. Thereafter, Memoranda of Law were filed with the Court by all parties.

Thereafter, on June 19, 1991, the Court issued its written opinion, a copy of which has been made a part of the file and has been incorporated herein by reference. For the reasons which appear in the Court's Opinion of June 19, 1991, and for



those reasons stated on the record during the trial of this case, it is hereby ADJUDGED, ORDERED and DECREED as follows:

1. Judgment is entered in favor of Regula Lorenz on the Counterclaim filed against her by Marefield Meadows, Inc.

2. Marefield Meadows, Inc.'s Counterclaim is therefore denied and hereby dismissed with prejudice.

3. The Cross-Claim of Marefield Meadows, Inc. against McCahill, White and the law firm is dismissed with prejudice.

4. All funds being held jointly on behalf of Marefield Meadows, Inc. and Regula Lorenz as a result of the sale of the horse in question are hereby ORDERED to be paid forthwith to Regula Lorenz, unless bond is posted as stated in paragraph 6. *1/12*

5. The Motion for Reconsideration filed on behalf of Marefield Meadows, Inc. has been given due consideration by the Court and said Motion is hereby denied.


6. The Defendant, Marefield Meadows, Inc., having requested that the Court establish the amount of bond required of the Defendant as an appeal and supercedeas bond, bond is set in the amount of Five Hundred Dollars (\$500.00) to be posted by the Defendant or someone in its behalf with such surety as shall be satisfactory to the Clerk of the Circuit Court of Fauquier County, in accordance with § 8.01-676.1 of the Code of Virginia 1951, as amended.

7. The transcript of testimony previously filed with the Court is made a part of the record in this cause and the entry of this Decree shall constitute the signature of the Court as



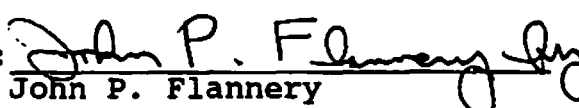
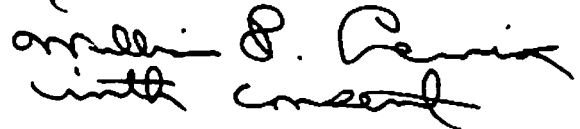
certification that the procedural requirements of Rule 5:11 have been satisfied.

ENTERED this 10 day of March, 1992.

  
John A. Jamison, Judge Designate


SEEN AND EXCEPTED TO AS TO ALL ADVERSE RULINGS ONLY:

LAW OFFICES OF JOHN P. FLANNERY

By:    
John P. Flannery  
Co-Counsel for Regula Lorenz

SEEN AND EXCEPTED TO AS TO ALL ADVERSE RULINGS ONLY:

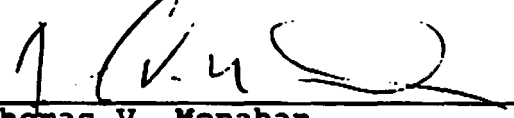
WALSH & CREMINS, P.C. Including the finding that a valid contract of sale exists

By:   
William D. Cremins  
Counsel for Hanes, Sevilla, Saunders  
& McCahill, Burke McCahill, Esq. and  
Craig White, Esq. and  
Co-Counsel for Regula Lorenz

SEEN AND EXCEPTED TO FOR THE REASONS STATED:

(See Attachment)

HALL, MONAHAN, ENGLE,  
MAHAN & MITCHELL

By:   
Thomas V. Monahan  
Counsel for Marefield Meadows,  
Inc., Marion K. Poynter, and  
Maxine A. Mickel



To the ruling of the Court the Defendant, Marefield Meadows, Inc. objects and excepts for the following reasons:

(1) The Court was correct in finding that a contract of sale was validly arrived at.

(2) The Court was in error in finding that no damages had been proved, stating that it adopted the reasons set forth in the Memorandum of Mr. Cremins in Article V beginning on page 10 of his Memorandum through page 13 thereof. The claim and damages proved were of three kinds, first, amounts owed under the "partnership" contract prior to the contract of sale date, second, direct losses from failure to fulfill the contract by payment of the agreed contract price as opposed to the price received upon sale of the stallion to liquidate damages, and, third, the expenses incurred after the refusal to perform the contract and before sale of the stallion. The portion of Mr. Cremins' Memorandum cited has applicability only to the third category of damages. Further, the evidence as to all three categories is clear and establishes by a preponderance of evidence damages in all three categories. A holding that damages are not proved by the greater weight of the evidence is clearly contrary to the law and the evidence.

*Wm*  
Defendant further objects and excepts to the action of the Court in ordering the funds held jointly as a result of the sale of the horse in question to be paid to Regula Lorenz. The sale occurred to establish liquidated damages in the event that an enforceable contract was determined,



*mt*  
as has been found by the Court, see Decree entered April 13, 1990, and the purchase price has not been paid. As the person in default, Regula Lorenz in no event should receive the proceeds of sale.

A COPY TESTE: ~~WM. D. HARRIS, CLERK~~  
BY *Gail D. T.* ~~DEPUTY CLERK~~  
FAUQUIER COUNTY CIRCUIT COURT, VA.



### Assignments of Error

1. The holding of the trial court that damages were not proved by the greater weight of the evidence is contrary to the law and the evidence.

2. The trial court committed error in finding that it could not fix any specific amount of damages suffered by Marefield Meadows, Inc.

a. Marefield Meadows, Inc., offered its Exhibits 10 and 12, a compilation of bills supported by the bills themselves. The Court never specifically ruled on the objection raised by Mrs. Lorenz. If the trial court sustained the objection, its action in doing so was clearly in error. If it admitted the exhibits, damages were clearly proved both before and after the date of the contract. If the Court failed to consider these exhibits, it was clearly in error.

b. Even without admitting Exhibits 10 and 12, as offered, the Court committed error in disregarding the oral testimony of Sharon Nicholson, the keeper and supervisor of the books and billings of Marefield Meadows, Inc., as to expenses incurred before and after the date of the contract.

c. The Court committed error in holding that damages respecting the loss incurred from failure to pay the agreed sale price were not established by the evidence.

d. The reasoning of the lower court that damages cannot be claimed because Marefield Meadows, Inc., "cannot claim benefits of ownership of Maronjo at the same time it charges that Mrs. Lorenz owned Maronjo through Craig White's letter of February 23, 1989, for the reasons set out by Mr. Cremins in Article V beginning on page 10 of his Memorandum through page 13 thereof," (Ltr. opinion of court, R., pgs. 700,701; the portion of the Memorandum referred to is R., pgs. 725 to 728), was in error. The portion of the memorandum referred to does not support the ruling of the trial court.

3. The trial court committed error in stating that "it is impossible for the court to fix any specific amount of damages suffered by MFM which would be found for it against Mrs. Lorenz. At least, MFM has not proven to the court's satisfaction by a preponderance of the evidence any real damages that it has suffered." (R. p. 701). The evidence of damages is not disputed nor in conflict and clearly proves damages to Marefield Meadows, Inc., both from the failure of Regula Lorenz to honor her contract and her failure to pay her share of expenses both before the contract of sale was agreed upon, and during the period from the time the contract was breached until the stallion was sold to a third party to liquidate damages.



4. The trial court erred in directing any part of the sale price to be paid to Regula Lorenz.

5. Even if Mrs. Lorenz was to have received a portion, the trial court erred in failing to divide the sales price between the owners in accordance with their respective shares of ownership of the stallion.



### Assignment of Cross-Error

The ruling of the Chancellor that a contract was created requiring Lorenz to purchase Marefield Meadows' interest in Maronjo was contrary to the evidence and the law.



AGREEMENT

Agreement made this 9<sup>th</sup> day of June, 1987, by and between Marefield Meadows, Inc. (hereinafter "MFM") and Regula Lorenz, operating as Chestnut Hollow Stable (hereinafter "CHS").

WHEREAS, MFM and CHS wish to acquire a stallion for future joint ownership, and

WHEREAS, the parties wish to provide for their respective rights and responsibilities with respect to any such joint undertaking,

NOW, THEREFORE, it is agreed:

6/11/87 - 1. Ownership. MFM will purchase the stallion Maronjo, a 3-year-old approved Hanoverian Stallion. Initially, title will be registered in the sole name of MFM. MFM will pay the full purchase price. However, as is provided hereinbelow, ultimately MFM will own a two-thirds (2/3) undivided interest in Maronjo and CHS will own a one-third (1/3) undivided interest in said stallion.

2. Purchase Price.

(a) Initial Purchase. MFM will buy Maronjo for a price of Fifty-Five Thousand Dollars (\$55,000.00).

(b) Purchase by CHS. Within one month of the date of MFM's payment for Maronjo, CHS shall pay to MFM one-third (1/3) of the full purchase price of Maronjo,



Eighteen Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$18,333.33). Failure by CHS to make this payment in a timely fashion shall constitute a forfeiture of any of its rights in the stallion.

3. Change of Ownership. After CHS shall have reimbursed MFM for all special expenses as provided in paragraph 4 below, registration of actual ownership of the stallion shall have been changed to reflect the ownership interests of the parties as two-thirds (2/3) to MFM and one-third (1/3) to CHS.

4. Specified Expenses. MFM shall register Maronjo with the AHSA and USDF and shall enter him in the stallion testing at November Hill Farm, Inc., in the fall of 1987. During this period, Maronjo shall be listed as owned by MFM only. All of the expenses relating to such registration and entrance in the stallion testing shall be paid by MFM alone. However, when Maronjo completes the stallion testing at November Hill Farm, CHS shall pay to MFM one-third (1/3) of all such costs incurred by MFM, and pay to MFM such amount as shall be needed, if any, to provide that CHS shall have paid one-third (1/3) of all other costs and expenses of Maronjo since his acquisition by MFM. MFM shall have an obligation to deliver to CHS a list of all such expenses and all appropriate supporting data within ten (10) days of the termination of the stallion testing. CHS shall



have thirty (30) days after receipt of such list to make the required payment. Only at such time as MFM shall have been reimbursed for the above expenses, shall MFM proceed to change all registration and title ownership of Maronjo from its sole name to reflect the percentage interest ownership of the parties as perfected by the payment of these expenses by CHS. MFM agrees to effect the reregistration promptly upon the receipt of the reimbursement herein specified. CHS specifically approves all expenses of any nature incurred by MFM for registration with the AHSA and USDF and for his registration and care at the November Hill Farm stallion testing.

5. Expenses After November Hill Stallion Testing.

All expenses of Maronjo after he completes the stallion testing at November Hill shall be borne by the parties in accordance with their ownership interests reflected in this Agreement; namely, MFM shall pay two-thirds (2/3) of all such expenses incurred from such date, and CHS shall pay one-third (1/3) of all costs and fees for the stallion from such date.

It is expected that expenses for Maronjo may, from time to time, be paid by MFM and CHS. The parties intend that, except as governed by the preceding paragraph, such costs in excess of each percentage share of total costs will be reimbursed on a monthly basis. Specifically, within ten



(10) days of the end of each calendar month, each of the parties hereto shall deliver to the other a listing of all expenses paid with respect to Maronjo during such calendar month, along with appropriate supporting data. Such expenses shall be reported on the cash basis, meaning when such expenses have actually been paid, and not on the accrual basis. Before the end of the following month (being approximately twenty (20) days after receipt of the other party's list of expenses), the appropriate party shall reimburse to the other any amounts needed to reflect full payment of its share of the costs of Maronjo. Expenses contemplated under this Agreement include all boarding costs at a stable other than MFM or CHS, training costs by an outside trainer if any, fees for performance testing, veterinarian, farrier, entrance fees for showing, transportation, other costs for showing and advertising costs.

6. Boarding at MFM and CHS. Neither stable shall charge the other for any costs of boarding Maronjo. However, it is agreed that any horse from the stable where Maronjo boards may be boarded at the other's stable, free of charge, upon the request of the owner of the stable where Maronjo boards. Neither stable will pay board charges to the other under any circumstance. Maronjo shall not be allowed to board at any stable other than MFM or CHS without the express consent of both parties.



7. Training Fees. As long as Lorenz shall train Maronjo, Lorenz shall be paid her usual training fee, two-thirds by MFM and one-third by CHS. Training fees due to any party other than Lorenz shall be paid by the parties as an expense of the stallion. Lorenz shall have the sole and primary right to ride Maronjo in competition. Notwithstanding any other provision, any rider or trainer other than Lorenz shall be mutually agreed upon by both parties in writing.

8. Approval of Expenses. Except as hereinabove specifically provided, neither party shall incur any expense for Maronjo, which is expected to be reimbursed by the other, without the other's approval. Thus, no expense to any third party with respect to Maronjo shall be incurred without the approval of both individuals except in the event of a medical or other emergency for Maronjo in which the other owner cannot be contacted in spite of best efforts. Thus, no party shall be obligated to reimburse any portion of expenses which has not obtained its prior approval in concept, if not in amount, except in emergencies as stated.

9. Insurance Premiums. Insurance shall be obtained on Maronjo as the parties shall agree. All insurance premiums shall be borne by the parties in accordance with their ownership interest herein, and the ownership and proceeds or payments received with respect to any such



insurance similarly shall be split by the parties in accordance with their ownership interests in Maronjo.

10. Management Decisions. Except as provided above in paragraph 7 with respect to training and riding rights for Lorenz, all decisions relating to the training, breeding, advertising and campaigning shall be made in accordance with the percentage of ownership, with MFM having two-thirds (2/3) vote and CHS having a one-third (1/3) vote with a majority ownership interest controlling. Nonetheless, no such decision shall be made which shall force either party to make a payment which does not have that individual's prior approval. Thus, with respect to any decision which involves the incurment of expenses, CHS may not be forced to bear a share of any such expenses not previously approved.

11. Fees and Profits. All fees, purses for winnings at any horse show and any other money generated by Maronjo shall be divided between the parties in accordance with their ownership interest, two-thirds (2/3) to MFM and one-third (1/3) to CHS.

12. Veto Over Decisions Relating to Breeding. MFM, as owner of two-thirds (2/3) of Maronjo, consistent with paragraph 10 above, retains the right to set the stallion fee and to determine the suitability of each particular mare to be bred.



13. Free Breeding Rights to Each Stable. Each party shall be able to breed any mares owned wholly by MFM or CHS to Maronjo free of charge. In addition, each of MFM and CHS shall have the right to allow one mare not owned by such party to be bred to Maronjo each year, provided, however, that in no event may either party receive a fee or commission or other monetary or non-monetary payment in exchange for such breeding right. Rather, this latter right is intended to permit each party to grant, as a gift to another, the right to breed a mare to Maronjo without charge.

14. Advertising, etc. All advertising, listing with various horse societies, registration of ownership, entrance in horse shows, etc., shall list MFM first and CHS second, which reflects MFM's larger proportionate ownership interest of the stallion. Each party shall at all times after the condition in paragraph 2(b) above is met, recognize the ownership interest of the other and not seek to promote or represent the stallion as being owned solely by either party.

15. Show Colors. Whenever Maronjo is shown, he shall wear the MFM logo and blankets, which shall be provided by MFM, and his handlers shall wear the MFM clothes for handlers, which clothes shall be provided by MFM.



16. Sale. Either party may, at any time, seek to terminate this Agreement by directing that Maronjo be sold. In this event, the party directing that a sale be made shall grant to the other the right to purchase its interest in Maronjo at its share of the then current value of Maronjo as determined by an outside party designated by both owners, provided, however, that the amount to be paid by either party to the other shall never be less than the amount of such departing party's share of the initial purchase price for Maronjo of Fifty-Five Thousand Dollars (\$55,000.00).

If one party wishes to sell its interest in Maronjo, and the other does not acquire that interest in accordance with the preceding paragraph, or if the parties cannot agree on a third party appraiser, then the stallion shall be sold promptly at private placement, as the parties shall agree, or if they fail to agree, at public sale, and the net proceeds from sale of Maronjo shall be split in accordance with their respective ownership interests, after settlement of expenses as provided below. Moreover, such price shall take into account any excess expenses paid by either party as provided below.

17. Prohibition. Neither party shall sell its interest to a third party without the prior consent of the other. If such consent is withheld, it shall be treated as a direction to sell in accordance with the preceding paragraph.



18. Settlement. If either party owes the other monies for expenses, the proceeds of sale shall be used, first, to reimburse the stable which has borne more than its share of the costs of Maronjo to equalize the expenses in accordance with the ownership interests before any proceeds of sale are divided or purchase price is paid under paragraph 16 above.

19. Term. This Agreement may be terminated by either party upon sixty (60) days prior written notice to the other, in which event, such notice shall be treated as a direction to sell, in accordance with paragraph 16 above, and the parties shall proceed accordingly. Similarly, any breach of this Agreement by either party shall be a direction to sell as herein provided.

20. Default. This Agreement shall be void and without further effect if CHS fails to make the payment for its share of Maronjo as provided in paragraph 2(b) in a timely manner.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 9<sup>th</sup> day of June, 1987.

MAREFIELD MEADOWS, INC.

CHESTNUT HOLLOW STABLE

By Marion K. Roynette

By Regina Leary



January 21, 1987

Dear Regi,

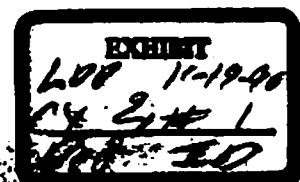
Just wanted to catch you up to date on events and some of the matters we have been thinking about since we last talked.

So far, we have heard nothing from Gerd concerning his visit, but we are assuming that it will be this weekend because of the conference on Sunday-- to which we also are sending Evelyn, one of our barn management team. Thank you for letting us know about it.

When Gerd does come, we shall be more than glad to find out the asking price for the grey stallion and let you know what we discover. Marion keeps forgetting why it is important to invest in stallions and I have to keep reminding her. I have been hard at work at it and if we get some of our money back from Barbara and Leslie and if the price isn't too outrageous, I do think that there is a very good possibility that we will be able to be your sole partners in owning him. Should the time come that the deal is imminent, we would, of course, want to draw up all of the proper legal papers that would be satisfactory to each party in outlining responsibility for costs, sharing of future breeding fees, etc. After our experience with Barbara, we have vowed that we do nothing unless it is on paper-- it wouldn't matter if a saintly man with long flowing hair, wearing a white gown walked across our pond and proposed something to us. We'd still want it on paper. I'm sure you can understand that.

In the meantime, there are a number of other propositions we would like to float for your consideration.

For a long time, I have wanted to learn the proper method for longeing a horse. I also want to get back to riding lessons. Evelyn wants to learn dressage. Both Evelyn and her husband want to learn the proper way of showing youngsters and for the dressage breeding classes. If both Evelyn and I are riding, we shall need another dressage saddle here and I am not confident enough to choose one without some guidance. We also need advice about some of our other tack. Additionally, Bogey is now here because he needed major attention for a saucer fracture of the cannon bone and had to be laid up for a number of weeks. We decided that he might as well be standing around here rather than at Jester's Court. We are quickly coming to the decision that he should remain here a bit longer than his actual recuperation (4 weeks is the projected time) as well. We would like you to ride him and check him out when the time comes and then I would like to work with him under your supervision before we return him to Rodney for showing.





So what we are proposing is to hire you for a half day a week or for a couple of partial days-- whatever might be worked out-- to come here and help us all in the things we had hoped Rodney would help us with but hasn't-- and at this point, quite frankly, we're not sure we really would want him to do it.

If you can fit it into your busy schedule, we are open to any proposals you in turn might offer. This could be worked out on a per diem basis or we could negotiate a contract for your services in general-- whatever you think would be fair. In any case, we are all hoping that something can be done... and perhaps it will be easier once some of your students are boarding down here. We are intending to have the ring worked on and brought up to snuff in anticipation of all of this activity and that is another area in which we could use your advice. Our ring has been tiled, drained, graded and has a base of 4 inches #614 stone, compacted to 75% density with 2 inches of blue stone dust on top. On top of that we had trucks and trucks of wood chips added. That all happened last spring. Now, since it has settled, we are needing to pick rocks and add more wood chips. We're geared up to do it, and just need some expert advice about how much to add and what else we may have to do to make it an excellent dressage ring. We'd be glad to pay you a consultant's fee for coming down and seeing to this matter.

I think that about covers all of our most pressing concerns. Quite enough for the moment I would think...no doubt, there will be more as time goes by. I do hope the list isn't overwhelming and that you might have some time to help us in at least a few of these areas.

We so appreciate the help you have so kindly volunteered in the past month and now we would like to get on a paying basis so we are not hesitant to ask your services in areas where we shall continue to need outside expertise.

We look forward to hearing from you and definitely shall be in touch ourselves as soon as we get a figure from Gerd.

Best,

Map



11/6/1988

Dear Marion,

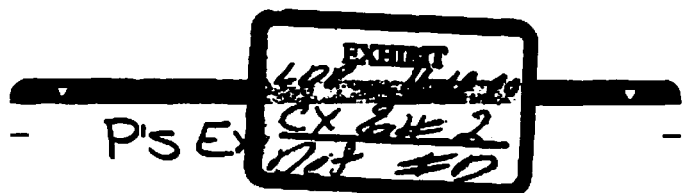
I have appreciated your letter and most certainly agree with you that there will always be different ways of looking at things. Let me just touch on 2 subjects one more time:

- 1) "Breed first" or "show first" with Maronjo: This was a clear partnership decision taken by all of us after being advised from outsiders. Had we known then what we know about Maronjo's temperament, we would most probably have decided otherwise.....but the fact is, WE DIDN'T KNOW and it's too late to cry about spilled milk now.
- 2) Oberon: I really appreciate your trust in me and my abilities, sorry I couldn't live up to your expectations. Also - as you well know - Oberon was not sound for a long time (in my opinion he is barely workably sound now!). But - without any further excuses on my part - he and I never clicked and I believe we never will. The lack of suppleness and basic training in his body has always bothered me and at times I found it difficult to deal with his placid, uninterested personality. I hope, however, that you are not blaming me for still having him, since I certainly never asked you to keep him - at the contrary - I tried to do everything in my power to help getting him sound and keeping him that way, so he could get sold.

Now to the purpose of this letter:

I recently met a person who knows you and Max and who - in the matter of our conversation - told me: "Max is the most destructive human being I have ever met, she breaks relationships wherever she goes". I am truly sorry having to agree with that statement today, since Max has succeeded in doing just that. Although she has avoided me lately and I have not seen her or spoken to her in over a month, the scene with Ingrid last Friday leaves no doubt in my mind, that I must be a constant thorn in her eyes. It's so sad that her lack of tolerance towards others seems to stand in the way from establishing lasting relationships, especially if one knows that underneath all that hatred is a wonderful, warm-hearted human being.

725





But - be this as it may - since my integrity has been put in question and for Maxes wellbeing and your own peace of mind, I herewith resign as trainer at Marefield Meadows. I would prefer this resignation (which - for Maxes information - is no threat nor blackmail!) to be effective immediately, however, if this should put you in a difficult position, I will most certainly assist you in finding a replacement or ~~with the~~ temporary excercising of the horses until such replacement can be found. help you

I will - of course - honor my committments in Maronjo and continue riding him at Gerd's until you have made your decision as to wether you want to purchase my 1/3 ownership or release him for sale.

