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KING COUNTY  
SUPERIOR COURT CLERK  
SEATTLE, WA

Ex Parte Calendar  
Hearing Date: October 12, 2017  
Hearing Time: 10:30 a.m.  
With Oral Argument

**EXP01**

**STATE OF WASHINGTON  
KING COUNTY SUPERIOR COURT**

In Re:

SARA LITTLE TURNBULL  
FOUNDATION

NO. 17-4-05749-2 SEA

ORDER GRANTING ATTORNEY  
GENERAL'S TEDRA PETITION  
FOR DECLARATION OF RIGHTS  
CONSTRUING TRUST AGREEMENT  
AS A MATTER OF LAW

THIS MATTER, having come before the Court on Attorney General's TEDRA Petition for Declaration of Rights Construing Trust Agreement as a Matter of Law ("Attorney General's Petition"), and the Court having reviewed the Attorney General's Petition; the Declaration of John K. Eason; the Declaration of Trustee Bruce Moen in Support of the Attorney General's Petition; Trustee's Response in Support of the Attorney General's Petition; Declaration of Trustee Bruce Moen in Support of Trustee's Response in Support of Attorney General's Petition; Declaration of Janice Crosta; Paula Rees' Response to Attorney General's TEDRA Petition for Declaration of Rights Construing Trust Agreement as a Matter of Law; the Declaration of Scott B. Henrie in Support of Paula Rees' Response to Attorney General's TEDRA Petition and its exhibits; Attorney General's Reply in Support of its TEDRA Petition for Declaration of Rights Construing Trust Agreement as a Matter of Law; the Supplemental Declaration of John K. Eason; and the Declaration of David M. Horn in Support of Attorney General's Reply Supporting Its TEDRA Petition for Declaration of Rights Construing Trust

[PROPOSED] ORDER - 1

ATTORNEY GENERAL OF WASHINGTON  
Consumer Protection Division  
800 Fifth Avenue, Suite 2000  
Seattle, WA 98104-3188  
(206) 464-7745

1 Agreement as a Matter of Law; all filed in this matter; and heard argument of counsel for the  
2 Attorney General, counsel for Paula Rees, counsel for Trustee Bruce Moen, and Larry  
3 Eisenbach pro se, the Court ORDERS the following:

#### 4 FINDINGS OF FACT

5 1. The Second Amendment and Restatement of the Sara Little Turnbull 1989  
6 Living Trust Agreement (2009) ("Trust Agreement") is attached to this Order as Exhibit A. It  
7 is the operative trust agreement for the Sara Little Turnbull Post-Mortem Trust ("Trust") and  
8 the Sara Little Turnbull Foundation ("Foundation").

9 2. All parties agree that Sara Little Turnbull died on or about September 3, 2015.

10 3. The Attorney General filed this petition seeking a Declaration of Rights  
11 construing the Trust Agreement as a matter of law.

12 4. Bruce Moen is the Trustee of both the Trust and the Foundation. He supports  
13 the Attorney General's Petition and entry of this Order. He works and resides in King County.  
14 He made a Declaration in this matter which the Attorney General has submitted.

15 5. Disputes regarding construction of the Trust Agreement have so far prevented  
16 fulfillment of the Trust Agreement's instruction that grants be made to charitable organizations  
17 to "further the educational advancement of disadvantaged women and both education and  
18 enhancement of public knowledge in the area of design." *FCS*

19 6. The Attorney General filed its Petition on September 19, 2017. All parties in  
20 interest were served pursuant to 11.96A.100 no later than September 21, 2017.

21 7. No final judgment on the merits was entered in King County Cause No. 17-4-  
22 02231-1 SEA.

#### 23 CONCLUSIONS OF LAW

24 8. The Court has jurisdiction over the subject matter of this action pursuant to the  
25 Charitable Trust Act, chapter 11.110 RCW, and the Trust and Estate Dispute Resolution Act  
26 (TEDRA), chapter 11.96A RCW.

[PROPOSED] ORDER - 2

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1 9. The Court has jurisdiction over the Sara Little Turnbull Post-Mortem Trust and  
2 the Sara Little Turnbull Foundation, their Trustee, Bruce Moen, the Attorney General, the  
3 Special Trustees and the other parties at interest pursuant to TEDRA and the Charitable Trust  
4 Act.

