

37-7426
37-8165

LAW OFFICES
SHULKIN HUTTON INC., P.S.
7525 SE 24TH STREET
SUITE 330
MERCER ISLAND, WASHINGTON 98040
(206) 623-3515
TELECOPIER (206) 682-9289

JEROME SHULKIN*
AFTON EKEMO
JUSTIN MISHKIN

ALSO ADMITTED IN OREGON*

A. J. HUTTON, JR.
1925 - 1995

FACSIMILE COVER SHEET

To:	<i>Members of The Dept. of Water Resources</i>	Fax No.:	<i>208-287-6700</i>
Company:	<i>Idaho Dept. Water Resources</i>	No. Pages (including this page)	<i>5</i>
Date:	<i>09-24-2008</i>	Re:	<i>Erkins' Water Rights</i>
From:	<i>Jerome Shulkin</i>	Our File No.:	
Attachment: <i>Letter dated 09.24.08 & Attachment - letter dated 01.05.2005</i>			
COMMENTS			

The information contained in this facsimile is confidential and may also be attorney-privileged. The information is intended only for the use of the individual or entity to whom it is addressed. If you are not the intended recipient, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any use, dissemination, distribution or copying of this communication is strictly prohibited. If you have received this facsimile in error, please immediately notify us by a collect telephone call to (206) 623-3515, and return the original message to us at the address above via the US Postal Service. Thank you.

DOCUMENT1

LAW OFFICES
SHULKIN HUTTON INC., P.S.
7525 SE 24TH STREET
SUITE 330
MERCER ISLAND, WASHINGTON 98040
(206) 623-3515
TELECOPIER (206) 682-9289

Jerome Shulkin*
AFTON EKEMO
JUSTIN MISHKIN
ALSO ADMITTED IN OREGON*

A. J. HUTTON, JR.
1925 - 1995

September 24, 2008

Re: Robert and Bernardine Erkins- Water Rights

Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098

Dear Members of The Department of Water Resources:

I am a member of the Washington State Bar Association, the Oregon Bar, and have practiced with the court's approval in the Bankruptcy and Federal District Court in Idaho. For the past several years, I have represented Robert and Bernardine Erkins; particularly in their Florida Bankruptcy. That case ended with a successful discharge of their debts and a restoration of the Idaho water rights claimed under their federal exemptions.

Interestingly, George Panagiotou did not file and/or pursue any claim against the Erkins in the Bankruptcy Court. Having been notified and not pursuing any claim, he is barred by the discharge. While in bankruptcy, the Erkins could not pursue their water rights until the court confirmed their ownership and allowed their claim of exemption.

With the bankruptcy complete, the Erkins currently await a decision from the U.S. Ninth Circuit Court of Appeals, relative to their water rights. Pending a decision, they cannot move forward with their water rights and applications related thereto. Accordingly, it is their request and petition for reconsideration of the Preliminary Order Voiding Permit issued by the Department of Water Resources in the Matter of Permit No. 37-7426.

I cannot represent the Erkins before your Department without local counsel or special permission. The grounds for that which they seek include, but are not necessarily limited to, the following:

1. That the subject, and all water rights relating thereto, have been involved in litigation since 2000 in the United States District Court for the District of Idaho, the Ninth Circuit Court of Appeals, the United States Bankruptcy Court for the Middle District of Florida, and the United States Bankruptcy Court of the Eastern Division for the District of Massachusetts.
2. That the subject property has been in litigation since 2002 over the issue of whether the water rights automatically transfer with the sale of property, or whether under Idaho law water rights

September 24, 2008

Page 2

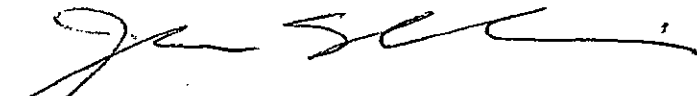
can be transferred to a third party. The litigation has been pursued in the United States District Court for the District of Idaho and is presently on appeal to the Ninth Circuit Court of Appeals. The issue was also pursued in the United States Bankruptcy Court for the Middle District of Florida. As a result of that litigation, the ownership of the water rights were abandoned to Mr. and Mrs. Erkins.

3. That the Department of Water Resources by and through Deputy Attorney General John Homan agreed that all water rights and applications related thereto relating to the subject property were to be held and no action taken until all litigation between Robert and Bernardine Erkins and/or their entities and George Panagiotou and/or his entities were completely resolved. In support of these grounds, petitioners attach as Exhibit A to this petition a true and correct copy of the letter dated January 5, 2005 to Deputy Attorney General Homan from Petros G. Eliopoulos, Trustee of the Erkins Family Trust, the Meglon Domestic Non-Grantor Trust.

I apologize for this last minute letter, having most recently made aware of the pending matter before you. I sincerely hope that the information provided will result in a hold on any adverse decision pending the final outcome of litigation involving the Erkins' water rights which they most certainly have not abandoned.

Thank you for your consideration.

Sincerely yours,



Jerome Shulkin, President
Shulkin Hutton, Inc., P.S.

Attachment: Letter to John Homan, dated January 5, 2005

PHOENIX

advisors, llc

FINANCIAL • ASSET MANAGEMENT • LEGAL STRATEGY

January 5, 2005

VIA FACSIMILE TRANSMISSION
208-287-6700

Mr. John Homan
Deputy Attorney General
Idaho Department of Water Resources

Re: White Arrow Ranch and Devils Corral; pending application

Dear John:

Pursuant to our telephone conversation of yesterday, enclosed please find the following documents:

- Copy of the Meglon Trust's motion for reconsideration dated May 1, 2003;
- Copy of Judge Winmill's Order staying the case because of the Erkins' bankruptcy filing;
- Copy of the assignment of Tina Panagiotou Valcarenghi to the Meglon Trust of her 50% interest in the judgment and real property obtained pursuant thereto;
- Copy of Meglon Trust's claim filed in the Erkins bankruptcy which is secured by the real property of White Arrow Ranch and Devils Corral

As I stated yesterday, and as set forth in the documents, the motion for reconsideration was timely filed prior to the Final Order of the court. Accordingly, the motion was pending at the time of the filing of the bankruptcy petition by Mr. and Mrs. Erkins in Florida. Judge Winmill's stay order followed pursuant to bankruptcy stay provisions. If you have any questions regarding the enclosed documents, or any questions about any other aspect of the status of the various litigations related to the water rights and the real property, please contact me.

It is my understanding that the applications will be held until the water rights and/or water agreement and related permit have been fully litigated in the Florida bankruptcy court and/or the Ninth Circuit Court of Appeals. If my understanding is incorrect in any way, please contact me immediately.

As I stated in our conversation, I intend to instruct Trust counsel to pursue Mr. Panagiotou and his various entities for violation of the stay in effect under 11 U.S.C. §362(a). I will contact you to set a time to review and copy the applications for forwarding to Trust counsel as additional support for the Motion for Order to Show

2303 Table Rock Road • Boise, ID 83712 • 208.345.2214 Telephone • 208.345.5723 Facsimile

Mr. John Homan
January 5, 2005
Page - 2

Cause for filing in the United States Bankruptcy Court for the Middle District of Florida.

If you have any questions whatsoever, I can be reached through the following numbers: my office phone number 208.345.2214; my fax number 208.345.5723.

Very truly yours,

Petros G. Eliopoulos
President

PGE/jae

cc: Mr. Jerry Shulkin, Esq.
Mr. Charles Vihon, Esq.
Mr. Geoffery Aaronson, Esq.