If EDEN ist good company to Gandolph I will be glad to leave her with you, if you prefer having her off your premises, I will bring her down to Gerd's ~~as soon as I return from Europe.~~ in mid/sep 2/14 I return from Europe

I am very sad that our endeavour which started out with so much hope and enthusiasme ~~from both sides~~ has to end like this, on the other hand I must ask you to understand that it is painful and paralyzing for me to work in an environment where my services are no longer appreciated and ~~sometimes barely tolerated.~~ When my job ceases to be fun and my partners - the horses - begin to sense it and react to it in a negative fashion, it's time for me to quit

Thank you both for a wonderful time at your farm and with your horses. Special thanks for the thrill to ride Louis who has been so generous and giving.

I will never forget the good times we had together and cherish all the wonderful memories, amongst them my most unforgettable birthday....thank you both again!

With my best wishes for a happy, healthy and prosperous future

Maxfield Meadows

Yours  
Raji



Craig White, Esq.  
Hanes, Sevilla, Saunders & McCahill  
P.O. Box 678  
30 N. King Street  
Leesburg, VA 22075

Dear Mr. White:

In response to your request for an evaluation of the Hanoverian stallion Maronjo, 316525484 (ES33528), owned by Marefield Meadows, Inc. and Regula Lorenz, I am providing the following information:

1. I am President of the American Hanoverian Society and have completed the German Hanoverian Verband basic and advanced breed judging courses conducted in Germany. I am a former recognized American Horse Shows Association recognized dressage judge. In my capacity as President of the AHS, I receive information concerning the market for Hanoverian horses and some of the sale prices.
2. Maronjo, a 5 year-old stallion completed the official American Hanoverian Society stallion performance test in 1st place with a total score of 138.06. He was 1st place in both jumping and rideability with 16 stallions competing. The performance test was judged by judges who do the comparable test judging in Germany. The test was conducted under comparable conditions and judged on the same criteria. The top scoring stallion in the 1988 performance test in Germany received a score of 133.40. The top 11 or 12 stallions in the performance testing in Germany with scores ranging from approximately 111.00 to the top score go to the state stud at Celle and are not for sale. Therefore, there is no price information on them. If they later sell, it is usually because they have passed their prime as breeding stallions or did not measure up as breeding stallions as their performance test might have indicated. A Class II stallion, with a score from about 100.00 to 110.00 can be purchased for approximately \$40,000 (US). One must add approximately \$15,000 for transportation from Germany and quarantine costs to that base price. Therefore, the price of a stallion of lesser quality than Maronjo would be a minimum of \$55,000.
3. The International Sporthorse Registry conducted a stallion performance test in California in 1988. The first place stallion is not for sale, but the owner told me that he would not take less than \$75,000 for him. He owned the 10th place stallion and sold him for \$55,000.
4. Maronjo was campaigned in several major breed shows and



THE AMERICAN HANOVERIAN SOCIETY

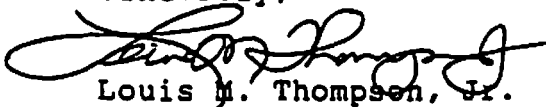
was Grand Champion Stallion at the Upper Marlboro show in Maryland defeating several stallions from the renowned Iron Spring Farm in Pennsylvania and a Trakehner stallion, Onasis, owned by Robin and Terry Koenig of Middleburg, Va. At the Virginia Dressage Association breed show at Culpeper, Va., Maronjo was Reserve Champion stallion to Koenig's Onasis. The stallions he was in competition with are probably worth at least \$80,000. Maronjo also received the first level dressage high score award at Upper Marlboro.

5. I went to November Hill Farm in Keswick, Va. on February 12, 1989, where Maronjo was in training. I looked at him in hand and also observed his basic gaits. I watched him free jump a 5-foot oxer which he did with ease. His development has continued since I observed him in the stallion performance test in 1987.

6. Maronjo does not, to my knowledge, have any foals on the ground at this time. Therefore, it is not possible to make any judgment as to his qualities as a breeding stallion.

7. I am making my assessment as to the value of Maronjo at \$80,000. I do so recognizing that the current market for warmblood stallions in the United States is somewhat depressed along with the entire warmblood horse market. However, it has been my experience that quality still brings a good price, and Maronjo is certainly in that category.

Sincerely,



Louis M. Thompson, Jr.  
P.O. Box 458  
Somerset, Va. 22972



LAW OFFICES

HANES, SEVILA, SAUNDERS & MCCAILL

A PROFESSIONAL CORPORATION

POST OFFICE BOX 678

LEESBURG, VIRGINIA 22075

WILLIAM B HANES  
ROBERT E. SEVILA  
RICHARD R. SAUNDERS, JR.  
BURKE F. MCCAILL  
DOUGLAS L. FLEMING, JR.  
JON D. HUDDLESTON  
CRAIG E. WHITE

30 NORTH KING STREET  
(703) 777-5700  
METRO 471-9800  
FAX (703) 771-4161

February 23, 1989

Georgia Herbert, Esquire  
Park Square  
P.O. Box 21  
The Plains, Virginia 22171

Re: The Sale of Maronjo

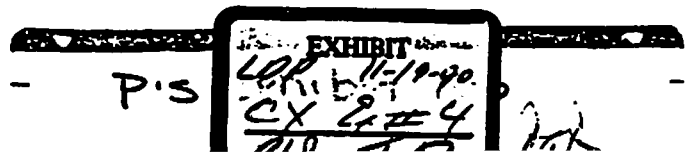
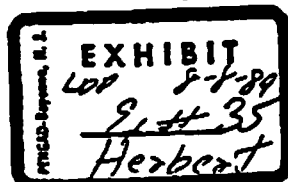
Dear Georgia:

Per your request, I am writing to confirm the status of this case. I have received the written report from the first mutually agreed upon appraiser, Louis Thompson, Jr., a copy of which is enclosed. In Paragraph 7 of the report, Mr. Thompson assessed Maronjo's value at \$80,000. The preceeding six paragraphs clearly set forth the basis for Mr. Thompson's appraisal and I commend them to your reading.

We consider Mr. Thompson to be a mutually agreed upon appraiser and in accordance with Paragraph 16 of the parties' agreement Ms. Lorenz grants Marefield Meadows, Inc. the option to purchase her interest for \$26,666.66 (1/3 of \$80,000). However, if Marefield Meadows, Inc. prefers, Ms. Lorenz is willing to purchase its interest in Maronjo for \$53,333.33 (2/3 of \$80,000).

In the event Marefield Meadows does not accept Lou Thompson as the appraiser or elects neither to purchase Ms. Lorenz's 1/3 interest nor sell its 2/3 interest to Ms. Lorenz, then the Stallion shall be sold at private placement, as the parties agree, or if they fail to agree, at public sale, in accordance with Paragraph 16 of the agreement. Ms. Lorenz has indicated to me that she will pay her pro rata share of Moronjo's expenses for 1989 when she returns home next week. The only remaining issues should be breeding fees for 1989 (Paragraph 11) and Ms. Lorenz's free breeding right for 1989 (Paragraph 13).

729





Georgia Herbert, Esquire  
February 23, 1989  
Page Two

In order to verify breeding fees for 1989 I request that your client provide me copies of any and all contracts related to the breeding of Moronjo in 1989. If any of such contracts are not in writing, I would appreciate a written summary of the agreed upon fee arrangements. Finally, Ms. Lorenz has indicated that she would like to breed a mare owned by Chestnut Hollow Stable to Moronjo. Hopefully, the parties can work out a time that will be mutually agreeable to themselves and Moronjo to resolve that matter.

Georgia, per your request I have enclosed a copy of Ms. Lorenz's letter to Marion Poynter dated January 3, 1989, which refers to the number of times she has requested a decision with respect to the sale of Moronjo. The notes on the left margin of the letter were made by Ms. Lorenz and set forth chronologically the three previous requests for sale.

Please give me a call after you have discussed this with your client, or sooner if necessary. I look forward to hearing from you soon.

Very truly yours,



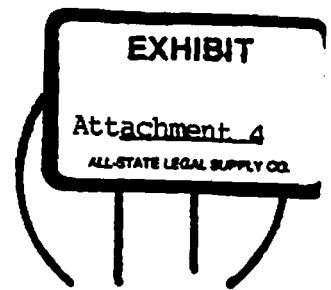
Craig E. White

CEW:1hm  
Enclosure

cc: Regula Lorenz



# MAREFIELD MEADOWS INC.

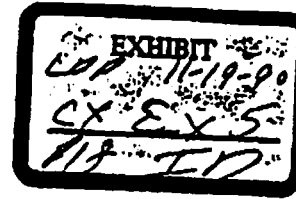


The Meadows Route 5 Box 303 Warrenton, Virginia 22186 703-349-1339 Stable 349-9059

March 6, 1989

Georgia Herbert, Esq.  
Park Square  
P.O. Box 21  
The Plains, Virginia 22171

Dear Georgia:



Now that we have had an opportunity to see Regi's offer and Lou's appraisal on the written page, we are better equipped to respond. Sorry that we must go through such tedious and time-consuming motions, but given the turn of events we are offered no other choice. Since the copies you sent us arrived only last Friday, we are just now sending this reply. I do think that this response, however, will help speed up the process considerably.

For the record, we never did accept Lou Thompson as the sole appraiser and we protest Regi's and Mr. White's deliberate misinterpretation of our agreement to Lou as one of at least three and preferably four appraisers. The long time it took to negotiate that whole business of throwing out upper and lower bids etc-- which was at Regi's request-- was just one of the many wastes of time it would seem. Having to communicate everything in writing is another but such actions as the former have necessitated the latter.

Now, in the interest of bringing this matter to a swift conclusion, we are prepared to act on the requests in Mr. White's letter of 23 February and given that decision we must therefore accept the appraisal that is at hand in order to do so. It has been a most difficult decision but is as follows: Since 1989 has long been planned as the year in which any extra monies would be devoted to the purchase of well-bred mares and fillies, we do not have it in our budget to purchase Regi's 1/3 interest for \$26,666.66 nor can we afford to pass up Regi's offer to purchase our interest in Maronjo for \$53,333.33 as spelled out by Mr. White in paragraph 2.

As is the case with all sales of Marefield Meadows horses, full payment by certified check is required before the horse leaves the property. Until that time, Regi is, of course, welcome to come here and exercise Maronjo whenever she wishes (an offer previously made but which she has not yet taken us up on).

We would like to request a few courtesies and considerations:

1. As Regi herself requested had we bought her out, we would like to follow our plans for breeding MFM mares and offering our gift breeding for 1989 in accordance with Paragraph 13 of the contract.



2. Should Regi ever wish to sell Maronjo in the future, we would like to be informed. We do indeed like the horse and would prefer to keep him. Perhaps at some point in the future we would be better situated to afford him.
3. We hope that Regi will treat it as her legal, moral and ethic obligation to follow through on any contracts that have been received by us at the time of purchase and also any contracts that have been negotiated by us but which come in after she is standing Maronjo. We will, of course, inform all of the mare owners of the change of ownership immediately upon receipt of Regi's check. We also will forward all mail and future inquiries as they come in as well as turn over all of our files so that Regi will be able to follow up on inquiries that haven't yet come through with contracts.

We established this year's breeding fee at \$1,500 (\$300 of which is booking). Last year's fee was \$1,200 (\$200 of which was booking). Our agreement has been that MFM receives the booking fee (since we do all of the work and have all of the expenses that constitute "booking") and that the remaining is split in the 1/3 to 2/3 proportions.

*\*MFM* This year, we offered a special deal to those who booked before January or who had intended to book last year but then had to find another stallion when Regi insisted that he wait until after showing before breeding. Any people who filled either category were offered a booking at last year's fee. So far, I think there are two-- one of which has sent in her booking fee. As long as we are still managing the paperwork we shall continue to collect that booking fee. As soon as Regi takes on the ownership and management of Maronjo that will be directed to her as well.

*booking* So far, we have received no monies for breeding except those fees, since most people do not send in the entire amount until they need the semen or are planning to bring the mare. We've only bred one of our own mares to date (it's still early). Should we receive any money other than the booking fees before Regi takes full possession of Maronjo, we shall naturally forward her portion.

4. We hope that Regi will remember that Carole Tracy, our only outside breeder of the 1988 season, has paid her fee in full and wants a free breed back at some point in the future, having lost the foal last year.

Please inform Mr. White that Regi's pro rata sharing of expenses has not been acceptable and unless she wants us to charge her full freight for the annual fees we have already paid on Maronjo (logically following her reasoning that is, since she will soon be sole owner) she had better pay all that she has been charged by us (new bill enclosed).

Finally, Mr. White's and Regi's "proof" of her requests was pathetic and goes far to make our point.

*William K. P. Smith  
New P. Nickel*



H. IS, SEVILA, SAUNDERS & MCC TILL

A PROFESSIONAL CORPORATION

POST OFFICE BOX 678

LEESBURG, VIRGINIA 22075

WILLIAM B HAVES  
ROBERT E SEVILA  
RICHARD R SAUNDERS, JR  
BLAKE F MCCAHILL  
DOUGLAS L FLEMING, JR  
JON D HUDDLESTON  
CRAIG E WHITE

EXHIBIT

Attachment 5

ALL-STATE LEGAL SUPPLY CO.

30 NORTH KING STREET

(703) 777-5700

METRO 471-9800

FAX (703) 771-4161

March 9, 1989

Georgia Herbert, Attorney at Law  
Park Square  
P. O. Box 21  
The Plains, Virginia 22171

Re: The sale of Maronjo

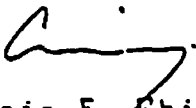
Dear Georgia:

At this time, Ms. Lorenz is attempting to locate the financial resources to enable her to purchase Marefield Meadows, Inc.'s interest in Maronjo for the price of \$53,333.33.

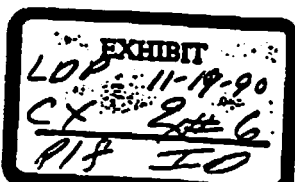
Hopefully, this matter can be resolved in the near future. In the meantime, it remains in the best interest of Marefield Meadows to exercise Maronjo properly and regularly because a public sale may be necessary if Ms. Lorenz cannot obtain sufficient capital to purchase Maronjo.

I look forward to the resolution of this matter, and I will contact you as soon as I hear from Ms. Lorenz.

Very truly yours,

  
Craig E. White

CEW/lss



733

- P's Exhibit 37



GEORGIA H. HERBERT  
ATTORNEY AT LAW  
PARK SQUARE  
THE PLAINS, VIRGINIA 22171

POST OFFICE BOX 21  
TELEPHONE: (703) 253-5855

March 17, 1989

Craig White, Esquire  
Hanes, Sevilla, Saunders & McCahill  
P. O. Box 678  
Leesburg, Va 22075

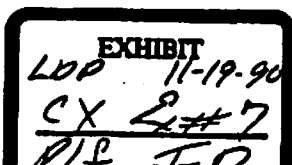
Dear Craig,

On instructions from my clients I am writing to confirm my March 9, 1989 over-the-telephone acceptance of your client's offer to purchase Marefield Meadows, Inc.'s interest in Moronjo for \$53,333.33 as indicated in your letters of February 23 and March 9. Enclosed is my clients' letter of March 6 explaining their position, which I have communicated to you in our numerous telephone conversations. Marefield Meadows offered Ms. Lorenz \$22,000.00 for her interest in the horse prior to Mr. Thompson's appraisal and prior to the continued expense which all parties have had to bear because Ms. Lorenz did not accept that offer. My clients made that \$22,000.00 offer in good faith. They assumed Ms. Lorenz made her \$53,333.33 offer in good faith, and they have accepted that offer.

To make things simpler for Ms. Lorenz my clients will agree to accept payment from her 60 days from now. However, Moronjo will stay at the Marefield Meadows barn until a certified check for \$53,333.33 has been received by MFM, Inc. In that connection, and to follow up on your March 9 letter, it is important to my clients that they have Ms. Lorenz's written permission for Ingrid Gormley to exercise Moronjo.

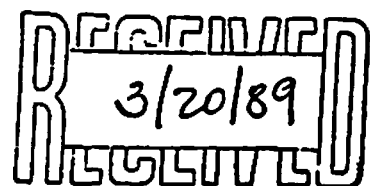
Thirdly, my clients understand that Ms. Lorenz now has possession of Moronjo's papers as they were updated and stamped by the Verband. Since they need those updated, stamped papers to send out with breeding contracts, they request that Ms. Lorenz return them as soon as possible.

Finally, I have been asked to return to you the enclosed checks (numbered 2705 and 2706) from Chestnut Hollow Stables to Marefield Meadows together with a current bill of expenses outstanding. Marefield Meadows will not accept prorated partial payments from Ms. Lorenz since the vendors, insurance



734

Copy to Client  
3/22/89





Craig White, Esquire  
March 17, 1989  
Page 2

companies, horse show associations, etc. do not accept prorated payments from MFM. Marefield Meadows has paid in full as required by the insurance company and horse show associations in advance, and they expect Ms. Lorenz to pay her one-third of that cost as envisioned by the contract between them.

So, to sum up, please forward as soon as possible  
(1) a check in the amount of \$2,051.38 to bring Ms. Lorenz's obligations to Marefield Meadows current, (2) the original stamped and updated registration papers on Moronjo and (3) written permission from Ms. Lorenz for Ingrid Gormley to ride Moronjo in order to keep him fit.

Finally, I'd appreciate your earliest advice regarding setting a date to finalize the sale of MFM's interest in Moronjo to Ms. Lorenz. I look forward to hearing from you soon.

Sincerely,

  
Georgia H. Herbert

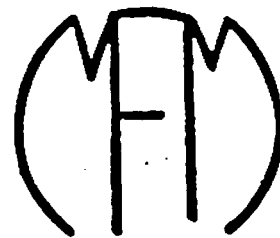
GHH/sk

cc: Marefield Meadows, Inc.

Enclosures: checks, etc.



# MAREFIELD MEADOWS INC.



The Meadows Route 5 Box 303 Warrenton, Virginia 22186 703-349-1339 Stable 349-9059

March 10, 1989

Regula Lorenz  
Chestnut Hollow Stable  
P.O. Bx 364  
Middleburg, Virginia 22117

## For 1/3 Moronjo Expenses

### Balance Forward:

|                                       |        |
|---------------------------------------|--------|
| Past Due Since 12/22/89 .....         | 596.68 |
| Past Due Since 2/8/89 .....           | 972.95 |
| As of 2/24/89 (Date of Billing) ..... | 244.99 |

### Current:

|                           |                |             |        |
|---------------------------|----------------|-------------|--------|
| Advertising (The Mailbox) | \$625.29 Total | 1/3 = ..... | 208.43 |
| B. Jensen (Farrier)       | \$ 85.00 Total | 1/3 = ....  | 28.33  |

\$2,051.38

### TOTAL DUE

Interest at 1.5% per month on unpaid balances over 30 days will begin on March 31, 1989.

cc: Georgia Herbert ✓  
Craig White



165 Lee Highway  
WARRENTON, VIRGINIA 22186  
(703) 347-5518 (703) 347-5103  
FAX 7033475103

1066

**All claims and returned goods MUST be accompanied by this bill.**

## Thank You

OF 5 Product 06125.2


165 Lee Highway  
WARRENTON, VIRGINIA 22186  
(703) 347-5518 (703) 347-5103  
FAX 7033475103

1063

**All claims and returned goods MUST be accompanied by this bill.**

Thank You.

OF 8 Pages: 05125 2



**Benny Jensen**  
Farrier  
Rt. 1 Box 78  
Clearbrook, Virginia 22624  
703-667-7004

**INVOICE**

**SOLD TO** *Married Madonne*

| DATE            | DESCRIPTION                        | UNIT PRICE | AMOUNT    |
|-----------------|------------------------------------|------------|-----------|
| <i>5-5-89</i>   |                                    |            |           |
| <i>NAME</i>     |                                    |            |           |
| <i>Charango</i> | <i>Yucca</i>                       |            | <i>85</i> |
| <i>Loire</i>    | <i>Yucca</i>                       |            | <i>55</i> |
| <i>Alfredan</i> | <i>Yucca / made cut and Impoc.</i> | <i>737</i> | <i>25</i> |
| <i>Boggy</i>    | <i>2 tied F</i>                    |            | <i>27</i> |
| <i>Flower</i>   | <i>1 dress</i>                     |            | <i>7</i>  |
|                 | <i>Yucca tied</i>                  |            | <i>55</i> |
|                 | <i>Y dress</i>                     |            | <i>15</i> |

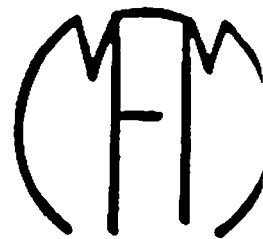
*PAID*

*PO # 11964*  
*OK 3/16/89*

*270.00*



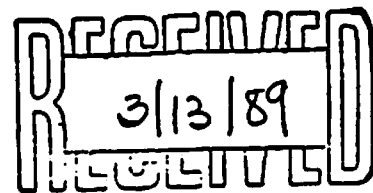
**MAREFIELD  
MEADOWS  
INC.**



The Meadows Route 5 Box 303 Warrenton, Virginia 22186 703-349-1339 Stable 349-905

March 10, 1989

Regula Lorenz  
Chestnut Hollow Stable  
P.O. Bx 364  
Middleburg, Virginia 22117



For 1/3 Moronjo Expenses

**Balance Forward:**

|                                       |        |
|---------------------------------------|--------|
| Past Due Since 12/22/89 .....         | 596.68 |
| Past Due Since 2/8/89 .....           | 972.95 |
| As of 2/24/89 (Date of Billing) ..... | 244.99 |

**Current:**

|                           |                |             |        |
|---------------------------|----------------|-------------|--------|
| Advertising (The Mailbox) | \$625.29 Total | 1/3 = ..... | 208.43 |
| B. Jensen (Farrier)       | \$ 85.00 Total | 1/3 = ....  | 28.33  |

**TOTAL DUE** **\$2,051.38**

Interest at 1.5% per month on unpaid balances over 30 days will begin on March 31, 1989.

cc: Georgia Herbert  
Craig White ✓



# THE MAILBOX / QUICK COPY

165 Lee Highway  
WARRENTON, VIRGINIA 22186  
(703) 347-5518 (703) 347-5103  
FAX 7033475103

|                               |        |                         |          |             |         |
|-------------------------------|--------|-------------------------|----------|-------------|---------|
| CUSTOMER'S ORDER NO.          |        | PHONE                   |          | DATE        |         |
|                               |        |                         |          | 2-15-1989   |         |
| NAME <i>Therfield Theshaw</i> |        |                         |          |             |         |
| ADDRESS <i>Marion, - Iowa</i> |        |                         |          |             |         |
| CASH                          | C.O.D. | CHARGE                  | ON ACCT. | MOSE. RETD. | PAD OUT |
|                               |        |                         |          |             |         |
| 500                           |        | Folders - 2 color box   |          |             | 766.10  |
|                               |        | PMS                     |          |             | 40.00   |
|                               |        | Registration            |          |             | 25.00   |
|                               |        | (C.O.D. 11.50/39.50)    |          |             | 50.00   |
|                               |        | Post Card 2 sets of 100 |          |             | 958.00  |
|                               |        | (2) negative work chg   |          |             | 140.00  |
|                               |        | (C.O.D. 11.50/39.50)    |          |             | 115.60  |
| Pd 3/3/89                     |        |                         |          |             |         |
| #1190                         |        |                         |          |             |         |
| TAX                           |        |                         |          |             | 86.81   |
| TOTAL                         |        |                         |          |             | 2181.41 |

1066

All claims and returned goods MUST be accompanied by this bill.