5 10. The Attorney General has standing to bring this action under RCW  
6 11.96A.080(1) and RCW 11.110.120.

7 11. Venue is proper in King County because Trustee Bruce Moen resides here.  
8 RCW 11.96A.050(1)(b).

9 12. The Attorney General's TEDRA Petition is not barred by res judicata or  
10 collateral estoppel.

11 13. All parties were properly served with the Attorney General's Petition and its  
12 supporting Declarations of John K. Eason and Trustee Bruce Moen no later than September 21,  
13 2017.

14 14. Trustee Bruce Moen is Trustee of both the Trust and the Foundation;

15 15. The Trust Agreement is clear and unambiguous, and therefore extrinsic  
16 evidence of the Trustor's intent is not required to construe the Trust Agreement;

17 16. This Order is based solely upon the language of the Trust Agreement;

18 17. The Trust Agreement required the formation, upon the death of Sara Little  
19 Turnbull, of a Sara Little Turnbull Foundation in the form of a trust;

20 18. The Trustee's formation of a private, grant-making Foundation is consistent  
21 with the Trust Agreement;

22 ~~The Foundation shall provide grants to various~~  
23 19. The Foundation's purpose is to make grants to tax-exempt 501(c)(3)  
24 organizations, ~~to~~ *It is Grantor's intent that this foundation be used at a minimum* further the educational advancement of disadvantaged women and both  
25 education and enhancement of public knowledge in the area of design;

26 20. The Trustee of the Foundation has the lawful powers of a Trustee, with a few  
enumerated exceptions, namely, that (a) he is required to delegate investment authority to one

The Trustee shall not be required to furnish annual state reports of account under RCW 11.106.020; provided however that upon the Board's reasonable request, the Trustee shall furnish such beneficiaries with a current statement of assets and liabilities

1 Janice Crosta; and (b) he may be removed without cause by the two Special Trustees With  
2 Authority to Remove and Replace Corporate Trustees, but only if both Special Trustees do so  
3 acting jointly;

4 21. The Board of Special Trustees is empowered to direct the Trustee of the  
5 Foundation which grants to make and in what amounts, and has no other duties under the Trust  
6 Agreement except to choose successor Special Trustees and to replace the Trustee if the  
7 Trustee resigns without designating a successor; and

8 22. ~~The role of the Special Trustee for Tangible Personal Property has terminated.~~

9 The title to all ~~Personal Tangible~~ <sup>Tangible Personal</sup> Property of the Post-Mortem Trust has passed to the  
10 Foundation ("Tangible Personal Property"). All individuals in possession, custody, or control  
11 of ~~the~~ <sup>any</sup> Tangible Personal Property <sup>held by the trust</sup> shall immediately transfer possession to the Trustee of the  
12 Post-Mortem Trust and Foundation. Bruce Moen, and, in the meantime, all such individuals  
13 shall preserve, and not modify or destroy ~~and~~ <sup>in any way any</sup> of the Tangible Personal Property <sup>held by the trust</sup> in any way.

**ORDER**

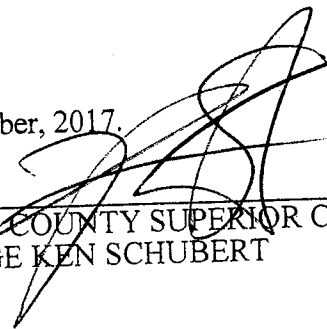
15 Now, therefore, the Court having made the above Findings of Fact and Conclusions of  
16 Law, and being fully advised, it is hereby ORDERED, ADJUDGED, AND DECREED that:

- 17 1. The Attorney General's Petition is GRANTED.
- 18 2. The Court hereby adopts the above Findings of Facts and Conclusions of Law as its

19 DECLARATION OF RIGHTS as requested in the Attorney General's Petition.

- 20 3. The Honorable Ken Schubert hereby retains jurisdiction of all matters filed or
- 21 entered in this Cause.

