

Williamson v. Brooks, 2d Civil No. B265745 (Cal Ct. App. Jan. 31, 2017)

William Morgan established an irrevocable trust for the benefit of his daughter, Beverly Morgan. The trust had a value of \$67,500 when it was established. Over the next four years, the trust's value increased to over \$725,000. Claiming she didn't receive timely notice of the establishment of the trust, Beverly caused the successor trustee, Joanne Williamson, to sue the prior trustees for damages. Williamson claimed that if Beverly had been made aware of the trust, she would have used its assets to save her home.

The trial court entered a judgment in favor of the original trustees. It found that the original trustees did not breach their fiduciary duties and neither the trust nor Beverly suffered any harm as a result of the original trustees' actions. The Court of Appeal affirmed, finding that Beverly was reasonably informed about the trust shortly after it was established and that if Beverly did not have information about the trust, it was her "lack of due diligence" that prevented her from learning about the details earlier.

Pizarro v. Reynoso, No. C077594 (Cal. Ct. App. Jan. 18, 2017)

Earl Jensen died in 2011. During his lifetime, he established a trust and named his granddaughter, Melissa Reynoso, as Trustee. Reynoso sold real property of the trust to her mother, Karen Bartholomew (Earl's daughter), as permitted by the trust. Anthony Pizarro, Reynoso's brother and Bartholomew's son, and Earl's other child, Willis Earl Jensen, filed petitions against Reynoso and Bartholomew alleging that Reynoso breached her fiduciary duty and that the sale should be set aside. The trial court denied the petitions and ordered Pizarro and others to pay the trust's attorney fees and costs.

On appeal, Pizarro argued that the trial court erred in finding that Reynoso acted properly as Trustee. The appellate court found that Pizarro forfeited this argument because he failed to provide a "focused, organized and coherent argument for why we must reverse the order."

Pizarro and Bartholomew also argued on appeal that the award of attorney fees and cost against them was improper. The Court of Appeal determined that the award of attorney fees and costs was properly issued under the trial court's equitable power over the trust, except to the extent that the trial court made Bartholomew and Pizarro personally liable for the fees and costs, rather than solely liable from their trust shares. Accordingly, the Court of Appeal reversed the award of attorney fees and costs to the extent it imposed personal liability but otherwise affirmed the trial court's order.