Thank You

DFS Product 05125-2

# THE MAILBOX / QUICK COPY

165 Lee Highway  
WARRENTON, VIRGINIA 22186  
(703) 347-5518 (703) 347-5103  
FAX 7033475103

|                               |        |              |          |             |         |
|-------------------------------|--------|--------------|----------|-------------|---------|
| CUSTOMER'S ORDER NO.          |        | PHONE        |          | DATE        |         |
|                               |        |              |          | 2/2 1989    |         |
| NAME <i>Therfield Theshaw</i> |        |              |          |             |         |
| ADDRESS                       |        |              |          |             |         |
| CASH                          | C.O.D. | CHARGE       | ON ACCT. | MOSE. RETD. | PAD OUT |
|                               |        |              |          |             |         |
| 2 sets                        |        | CC-101 C1595 |          |             | 31.90   |
|                               |        | 250 in       |          |             | 35.00   |
|                               |        | Grand Total  |          |             | 35.40   |
| Pd 3/3/89                     |        |              |          |             |         |
| #1190                         |        |              |          |             |         |
| TAX                           |        |              |          |             | 1.59    |
| TOTAL                         |        |              |          |             | 36.99   |

1063

All claims and returned goods MUST be accompanied by this bill.

Thank You

DFS Product 05125-2



Benny Jensen  
Farrier  
Rt. 1 Box 78  
Clearbrook, Virginia 22624  
703-667-7004

INVOICE

| NAME    | DESCRIPTION | UNIT PRICE | AMOUNT |
|---------|-------------|------------|--------|
| 5-5-89  |             |            |        |
| Chorano | 4 wheel     |            | 55     |
| Glove   | 1 wheel     |            | 25     |
| Weldan  | 2 wheel     |            | 27     |
| Bo-guy  | 1 wheel     |            | 7      |
| Flant   | 4 wheel     |            | 55     |
|         | 4 wheel     |            | 15     |
|         |             |            | 739    |
|         |             |            | 85-    |
|         |             |            | 270.0  |

Pd #1190  
3/3/89



**EUROSPORT**  
503 Blue Ridge Avenue  
Culpeper, Virginia 22701  
(703) 825-3782

July 10 1990

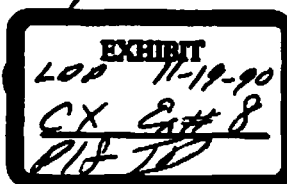
To All Parties Concerned,

I have just received these vet bills from the Calif. Auction on the Stallion Morongo. The Horses were required to sell with current xray, and all horses under saddle were done.

I am submitting these copies for your record. Please note the balance of your funds are in a 32 day certificate of deposit. Upon renewal date I will withdraw and pay these bills unless notified by you to the contrary. These bills were made in good faith and should be taken care of expeditiously. This is the first billing on them I have received.

If you have any questions or objections please call

74



Thanks  
11/11



DOMINION BANK  
CULPEPER VA 22701

INTEREST HAS BEEN COMPOUNDED ON YOUR CERTIFICATE

| CERTIFICATE NUMBER | DATE        | AMOUNT    |
|--------------------|-------------|-----------|
| 013-84-61-00056854 | 06/30/90    | 130.77    |
|                    | NEW BALANCE | 22,730.76 |

EUROSPORT INC  
TR FOR MARFIELD MEADOWS FARM  
CHESTNUT HOLLOW FARM  
503 BLUE RIDGE AVE  
CULPEPER VA 22701-2657

\*\*\* THANK YOU FOR BANKING WITH DOMINION \*\*\*



JUN 26 90

PAGE: 1

PIONEER EQUINE HOSPITAL, INC.  
 11501 Pleasant Ave.  
 San Diego, Calif. 92131  
 619-547-0751

Jeff Marsh  
 119 W. Davis St.  
 Carlsbad, California 92008

CLIENT ID: 7005  
 INVOICE: 15807

| PATIENT ID:   | SPECIES:  | COLOR: | SEX:      | OTHER |
|---------------|-----------|--------|-----------|-------|
| 1             | EQUINE    |        |           |       |
| PATIENT NAME: | BREED:    | MARKS: | BIRTHDAY: |       |
| MYSTIC TOUCH  | NOT KNOWN |        | 00-00     |       |

|           |                             |    |       |
|-----------|-----------------------------|----|-------|
| APR 18 90 | Delayed Fostering           | \$ | 0.00  |
| APR 18 90 | Delayed Fostering           |    | 0.00  |
| APR 18 90 | Delayed Fostering           |    | 0.00  |
| APR 18 90 | Delayed Fostering           |    | 75.00 |
| APR 20 90 | Delayed Fostering           |    | 0.00  |
| APR 20 90 | Delayed Fostering (package) | 4  | 11.00 |
| APR 20 90 | Delayed Fostering (package) |    | 12.50 |

PATIENT SUBTOTAL: \$ 103.50

| PATIENT ID:   | SPECIES:  | COLOR: | SEX:      | OTHER |
|---------------|-----------|--------|-----------|-------|
| 2             | EQUINE    |        |           |       |
| PATIENT NAME: | BREED:    | MARKS: | BIRTHDAY: |       |
| MORONJO       | NOT KNOWN |        | 00-00     |       |

|           |                   |    |       |
|-----------|-------------------|----|-------|
| APR 18 90 | Delayed Fostering | \$ | 0.00  |
| APR 18 90 | Delayed Fostering |    | 75.00 |

PATIENT SUBTOTAL: \$ 75.00

INVOICE TOTAL: \$ 178.50

CLOSING DATE: June 26th. Payment must be received no later  
 than July 20th to avoid finance charges.

FINANCE CHARGE applied to all accounts unpaid **742** days. FINANCE CHARGE Computed by a periodic  
 rate of 1.50 % per month, which is the annual percentage rate of 18.00 % Minimum Charge \$0.50



UN 27 90

PAGE: 1

PIONEER EQUINE HOSPITAL, INC  
11801 Pioneer Ave  
Carmichael, Calif 95381  
916-940-5751

Jeff Marsh  
119 W. Davis St.  
Culpeper, Virginia 22701

CLIENT ID: 7005  
INVOICE: 1007

|                            |                  |        |                 |
|----------------------------|------------------|--------|-----------------|
| PATIENT ID: 1              | SPECIES: EQUINE  | COLOR: | SEX: OTHER      |
| PATIENT NAME: MYSTIC TOUCH | SPEED: NOT KNOWN | MARKS: | BIRTHDAY: 00-00 |

|           |                           |    |       |
|-----------|---------------------------|----|-------|
| APR 18 90 | D. Distention             | \$ | 0.00  |
| APR 18 90 | Rectal Exam - Blood & Fat |    | 9.00  |
| APR 18 90 | DELATED FORTUNE           |    | 0.00  |
| APR 18 90 | Pharyngeal Exam           |    | 75.00 |
| APR 20 90 | DELATED FORTUNE           |    | 0.00  |
| APR 20 90 | Rectal Exam - Blood & Fat |    | 11.00 |
| APR 20 90 | Rectal Exam - Blood & Fat |    | 13.50 |

PATIENT SUBTOTAL: \$ 103.50

|                       |                  |        |                 |
|-----------------------|------------------|--------|-----------------|
| PATIENT ID: 2         | SPECIES: EQUINE  | COLOR: | SEX: OTHER      |
| PATIENT NAME: MORONJO | SPEED: NOT KNOWN | MARKS: | BIRTHDAY: 00-00 |

|           |                           |    |       |
|-----------|---------------------------|----|-------|
| APR 18 90 | DELATED FORTUNE           | \$ | 0.00  |
| APR 18 90 | Rectal Exam - Blood & Fat |    | 75.00 |

PATIENT SUBTOTAL: \$ 75.00

INVOICE TOTAL: \$ 178.50  
=====

CLOSING DATE July 2, 1990. Payment must be received no later than Jul, 20th to avoid finance charges.

743

FINANCE CHARGE applied to all accounts unpaid after 30 days. FINANCE CHARGE Computed by a periodic rate of 1.50 % per month, which is the annual percentage rate of 18.00 % Minimum Charge \$0.50



# BRADSHAW VETERINARY CLINIC INC.

4609 Bradshaw Road  
Elk Grove CA 95624  
416 685 2494

## STATEMENT OF ACCOUNT

Jeff Marsh - Euro Sport  
119 W. Davis Street  
Culpeper, Virginia 22701-

AMOUNT ENCLOSED

BILLING DATE

CLIENT NUMBER

Jun 28 90

13760

PLEASE DETACH AND RETURN WITH REMITTANCE

| DATE      | PATIENT      | DESCRIPTION                    | CHARGES | CREDITS | BALANCE |       |  |  |              |                   |                 |               |           |
|-----------|--------------|--------------------------------|---------|---------|---------|-------|--|--|--------------|-------------------|-----------------|---------------|-----------|
| Apr 12 90 | Maranjo      | LARGE ANIMAL X-RAY             | 20.00   |         |         |       |  |  |              |                   |                 |               |           |
| Apr 12 90 | Maranjo      | ADDITIONAL PLATES (LA)         | 225.00  |         |         |       |  |  |              |                   |                 |               |           |
| Apr 12 90 | Maranjo      | RANCH CALL                     | 10.00   |         |         |       |  |  |              |                   |                 |               |           |
| Apr 12 90 | Maranjo      | Originally billed to           | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Apr 12 90 | Maranjo      | Glenwood Fares.                | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Apr 12 90 | Maranjo      | Equine Tag #4967               | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | INVOICE .....                  | 255.00  | 0.00    | 255.00  |       |  |  |              |                   |                 |               |           |
| May 12 90 | Maranjo      | → RANCH CALL (zone 1)          | 18.00   |         |         |       |  |  |              |                   |                 |               |           |
| May 12 90 | Maranjo      | → A.I. EQUINE                  | 20.00   |         |         |       |  |  |              |                   |                 |               |           |
| May 12 90 | Maranjo      | Equine Tag #101                | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | INVOICE .....                  | 38.00   | 0.00    | 293.00  |       |  |  |              |                   |                 |               |           |
| May 21 90 | Maranjo      | Mailing Fee                    | 5.00    |         |         |       |  |  |              |                   |                 |               |           |
| May 21 90 | Maranjo      | Send x-rays to Littleton Large | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| May 21 90 | Maranjo      | Animal Clinic - Littleton,     | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| May 21 90 | Maranjo      | Colorado.                      | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | INVOICE .....                  | 5.00    | 0.00    | 298.00  |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | LARGE ANIMAL X-RAY             | 20.00   |         |         |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | ADDITIONAL PLATES (LA)         | 225.00  |         |         |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | RANCH CALL                     | 10.00   |         |         |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | RUM-RUN (large)                | 10.00   |         |         |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | Originally billed to           | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | Glenwood Fares.                | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | INVOICE .....                  | 265.00  | 0.00    | 563.00  |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | → REMOVE SERVICE.....          | 18.00-  | 0.00    | 545.00  |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | → REMOVE SERVICE.....          | 20.00-  | 0.00    | 525.00  |       |  |  |              |                   |                 |               |           |
| OVER 90   |              |                                | 61-90   |         |         | 31-90 |  |  | Client #     | Beginning Balance | Current Charges | Total Credits | TOTAL DUE |
| 0.00      |              |                                | 0.00    |         |         | 0.00  |  |  | 13760        | 0.00              | 525.00          | 0.00          | 525.00    |
| DAYS      |              |                                | DAYS    |         |         | DAYS  |  |  | Billing Date |                   |                 |               |           |
|           |              |                                |         |         |         |       |  |  | Jun 23 90    | +                 | -               | =             |           |

PLEASE PAY THIS AMOUNT

PAYMENTS MADE ON OR AFTER THE BILLING DATE WILL NOT BE REFLECTED  
ON THIS STATEMENT. TOTAL CHARGES PAYABLE ON RECEIPT.

A service charge of 2% per  
month, minimum \$2.50, will be  
added to all accounts not



EUROSPORT  
503 Blue Ridge Avenue  
Culpeper, Virginia 22701  
(703) 825-3782

July 23 1990

TO ALL PARTIES:

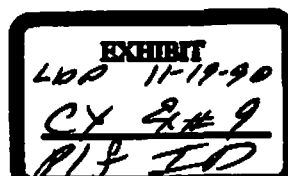
Enclosed is a statement of monies received and disbursed as well as monies held in trust regarding the Stallion Morjano.

Please note, I have paid out only commissions and one half (1/2) proceeds to owners, as per sale agreement. However, vet and blacksmith bills are due and payable from your proceeds. In my opinion these are not disputable bills.

Unless notified to the contrary prior to Aug. 1<sup>st</sup> 1990, I will deduct these fees from the trust account Aug. 1<sup>st</sup> 1990 and pay to parties owed.

I thank you in advance for your cooperation on this matter.

Respectfully





# PRE PAID FEES.

CONSIGNMENT  
FEE @ 500

# ACCTS Payable

|       |               |
|-------|---------------|
| MFM   | 333.33        |
| CHF   | <u>166.66</u> |
| TOTAL | 500.00        |

TRUCKING FEE  
@ 1321.50

|       |               |
|-------|---------------|
| MFM   | 881.00        |
| CHF   | <u>440.50</u> |
| TOTAL | 1321.50       |

|                         |              |
|-------------------------|--------------|
| BRADSHAW<br>VET Clin. & | 298.00       |
| PIONEER<br>EQUINE       | 75.00        |
| KARLBER                 | <u>96.00</u> |
|                         | \$469.00     |

NOTE! THESE ACCT.  
Payable DO  
NOT REFLECT  
THE NEW HILL  
BILLING WHICH IS  
IN DISPUTE

SALE GROSS 56500.00

|                               |                  |
|-------------------------------|------------------|
| Eurospart<br>Commission @ 10% | 5650.00          |
| Agent Commission<br>@ 10%     |                  |
| (VERN BROTHMAN)               | 5650.00          |
| TOTAL                         | <u>11,300.00</u> |

NET PROCEEDS 45200.00

ONE HALF (1/2)  
of PROCEEDS PAID

|       |                |
|-------|----------------|
| MFM   | 15066.66       |
| CHF   | <u>7533.33</u> |
| TOTAL | 22600.00       |

ONE HALF in  
Escrow by C.D. 746  
22600.00  
# 013-84-61 -  
APPROVED



JUN 20 90

PAGE: 1

PIONEER EQUINE HOSPITAL, INC  
11501 Pioneer Ave  
Oakdale, Calif 95361  
209-847-5751

Jeff Marsh  
119 W. Davis St.  
Culpepper, Virginia 22701

CLIENT ID: 7005  
INVOICE: 15509

| PATIENT ID:   | SPECIES:  | COLOR: | SEX:      |
|---------------|-----------|--------|-----------|
| 1             | EQUINE    |        | OTHER     |
| PATIENT NAME: | BREED:    | MARKS: | BIRTHDAY: |
| MYSTIC TOUCH  | NOT KNOWN |        | 05-90     |

|           |                               |    |       |
|-----------|-------------------------------|----|-------|
| APR 18 90 | Dr. Detweiler                 | \$ | 0.00  |
| APR 18 90 | Ranch call: Glenwood Farm     |    | 4.00  |
| APR 18 90 | DELAYED FOSTING               |    | 0.00  |
| APR 18 90 | Physical Exam                 |    | 75.00 |
| APR 20 90 | DELAYED FOSTING               |    | 0.00  |
| APR 20 90 | Asium Powder (package)        | 4  | 11.00 |
| APR 20 90 | Canine Disinfectant-30cc tube |    | 13.50 |

PATIENT SUBTOTAL: \$ 103.50

| PATIENT ID:   | SPECIES:  | COLOR: | SEX:      |
|---------------|-----------|--------|-----------|
| 2             | EQUINE    |        | OTHER     |
| PATIENT NAME: | BREED:    | MARKS: | BIRTHDAY: |
| MORONJO       | NOT KNOWN |        | 00-90     |

|           |                 |    |       |
|-----------|-----------------|----|-------|
| APR 18 90 | DELAYED FOSTING | \$ | 0.00  |
| APR 18 90 | Physical Exam   |    | 75.00 |

PATIENT SUBTOTAL: \$ 75.00

INVOICE TOTAL: \$ 178.50

CLOSING DATE June 20th. **747** Payment must be received no later than Jul. 20th to avoid finance charges.

FINANCE CHARGE applied to all accounts unpaid after 30 days. FINANCE CHARGE Computed by a periodic rate of 1.50 % per month, which is the annual percentage rate of 18.00 % Minimum Charge \$0.50



# BRADSHAW VETERINARY CLINIC INC.

4609 Bradshaw Road  
Elk Grove CA 95624  
416 685-2494

## STATEMENT OF ACCOUNT

Jeff Marsh - Euro Sport  
119 W. Davis Street  
Culpeper, Virginia

22701-

AMOUNT ENCLOSED

BILLING DATE

CLIENT NUMBER

Jun 28 90

13760

PLEASE DETACH AND RETURN WITH REMITTANCE

| DATE      | PATIENT      | DESCRIPTION                    | CHARGES | CREDITS | BALANCE |       |  |  |              |                   |                 |               |           |
|-----------|--------------|--------------------------------|---------|---------|---------|-------|--|--|--------------|-------------------|-----------------|---------------|-----------|
| Apr 12 90 | Maranjo      | LARGE ANIMAL X-RAY             | 20.00   |         |         |       |  |  |              |                   |                 |               |           |
| Apr 12 90 | Maranjo      | ADDITIONAL PLATES (LA)         | 225.00  |         |         |       |  |  |              |                   |                 |               |           |
| Apr 12 90 | Maranjo      | RANCH CALL                     | 10.00   |         |         |       |  |  |              |                   |                 |               |           |
| Apr 12 90 | Maranjo      | Originally billed to           | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Apr 12 90 | Maranjo      | Glenwood Farms.                | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Apr 12 90 | Maranjo      | Equine tag #4967               | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | INVOICE .....                  | 255.00  | 0.00    | 255.00  |       |  |  |              |                   |                 |               |           |
| May 12 90 | Maranjo      | → RANCH CALL (zone 1)          | 18.00   |         |         |       |  |  |              |                   |                 |               |           |
| May 12 90 | Maranjo      | → A.I. EQUINE                  | 20.00   |         |         |       |  |  |              |                   |                 |               |           |
| May 12 90 | Maranjo      | Equine Tag #101                | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | INVOICE .....                  | 38.00   | 0.00    | 293.00  |       |  |  |              |                   |                 |               |           |
| May 21 90 | Maranjo      | Mailing Fee                    | 5.00    |         |         |       |  |  |              |                   |                 |               |           |
| May 21 90 | Maranjo      | Send x-rays to Littleton Large | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| May 21 90 | Maranjo      | Animal Clinic - Littleton,     | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| May 21 90 | Maranjo      | Colorado.                      | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | INVOICE .....                  | 5.00    | 0.00    | 298.00  |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | LARGE ANIMAL X-RAY             | 20.00   |         |         |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | ADDITIONAL PLATES (LA)         | 225.00  |         |         |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | RANCH CALL                     | 10.00   |         |         |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | RUMOR (large)                  | 10.00   |         |         |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | Originally billed to           | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | Glenwood Farms.                | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | INVOICE .....                  | 265.00  | 0.00    | 563.00  |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | → REMOVE SERVICE.....          | 18.00   | 0.00    | 545.00  |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | → REMOVE SERVICE.....          | 20.00   | 0.00    | 525.00  |       |  |  |              |                   |                 |               |           |
| OVER 90   |              |                                | 61-90   |         |         | 31-60 |  |  | Client #     | Beginning Balance | Current Charges | Total Credits | TOTAL DUE |
| 0.00      |              |                                | 0.00    |         |         | 0.00  |  |  | 13760        | 0.00              | 525.00          | 0.00          | 525.00    |
| DAYS      |              |                                | DAYS    |         |         | DAYS  |  |  | Billing Date |                   |                 |               |           |
|           |              |                                |         |         |         |       |  |  | Jun 28 90    | +                 | -               | =             |           |

PLEASE PAY THIS AMOUNT

PAYMENTS MADE ON OR AFTER THE BILLING DATE WILL NOT BE REFLECTED  
ON THIS STATEMENT. TOTAL CHARGES PAYABLE ON RECEIPT.

748

A service charge of 2% per  
month, minimum \$2.50, will be  
added to all accounts not



**For Details Contact: Glenwood Farms  
P. O. Box 281, Wilton, California 95693, (916) 687-7659**

MARANJO/MYSTIC TOUCH

PLEASE PAY  
LAST AMOUNT  
IN THIS COLUMN



Sharyn Nicholson  
PO B 55  
Brandy Station, Virginia 22714  
703 825 2138

November 15, 1990

Re: Lorenz v. Marefield Meadows, et al

Dear Mr. Monahan:

In response to your letter dated October 29, 1990 regarding an accounting of the amounts owed by Regi Lorenz to Marefield Meadows, Inc., I submit the following:

Expenses to March 9, 1989:

All 1/3 expenses up through September 6, 1988 had been paid in full by Lorenz.

|                                     |        |        |
|-------------------------------------|--------|--------|
| December 2, 1988, Lorenz was billed |        | 852.64 |
| (1/3 normal keeping expenses        | 136.64 |        |
| and for 1/3 insurance premium)      | 716.00 |        |

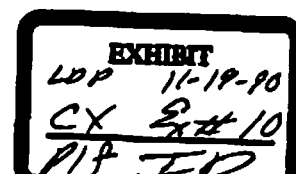
|  |        |
|--|--------|
| December 12, 1988,<br>payment received from Lorenz | 255.96 |
|--|--------|

|  |          |        |
|--|----------|--------|
| January 19, 1989 Lorenz was billed<br>for normal 1/3 expenses: |          | 972.95 |
| Farrier  | 34.30    |        |
| Veterinarian   | 6.66     |        |
| Worming  | 3.33     |        |
| Advertising  | 376.00   |        |
| Advertising  | 213.00   |        |
| Lic. Fees  | 166.50   |        |
| Board/Trng   | 173.16 * |        |

|   |  |        |
|---|--|--------|
| January 27, 1989 Lorenz was billed<br>for normal 1/3 expenses (Board /Trng) |  | 206.66 |
|---|--|--------|

|   |        |
|---|--------|
| February 16, 1989<br>payment received from Lorenz | 206.66 |
|---|--------|

\*Board & Training at November Hill Farm beginning  
December 6, 1989 which is the day Regi Lorenz  
delivered her letter of resignation.