23 DONE IN OPEN COURT this 12 day of October, 2017.

  
KING COUNTY SUPERIOR COURT  
JUDGE KEN SCHUBERT

ATTORNEY GENERAL OF WASHINGTON  
Consumer Protection Division  
800 Fifth Avenue, Suite 2000  
Seattle, WA 98104-3188  
(206) 464-7745

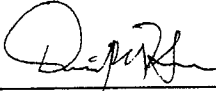
of the Trust together with a summary of current account activities of the Trust

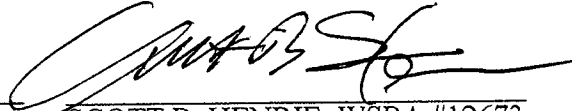
1 Presented by:

Approved as to Form; Notice of Presentation  
Waived:

2 ROBERT W. FERGUSON  
Attorney General

WILLIAMS KASTNER

3  
4 



5 DAVID M. HORN, WSBA #13514

SCOTT B. HENRIE, WSBA #12673

Senior Counsel

Attorney for


6 AMY TENG, WSBA #50003

Special Trustee Paula Rees

Assistant Attorney General

7 Attorneys for Petitioner, State of Washington

DORSEY & WHITNEY LLP

8  
9 

10 PETER S. EHRLICHMAN, WSBA #6591

BENJAMIN GREENBERG, WSBA #44120

11 Attorneys for Trustee Bruce Moen

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[PROPOSED] ORDER - 5

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Seattle, WA 98104-3188  
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**THE SECOND AMENDMENT AND RESTATEMENT  
OF THE SARA LITTLE TURNBULL  
1989 LIVING TRUST AGREEMENT**

(2009)

This Second Amendment and Restatement of the Sara Little Turnbull 1989 Living Trust Agreement ("Agreement") is made effective November 30, 2009, between SARA LITTLE TURNBULL ("Grantor") and ELAINE P. ADAMS, of Weyburn Fiduciary Services, Inc. ("Trustee"). The Trust modified by this Agreement shall continue to be known as the SARA LITTLE TURNBULL 1989 LIVING TRUST (the "Trust") as amended and restated.

1. TRUST PROPERTY

Grantor has previously transfer certain property to the Trust for administration hereunder and reserves the right to contribute additional property to this Trust from time to time. The Trustees agree to administer all contributed property pursuant to the terms of this Agreement.

2. REVOCAION AND AMENDMENT

2.1 During Grantor's Lifetime. During Grantor's lifetime, Grantor shall have the right to revoke this instrument in its entirety, to partially revoke or modify this instrument or to withdraw from the operation of the Trust any part of the trust property.

2.2 Exercise of Powers. The powers retained immediately above shall be exercisable either by Grantor, by a guardian of Grantor's person or estate, or by a person given such power by durable power of attorney or similar instrument executed before or after the execution of this Agreement, provided however, that the power of revocation conferred upon the attorney-in-fact under a durable power of attorney or similar instrument shall be limited to the powers expressly contained therein.

2.3 Upon Grantor's Death. Upon Grantor's death, the Trust shall become irrevocable.

3. FAMILY

At the time of executing this Trust Agreement, Grantor is not married and has no naturally born or adopted children.

4. ADMINISTRATION DURING GRANTOR'S LIFETIME

As long as Grantor is living, the Trustees shall make such distributions of income and principal to or for the benefit of Grantor as Grantor shall direct. If Grantor is disabled, the Trustee may either continue or discontinue any distribution previously directed, and thereafter the Trustee shall be authorized and directed to make distributions of income and principal for the health, support and maintenance of Grantor according to Grantor's accustomed standard of living.

5. GENERAL DISPOSITION UPON GRANTOR'S DEATH

5.1 Tangible Personal Property. Grantor may prepare a memorandum, in Grantor's handwriting or signed by Grantor, directing the disposition of Grantor's interests in such tangible personal property (as described in Article 11) as may be owned by the Trust. Tangible personal property not so specifically disposed of shall pass as a part of the residue of the trust estate and be distributed in accordance with Section 5.2 below.

5.2 Disposition of Residue. The remainder of the trust estate shall be distributed to THE SARA LITTLE TURNBULL FOUNDATION.