To Mr. Thomas V. Monahan, re Lorenz v Marefield Meadows, from Sharyn Nicholson; Accounting of expenses  
owed by Lorenz, November 15, 1990  
Page Two of Four

|  |        |
|--|--------|
| February 24, 1989 Lorenz was billed<br>for 1/3 expenses: | 244.99 |
| License Fee      83.33                                   |        |
| Board/Farrier    161.66                                  |        |

|   |        |
|---|--------|
| March 10, 1989, Lorenz was<br>billed for 1/3 normal expenses: | 236.76 |
| Advertising      208.43                                       |        |
| Farrier            28.33                                      |        |

Total Balance Due Up To March 9, 1989 - per Contractual Agreement      \$ 2,051.38

From March 10, 1989 to April 90 (Date of Maronjo's Sale):

|   |       |
|---|-------|
| May 5, 1989 Lorenz was billed<br>for 1/3 April expenses:..... | 83.91 |
| Farrier            20.00                                      |       |
| Veterinarian      63.91                                       |       |

|   |        |
|---|--------|
| May 31, 1989, Lorenz was<br>credited 1/3 of a 1,000.00 stud fee<br>received from<br>Karen Schwenser 5/12/89 | 333.33 |
| and credited for 1/3 of a 1,200.00<br>stud fee received from<br>Kathryn Hayes on 5/26/89                    | 333.33 |

|   |        |
|---|--------|
| Lorenz was charged for<br>1/3 expenses: | 129.16 |
| breeding supplies    102.50             |        |
| Dentist                8.33             |        |
| Farrier                18.33            |        |

|  |        |
|--|--------|
| July 1, 1988, Lorenz was<br>credited for 1/3 of 1,000.00<br>stud fee received from Catherine<br>Mack on 6/1/89 | 333.33 |
|--|--------|

|                                  |       |
|----------------------------------|-------|
| and charged for 1/3<br>expenses: | 92.08 |
| Veterinarian          35.25      |       |
| Breeding supp.        68.33      |       |
| Worming                12.00     |       |

751



To Mr. Thomas V. Monahan, re Lorenz v Marefield Meadows, from Sharyn Nicholson; Accounting of expenses owed by Lorenz, November 15, 1990  
Page Three of Four

Note: 1. Lorenz was informed per this billing that we signed a breeding contract with Final Decision Farm which was contingent upon Maronjo's availability. This stud fee of 1,000.00 was sent to Monahan to be held in escrow. 2. Lorenz was also informed that we anticipated a stud fee in July from Boot Strap Farm.

August 10, 1989, Lorenz was billed  
for charges as follows:

|   |        |
|---|--------|
| Return of 1988 Stud Fee to Carole Tracy<br>(MFM & Lorenz had distributed this<br>2/3 and 1/3 in 1988) ..... | 333.33 |
|---|--------|

|                                   |        |
|-----------------------------------|--------|
| Return of Stud Fee to Kitty Hayes | 400.00 |
|-----------------------------------|--------|

|                                 |        |
|---------------------------------|--------|
| and for the following expenses: | 269.58 |
|---------------------------------|--------|

|                           |        |
|---------------------------|--------|
| Middleburg Equest. Center |        |
| Board/Trng                | 200.00 |
| Worming                   | 8.00   |
| Vet & Supp.               | 43.25  |
| Farrier                   | 18.33  |

|  |        |
|--|--------|
| September 20, 1989, Lorenz<br>was billed for 1/3 expenses: | 464.65 |
| Veterinarian   | 6.66   |
| Show Entry   | 73.33  |
| MEC Bd/Trg/Show<br>& Farrier                               | 384.66 |

|  |        |
|--|--------|
| October 20, 1989, Lorenz<br>was billed for 1/3 expenses: | 206.00 |
| MEC Bd/Trg   | 200.00 |
| Farrier  | 6.00   |

|   |        |
|---|--------|
| November 24, 1989, Lorenz<br>was billed for 1/3 expenses:<br>(Board/Trng) | 200.00 |
|---|--------|

|   |        |
|---|--------|
| December 14, 1989, Lorenz was<br>billed for 1/3 expenses: | 136.66 |
| MEC Bd/Trg<br>& Farrier                                   | 58.33  |
| Wilson Trans<br>(Transport)<br>from MEC to<br>Nov Hill    | 78.33  |



To Mr. Thomas V. Monahan, re Lorenz v Marefield Meadows, from Sharyn Nicholson; Accounting of expenses  
owed by Lorenz, November 15, 1990  
Page Four of Four

November Hill Training & Board:

From 12/7/89 through April 2, 1990   \$3,145.00  
(Invoice Attached)

2/3 Cost = 2,096.67 (MFM)

1/3 Cost = 1048.33 (Lorenz)

Marefield Meadows, Inc.  
Paid November Hill a total of           2,274.66

which resulted in an overpayment  
of its share of expenses..... 177.99

(Amount outstanding to November Hill Farm: \$870.34)

Total expenses paid by and due to Marefield Meadows  
from Lorenz after March 9, 1989                               \$1,493.37

TOTAL DUE MFM FOR PAID EXPENSES                               \$3,544.75

Payment Received on Account from Lorenz  
and held uncashed by Mr. Monahan:

|          |               |
|----------|---------------|
| 2/16/89  | 59.66         |
| 5/7/89   | 178.98        |
| 10/1/89  | 298.30        |
| 11/29/90 | <u>119.30</u> |

Total                               \$656.24

Sincerely,

Sharyn Nicholson

attachment



# STATEMENT



## November Hill Farm, Inc.

Virginia's Sporthorse Breeding and Training Center

Route 1, Box 284

Keswick, Virginia 22947

804/973-7522

Mr. Thomas V Monahan

-- Page 2 July 20, 1990

| Date    |  | Balance               |
|---------|--|-----------------------|
|         | MARCH 30                                   |                       |
|         | Balance Forward                            |                       |
| Cont.   |  |                       |
| 4/18/90 | Payment received / Maxfield Meadows        | 1. \$563.33           |
|         |  |                       |
|         | Total of Costs : \$ 3145. <sup>00</sup>    |                       |
|         | Total of Payments : \$ 2274. <sup>66</sup> |                       |
|         | made by Maxfield Meadows                   |                       |
|         | BALANCE due                                | \$ 870. <sup>34</sup> |
|         | ⊕ INTEREST as of                           |                       |
|         | 4/21/1990                                  |                       |

Please pay this amount →

Thank you!



# INVOICE MARONJO

- Copy Marchfield Meadows

## Listing of Costs

## Payments received.

|               |   |          |
|---------------|---|----------|
| 12/7 - 31/89  | Board & Training                                  | \$ 700,- |
| January 90    | Board & Training                                  | \$ 700,- |
| 1/12/90       | Dental Work                                       | \$ 32,-  |
| 1/16/90       | Shoeing 4N  | \$ 85,-  |
| Dec. 89       | Special Jumper Training for Showing to J. Roussen | \$ 59,-  |
| Jan. 90       |   | \$ 24,-  |
| Feb. 90       | Board & Training                                  | \$ 700,- |
| Mar. 90       | Board & Training                                  | \$ 700,- |
| 3/12/90       | Shoeing 4N  | \$ 85,-  |
| Apr. 1 & 2/90 | Board & Tr.                                       | \$ 60,-  |

Total of Costs : \$ 3145,-

\$ 700,<sup>00</sup> Pd by Marchfield Meadows  
 \$ 544,<sup>67</sup> Pd by Marchfield Meadows on 1/28/90

pd to March  
 573.33  
 ck # 1924

755

\$ 466,<sup>66</sup> Pd by Marchfield Meadows on 2/23/90

845 / 3 = 281.66  
 562.32  
 281.66  
 843.98  
 563.33  
 10.00  
 3

\$ 1711.<sup>33</sup> Total of Payments

BALANCE DUE \$ 1433.<sup>67</sup>

Please make check payable to November Hill Farm, Inc. Thank you.



Exhibit  
#12

Marefield Meadows

Re Moronjo Expense Accounting

Date To Purpose Total Pd 1/3 ROA Balance

Balance fwdt past due as of 12/22/88 596.68  
Balance fwdt " " 2/8/89 972.95 } 1,569.63

Billed 2/24/89 { 2/18/89 ISR - Licence Fee 222.20 83.33  
2/20/89 Nov Nihil Fee 785.00 161.66 1814.62

Billed 5/10/89 { 3/3/89 Training (Astr) 625.29 208.43 2023.05  
3/6/89 B. Jensen (New Stage) 85.00 28.33 2051.38  
4/7/89 Jensen (Astr) 60.00 20.00 2071.38

4/8/89 171.75 63.71

27.21

2165.25

Balance fwdt 2165.25

Int on unpaid bal thru 2/24/89 2762 2192.87

Int on unpaid bal thru 3/10/89 3.59 2176.46

Credit - Schwensen Stud Fee 5/12/89 (333.33) 1863.13

Current: Poland, DVM Breeding Supplies 4/28 102.50 1965.63

Ken Pankow, Dentist 5/17/89 8.33 1973.96

Benny Jensen, Farrier 5/19/89 8.55 1992.29

Credit - Stud Fee - Hayes 1200 1400.00 1592.29

Credit - stud fee Mack 4000 dep. 6/1/89 (333.33) 1258.96

Shlen Poland DVM 6/89 35.85 11.75

Warmings EquiLan 5/88 36.00 12.00

Shlen Poland Breeding Supplies 410 1/3 = 205 1/3 = 68.33 1351.37

756



## Re Moronjo Expense Accounting

[illegible]



## Re Moronjo Expense Accounting

[illegible]



### Re Moronjo Expense Accounting

[illegible]



### Re Moronjo Expense Accounting

[illegible]



**EUROSPORT**  
503 Blue Ridge Avenue  
Culpeper, Virginia 22701  
(703) 825-3782

July 23 1990


TO ALL PARTIES:

Enclosed is a statement of monies received and disbursed as well as monies held in trust regarding the Stallion Morjond.

Please note, I have paid out only commissions and one half ( $\frac{1}{2}$ ) proceeds to owners, as per sale agreement. However, vet and blacksmith bills are due and payable from your proceeds. In my opinion these are not disputable bills.

Unless notified to the contrary prior to Aug. 1<sup>st</sup> 1990, I will deduct these fees from the trust account Aug. 1<sup>st</sup> 1990 and pay to parties owed.

I thank you in advance for your cooperation on this matter.

Respectfully  




PRE PAID FEES.

CONSIGNMENT  
FEE @ 500

ACCTS Payable

|       |               |
|-------|---------------|
| MFM   | 333.33        |
| CHF   | <u>166.66</u> |
| TOTAL | 500.00        |

TRUCKING FEE  
@ 1321.50

|       |               |
|-------|---------------|
| MFM   | 881.00        |
| CHF   | <u>440.50</u> |
| TOTAL | 1321.50       |

|                         |        |
|-------------------------|--------|
| BRADSHAW<br>VET CLIN. & | 298.00 |
|-------------------------|--------|

|                   |       |
|-------------------|-------|
| PIONEER<br>EQUINE | 75.00 |
|-------------------|-------|

|        |              |
|--------|--------------|
| KARRER | <u>96.00</u> |
|        | \$469.00     |

NOTE! THESE ACCT.  
Payable DO  
NOT REFLECT  
THE NEW HILL  
BILLING WHICH IS  
IN DISPUTE

SALE GROSS 56500<sup>00</sup>

|                               |                            |
|-------------------------------|----------------------------|
| Eurospart<br>Commission @ 10% | 5650 <sup>00</sup>         |
| Agent Commission<br>@ 10%     |                            |
| (VERN BATH (L.S.))            | 5650 <sup>00</sup>         |
| TOTAL                         | <u>11,300<sup>00</sup></u> |

NET PROCEEDS 45200<sup>00</sup>

ONE HALF (1/2)  
of Proceeds Paid

|       |                     |
|-------|---------------------|
| MFM   | 15066.66            |
| CHF   | <u>7533.33</u>      |
| TOTAL | 22600 <sup>00</sup> |

ONE HALF in  
ESBORO by C.D. 22600<sup>00</sup>  
# 013-84-61 - 762  
0.8056854



JUN 20 90

PAGE: 1

PIONEER EQUINE HOSPITAL, INC  
11501 Pioneer Ave  
Oakdale, Calif 95361  
209-847-5951

Jeff Marsh  
119 W. Davis St.  
Culpepper, Virginia 22701

CLIENT ID: 7005  
INVOICE: 15809

| PATIENT ID:   | SPECIES:  | COLOR: | SEX:      |
|---------------|-----------|--------|-----------|
| 1             | EQUINE    |        | OTHER     |
| PATIENT NAME: | BREED:    | MARKS: | BIRTHDAY: |
| MYSTIC TOUCH  | NOT KNOWN |        | 00-00     |

|           |                            |    |       |
|-----------|----------------------------|----|-------|
| APR 18 90 | Dr. Osterholm              | \$ | 0.00  |
| APR 18 90 | Ranch call/ Glenwood Farm  |    | 4.00  |
| APR 18 90 | DELAYED POSTING            |    | 0.00  |
| APR 18 90 | Physical exam              |    | 75.00 |
| APR 20 90 | DELAYED POSTING            |    | 0.00  |
| APR 20 90 | Asium Powder (package)     | 4  | 11.00 |
| APR 20 90 | Paralox Ointment-30cc tube |    | 13.50 |

PATIENT SUBTOTAL: \$ 103.50

| PATIENT ID:   | SPECIES:  | COLOR: | SEX:      |
|---------------|-----------|--------|-----------|
| 2             | EQUINE    |        | OTHER     |
| PATIENT NAME: | BREED:    | MARKS: | BIRTHDAY: |
| MORONJO       | NOT KNOWN |        | 00-00     |

|           |                 |    |       |
|-----------|-----------------|----|-------|
| APR 18 90 | DELAYED POSTING | \$ | 0.00  |
| APR 18 90 | Physical Exam   |    | 75.00 |

PATIENT SUBTOTAL: \$ 75.00

INVOICE TOTAL: \$ 178.50

763

CLOSING DATE June 20th. Payment must be received no later than Jul. 20th to avoid finance charges.

FINANCE CHARGE applied to all accounts unpaid after 30 days. FINANCE CHARGE Computed by a periodic rate of 1.50 % per month, which is the annual percentage rate of 18.00 % Minimum Charge \$0.50



# BRADSHAW VETERINARY CLINIC INC.

9609 Bradshaw Road  
Elk Grove, CA 95624  
916 685-2494

## STATEMENT OF ACCOUNT

Jeff Marsh - Euro Sport  
119 W. Davis Street  
Culpeper, Virginia 22701-

AMOUNT ENCLOSED

BILLING DATE

CLIENT NUMBER

Jun 28 90

13760

PLEASE DETACH AND RETURN WITH REMITTANCE

| DATE      | PATIENT      | DESCRIPTION                    | CHARGES | CREDITS | BALANCE |       |  |  |              |                   |                 |               |           |
|-----------|--------------|--------------------------------|---------|---------|---------|-------|--|--|--------------|-------------------|-----------------|---------------|-----------|
| Apr 12 90 | Maranjo      | LARGE ANIMAL X-RAY             | 20.00   |         |         |       |  |  |              |                   |                 |               |           |
| Apr 12 90 | Maranjo      | ADDITIONAL PLATES (LA)         | 225.00  |         |         |       |  |  |              |                   |                 |               |           |
| Apr 12 90 | Maranjo      | RANCH CALL                     | 10.00   |         |         |       |  |  |              |                   |                 |               |           |
| Apr 12 90 | Maranjo      | Originally billed to           | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Apr 12 90 | Maranjo      | Glenwood Farms.                | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Apr 12 90 | Maranjo      | Equine tag #4967               | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | INVOICE .....                  | 255.00  | 0.00    | 255.00  |       |  |  |              |                   |                 |               |           |
| May 12 90 | Maranjo      | → RANCH CALL (zone 1)          | 18.00   |         |         |       |  |  |              |                   |                 |               |           |
| May 12 90 | Maranjo      | → A.I. EQUINE                  | 20.00   |         |         |       |  |  |              |                   |                 |               |           |
| May 12 90 | Maranjo      | Equine tag #101                | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | INVOICE .....                  | 38.00   | 0.00    | 293.00  |       |  |  |              |                   |                 |               |           |
| May 21 90 | Maranjo      | Mailing Fee                    | 5.00    |         |         |       |  |  |              |                   |                 |               |           |
| May 21 90 | Maranjo      | Send x-rays to Littleton Large | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| May 21 90 | Maranjo      | Animal Clinic - Littleton,     | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| May 21 90 | Maranjo      | Colorado.                      | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | INVOICE .....                  | 5.00    | 0.00    | 298.00  |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | LARGE ANIMAL X-RAY             | 20.00   |         |         |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | ADDITIONAL PLATES (LA)         | 225.00  |         |         |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | RANCH CALL                     | 10.00   |         |         |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | RUMUN (large)                  | 10.00   |         |         |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | Originally billed to           | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Apr 17 90 | Mystic Touch | Glenwood Farms.                | 0.00    |         |         |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | INVOICE .....                  | 265.00  | 0.00    | 563.00  |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | → REMOVE SERVICE.....          | 18.00   | 0.00    | 545.00  |       |  |  |              |                   |                 |               |           |
| Jun 25 90 |              | → REMOVE SERVICE.....          | 20.00   | 0.00    | 525.00  |       |  |  |              |                   |                 |               |           |
| OVER 90   |              |                                | 61-90   |         |         | 31-60 |  |  | Client #     | Beginning Balance | Current Charges | Total Credits | TOTAL DUE |
| 0.00      |              |                                | 0.00    |         |         | 0.00  |  |  | 13760        | 0.00              | 525.00          | 0.00          | 525.00    |
| DAYS      |              |                                | DAYS    |         |         | DAYS  |  |  | Billing Date |                   |                 |               |           |
|           |              |                                |         |         |         |       |  |  | Jun 28 90    | +                 | -               | =             |           |

PLEASE PAY THIS AMOUNT

PAYMENTS MADE ON OR AFTER THE BILLING DATE WILL NOT BE REFLECTED ON THIS STATEMENT. TOTAL CHARGES PAYABLE ON RECEIPT.

764

A service charge of 2% per month, minimum \$2.50, will be added to all accounts not paid within 30 days.



**For Details Contact: Glenwood Farms  
P. O. Box 281, Wilton, California 95693, (916) 687-7659**

MARANJO/MYSTIC TOUCH

[illegible]

PLEASE PAY  
LAST AMOUNT  
IN THIS COLUMN



EUROSPORT  
503 Blue Ridge Avenue  
Culpeper, Virginia 22701  
(703) 825-3782

July 10 1988

To All Parties Concerned,

I have just received these vet bills from the Calif. Auction on the Stallion Morango. The Horses were required to sell with current xray, and all horses under saddle were done.

I am submitting these copies for your record. Please note the balance of your funds are in a 32 day certificate of deposit. Upon renewal date I will withdraw and pay these bills unless notified by you to the contrary. These bills were made in good faith and should be taken care of expeditiously. This is the first billing on them I have received.

If you have any questions or objections please call

766

Thanks  
LH







JUN 27 90

PAGE: 1

PIONEER EQUINE HOSPITAL, INC  
 11001 Pioneer Ave  
 CA 94116, Calif 95361  
 (916) 371-5751

Jeff Marsh  
 119 W. Davis St.  
 Culpepper, Virginia 22701

CLIENT ID: 7005  
 INVOICE: 1529

| PATIENT ID:   | SPECIES:  | COLOR: | SEX:      | OTHER |
|---------------|-----------|--------|-----------|-------|
| 1             | EQUINE    |        |           |       |
| PATIENT NAME: | SPEED:    | MARKS: | BIRTHDAY: |       |
| MYSTIC TOUCH  | NOT KNOWN |        | 00-00     |       |

|           |                        |    |       |
|-----------|------------------------|----|-------|
| APR 18 90 | D. Ostracod            | \$ | 0.00  |
| APR 18 90 | Salmonella (Blood) 100 |    | 4.00  |
| APR 18 90 | DELAID (Blood) 100     |    | 0.00  |
| APR 18 90 | Pharynx (Blood) 100    |    | 75.00 |
| APR 20 90 | DELAID (Blood) 100     |    | 0.00  |
| APR 20 90 | Antibiotic (Blood) 100 |    | 11.00 |
| APR 20 90 | Antibiotic (Blood) 100 |    | 13.50 |

PATIENT SUBTOTAL: \$ 103.50

| PATIENT ID:   | SPECIES:  | COLOR: | SEX:      | OTHER |
|---------------|-----------|--------|-----------|-------|
| 2             | EQUINE    |        |           |       |
| PATIENT NAME: | SPEED:    | MARKS: | BIRTHDAY: |       |
| MORONJOP      | NOT KNOWN |        | 00-00     |       |

|           |                     |    |       |
|-----------|---------------------|----|-------|
| APR 18 90 | DELAID (Blood) 100  | \$ | 0.00  |
| APR 18 90 | Pharynx (Blood) 100 |    | 75.00 |

PATIENT SUBTOTAL: \$ 75.00

INVOICE TOTAL: \$ 178.50

CLOSING DATE June 27th. Payment must be received no later than July 1st to avoid finance charges.

768

FINANCE CHARGE applied to all accounts unpaid after 30 days. FINANCE CHARGE Computed by a periodic rate of 1.50 % per month, which is the annual percentage rate of 18.00 % Minimum Charge \$0.50



# BRADSHAW VETERINARY CLINIC INC.

4609 Bradshaw Road  
Elk Grove CA 95624  
916 685-2494

## STATEMENT OF ACCOUNT

Jeff Marsh - Euro Sport  
119 W. Davis Street  
Culpeper, Virginia 22701-

AMOUNT ENCLOSED

BILLING DATE

CLIENT NUMBER

Jun 28 90

13760

PLEASE DETACH AND RETURN WITH REMITTANCE

| DATE      | PATIENT      | DESCRIPTION                    | CHARGES | CREDITS | BALANCE |
|-----------|--------------|--------------------------------|---------|---------|---------|
| Apr 12 90 | Maranjo      | LARGE ANIMAL X-RAY             | 20.00   |         |         |
| Apr 12 90 | Maranjo      | ADDITIONAL PLATES (LA)         | 225.00  |         |         |
| Apr 12 90 | Maranjo      | RANCH CALL                     | 10.00   |         |         |
| Apr 12 90 | Maranjo      | Originally billed to           | 0.00    |         |         |
| Apr 12 90 | Maranjo      | Glenwood Fares.                | 0.00    |         |         |
| Apr 12 90 | Maranjo      | Equine lay #4967               | 0.00    |         |         |
| Jun 25 90 |              | INVOICE .....                  | 255.00  | 0.00    | 255.00  |
| May 12 90 | Maranjo      | → RANCH CALL (zone 1)          | 18.00   |         |         |
| May 12 90 | Maranjo      | → A.I. EQUINE                  | 20.00   |         |         |
| May 12 90 | Maranjo      | Equine Tay #101                | 0.00    |         |         |
| Jun 25 90 |              | INVOICE .....                  | 38.00   | 0.00    | 293.00  |
| May 21 90 | Maranjo      | Mailing Fee                    | 5.00    |         |         |
| May 21 90 | Maranjo      | Send x-rays to Littleton Large | 0.00    |         |         |
| May 21 90 | Maranjo      | Animal Clinic - Littleton,     | 0.00    |         |         |
| May 21 90 | Maranjo      | Colorado.                      | 0.00    |         |         |
| Jun 25 90 |              | INVOICE .....                  | 5.00    | 0.00    | 298.00  |
| Apr 17 90 | Mystic Touch | LARGE ANIMAL X-RAY             | 20.00   |         |         |
| Apr 17 90 | Mystic Touch | ADDITIONAL PLATES (LA)         | 225.00  |         |         |
| Apr 17 90 | Mystic Touch | RANCH CALL                     | 10.00   |         |         |
| Apr 17 90 | Mystic Touch | RUMRUM (large)                 | 10.00   |         |         |
| Apr 17 90 | Mystic Touch | Originally billed to           | 0.00    |         |         |
| Apr 17 90 | Mystic Touch | Glenwood Fares.                | 0.00    |         |         |
| Jun 25 90 |              | INVOICE .....                  | 265.00  | 0.00    | 563.00  |
| Jun 25 90 |              | → REMOVE SERVICE.....          | 18.00-  | 0.00    | 545.00  |
| Jun 25 90 |              | → REMOVE SERVICE.....          | 20.00-  | 0.00    | 525.00  |
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PLEASE PAY THIS AMOUNT

PAYMENTS MADE ON OR AFTER THE BILLING DATE WILL NOT BE REFLECTED ON THIS STATEMENT. TOTAL CHARGES PAYABLE ON RECEIPT.

769

A service charge of 2% per month, minimum \$2.50, will be added to all accounts not



DOMINION BANK  
CULPEPER VA 22701

>

INTEREST HAS BEEN COMPOUNDED ON YOUR CERTIFICATE

| CERTIFICATE NUMBER | DATE        | AMOUNT    |
|--------------------|-------------|-----------|
| 013-54-61-00056554 | 06/30/90    | 130.77    |
|                    | NEW BALANCE | 22,730.76 |

EURUSPORT INC  
TR FOR MARFIELD MEADOWS FARM  
CHESTNUT HOLLOW FARM  
503 BLUE RIDGE AVE  
CULPEPER VA 22701-2637

\*\*\* THANK YOU FOR BANKING WITH DOMINION \*\*\*





MAREFIELD MEADOWS INC.

703-349-1339

1/23/90

Tom:

our last billing  
(December 14th, copy  
attached) does not include  
November Hill's board  
bill (copy attached). So  
one would have to add  
1/3 of \$700 or \$233 additional.

William

Royster

771



## Virginia's Sporthorse Breeding and Training Center

**Keswick, Virginia 22947**

Merry Christmas

Marfield Meadows  
Rt. 5 Box 303  
Warrenton, Va. 22186

[illegible]

Please pay this amount →  
**Thank you!**

\$700.00



Regula Lorenz

12/11/88

Dear Max and Marion,

Thank you, Marion, for your kind note. I sincerely hope, that the Christmas spirit can help to let some grass grow over the hurt feelings on either side.

On the practical side, I would like to clean up my debts before lighting the candles. Enclosed is a check for Maxjo - expenses.

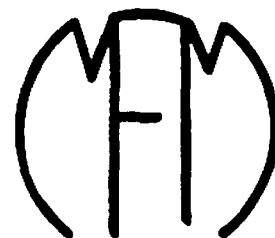
Since I do not know, what your plans are, I have divided my  $\frac{1}{3}$  of insurance payment in monthly instalments and enclose 2 instalments for December and January. As long as he is with us, I will send you regular monthly instalments. OK?

→

12/11/88  
59.66



# MAREFIELD MEADOWS INC.



The Meadows    Route 5    Box 303    Warrenton, Virginia 22186    703-349-1339    Stable 349-9059

December 14, 1989

Regula Lorenz  
Chestnut Hollow Stable  
PO Box 364  
Middleburg, Va. 22117

RE:    EXPENSES FOR MARONJO

|   |                |
|---|----------------|
| Unpaid balance from previous.....                     | 1,444.32       |
| Interest Nov. 25 through December 14                  | 14.44          |
| Past Due August 89.....                               | 1,065.18       |
| Interest Nov. 25 - Dec. 14                            | 10.65          |
| Past Due September 89                                 | 472.78         |
| Interest Nov. 25 - Dec. 14                            | 4.73           |
| Past Due October 89                                   | 206.41         |
| Interest Nov. 25 - Dec. 14                            | .05            |
| November Billing 89                                   | 200.00         |
| Current Charges:                                      |                |
| Middleburg Eq. Center: Board/Trng/Farrier 175.00..... | 58.33          |
| Wilson Horse Transport - from Middleburg to           |                |
| November Hill Farm @ 235.00.....                      | 78.33          |
| <br>TOTAL DUE MAREFIELD MEADOWS, INC.                 | <br>\$3,555.22 |

Add Nov. Hill  
Board Bill for  
Dec.

233.33  
\$ 3,788.55



## Virginia's Sporthorse Breeding and Training Center

**Keswick, Virginia 22947**

Merry Christmas

Marfield Meadows  
Rt. 5 Box 303  
Warrenton, Va. 22186

[illegible]

Please pay this amount

**Thank you!**



(4)

823

## MORONJO

| DATE  | PAID TO            | PURPOSE          | FULL CHARGE  | 1/3 CHARGE |
|-------|--------------------|------------------|--------------|------------|
| 9/6   | Goodness, P.       | New shoes        | 90.00        | 30.00      |
| "     | "                  | Mileage          | 10.00        | 3.33       |
| 9/2   | Little Five Points | Braiding         | 30.00        | 10.00      |
| 10/4  | Goodness           | Bath for shoes   | 70.00        | 23.33      |
|       | Moronjo            | reset - shoes    | 10.00        | 3.33       |
|       | "                  | Mileage          | 100.00       | 33.33      |
| 10/16 | Beian Byrne        | Shooring Moronjo | 15.00        | 5.00       |
| 10/24 | Turn               | Hauling Eder     | 10.00        | 3.33       |
| 8/7   | Old Waterloo       | V. swelling      | 5.00         | 1.66       |
|       | "                  | ventral abdomen  | 2063.00 shoe | 716.00     |
| 12/6  | Assn Underwriters  | 85.00 surgical   | 2148.00      |            |
| 11/04 | Goodness           | Reset shoes      | 70.00        | 23.33      |
|       |                    | TOTAL            |              | 852.6      |

Billed 12/2/88

252.64

Pd. 12/12/88 255.76

Pd. 12/12/88 576.68

which was paid to the bank

for the 12/12/88

and the bank has

a balance of

596.68

776





MAREFIELD MEADOWS INC

703-349-1339

⑥

January 19, 1989

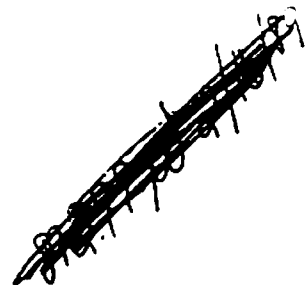
To Reggie Lorenz  
Chestnut Hollow Stables  
PO Box 364  
Middleburg, Virginia 22117

Re expenses for Moronjo - January

\$1/3 share of expenses .....\$972.95

Thank you

Marefield Meadows, Inc.



Stable 349-9059

Route 5 • Box 303

Warrenton, Virginia 221



④

823-1609

Morondo

| DATE                                    | PAID TO            | PURPOSE                    | FULL CHARGE   | 1/3 CHARGE |
|---|--------------------|----------------------------|---------------|------------|
| 9/6                                     | Goodness, P.       | New shoes                  | 90.00         | 30.00      |
| "                                       | "                  | mileage                    | 12.00         | 3.33       |
| 9/2                                     | Little Five Points | Braiding Bath for show     | 30.00         | 10.00      |
| 10/4                                    | Goodness Morondo   | reset - shoes              | 70.00         | 23.33      |
| "                                       | "                  | mileage                    | 10.00         | 3.33       |
| 10/16                                   | Brian Byrne        | showing Morongo            | 100.00        | 33.33      |
| 10/24                                   | mfm                | Hauling Eden               | 15.00         | 5.00       |
| 8/7                                     | Old Waterloo       | swelling ventral abdomen   | 10.00         | 3.33       |
| "                                       | "                  | call                       | 5.00          | 1.66       |
| 12/12                                   | Assn Underwriters  | 2063.00 dis 85.00 surgical | 2148.00       | 716.00     |
| 11/04                                   | Goodness           | Reset shoes                | 70.00         | 23.33      |
| TOTAL                                   |                    |                            |               | 852.64     |
| Billed 12/2/88                          |                    |                            | 1/3 insurance | 716. -     |
|   |                    |                            |               | 136.64     |
| + 2 insurance payments (716.12 = 59.66) |                    |                            |               | 119.32     |
| December 88 + January 89                |                    |                            |               | 255.96     |
| Balance                                 |                    |                            |               | 596.68     |

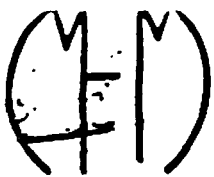
778



# Morongo

| DATE            | PAID TO          | Purpose                 | Charge   | #1/3   | Pd. |
|-----------------|------------------|-------------------------|----------|--------|-----|
| 12/9/88         | Noumbers Hill    | lessen board 1 TRNG     | 225.00   | 74.92  | Pd. |
| Billed 1/4/88 * |                  |                         |          |        |     |
| 12/5 X          | 330.00           | new shoes/pair          | 90.00    | 34.30  |     |
| 12/1 ✓          | Old Waterloo vet | ins. 2400               | 20.00    | 6.66   |     |
| 11/10 ✓         | wounded strongid | "                       | 10.00    | 3.33   |     |
| 1/89 ✓          | Adv. Practical   | Morongo station         | 1,128.01 | 376.00 |     |
| 1/89/89 ✓       | Ch...            | " "                     | 639.00   | 213.00 |     |
| 1/89            | ANS. Lic FEES    | 500.00 Pd. 1-4-89       | 500.00   | 166.50 |     |
| 1/89            | Nou Hill         | DEC Bd: TRNG 12/6-12/31 | ✓ 520.00 | 173.6  |     |
| Billed 1/19/89  |                  |                         |          |        |     |
|                 |                  |                         |          | 972.95 |     |





# MAREFIELD MEADOWS INC.

703-349-1339

January 19, 1989

To Reggie Lorenz  
Chestnut Hollow Stables  
PO Box 364  
Middleburg, Virginia 22117

Re expenses for Moronjo - January

\$1/3 share of expenses .....\$972.95

Thank you

Marefield Meadows, Inc.

|             |        |
|-------------|--------|
| Charge      | 1/3    |
| 225.00      | 74.92  |
| Pd. 1/10/89 |        |
| 63.00       |        |
| 90.00       | 34.30  |
| 20.00       | 6.66   |
| 10.00       | 3.33   |
| 1,128.01    | 376.00 |
| 639.00      | 213.00 |
| 500.00      | 166.50 |
| ✓ 520.00    | 173.60 |
|             | 972.95 |

Stable 349-9059

Route 5 • Box 303

Warrenton, Virginia 22186

Due

1569.63



# Morongo

| DATE    | PAID TO       | PURPOSE               | CHARGE      | 1/3 Pd. |
|---------|---------------|-----------------------|-------------|---------|
| 12/9/88 | November Hill | Shed, board & TRNG.   | 225.00      | 74.92   |
|         |               | Billed 1/4/88 *       | Pd. 1/10/89 |         |
| 12/5    | X             | 300 LBS. PH 1/13      | 83.00       |         |
| 12/1    | X             | new shoes/cell        | 90.00       | 34.30   |
| 12/1    | X             | Old Waterloo Vet      | 20.00       | 6.66    |
| 11/10   | X             | unv. exam             |             |         |
| 11/10   | X             | wormed strongid       | 10.00       | 3.33    |
| 1/89    | X             | at HCFM               |             |         |
| 1/89    | X             | Adm. Practical        | 1,128.01    | 376.00  |
| 1/89/89 | X             | Morongo Station       |             |         |
| 1/89/89 | X             | issue                 | 639.00      | 213.00  |
|         |               | " "                   |             |         |
| 1/89    | X             | 500.00 Pd.            |             |         |
| 1/89    | X             | ANS. LIC. FEES        | 500.00      | 166.50  |
| 1/89    | X             | DEC                   |             |         |
| 1/89    | X             | Nov Hill              | 520.00      | 173.60  |
|         |               | Bd: TRNG 12/6 - 12/31 |             |         |
|         |               | Billed 1/19/89        |             | 972.95  |

paid due 12/3/88 576.68  
 this bill 1/19/89 972.95

DUE 1569.63



**NOVEMBER HILL FARM, INC.**

*Virginia's Dressage Horse Training Center*

*Route 1, Box 284*

*Keswick, Virginia 22947*

*Phone: (804) 973-7522*

Jan. 7, 1989

Marfield Meadows  
Rt. 5 Box 303  
Warrenton, VA 22186

**STATEMENT**

Maronjo

12/6-31/1988

Jan. 1989

Board & Training

" " "

~~\$ 520.<sup>00</sup>~~

\$ 620.<sup>00</sup>

---

\$ 1140.<sup>00</sup>

---

L

Paid

520.00

1/26/89

782 Nk 1123

Paid \$620- 1/27/89 ck 1135



January 4, 1989

The American Hanoverian Society  
831 Bay Avenue, Office 2-E  
Capitola, California 95010

Moronjo - ES 415  
31-65254-84

Attention: Kathy Schoeneman, Executive Secretary

Dear Ms. Schoeneman:

We are in receipt of your December 8, 1988 notification regarding AHS 1989 annual dues. We too are somewhat confused by the combined mares/stallions dues and have sent the VhW a check for \$300.00 for the registration dues for Moronjo. We hope that you will be able to get the accounting worked out between you.

Moronjo is an elite stallion therefore his annual dues should be \$400.00 plus a \$100.00 fee for artificial insemination bringing the total for Moronjo's annual dues to \$500.00. We have paid \$300.00 in error to the VhW, however this should make the balance due for his dues \$200.00. Please find a check enclosed.

Also, the enclosed check will include mare dues for Gallerette (S4198) and Gala (MS 189), AHS only at 12.00 each.

In addition, active membership for Marion K. Poynter @ \$60.00 and Marefield Meadows, Inc. (Maxine A. Mickel, rep.) @ \$60.00 is also included.

We would also like to order a bloodtyping kit @ \$40.00.

The total of our check which includes payment as itemized above is \$384.00.

Thank you very much.

Marefield Meadows, Inc.

Maxine Mickel, Rep.

783

P.S. Also, please find enclosed Moronjo's 1988 Stallion Breeding Record and Stallion Service Certificate.





P.O. BOX 46

MIDDLEBURG, VIRGINIA 22117

TEL.: 703/687-6341

## ADVERTISING CONTRACT/INVOICE

15921  
MAREFIELD MEADOWS INC  
MAXINE A. MICKEL  
RT. 5 BOX 303  
WARRENTON, VA 22186

*Marino*

We acknowledge with our thanks and appreciation, your advertising order. It has been recorded as follows:

CONTRACT # / DATE: 108926 / 11-26-88  
AD DESCRIPTION / TITLE: BW 1 PAGE / HANOVERIAN STALL  
CUSTOMER'S REFERENCE #: 1  
RUN TIMES: 1  
RATE PER ISSUE: \$ 639.00  
PRE-PAYMENT RECEIVED: \$ .00  
PRODUCTION CHARGES: (They will be billed separately.)

This ad will run on the issue dates listed below.  
Note that the double dot (..) marks an issue week in which the ad does not run.

DEC 88

09

COMMENTS:

*Cherry -  
notify me  
when this  
ad is paid  
+ make copy  
for me please.*

CONTRACT/COPY REGULATIONS AND BILLING INFORMATION ON REVERSE



Gum Tree Store Press, Inc.  
Gum Tree Corner  
Unionville, Pennsylvania 19375

PRACTICAL HORSEMAN  
PERFORMANCE HORSEMAN  
Telephone: (215) 857-1101

# ADVERTISING STATEMENT

Marion Poynter  
Route 5, Box 303  
Warrenton, VA 22186

**TERMS:** 2% 10 days/net 30 days  
1½% Interest per month after 60 days

Charges or payments made after last  
date shown will appear on your next  
statement

RE: Marefield Meadows

*Motorjo*

Date December 30, 1988

| Previous<br>Balance | Payments | Charges   | Finance<br>Charges | Balance Due   |
|---------------------|----------|---|--------------------|---|
|                     |          | <div>STALLION ISSUE</div> <div>FP, BW, 1x\$1,305.90</div> <div>Agency Discount195.89</div> <div><div><div>\$1,110.01</div><div>Type fix18.00</div><div>\$1,128.01</div></div></div> |                    | <div>\$1,128.01</div> <div><div>Rec'd 1/20/89</div><div>785 21127</div></div> |



J. POLAND, D.V.M., Ph.D.

TODD BURDICK, D.V.M.

# 20227

OLD WATERLOO EQUINE CLINIC  
P. O. BOX 1107  
WARRENTON, VIRGINIA 22188  
703-347-0807

Client Name MMT Date 12/1/99

Address \_\_\_\_\_ Location MM

| PATIENT - DESCRIPTION      | CHARGE<br>CODE | AMOUNT        | CHARGE<br>CODE | AMOUNT | CHARGE<br>CODE | AMOUNT |
|----------------------------|----------------|---------------|----------------|--------|----------------|--------|
| <del>Insurance Exams</del> | <del>126</del> | <del>15</del> | <del>N/C</del> |        |                |        |
| (6) @ 20 ea                | 103            | 120           |                |        |                |        |
| Equalan 20 tubes           | 101            | 240           |                |        |                |        |
| @ 12 ea                    |                |               |                |        |                |        |
|                            |                |               |                |        |                |        |
|                            |                |               |                |        |                |        |
|                            |                |               |                |        |                |        |
|                            |                |               |                |        |                |        |
|                            |                |               |                |        |                |        |
|                            |                |               |                |        |                |        |

Total Fee \_\_\_\_\_

Payment \_\_\_\_\_

Balance Due \_\_\_\_\_

#### COMMENTS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### INSTRUCTIONS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any account not paid by the 30th will receive a 1½ % (18% annual rate) Interest Charge per month on the unpaid balance.



| DATE     | INVOICE | HORSE   | ITEM                | AMOUNT  |
|----------|---------|---------|---------------------|---------|
| 11/26/88 |         |         | PREVIOUS BALANCE    | 320.00  |
| 12/05/88 | 1464    | LUI     | RESET               | 70.00   |
| 12/05/88 | 1464    | MORONJO | NEW                 | 70.00   |
| 12/05/88 | 1464    | OBIRON  | RESET               | 70.00   |
| 12/05/88 | 1464    | MILAGE  | TO BARN             | 70.00   |
| 12/19/88 |         | PAYMENT | THANKYOU 1020       | -320.00 |
| 12/26/88 |         |         | TOTAL PAYMENTS      | 320.00  |
|          |         |         | ****NEW BALANCE**** | 320.00  |





MAREFIELD MEADOWS INC.

703-349-1339

To Regula Lorenz  
Chestnut Hollow Stables  
P.O. Box 364  
Middleburg, Virginia 22117

1/27/89

For 1/3 board Moronjo/November Hill  
Farm

.....206.66

Thank you.

pd 2/16/89

(7)

Stable 349-9059

Route 5 • Box 303

Warrenton, Virginia 22186



NOVEMBER HILL FARM, INC.

Virginia's Dressage Horse Training Center

Route 1, Box 284

Keswick, Virginia 22947

Phone: (804) 973-7522

Jan. 7, 1989

Marfield Meadows  
Rt. 5 Box 303  
Warrenton, VA 22186

STATEMENT

Maronjo

12/6-31/1988

Board & Training

\$ 520.<sup>00</sup>

Jan. 1989

" " "

\$ 620.<sup>00</sup>

\$ 1140.<sup>00</sup>

L

Paid

520 00

1/20/89

ck 1133

Paid \$620- 1/27/89 ck 1135



8

Marefield Meadows, Inc  
Rt 5, Box 303  
Warrenton, Virginia 22156  
703 349 1339

February 24, 1989

To Regula Lorenz  
Chestnut Hollow Stables  
POB 364  
Middleburg, Virginia 22117

Re Moronjo Expenses

|  |            |
|--|------------|
| Billed 12/2/88   | \$52.64    |
| 1/19/89  | 972.95     |
| 1/27/89  | 206.66     |
| Subtotal   | \$2,032.25 |
| Received on Acct 12/19   | 255.96     |
| Received on Acct 2/16  | 206.66     |
| Balance as of 2/16/89 (past due)   | \$1,569.63 |
| New Expenses:  |            |
| 2/18/89 International SportHorse Registry<br>\$250.00 License Fee - Moronjo (paid #1159) | \$3.33     |
| 2/20/89 November Hill Farm February Board<br>and shoeing - Moronjo (paid) \$455.00       | 161.66     |
| Balance as of 2/20/89  | \$1,814.62 |

Amount Past Due:

|                         |            |
|-------------------------|------------|
| Due 12/22               | \$596.65   |
| Due 2/8                 | \$972.95   |
| Current<br>(as of 2/24) | \$244.99   |
| Total                   | \$1,814.62 |

Marefield Meadows, Inc  
per MM

790



**NOVEMBER HILL FARM, INC.**

Virginia's Dressage Horse Training Center

Route 1, Box 284

Keswick, Virginia 22947

Phone: (804) 973-7522

11/14/89  
11-5 Box 284  
Keswick, VA 22947

**STATEMENT**

11/14/89

11/14/89

11/14/89

Board & Training

Stabling

# 366.2

85.12

# 645.32

Credit since departure on 2-20-89

Credit

# 160.00

# 485.00

to be billed

2/14/89

Int'l Sport Horse

Registry

Registration fee

\$ 250.00 total

#1169

1/3 \$83.30

**received**  
2-20-1989

h



4. FEDERAL RESERVE REGULATION CC

MAREFIELD MEADOWS, INC.  
RT 8, BOX 303  
WARRENTON, VA 22186

1169

68-226-514

407200915 03-05-89 047 15 0720

PAY TO THE ORDER OF International Southern Registry \$ 400.00

Four hundred DOLLARS

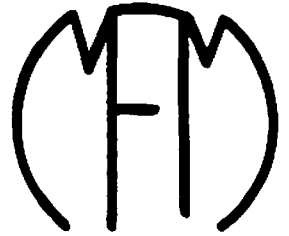
**PNB** THE PEOPLES NATIONAL BANK  
OF WARRENTON  
P.O. BOX 158 WARRENTON, OREGON 97146

FOR Registration fee Marion K. Borch

⑈051402262⑈ 3 194 743 1⑈ 1169 ⑈0000040000⑈



# MAREFIELD MEADOWS INC.



The Meadows Route 5 Box 303 Warrenton, Virginia 22186 703-349-1339 Stable 349-9059

March 10, 1989

Regula Lorenz  
Chestnut Hollow Stable  
P.O. Bx 364  
Middleburg, Virginia 22117

## For 1/3 Moronjo Expenses

### Balance Forward:

|                                       |        |
|---------------------------------------|--------|
| Past Due Since 12/22/89 .....         | 596.68 |
| Past Due Since 2/8/89 .....           | 972.95 |
| As of 2/24/89 (Date of Billing) ..... | 244.99 |

### Current:

|  |        |
|--|--------|
| Advertising (The Mailbox) \$625.29 Total 1/3 = ..... | 208.43 |
| B. Jensen (Farrier) \$ 85.00 Total 1/3 = ....        | 28.33  |

TOTAL DUE \$2,051.38

Interest at 1.5% per month on unpaid balances over 30 days will begin on March 31, 1989.

cc: Georgia Herbert *[initials]*  
Craig White

*2/16 59.66 sent to rotation  
uncashed  
(Credit) 11/15/90*

*Actual balance*

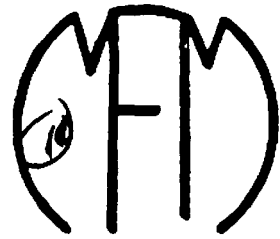
*1991.72*







**MAREFIELD  
MEADOWS  
INC.**



The Meadows   Route 5   Box 303   Warrenton, Virginia 22186   703-349-1339   Stable 349-9059

May 31, 1989

Regula Lorenz  
Chestnut Hollow Stable  
PO Box 364  
Middleburg, Virginia 22117

For 1/3 Moronjo expenses

|   |          |
|---|----------|
| Balance Forward   | 2,165.25 |
| interest on unpd thru 2/24                                      | 27.62    |
| interest on unpd thru 3/10                                      | 3.59     |
| CREDIT - stud fee dep. 5/12/89 1,000...1/3 of<br>from Schwenser | (333.33) |
| Current:  |          |

Helen Poland, DVM 4/28/89 - breeding supplies  
for Moronjo and Grand Lowe - total \$613  
./ 2 = 306.50....1/3 of

102.50

Ken Pankow, Dentist Total \$25...1/3 of

8.33

Benny Jensen, Farrier, Total 55....1/3 of

18.33

CREDIT - stud fee, 5/26/89 1,200...1/3 of  
from Kathryn Hayes

(400.00)

BALANCE DUE

\$1,592.29

MAREFIELD MEADOWS, INC

Marion K Poynter, President



HELEN M. POLAND, D.V.M., Ph.D.

TODD BURDICK, D.V.M.

OLD WATERLOO EQUINE CLINIC  
P. O. BOX 1107  
WARRENTON, VIRGINIA 22186  
703-347-0807

21070

Client Name Marfield Meadows Date 3/29/89  
Address \_\_\_\_\_ Location \_\_\_\_\_

| PATIENT - DESCRIPTION                   | CHARGE<br>CODE | AMOUNT            | CHARGE<br>CODE | AMOUNT | CHARGE<br>CODE | AMOUNT |
|---|----------------|-------------------|----------------|--------|----------------|--------|
| Thermometer                             | 502            | 10.95             |                |        |                |        |
| Hemacytometer                           | 502            | 216.59            |                |        |                |        |
| Equitainers-2<br>containing 3 AV liners | 502            | 328.75            |                |        |                |        |
| Incubator                               | 502            | not received yet. |                |        |                |        |
| Office — 10% markup                     |                | 56.71             |                |        |                |        |

Total Fee

613-

Payment

Balance Due

COMMENTS

INSTRUCTIONS

Any account not paid by the 30th will receive a 1½% (18% annual rate) Interest Charge per month on the unpaid balance.

Pd 4-28-89 Check 796



**KEN PANKOW**  
**CERTIFIED EQUINE DENTIST**  
 P.O. BOX 235  
 FLINT HILL, VIRGINIA 22627-0235  
 PHONE: 703-675-3815



DATE: 7-1-89

BILL TO: Charles J. Haddock

| NAME                                     | SERVICE | CHARGE                 |
|--|---------|------------------------|
| Alfreda                                  | FLCAT   | 25.00                  |
| Calice                                   | FLCAT   | 25.00                  |
| Alfreda                                  | FLCAT   | 25.00                  |
| Alfreda                                  | FLCAT   | 25.00                  |
| Alfreda                                  | FLCAT   | 25.00                  |
| <div style="text-align: center;"> </div> |         |                        |
|  |         |                        |
|  |         |                        |
|  |         |                        |
|  |         |                        |
|  |         | SUBTOTAL <u>125.00</u> |
|  |         | TOTAL <u>125.00</u>    |

**1223 STATEMENT 797**  
 14% INTEREST CHARGED ON ACCOUNT OVERDUE AFTER 30 DAYS  
THE PICCADILLY PRINTING CO WINCHESTER, VA 22601 194582-87





**Benny Jensen**  
**Farrier**  
 Rt. 1 Box 78  
 Clearbrook, Virginia 22624  
 703-667-7004

# INVOICE

SOLD TO Chenfield

DATE  
5-19-89

| NAME       | DESCRIPTION         | UNIT PRICE | AMOUNT |
|------------|---------------------|------------|--------|
| RC         | 2 xist Trout 2 Linn |            | 35 -   |
| Bogey      | 2 xist F            |            | 27 50  |
|            | 2 new tl            |            | 42 50  |
| Danne Webb | 2 new F 2 Linn      |            | 50 -   |
| Loree      | 4 xist              |            | 55 -   |
| Alexa      | 4 Linn              |            | 15 -   |
| Marajo     | 4 xist              |            | 55 -   |
| Flawer     | 4 Linn              |            | 15     |
| Tea        | 4 "                 |            | 15     |
| Charlie    | 4 new               |            | 85 -   |
| Gala       | 4 Linn              |            | 15 -   |
| Willie     | 2 xist 2 Linn       |            | 35 -   |
| Dulcie     | 4 Linn              |            | 15     |

*Pd Benny Jensen* 460.00  
 135  
 5-19-89

PAYABLE UPON RECEIPT  
 Form IPC-1121



July 1, 1989

Mr. Thomas V. Monahan, Esquire  
Hall, Monahan, Engle, Mahan  
and Mitchell  
PO Box 848  
Winchester, Va. 22601 0848

Re: Lorenz vs Marefield Meadows, Inc. - Maronjo

Dear Mr. Monahan:

Enclosed please find the current billing for June regarding  
Ms. Lorenz' account for her share of the expenses for Maronjo.

We are also enclosing a check given to us for payment of a  
stud fee for Moronjo which is contingent upon Maronjo's future  
availability. Note number 3 on Ms. Lorenz' accounting provides  
further detail. We ask that you deposit this fee in your escrow  
account until this matter is settled.

Thank you very much.

Marefield Meadows, Inc.

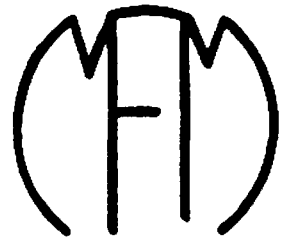
Maxine Mickel

enclosure

P.S. Ms. Lorenz has been sent a copy of June's accounting.



# MAREFIELD MEADOWS INC.



The Meadows Route 5 Box 303 Warrenton, Virginia 22186 703-349-1339 Stable 349-9059

July 1, 1988

Regula Lorenz, Chestnut Hollow Stable  
PO Box 364  
Middleburg, Virginia 22117

For 1/3 Maronjo expenses

|  |  |              |
|--|--|--------------|
| Balance forward .....                              |  | 1,592.29     |
| Credit Stud Fee - Mack (6/1/89) \$1,000....1/3 of  |  | (333.00)     |
| Helen Poland DVM 35.25.....1/3 of                  |  | 11.75        |
| Helen Poland DVM(Breeding Supplies) 410.00         |  |              |
| for Moronjo & Grand Lowe(410 ./ 2 = 205.00) 1/3 of |  | 68.33        |
| wormings - 5/88 through 6/88                       |  |              |
| Strongid, Equalan, Ivermectin \$36.00 ...1/3 of    |  | <u>12.00</u> |
| Balance Due  |  | 1,351.37     |

Note:

1. There have been three paid outside stud fees to date and you have been fully credited as of this billing.
2. There will be one stud fee for July as of this date (Boot Strap Farm)
3. We have signed a breeding contract with Final Decision Farm which is contingent upon Moronjo's availability, since the mare may require repeat breeding. The stud fee is \$1,000.00. Maronjo is their first choice. Grand Lowe is their second choice. We will deposit this fee with Mr. Monahan pending Ms. Bair's settlement.

Marefield Meadows, Inc.  
M. Mickel

copy: Thomas V Monahan

800

*int Q  
23.88  
left over  
10 errors*



OLD WATERLOO EQUINE CLINIC  
P. O. BOX 1107  
WARRENTON, VIRGINIA 22186  
703-347-0807

21032

Client Name Marefield Meadows Date 5/13/89  
Address \_\_\_\_\_ Location \_\_\_\_\_

| PATIENT - DESCRIPTION. | CHARGE<br>CODE | AMOUNT | CHARGE<br>CODE | AMOUNT | CHARGE<br>CODE | AMOUNT |
|------------------------|----------------|--------|----------------|--------|----------------|--------|
| Incubator              | 502            | 410-   |                |        |                |        |
|                        |                |        |                |        |                |        |
|                        |                |        |                |        |                |        |
|                        |                |        |                |        |                |        |
|                        |                |        |                |        |                |        |
|                        |                |        |                |        |                |        |
|                        |                |        |                |        |                |        |
|                        |                |        |                |        |                |        |
|                        |                |        |                |        |                |        |
|                        |                |        |                |        |                |        |

Total Fee

410-

Payment

410-

Balance Due

## COMMENTS

## INSTRUCTIONS

Any account not paid by the 30th will receive a 1½ % (18% annual rate) Interest Charge per month on the unpaid balance



OLAND, D.V.M., Ph.D.

12 Copies

TODD BURDICK, D.V.M.

OLD WATERLOO EQUINE CLINIC

P. O. BOX 1107

WARRENTON, VIRGINIA 22186

703-347-0807

21121

Client Name

*Mane field*

Address

Date *4/4/89*

Location

PATIENT - DESCRIPTION

CHARGE  
CODE

AMOUNT

CHARGE  
CODE

AMOUNT

CHARGE  
CODE

AMOUNT

|   |            |            |  |  |  |
|---|------------|------------|--|--|--|
| <i>Recognition, VTG 1/5/89</i>            | <i>126</i> | <i>15</i>  |  |  |  |
| <i>*14 day embryo central body</i>        | <i>700</i> | <i>35</i>  |  |  |  |
| <i>Wact</i>                               |            |            |  |  |  |
| <i>Recognition, Charlie, Wildon, Thru</i> |            |            |  |  |  |
| <i>Louie, (Mason) Tea, Outie, Billy</i>   |            |            |  |  |  |
| <i>Bosey, Gata, Wilco</i>                 |            |            |  |  |  |
| <i>Flu, C, T, M, S, R, E</i>              | <i>554</i> | <i>144</i> |  |  |  |
| <i>R IV</i>                               | <i>556</i> | <i>120</i> |  |  |  |
| <i>Charlie, Wildon, Bosey, (Mason)</i>    |            |            |  |  |  |
| <i>Louie, Recognition, Gata, Gata</i>     | <i>462</i> | <i>96</i>  |  |  |  |

Total Fee

Payment

Balance Due

COMMENTS

INSTRUCTIONS

Any account not paid by the 30th will receive a 1 1/2% (18% annual rate) Interest Charge per month on the unpaid balance.



2 (copies)  
A.V.M., Ph.D.

TODD BURDICK, D.V.M.

OLD WATERLOO EQUINE CLINIC

21458

P. O. BOX 1107

WARRENTON, VIRGINIA 22186

703-347-0807

SHOWING

EXAMINATION

EXAMINATION

EXAMINATION

EXAMINATION

Date 5/2/89

Location

Client Name

Marefield

Address

PATIENT - DESCRIPTION

CHARGE  
CODE

AMOUNT

CHARGE  
CODE

AMOUNT

CHARGE  
CODE

AMOUNT

R.C. - palp R: On 40 Tied UT G

Rll & enlarged C=O O R M U R

605 12

\* Marugo - hives - anal

uticaria 1 p. vial - very

110 10

Veno over lip

Prob. allergic reaction

Total Fee

Payment

Balance Due

COMMENTS

INSTRUCTIONS

Marugo - sold - horse 30 min

Any account not paid by the 30th will receive a 1 1/2 % (18% annual rate) Interest Charge per month on the unpaid balance.



~~the~~ May 31 to June 30

Int. on undpd through 2/24

$$\begin{array}{r} 2196.46 @ 1.5\% = 32.94 \\ - 353.33 = \\ 1,863.33 @ 1.5\% = 27.94 \end{array}$$

Carry over to July's Billing

~~1351.27~~  
~~27.94~~  
May 31 to June 30 Int 23.88  
July 1 to July 31 on bal ~~20.62~~  
1375.25 = 20.62





MAREFIELD MEADOWS INC.

703-349-1339

6/21/~~2~~ Ivermectin 12.00

7/19 Strongid 12.00

7/21 Potomac ~~Stew~~ - Vet 18.00 ✓

6/28 Vet. semen 61 ✓

7/5/89 ~~Race~~ - 55.00 ✓

6/5 ~~exam~~ 11.75 ✓

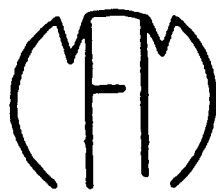
7/12 Supplis <sup>Shallin</sup> - Breeding 100.00 ✓

Stable 349-9059

Route 5 • Box 303

Warrenton, Virginia 22186





MAREFIELD MEADOWS INC.

703-349-1339

Sharyn,

Regio credit: Alice Day \$333.33

B.D.:

\$333.33 returned to Carole Tracy

400.00 " " Kitty Hayes

\$200.00 1/3 of Marionjo's 1st ms MEC

Stable 349-9059

Route 5 • Box 303

Warrenton, Virginia 22186



Marefield Meadows, Inc.  
Rt 5, Box 303  
Warrenton, Virginia 22186

August 10, 1989

To Regula Lorenz, Chestnut Hollow Stables, PO Box 364, Middleburg,  
Virginia 22117

RE: MARONJO EXPENSES

|   |          |             |
|---|----------|-------------|
| Interest on unpaid balance June .....             | 23.88    |             |
| Unpaid balance July                               | 1,351.37 |             |
| Interest on unpaid balance                        | 20.62    |             |
| Return of Stud Fee to Carole Tracy                | 333.33   |             |
| Return of Stud Fee to Kitty Hayes                 | 400.00   |             |
| Middleburg Equestrian Center - Training and Board |          |             |
| \$600.00 .....1/3 of                              | 200.00   |             |
| Worming 6/21 Ivermectin @ 12.00                   | 4.00     |             |
| Worming 7/19 Strongid @ 12.00                     | 4.00     |             |
| Helen Poland, DVM: 7/21 Potomas Fever Shot        | 18.00    |             |
| 6/5/89 Exam - Check Skin                          | 11.75    |             |
| 7/12 Stallion Breeding Supplies                   | 100.00   |             |
| Total Vet   | 129.75   | 1/3 = 43.25 |
| Benny Jensen, Farrier: Reset Shotes @ 55.00       |          | 1/3= 18.33  |
| TOTAL DUE MAREFIELD MEADOWS, INC.                 |          | 2,398.78    |

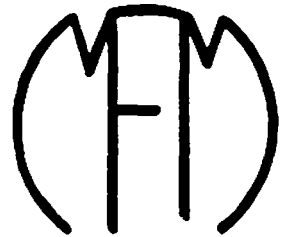
NOTE: \$1,000.00 stud fee has been received by Marefield Meadows from Boot Strap Farm (Aline Day). Mrs. Day's contract is contingent upon Maronjo's availability. Ms. Lorenz will be credited \$333.33 upon the fulfillment of this contract with Maronjo as sire.

Marefield Meadows, Inc.

copy: Tom Monahan



**MAREFIELD  
MEADOWS  
INC.**



**The Meadows    Route 5    Box 303    Warrenton, Virginia 22186    703-349-1339    Stable 349-9059**

August 11, 1989

Thomas V. Monahan, Esquire  
Hall, Monahan,, Engle, Mahan  
and Mitchell  
PO Box 848  
Winchester, Virginia 22601

Re: Lorenz vs Marefield Meadows, Inc. - Maronjo

Dear Mr. Monahan:

Enclosed please find the current billing from Marefield Meadows to Regula Lorenze regarding Maronjo's monthly expenses. Please note that two stud fees were refunded to mare owners, and that a stud fee received from Boot Strap Farm is contingent upon Maronjo's future availability. If we have to refund at a later date, we are hesitant to give Ms. Lorenz credit until the contract is fulfilled or this matter has been settled.

Very truly yours,

Marefield Meadows, Inc.

Maxine Mickel, V. Pres.

enclosures





# MAREFIELD MEADOWS INC.

703-349-1339

July 24, 1989

Carole Tracy  
6000 Joseph Street  
Oxford, Ohio 45056

Dear Carole,

Enclosed you will find a check in the amount of \$1,200 which represents the money you paid us last year to breed to Maronjo. Since we do not know where he will be next year when your new mare will be ready for her first breeding, we believe it is only fair to return your money now.

Customarily, the \$200.00 booking fee is non-refundable but because of the circumstances surrounding Maronjo at this time we do not want to keep any of the fee. It is much better that you have it all when you approach whoever owns him next year for the breeding.

As I have said, we shall try our utmost to induce the new owner to honor your breeding at the old price but unfortunately we can't promise that we will succeed. At least, by having your entire amount returned, you will be able to bank it and earn some interest toward next year.

I am sorry that this hasn't worked out for us. It has been a pleasure dealing with you and we wish you all the best. Stay in touch.

Sincerely,

Stable 349-9059

Route 5 • Box 303

Warrenton, Virginia 22186



MAREFIELD MEADOWS, INC.

RT 5, BOX 303  
WARRENTON, VA 22186

1436

68-228/614

PAY TO THE  
ORDER OF

*Carole Tracy*

*July 24* 19 *89*

\$ *600.00*

*Ten hundred and 00/100*

DOLLARS

**ENB**

THE PEOPLES NATIONAL BANK  
OF WARRENTON  
P.O. BOX 98 • WARRENTON, VIRGINIA 22186

FOR *Levin's account* *Levin's box*

*Marion A. Nicks*

*0514022621: A 144 1436*



MAREFIELD MEADOWS, INC.

RT 5, BOX 303  
WARRENTON, VA 22186

1459

68-226/514

August 10, 1989

PAY TO THE  
ORDER OF

Kitty Hayes

\$ 400.00

Four hundred and 00/100

DOLLARS

**PNB**

THE PEOPLES NATIONAL BANK  
of WARRENTON  
P.O. BOX 91 • WARRENTON, VIRGINIA 22186

FOR

reimbursed. Manoj's Reading fee

Mapro A. Michel

⑆05⑆402262⑆3 194 743 ⑆⑆ 1459



Manefield Meadows  
Rt 5, Box 303  
Warrenton, VA. 22186



Monronjo

8-3 to 9-2-89: Board & Training

\$600.00

PA MFM ck # 1449

812

P.O. Box 1951 Middleburg, Virginia 22117  
(703) 554-8346



HELEN M. POLAND, D.V.M., Ph.D.

1 copy

TODD BURDICK, D.V.M.

OLD WATERLOO EQUINE CLINIC  
P. O. BOX 1107  
WARRENTON, VIRGINIA 22188  
703-347-0807

22476

Client Name Marefield Date 7/21/89

Address \_\_\_\_\_ Location \_\_\_\_\_

| PATIENT - DESCRIPTION         | CHARGE | AMOUNT | CHARGE | AMOUNT | CHARGE | AMOUNT |
|-------------------------------|--------|--------|--------|--------|--------|--------|
|                               | CODE   |        | CODE   |        | CODE   |        |
|                               | 123    | 6      |        |        |        |        |
| vitargo - 1 <sup>st</sup> PMF | 561    | 12     |        |        |        |        |
|                               |        |        |        |        |        |        |
|                               |        |        |        |        |        |        |
|                               |        |        |        |        |        |        |
|                               |        |        |        |        |        |        |
|                               |        |        |        |        |        |        |
|                               |        |        |        |        |        |        |
|                               |        |        |        |        |        |        |
|                               |        |        |        |        |        |        |
|                               |        |        |        |        |        |        |

Total Fee \_\_\_\_\_

Payment \_\_\_\_\_

Balance Due \_\_\_\_\_

COMMENTS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

INSTRUCTIONS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any account not paid by the 30th will receive a 1½% (18% annual rate) Interest Charge per month on the unpaid balance.



HELEN M. POLAND, D.V.M., Ph.D.

4 Copies

TODD BURDICK, D.V.M.

OLD WATERLOO EQUINE CLINIC  
P. O. BOX 1107  
WARRENTON, VIRGINIA 22186  
703-347-0807

21890

Client Name Manfield Date 6/5/89  
Address \_\_\_\_\_ Location \_\_\_\_\_

| PATIENT - DESCRIPTION                 | CHARGE<br>CODE | AMOUNT | CHARGE<br>CODE | AMOUNT | CHARGE<br>CODE | AMOUNT |
|---------------------------------------|----------------|--------|----------------|--------|----------------|--------|
|                                       | 126            | 15.75  | 13             | 3.75   |                |        |
| Lower - dermatitis across             |                |        |                |        |                |        |
| back and clowside & butt              | 110            | 12     |                |        |                |        |
| <del>Manfield</del>                   |                |        |                |        |                |        |
| <del>Manfield - same dermatitis</del> | 110            | 8      |                |        |                |        |
| *R.C. - palp UTE C - C <sub>2</sub>   |                |        |                |        |                |        |
| U/S - 30 day vaccine                  | 900            | 40     |                |        |                |        |
| 3 progesterone                        | 501            | 30     |                |        |                |        |
| Urea - fly bite dermatitis around     | 110            | 8      |                |        |                |        |
| itching allergic reaction             |                |        |                |        |                |        |
| 3 Prunings                            |                |        |                |        |                |        |

Re ✓ R.C. 30 days.  
blood level Thurs. AM.

Total Fee \_\_\_\_\_

Payment \_\_\_\_\_

Balance Due \_\_\_\_\_

## COMMENTS

dermatitis - swelling - being washed or hosed daily.

## INSTRUCTIONS

Lower, Manfield - no hosing, no grooming. Comes with  
Mormicide mix.

Urea - Swat & Mormicide mix.

Any account not paid by the 30th will receive a 1½% (18% annual rate) Interest Charge per month on the unpaid balance.



HELEN M. POLAND, D.V.M., Ph.D.

TODD BURDICK, D.V.M.

OLD WATERLOO EQUINE CLINIC  
P. O. BOX 1107  
WARRENTON, VIRGINIA 22188  
703-347-0807


22385

Client Name Manfield Meadows Date 7/12/89  
Address \_\_\_\_\_ Location \_\_\_\_\_

| PATIENT - DESCRIPTION    | CHARGE |        | CHARGE |        | CHARGE |        |
|--------------------------|--------|--------|--------|--------|--------|--------|
|                          | CODE   | AMOUNT | CODE   | AMOUNT | CODE   | AMOUNT |
| 1 set of 4 Balloost Bags | 502    | 17     |        |        |        |        |
| 12 Sterile Semen Cups    | 502    | 25     |        |        |        |        |
| Jap AV Liners 12 @ \$4   | 502    | 48     |        |        |        |        |
| freight charges          |        | 10     |        |        |        |        |
|                          |        |        |        |        |        |        |
|                          |        |        |        |        |        |        |
|                          |        |        |        |        |        |        |
|                          |        |        |        |        |        |        |
|                          |        |        |        |        |        |        |
|                          |        |        |        |        |        |        |

Total Fee \$100-  
Payment \_\_\_\_\_  
Balance Due \_\_\_\_\_

COMMENTS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ 

INSTRUCTIONS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any account not paid by the 30th will receive a 1½% (18% annual rate) Interest Charge per month on the unpaid balance.





**Benny Jensen**  
Farrier  
Rt. 1 Box 78  
Clearbrook, Virginia 22624  
703-667-7004

## INVOICE

SOLD TO

*Chasefield Meadows*

DATE

7-6-89

| NAME     | DESCRIPTION                       | UNIT PRICE | AMOUNT |
|----------|-----------------------------------|------------|--------|
| Boggy    | 2 new Batte 2 new H               |            | 142.50 |
| Alexa    | 4 <del>set</del> T sm             |            | 15 -   |
| Dia      | 4 "                               |            | 15 -   |
| Gala     | 4 "                               |            | 15 -   |
| Charly   | 4 <del>set</del>                  |            | 55 -   |
| Danner   | 2 <del>set</del> 2 new            |            | 70 -   |
| Dulcie   | 4 <del>set</del>                  |            | 15 -   |
| Lally    | 4 "                               |            | 15 -   |
| Charanya | 4 <del>set</del>                  |            | 55 -   |
| Lance    | 4 new                             |            | 85 -   |
| R.C.     | 2 new 2 <del>set</del>            |            | 50 -   |
| Tec      | 4 <del>set</del>                  |            | 15 -   |
| Willy    | 2 <del>set</del> 2 <del>set</del> |            | 35 -   |

*Pd* *Benny Jensen* 816  
ck 1394

582.50



218

MAREFIELD MEADOWS, INC.  
RT 8, BOX 303  
WARRENTON, VA 22188

DATE July 28 1989  
CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO  
THE TERMS AND CONDITIONS OF THIS FINANCIAL INSTITUTION'S  
ACCOUNT AGREEMENT.

WARRENTON

NON NEGOTIABLE IF CASH RECEIVED FROM DEPOSIT

**PNB** THE PEOPLES NATIONAL BANK  
of WARRENTON  
P.O. BOX 91 • WARRENTON, VIRGINIA 22186

|                       |       |    |
|-----------------------|-------|----|
| CURRENCY              |       |    |
| COIN                  |       |    |
| CHECKS                | 1,000 | 00 |
| TOTAL FROM OTHER SIDE |       |    |
| SUB-TOTAL             |       |    |
| LESS CASH RECEIVED    |       |    |
| TOTAL DEPOSIT         | 1,000 | 00 |

68-226  
514

**DEPOSIT  
TICKET**  
PLEASE  
ITEMIZE  
ADDITIONAL  
CHECKS ON  
REVERSE  
SIDE

⑆051402262⑆ 3 194 743 1⑈

|  |  |
|--|--|
| ⑆051402262⑆ 3 194 743 1⑈   |  |
| <p>10 Courthouse Sq. • P.O. Box 561 • Warrenton, Virginia 22186</p> <p><b>The Fauquier National Bank</b></p> |  |
| <p>ORDER OF</p> <p><u>Marefield Meadows</u></p> <p><u>one thousand dollars</u></p> <p>\$ <u>1,000.00</u></p> | <p>PAY TO THE</p> <p>ALINE M. DAY</p> <p>P.O. BOX 601</p> <p>THE PLAINS, VA. 22171</p> <p><b>BOOT STRAP FARM</b></p> |
| <p>1505</p> <p>514</p> <p>68-226</p>   | <p>1505</p>  |



# MAREFIELD MEADOWS INC.

*Office copy*  


The Meadows Route 5 Box 303 Warrenton, Virginia 22186 703-349-1339 Stable 349-9059

September 20, 1989

Regula Lorenz  
Chestnut Hollow Stable  
Middleburg, Va. 22117

## RE EXPENSES FOR MARONJO

|  |          |
|--|----------|
| Unpaid Balance - Past Due from previous invoices ..... | 1,371.99 |
| Interest Aug 11 through Sept 20 .....                  | 27.20    |
| Past Due Balance, Aug. 10 Invoice .....                | 1,026.79 |
| Interest 10 days .....                                 | 5.10     |
| Total Due From Unpaid Balances .....                   | 2,431.08 |

## Current Charges:

8/17 (pd 9/15) Helen Poland, DVM ...Bloodtyping \$20.00...1/3= 6.66

## Middleburg Equestrian Center:

August - Devon Show Entries and Processing Charge  
\$220.00 .....1/3= 73.33

Board/Training/Show Care, Pd. 9/7/89...1,064.00...1/3= 384.66

Paul Goodness, Farrier...pd. 9/7/89...90.00...1/3=

~~30.00~~

TOTAL BALANCE DUE FOR MARONJO EXPENSES..... \$2,895.73



## OLD WATERLOO EQUINE CLINIC

P. O. BOX 1107

WARRENTON, VIRGINIA 22188

703-347-0807

H 022765

Patient Name

Address

Date

Location

## PATIENT - DESCRIPTION

CHARGE  
CODE

AMOUNT

CHARGE  
CODE

AMOUNT

CHARGE  
CODE

AMOUNT

Mason's blood drawn  
for blood typing  
Paper work

Portage to send sample

Total Fee

Payment

Balance Due

## COMMENTS

## INSTRUCTIONS

Any account not paid by the 30th will receive a 1 1/2 % (18% annual rate) Interest Charge per month on the unpaid balance.





Devon: entries & stabling

Donnerwetter  
Marengo  
Office charge (entries, scheduling, etc)

|                  |        |
|------------------|--------|
| 125.00           |        |
| 195.00           |        |
| 25.00            | 1/2 of |
| <u>\$ 345.00</u> |        |

Maxine,

Do you have current coggins for these horses? I need to send one to the show secretary and have one to travel with. Please let me know at your earliest convenience. Thanks!

pd  
# 1460

Sincerely,  
Deanne McLaugh



# Message At Devon BREEDING Division ENTRY FORM

Only one horse per Entry Form.

Please type or print clearly both sides of this form and mail to Show Secretary.

FOR OFFICIAL USE ONLY

No.

| NAME OF HORSE | BREED | SEX   | HEIGHT | COLOR | AGE |
|---------------|-------|-------|--------|-------|-----|
| MARONJO       | Hans  | Stall | 16 3   | Grey  | 6   |

| SIRE  | DAM     | DAM'S SIRE |
|-------|---------|------------|
| Mahon | Maeille | Maebed     |

IS THIS HORSE ELIGIBLE FOR THE AMERICAN BRED AWARD? ☐ Yes ☒ No.

| CLASS NO. | CLASS DESCRIPTION (List Get/Produce for Non-Championship Classes) | CLASS FEES       |
|-----------|---|------------------|
| 14        | Four-yr-old stallions not under saddle                            | 20 <sup>00</sup> |
|           |   |                  |
|           |   |                  |
|           |   |                  |
|           |   |                  |
|           |   |                  |

COMPLETE THE FOLLOWING AS YOU WISH IT TO APPEAR IN THE PROGRAM.

Owner Name Marefield Meadows / Chestnut Hollow Stables

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Phone \_\_\_\_\_

Handler Name Robins Koenig

Rider Name \_\_\_\_\_

The enclosed proof of a Negative Coggins Test is dated \_\_\_\_\_

If this horse is for sale and you wish this fact indicated in the Program, please check box. ☐

|  |                         |
|--|-------------------------|
| Total class fees   | 30 <sup>00</sup>        |
| AHSA Drug Fee  | \$5.00                  |
| AHSA Non-member Fees<br>\$15.00 each per owner/trainer/rider |                         |
| Total Stabling Fees  | 160 <sup>00</sup>       |
| Camper hook-ups \$30 each<br>per day (if desired)            |                         |
| Other  |                         |
| <b>TOTAL</b>   | <b>195<sup>00</sup></b> |

| RIDER  | HORSE  | OWNER  | TRAINER |
|--------|--------|--------|---------|
| AHSA # | AHSA # | AHSA # | AHSA #  |
|        | 61881  | 7652   | 70428   |
| USDF # | USDF # | USDF # | USDF #  |
|        |        |        |         |

Make Checks Payable to:  
Children's Hospital Benefit

Before Mailing, Be Sure You Have:

- ☐ Enclosed your check for:
  - Total Class Fees
  - AHSA Drug Fee
  - AHSA Non-member Fees (if applicable)
  - Stabling Fee (if applicable)
  - Camper Hook-up Fee (if applicable)
- ☐ Enclosed copy of Negative Coggins Test
- ☐ Completed both sides of the Entry Form
- ☐ Completed Announcer's Questionnaire
- ☐ Written signatures on back of Entry Form

## STABLING FORM

Please complete BOTH sides

Several horses may be entered on one form

FOR OFFICIAL USE ONLY

BEDDING

NO.

Name & Telephone Number of Exhibitor's Lodgings During Competition

Name of Lodgings

Telephone Number

Owner Marefield Meadows / Chestnut Hollow Stables

Home Address \_\_\_\_\_

Telephone \_\_\_\_\_



Manefield Meadows  
Rt 5, Box 303  
Warrenton, VA. 22186



Maronjo

|   |                   |
|---|-------------------|
| * 8-15-89: Farrier (new shoes) 90.00 Paul Goodness) | *                 |
| 9-1 to 9-26: Board & Training (26 days)             | \$ 520.00         |
| 9-30-89: Board & Training (1 day)                   | 20.00             |
| 9-1-89 : <u>Devon charges:</u>                      |                   |
| - Show care fee: (Tues-Fri. \$50.00 per day)        | 200.00            |
| - Braiding  | 25.00             |
| - Hanning (round trip)                              | 250.00            |
| - Bedding (Tues-Thurs. 5 bales @ \$5.00 ea)         | 25.00             |
| - Hay & Grain (\$6.00 per day)                      | 24.00             |
| Total due:  | <u>\$ 1064.00</u> |

9/7/89 pd # 1517

Maxine,

Please make a separate check payable to Paul Goodness (farrier) in the amount of \$90.00 - pd # 1518 and send it to M.E.C. Also, may I please receive payment of this bill by Sept. 10, 1989. 9/7/89

Thanks,  
Deanne

822 -

P.O. Box 1951 Middleburg, Virginia 22117  
(703) 554-8346



September 20, 1989

Regula Lorenz  
Chestnut Hollow Stable  
Middleburg, Va. 22117

RE EXPENSES FOR MARONJO

|  |          |
|--|----------|
| Unpaid Balance - Past Due from previous invoices ..... | 1,371.99 |
| Interest Aug 11 through Sept 20 .....                  | 27.20    |
| Past Due Balance, Aug. 10 Invoice .....                | 1,026.79 |
| Interest 10 days .....                                 | 5.10     |
| Total Due From Unpaid Balances .....                   | 2,431.08 |

Current Charges:

|   |      |
|---|------|
| 8/17 (pd 9/15) Helen Poland, DVM ...Bloodtyping \$20.00..1/3= | 6.66 |
|---|------|

Middleburg Equestrian Center:

|   |            |
|---|------------|
| August - Devon Show Entries and Processing Charge<br>\$220.00 .....1/3= | 73.33      |
| Board/Training/Show Care, Pd. 9/7/89...1,064.00...1/3=                  | 384.66     |
| Paul Goodness, Farrier...pd. 9/7/89...90.00..1/3=                       |            |
| TOTAL BALANCE DUE FOR MARONJO EXPENSES.....                             | \$2,895.73 |



Mr Sept 20, 1-189

- In 1921 balance due from July  
 1st to 31st 1921. Balance due  
 (over) 100.00

1371.99

27.20

640 - 1915 -

102417

5.13

7.11.1

June 1944

431.00

Ch. 3, p. 10

$\frac{1}{7} \times 6.66 = .92$

4-77-01; 4-77-02

Aug. 12 - 1891

-4- 10/10/10

115.00

44

 $\frac{1}{2} \times 4 = 2$ 

Med. Bureau, Esp. de Lima 2-1061-001/7

(Bookkeeper - 2010)

Pauline de la Roche

7-10-204/3 4

31.1.50

Total, Used

28.15.73



Maifield Meadows  
Rt. 5, Box 303  
Warrenton, VA. 22186



MIDDLEBURG  
EQUESTRIAN  
CENTER

Marony

9-22-89 Janier turn \$18.00  
10-31-89 October board training

\*  
600.00  
\$ 600.00

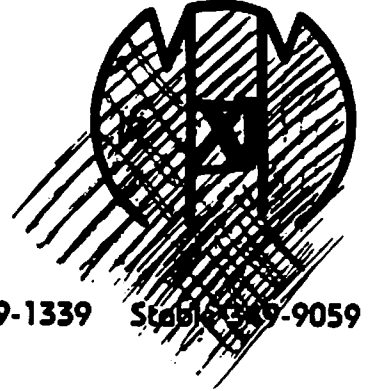
Please make sepearte check payable to Paul  
Goodness in the amount of \$18.00 and  
send to M.E.C.

OK 1571  
10/13/89

825



# MAREFIELD MEADOWS INC.



The Meadows Route 5 Box 303 Warrenton, Virginia 22186 703-349-1339 Stable 349-9059

November 24, 1989

Regula Lorenz  
Chestnut Hollow Stable  
PO Box 364  
Middleburg, Va. 22117

RE: EXPENSES FOR MARONJO

|  |            |
|--|------------|
| Unpaid balance from previous .....             | \$1,420.18 |
| Interest October 21, through November 24, 1989 | 24.14      |
| Past due - August 1898                         | 1,047.37   |
| Interest October 21 through November 24, 89    | 17.81      |
| Past due - September 89                        | 464.65     |
| Interest October 20 - November 24, 1989        | 8.13       |
| Past due - October Invoice 89                  | 206.00     |
| Interest...4 days...                           | .41        |

CURRENT CHARGES:

|  |            |
|--|------------|
| Middleburg Equest Cent. Nov. Board & Training @ \$600.00   |            |
| 1/3 of .....   | 200.00     |
| TOTAL CHARGES FOR EXPENSES DUE MAREFIELD MEADOWS, INC..... | \$3,388.69 |

\*\*\*Maronjo's 1990 insurance premium will be billed separately, since 1989's premium was not paid in full per our agreement. Therefore, you will receive a bill direct f rom Association Underwriters, Inc. for your portion of Maronjo's insurance premium. Marefield Meadows, Inc. will not, under any circumstances, be responsible for your portion of the premium payment or for any loss you may incur due to sickness or death of Maronjo.

Marefield Meadows, Inc.  
Marion K. Poynter, President



Manfield Meadows  
Rt 5, Box 303  
Warrenton, VA 22186



Maronjo

10-1-89: Previous balance

10-26-89: Payment

11-31-89: Board & Training - November -

\$600.00  
(600.00)  
- 0 -  
\$600.00

11-21-89  
CK 1653

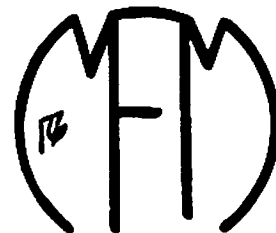
Maronjo

827 -

P.O. Box 1951 Middleburg, Virginia 22117  
(703) 554-8346



# MAREFIELD MEADOWS INC.



The Meadows    Route 5    Box 303    Warrenton, Virginia 22186    703-349-1339    Stable 349-9059

December 14, 1989

Regula Lorenz  
Chestnut Hollow Stable  
PO Box 364  
Middleburg, Va. 22117

RE:    EXPENSES FOR MARONJO

|   |            |
|---|------------|
| Unpaid balance from previous.....                     | 1,444.32   |
| Interest Nov. 25 through December 14                  | 14.44      |
| Past Due August 89.....                               | 1,065.18   |
| Interest Nov. 25 - Dec. 14                            | 10.65      |
| Past Due September 89                                 | 472.78     |
| Interest Nov. 25 - Dec. 14                            | 4.73       |
| Past Due October 89                                   | 206.41     |
| Interest Nov. 25 - Dec. 14                            | .05        |
| November Billing 89                                   | 200.00     |
| Current Charges:                                      |            |
| Middleburg Eq. Center: Board/Trng/Farrier 175.00..... | 58.33      |
| Wilson Horse Transport - from Middleburg to           |            |
| November Hill Farm @ 235.00.....                      | 78.33      |
| TOTAL DUE MAREFIELD MEADOWS, INC.                     | \$3,555.22 |



Narefield Meadows  
245, Box 303  
Lawenton, VA 22186



MIDDLEBURG  
EQUESTRIAN  
CENTER

Mausnje

1-30-89: Janier services  
2-1 to 12-7: Board & Training

\$35.00  
140.00  

---

\$ 175.00  

---

pd # 1477  
12/14/89



10. H 777

**UNIFORM LIVE STOCK BILL OF LADING**      No. **18012**  
**WILSON HORSE TRANSPORTATION, INC.**

DAY PHONE: (703) 253-5262      MIDDLEBURG, VA. 22117      NIGHT PHONE: (703) 955-4687  
800-325-0119

RECEIVED AT Middleburg, Va.      DATE 12-7-89

subject to the Classifications, Tariffs, Rules and Regulations in effect on the date of issue of this Bill of Lading.

FROM Middleburg Equestrian Center

ADDRESS Middleburg      CITY & STATE VA

The property described below, in apparent good condition (except as otherwise noted) which the Carrier agrees to transport to destination indicated, is within the scope of its lawful operation. It is mutually agreed as to the Carrier and as to each party at any time interested in any or all of the property, that every service to be performed hereunder shall be subject to all conditions not prohibited by law whether printed or written, herein contained, which are hereby agreed to by the Shipper and accepted for himself and his assigns.  
The Carrier's Basic Rates apply only when the shipment is released to a value not exceeding \$200.00 per animal. When a value in excess of \$200.00 is declared on any animal there will be added to the basic rate a charge of 5 cents for each \$100.00 or fraction thereof of such excess valuation for each 100 miles or fraction thereof of distance between points of origin and destination.  
SHIPPER'S ARE REQUIRED TO DECLARE IN WRITING THE AGREED OR RELEASED VALUATION OF EACH ANIMAL.

CONSIGNEE TO November Hill Farm

ADDRESS Keswick      CITY & STATE VA

| Bill To: Name and Address | Name, Number and Kind of Animals, Paraphernalia, Pets, Mascots, etc. | Description and Declared Value of Each Animal | Charge for Excess Value | Basic Charge |
|---------------------------|--|---|-------------------------|--------------|
|                           | 1 stallion   | 200 00  | NONE                    | \$235. 00    |
|                           |  | 200 00  | NONE                    |              |
|                           |  | 200 00  | NONE                    |              |
|                           |  | 200 00  | NONE                    |              |
|                           |  | 200 00  | NONE                    |              |
|                           |  | 200 00  | NONE                    |              |
|                           |  | 200 00  | NONE                    |              |
|                           |  | 200 00  | NONE                    |              |

|  |                      |                              |
|--|----------------------|------------------------------|
| Received in apparent good order  | Payment \$ _____     | Charges _____                |
| By _____   | Received: Date _____ | Stall Rent _____             |
| Date: _____  | By _____             | Vet Fee _____                |
| If COLORS and REGISTRATION sent with horses receiver must acknowledge receipt: |                      | Attendant <u>[Signature]</u> |
| Date _____   | Received by _____    | TOTAL CHARGE _____           |

#19      Miles \_\_\_\_\_      Tractor No. 49      Trailer No. \_\_\_\_\_      Drivers TEKK-1

**CONTRACT TERMS AND CONDITIONS**

SECTION 1 The Shipper agrees that the Carrier shall not be responsible for the conduct or acts of the animals to themselves or to each other, such as biting, kicking, goring or smothering, nor for loss or damage arising from the condition of the animals themselves, or which results from their nature or propensities, which risks are assumed by the Shipper. The Shipper hereby releases and discharges the Carrier from all liability for delay, injuries to or loss of said animals and paraphernalia from any cause whatsoever, unless such delay, injuries, or loss shall be caused by the Carrier or by the negligence of its agents or employees, and in such event the Carrier shall be liable only to the extent of actual damage sustained and no event to an amount for an animal in excess of the value declared herein.

SECTION 2 The Carrier's charges do not include the loading, unloading, handling, feeding, watering and other care of animals. Shipments of livestock must be accompanied by one or more attendants acting as the employees or agents of the Shipper and it shall be the duty and responsibility of such attendants to care for, load and unload the animals. The Carrier shall be responsible only for the actual transportation thereof.

SECTION 3 Attendants will be transported free, together with their beds, bedding and baggage, but in consideration of such free transportation the Carrier shall not be responsible, other than as a private carrier, for any personal injury or death to said attendants or loss of or damage to their belongings. Attendants must ride in the body of the vehicle where they may readily care for the shipment at all times.

SECTION 4 The Shipper agrees to indemnify and save harmless the Carrier from all claims, liabilities and demands of every kind by reason of personal injuries or death sustained by such attendants, whether the same be caused by negligence or otherwise, this being in consideration of the free transportation of said attendants acting as the agents or employees of the Shipper.

SECTION 5 The above Terms and Conditions, shall be binding upon the Carrier, the Shipper and the Consignee, and shall apply to any reconsignment or return of the shipment.

WILSON HORSE TRANSPORTATION      SIGNED IN TRIPLICATE      SHIPPER \_\_\_\_\_

PER \_\_\_\_\_      PER \_\_\_\_\_

(Agent or Driver)      ATTENDANTS' CONTRACT

In consideration of the free transportation of the undersigned upon the same vehicle wherein animals referred to in the foregoing Bill of Lading are transported, which said animals are to be under the full care and charge of the undersigned, said free transportation being at the request of the undersigned, it is hereby agreed by each signatory hereto that said Carrier is and shall be liable only as a private carrier for any personal injury, death, or loss or damage to the belongings of said signatories. Each of the undersigned hereby agrees to indemnify and save harmless the Carrier from any and all claims, liabilities and demands of any and every nature arising out of any personal injury or death, or loss or damage of any and every kind or nature sustained while in, upon or about the vehicle of the Carrier or incurred while acting as attendant for the aforementioned animals.

(Shipper or Agent of Shipper)

830

(Attendant)      (Attendant)

(Attendant)      (Attendant)



rec'd by mail 5/10/89 checks to be returned to Monahan for audit



**Chestnut Hollow Stables**  
REGI LORENZ, OWNER/INSTRUCTOR  
P.O. BOX 364  
MIDDLEBURG, VIRGINIA 22117  
PH. 703-687-5259

| REMITTANCE ADVICE |  |  |  |  |  |
|-------------------|--|--|--|--|--|
|                   |  |  |  |  |  |
|                   |  |  |  |  |  |
|                   |  |  |  |  |  |
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|                   |  |  |  |  |  |

68-678/560

2686

|  |                   |                                       |            |
|--|-------------------|---------------------------------------|------------|
| PAY <u>One hundred and twenty-eight 98/100</u> |                   | DOLLARS                               |            |
| DATE   | TO THE ORDER OF   | DESCRIPTION                           | NET AMOUNT |
| 5/7/89   | Marefield Meadows | insurance "Marjo" / March, April, May | 178 98     |

THE MIDDLEBURG NATIONAL BANK  
MIDDLEBURG, VIRGINIA 22117

*Regina Perry*

⑈002686⑈ ⑆056006786⑆ 0100006610⑈01



**Chestnut Hollow Stables**  
REGI LORENZ, OWNER/INSTRUCTOR  
P.O. BOX 364  
MIDDLEBURG, VIRGINIA 22117  
PH. 703-687-5259

| REMITTANCE ADVICE |  |  |  |  |  |
|-------------------|--|--|--|--|--|
|                   |  |  |  |  |  |
|                   |  |  |  |  |  |
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|                   |  |  |  |  |  |
|                   |  |  |  |  |  |

68-678/560

2705

|                              |                   |                              |            |
|------------------------------|-------------------|------------------------------|------------|
| PAY <u>Fifty-nine 56/100</u> |                   | DOLLARS                      |            |
| DATE                         | TO THE ORDER OF   | DESCRIPTION                  | NET AMOUNT |
| 2/16/89                      | Marefield Meadows | insurance premium / February | 259 56     |

THE MIDDLEBURG NATIONAL BANK  
MIDDLEBURG, VIRGINIA 22117

*Regina Perry*

⑈002705⑈ ⑆056006786⑆ 0100006610⑈01

831



*10/11/84*  
*10/11/84*



**Chestnut Hollow Stables**  
 REGI LORENZ, OWNER/INSTRUCTOR  
 P.O. BOX 364  
 MIDDLEBURG, VIRGINIA 22117  
 PH. 703-687-5259

| REMITTANCE ADVICE |  |  |  |  |  |
|-------------------|--|--|--|--|--|
|                   |  |  |  |  |  |
|                   |  |  |  |  |  |
|                   |  |  |  |  |  |

68-678/560

3209

|  |                   |  |            |
|--|-------------------|--|------------|
| PAY <u>Two hundred and ninety-eight 30/100</u> |                   | DOLLARS  |            |
| DATE   | TO THE ORDER OF   | DESCRIPTION                                    | NET AMOUNT |
| 10/11/84                                       | Marefield Meadows | Insurance Marengo [June, July, Aug, Sept, Oct] | 298 30     |

THE MIDDLEBURG NATIONAL BANK  
 MIDDLEBURG, VIRGINIA 22117

*Regina Lorenz*

⑈003209⑈ ⑆056006786⑆ 0100006610⑈01

892



# HALL, MONAHAN, ENGLE, MAHAN & MITCHELL

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

## ATTORNEYS AT LAW

WILBUR C. HALL (1892-1972)  
THOMAS V. MONAHAN  
SAMUEL D. ENGLE  
O. LELAND MAHAN  
ROBERT T. MITCHELL, JR.  
JOHN F. LANHAM  
NATE L. ADAMS, III  
KEVIN A. BELL

LEESBURG, VIRGINIA  
P. O. BOX 390  
3 EAST MARKET STREET  
TELEPHONE 703-777-1080  
TELECOPIER 703-771-4113

WINCHESTER, VIRGINIA  
P. O. BOX 848  
9 EAST BOSCAWEN STREET  
TELEPHONE 703-682-3200  
TELECOPIER 703-682-4304

PLEASE REPLY TO

P. O. Box 848

WINCHESTER, VIRGINIA 22601-0848

June 19, 1990

John P. Flannery, II, Esquire  
Shamrock Farm  
Rt. 2, Box 144A  
Leesburg, Virginia 22075

Dear Mr. Flannery:

I am enclosing a check in the amount of \$333.33. This represents one-third of the stud fee received in connection with Eileen Day's mare bred to Maronjo. It is my understanding that the foal has been delivered and the amount is distributable.

By a copy of this letter, I am sending the balance to Marefield Meadows, Inc.

This distribution of course will be taken into account at the time of a final accounting.

Very truly yours,

Thomas V. Monahan

TVM/ke

Enclosure

CC: Mrs. Marion K. Poynter

COPY

### HALL, MONAHAN, ENGLE, MAHAN & MITCHELL

SPECIAL ACCOUNT  
9 E. BOSCAWEN ST., P. O. BOX 848  
WINCHESTER, VA. 22601

880

66-1391  
514

PAY  
TO THE  
ORDER OF

Marefield Meadows, Inc.

6/19 1990

\$ 666.67

Six Hundred Sixty Six and 67/100-----

DOLLAR



Farmers and Merchants  
National Bank  
MAIN OFFICE WINCHESTER, VIRGINIA

833

FOR 2/3 Breeding Fee - Eileen Day's mare

00008806 051401399

1262343



10/5/88  
 Budget 1988/89  
 No. 1111111111  
 Worst-case

Stacyne/Jordan  
 Assoc  
 7204 Quakota Rd  
 Clayton Va 22024

| Ads *  |  |            |                         |       | Regs |
|--|--|------------|-------------------------|-------|------|
| Insertions   | - Practical Horseman                                     |            |                         |       | 70   |
|  | - Chronicle  | color 1139 | 1305<br>700<br>plus 100 | 2100  | OK   |
| Production - (incl. copy, design, layout, production coordination) |  |            |                         | 2005  |      |
| Folder   | - Design, layout, production coordination, copy (if any) |            | 750                     | 750   |      |
|  | - Printing   |            | 250<br>775              |       |      |
|  |  |            |                         | 1,025 |      |
| Flyer*   | - Design, layout, copy, production coordination          |            | 1,000                   |       |      |
|  | - Printing + color separations                           |            | 1,750                   |       |      |
|  |  |            |                         | 2,750 |      |
| Post Card  | - Design only (this year)                                |            | 75                      |       |      |
|  |  |            |                         | 75    |      |
| Follow-up letter   | Copywriting  |            | 200                     |       |      |
|  |  |            |                         | 200   |      |
| Expenses   | Travel, phone, copies, messenger, etc                    |            | 150                     |       |      |
|  |  |            |                         | 150   |      |



MINION SADDLERY (ODE)  
Rt. 1 Box 84  
CHANTILLY, VA 22021-9626

VOICE

No 15397

(703) 327-4423  
(703) 471-4329

|                 |           |
|-----------------|-----------|
| DATE<br>3-25-88 | ORDER NO. |
| SHIP TO         |           |

TO Reggie Lorenz - Chestnut Hollow

| SALESPERSON | DATE SHIPPED        | SHIPPED VIA | F.O.B. POINT    | TERMS |
|-------------|---------------------|-------------|-----------------|-------|
| QUANTITY    | DESCRIPTION         | UNIT PRICE  | TOTAL           |       |
| 2           | Pads #13 OR         | \$92.50     | 178.50          |       |
| 1           | Fly Repellent #2 OR | 31.95       | 27.20           |       |
|             |                     |             | <u>\$205.70</u> |       |
|             |                     |             | 926             |       |
|             |                     |             | <u>\$214.96</u> |       |
|             | 1 pad for Meadows   |             |                 |       |
|             | Lynn Miller         |             |                 |       |

ORIGINAL

Thank You

|  |                                      |    |       |
|--|--------------------------------------|----|-------|
|  |                                      | 14 | 45    |
|  | 1 cribbing strap (paid to Rhs by RL) | 15 | -     |
|  |                                      | 9  | 09 95 |



Marefield Meadows

Re Moronjo Expense Accounting

| Date       | To/Purpose   | Total Pd.               | 1/3      | ROA | Balance |
|------------|--|-------------------------|----------|-----|---------|
|            | Balance fwd  | Post due as of 12/22/89 |          |     | 596.68  |
|            | Balance fwd  | " "                     | 2/8/89   |     | 972.95  |
| } 1,569.63 |  |                         |          |     |         |
| 2/19/89    | ISR - LICENSE FEE  | 250.00                  | 83.33    |     |         |
| 2/20/89    | Nov Hill FEE Bd.   | 485.00                  | 161.66   |     | 1814.62 |
| 3/3/89     | Mailbox (Actu)   | 625.29                  | 208.43   |     | 2023.05 |
| 3/6/89     | B. Jucker <sup>New Stage</sup> (GARRIER)                       | 85.00                   | 28.33    |     | 2051.38 |
| 4/7/89     | 13 Jensen shoes  | 60.00                   | 20.00    |     | 2071.38 |
| 4/28/89    | Int on unpaid bal thru 4/28/89                                 | 191.75                  | 63.91    |     |         |
|            | Int on unpaid bal thru 5/20/89                                 |                         | 27.21    |     |         |
|            | Int on unpaid bal thru 5/20/89                                 |                         | 2.75     |     | 2165.25 |
|            |  |                         |          |     |         |
|            | Balance Forward  |                         |          |     | 2165.25 |
|            | Int on unpaid bal. thru 2/24/89                                | 1841.83                 | 614.27   |     | 2192.87 |
|            | Int on unpaid bal thru 3/10                                    | 239.50                  | 3.59     |     | 2196.46 |
|            | Credit Stud fee 5/12/89 <sup>C 11,000</sup> <del>5000.00</del> | (333.33)                |          |     | 1863.13 |
|            | <u>Current</u> Helen Poland <sup>dim</sup> pd 4/28/89          |                         |          |     |         |
|            | FOR 2.0 MILLIONS TOTAL 613.00                                  |                         |          |     |         |
|            | for Breeding supplies / 2 =                                    | 306.50                  | 102.50   |     | 1965.63 |
|            | Ken PANKOW, Dentist 5/17/89                                    | 825-                    | 8.33     |     | 1973.96 |
|            | Benny Jensen GARRIER 5/19/89                                   | 355-                    | 18.33    |     | 1992.29 |
| 189        | Credit - Stud Fee <sup>HAYES</sup> 5/26/89                     | 1200.00                 | <400.00> |     | 1592.29 |
|            | Credit - Mack Stud Fee 6/1/89                                  | 1000.00                 | <333.33> |     | 1258.96 |
|            | <sup>Breeding exp 410.00 / 2 = 205.00</sup>                    |                         | 68.33    |     |         |
|            |  |                         | 11.75    |     |         |
|            |  | 836                     | 12.00    |     |         |
|            |  |                         |          |     | 1351.37 |





Chestnut Hollow Stables  
REGI LORENZ, OWNER/INSTRUCTOR  
P.O. BOX 364  
MIDDLEBURG, VIRGINIA 22117  
PH. 703-687-5259

| REMITTANCE ADVICE |  |  |  |  |  |
|-------------------|--|--|--|--|--|
|                   |  |  |  |  |  |
|                   |  |  |  |  |  |
|                   |  |  |  |  |  |
|                   |  |  |  |  |  |

68-67

2

PAY

*Fifty - nine 66/100*

| DATE    | TO THE ORDER OF   | DESCRIPTION                  |
|---------|-------------------|------------------------------|
| 2/16/89 | Morefield Meadows | insurance premium 1 February |

THE MIDDLEBURG NATIONAL BANK  
MIDDLEBURG, VIRGINIA 22117

*Regina Henry*

⑈002705⑈ ⑆056006786⑆ 0100006610⑈01



Chestnut Hollow Stables  
REGI LORENZ, OWNER/INSTRUCTOR  
P.O. BOX 364  
MIDDLEBURG, VIRGINIA 22117  
PH. 703-687-5259

| REMITTANCE ADVICE |  |  |  |  |  |
|-------------------|--|--|--|--|--|
|                   |  |  |  |  |  |
|                   |  |  |  |  |  |
|                   |  |  |  |  |  |
|                   |  |  |  |  |  |

68-67

2

PAY

*Eight hundred and thirty-three 1/100*

| DATE    | TO THE ORDER OF   | DESCRIPTION                                       |
|---------|-------------------|---|
| 2-16-89 | Morefield Meadows | your bill 1/17/89 / RLS - fees provided 222/1 Feb |

THE MIDDLEBURG NATIONAL BANK  
MIDDLEBURG, VIRGINIA 22117

*Regina Henry*

⑈002706⑈ ⑆056006786⑆ 0100006610⑈01

*Returned*



ITEMS Purchased for Lowe & Moronjo

Lowe  
1 halter

Moronjo  
1 halter piece

# 7 Ulster Boots

ONE German Bit for Lowe

~~ONE~~ <sup>(TWO)</sup> Hanoverian Saddle pad

one Stallion lead line

one Chain for Stallion line

one CRUBBING Strap

One pair boots

for Bogey  
used by mor  
& Lowe? VING on this

All  
there



Mtg w/ Reggie  
10.5.88

Maronjo

Braided

Room for Brian Thurs. nite

Maronjo back here by 11:00 on Thurs.  
a.m.

Bath

Braid

leave @ 2:00

Irgrid drives up with Reggie on Friday  
+ comes back with Brian.

Reggie's 3rd of Advertising 1400.00  
Approved Max's ideas  
on Advertising

~~Discussed Clinic - too late to advertise  
for coming clinic~~

no attendance



Post-case

Stairne/Gordon  
Assoc  
7204 Dakota Rd  
Clifton Va 22024

Ads \*

Insertions - Practical Horseman  
- Chronicle

1305

700

plus 100

2100

2005

Reggie

700

OK

Production - (incl. copy, design, layout,  
production coordination)

750

750

Order - Design, layout, production  
coordination, copy (if any)  
- Printing

250

775

1,025

Year\* - Design, layout, copy,  
production coordination  
- Printing + color separations

1,000

1,750

2,750

700

OK

Post Card - Design only (this year)

75

75

Follow-up  
letter Copywriting

200

200

Expenses Travel, phone, copies, messenger, etc

150

150

---

6,955



3/14/89

On 2/16/89 I sent you an envelope containing the following 3 checks:

|   |                                |
|---|--------------------------------|
| check # 2705 Pro-rata ins. paymt. Feb. 89   | \$ 59.66 — sent to Georgia H.  |
| check # 2706 Paymt. of your bill 1/19/89<br>with pro-rata AHS-paymts. for<br>Jan. + Feb. 89 | \$ 833.11 — sent to Georgia H. |
| check # 2707 1/3 board paymts. Nov. Hill  | \$ 206.66 - 1/3.               |


On your following statement (Feb. 24) you acknowledge and credit check # 2707 in the amount of \$ 206.66 , however you rebill me with past due amounts for my payments made with checks # 2705 and 2706.


Please RECHECK MY ENVELOPE.

/s/



842

|  |  |                                    |
|--|--|------------------------------------|
| <b>ALADDIN CONNEMARAS</b> 10-82<br><b>CATHERINE P. MACK</b><br>P. O. BOX 1262 PH. 703-253-5893<br>MIDDLEBURG, VA. 22117                              |  | 1003                               |
| PAY TO THE ORDER OF <u>Marefield Meadows Inc.</u>  |  | <u>28 March 1989</u> 68-678<br>560 |
| <u>Two Hundred and 00/100</u>  |  | <u>\$ 200.00</u><br>DOLLARS        |
|  <b>THE MIDDLEBURG NATIONAL BANK</b><br>MIDDLEBURG - VIRGINIA 22117 |  |                                    |
| MEMO <u>Broking Fee - Maryjo</u>   |  | <u>Catherine P. Mack</u>           |
| ⑆056006786⑆ 0⑆000⑆9887⑆0⑆ 1003   |  |                                    |

|  |  |                                  |
|--|--|----------------------------------|
| <b>ALADDIN CONNEMARAS</b> 10-82<br><b>CATHERINE P. MACK</b><br>P. O. BOX 1262 PH. 703-253-5893<br>MIDDLEBURG, VA. 22117                                |  | 1026                             |
| PAY TO THE ORDER OF <u>Marefield Meadows</u>   |  | <u>26 May 1989</u> 68-678<br>560 |
| <u>Eight Hundred and 00/100</u>  |  | <u>\$ 800.00</u><br>DOLLARS      |
|  <b>THE MIDDLEBURG NATIONAL BANK</b><br>MIDDLEBURG - VIRGINIA 22117 |  |                                  |
| MEMO <u>balance on Stud fee</u>  |  | <u>Catherine P. Mack</u>         |
| ⑆056006786⑆ 0⑆000⑆9887⑆0⑆ 1026   |  |                                  |





MAREFIELD MEADOWS

703-349-1339

Breeding Fee Recd. <sup>Ms</sup>

1. Thomas Schwencer  
Karan Schwencer

dep  
5/12/89  
1,000  
(333)

(Breeding fee \$200.00  
Returned to Mr. Schwencer)

2. 5/26/89

Kathryn Harg  
1200.00

due 400.

3. Mack  
1,000.00  
dep. 6/1/89

Stable 349-9059

Route 5 • Box 303

Warrenton, Virginia



deposited  
July 3, 1989  
with  
Thomas  
Monahan

|   |  |                          |
|---|--|--------------------------|
| JEANNETTE BAIR<br>RICHARD BAIR, JR.<br>781-7350<br>6801 DORSEY LANE<br>WOODBINE, MARYLAND 21797 |  | 4769                     |
| PAY TO THE ORDER OF <u>Marefield Meadows</u>  |  | \$ <u>1000.00</u>        |
| <u>one thousand 00/100</u>  |  | DOLLARS                  |
| First National Bank<br>of Maryland<br>BALTIMORE, MARYLAND ACCOUNTING CENTER                     |  | 844                      |
| FOR <u>Mareja breeding fee</u>  |  | <u>Jeannette G. Bair</u> |
| ⑆052100408⑆ 1194609 6⑈ 4769   |  |                          |



THOMAS E. SCHWENCER  
KARAN S. SCHWENCER

2485 CHANEYVILLE ROAD, PH. 855-5342  
OWINGS, MD 20738

4/30 1989 2011

8-112  
520

PAY TO THE  
ORDER OF

Marfield Meadows

\$ 1,000.00

One thousand and 00/100

DOLLARS



CALVERT BANK AND TRUST COMPANY  
Baltimore, Maryland 21202

MEMO Breeding Marais

Karan S Schwencer

⑆05500⑆2220110030021827⑈

845



—LAW OFFICES—

HANES, SEVILA, SAUNDERS & McCAHILL

A PROFESSIONAL CORPORATION

POST OFFICE BOX 678

LEESBURG, VIRGINIA 22075

30 NORTH KING STREET

(703) 777-5700

METRO 471-9800

FAX (703) 771-4161

WILLIAM B. HANES  
ROBERT E. SEVILA  
RICHARD R. SAUNDERS, JR.  
BURKE F. McCAHILL  
DOUGLAS L. FLEMING, JR.  
JON D. HUDDLESTON  
CRAIG E. WHITE

April 26, 1989

Thomas V. Monahan, Esquire  
HALL, MONAHAN, ENGLE, MAHAN & MITCHELL  
P. O. Box 848  
Winchester, Virginia 22601-0848

Re: Sale of Moronjo

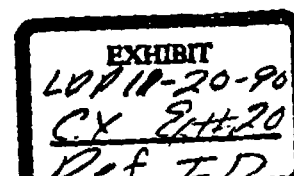
Dear Mr. Monahan:

I am in receipt of your letter of April 14, 1989, and as you know Burke McCahill called you on April 17, 1989, to advise you that we do not agree with your statements that there was an unqualified offer and an unqualified acceptance of a settlement proposal in this case. I want to clear the air on this point since it would be unfortunate for both parties to embark on unnecessary expense and litigation over this point.

I have tried to discuss a settlement with Georgia Herbert on several occasions. My letter of February 23, 1989, was not an unqualified offer of settlement. I made it very clear to Mrs. Herbert in my discussions with her before receipt of her March 17 letter, that my client could only purchase Moronjo if she was able to form a partnership or syndicate to assist her financially. My March 9, 1989, letter to Georgia Herbert confirms this. Mrs. Herbert acknowledged this in a telephone conversation with me on March 9, 1989.

There were a number of other issues raised in my February 23, 1989, letter that had to be resolved. For example, my client's proposal for pro-rata sharing of expenses was rejected by Mrs. Herbert in her March 17, 1989, letter. Accordingly, I cannot see any basis for the suggestion that there was an unqualified acceptance. The other issues I raised such as the breeding rights and fees

84C





Thomas. V. Monahan, Esquire  
April 26, 1989  
Page Two

were not even addressed by Mrs. Herbert. I note also that the letter of your clients attached to Mrs. Herbert's letter raised more issues which required discussion and resolution. Therefore, even if you assumed that there was a firm offer there was no firm acceptance but rather a continuation of discussion of issues that needed resolution between the parties.

The written communications were intended as preliminary discussions to try to reach a settlement. One party cannot attempt to select out certain favorable portions they like and accept them and then reject or ignore other portions. It was always intended that there would be a final written agreement memorializing all terms once all terms had been discussed and agreed upon. I did not have the authority to bind my client without her final approval. Obviously I could not obtain her final approval until all issues had been discussed.

I believe it is in everyone's best interest to try to work this matter out amicably. Litigation will only cause delay and expenses. It is unfair for everyone involved. Your letter solicited an unqualified offer. I have met with Mr. and Mrs. Lorenz and can make the following offer of settlement. Her proposal is one of two options:

1. Mrs. Lorenz will sell her share for \$21,000.00 cash. This offer must be accepted within fourteen (14) days of the date of this letter and payment shall be made in full within thirty (30) days of the date of this letter.

2. The second option is a public sale under the terms of Paragraph 16 of the contract. We must, however, agree upon the conditions of sale since the contract is silent. In any event, we would propose that the public sale occur forthwith.

Irrespective of whether the first or second option is accepted, Mrs. Lorenz will pay her pro-rata share of expenses only to the extent as previously tendered by the



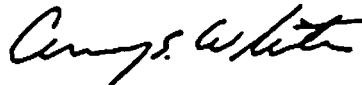
Thomas V. Monahan, Esquire  
April 26, 1989  
Page Three

checks. In this regard, we note that expenses are being incurred and have not been approved as provided in Paragraph 8 of the agreement. My client will not be liable for these expenses being incurred. Mrs. Lorenz expects her one-third share of breeding fees for any contracts entered into prior to the date of the sale of her interest. Furthermore, she expects the breeding rights under Paragraph 13, i.e. one mare not owned by Mrs. Lorenz to be bred by Maronjo in 1989 without any charge to her.

This letter will serve as an effort to terminate this agreement by directing that Maronjo be sold under Paragraph 16 of the agreement. I want to emphasize that my client would like very much to avoid a protracted battle in this matter and, therefore, I solicit your cooperation and prompt response in an effort to find a peaceful solution to this unfortunate situation.

I look forward to hearing from you.

Very truly yours,



Craig E. White

CEW/lsg

cc: Mr. and Mrs. Lorenz  
Georgia H. Herbert,  
Attorney at Law