6. THE SARA LITTLE TURNBULL FOUNDATION

6.1 Definition. Any reference herein to "THE SARA LITTLE TURNBULL FOUNDATION" shall mean such foundation, supporting organization or directed fund established during Grantor's lifetime by Grantor or Grantor's attorney-in-fact under a durable power of attorney or, if no such foundation, supporting organization or directed fund exists at the time of Grantor's death, then the foundation to be created by the Trustee pursuant to Section 6.2 below.

6.2 Postmortem Formation. Unless a private foundation, supporting organization or directed fund has been established during Grantor's lifetime, the Trustee is hereby directed to form a foundation under the following guidelines (the "Foundation").

6.2.1 General Purpose. The Foundation shall be established to provide grants to various qualifying charitable organizations. It is Grantor's intent that this Foundation be used at a minimum to further the educational advancement of disadvantaged women and both education and enhancement of public knowledge in the area of design.

6.2.2 Tax-Exempt Status. It is Grantor's intention that the Foundation qualify or is qualified for an exemption from Federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code and that any transfers to the Foundation under this Agreement qualify for the gift and/or estate tax charitable deduction. In this regard, it is intended that the Foundation limit its financial support to organizations that have qualified for exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code and to which contributions are deductible under Sections 170(c) or 2055 of the Code.

6.2.3 Form of Organization. The Foundation shall be organized in the form of a Trust. The operation of the trust and the management of its affairs and property shall be in accordance with the terms of this Agreement.

6.2.4 Grant Making. The Board of Special Trustees appointed in accordance with the terms of Section 7.3 below shall direct the Trustee to distribute the net income and so much of the principal of the Foundation to qualifying charitable organizations, and in such amounts or portions among them, as the Board shall determine in its sole discretion; provided, however, that the Board's discretion shall be subject to the intentions as set forth herein and the requirements, express or implied, of Section 6.2.2.

## 7. TRUSTEE SUCCESSION

7.1 In General. ELAINE P. ADAMS, of Weyburn Fiduciary Services, Inc., shall have the lifetime power to designate for appointment without court proceedings a succession of alternate trustees to serve when and if she is ever unable or unwilling to serve. Any such designation shall be written and acknowledged. If no successor trustee has been designated and there is a trustee vacancy, the Board of Special Trustees of the Foundation serving under Section 7.3 below may, by majority vote, appoint a successor without court proceedings.

7.2 Appointment of Special Trustee for Tangible Personal Property. PAULA REES shall serve as Special Trustee for all tangible personal property held by the Trust. The Special Trustee shall serve as sole Trustee with respect to such property and shall hold title solely in her name as Special Trustee under this instrument. With respect to such property only, all of the powers, duties, and obligations granted to the Trustee by this instrument shall be exercised solely by the Special Trustee. The Trustee shall not be responsible for overseeing the actions of the Special Trustee. The Special Trustee may receive reasonable compensation (determined in the Trustee's discretion) for services rendered in such capacity, provided, however, that the value of the property under the control of the Special Trustee shall not be considered when calculating that compensation. The Trustee shall be absolved from all liability arising out of the exercise or nonexercise of the powers herein granted to the Special Trustee. The net income and the proceeds of sale of all or any part of such property shall be remitted to the Trustee to be administered under this instrument.

7.3 Appointment of Board of Special Trustees for Administration of Foundation. If a private foundation, supporting organization or directed fund is created upon Grantor's death in accordance with Section 6.2 above, the following group of individuals shall comprise the Board of Special Trustees to exercise the powers conferred upon them under Section 6.2 above: 1) Dr. Walter Bartz, 2) Paula Rees, 3) Dorothy Dunn, 4) Colleen Hera, 5) Jim Collins, and 6) James Rogers. Each of these named individuals shall have the power to appoint a succession of successor Special Trustees to serve in their place should they ever become unable or unwilling to serve. Such appointments shall be written and acknowledged. The last named successor in each appointment shall also have the power to appoint successors even if such power is not directly conferred in the written appointment. There shall always be a minimum of three Special Trustees serving as members of the Board. If the third-to-last Special Trustee fails to appoint a successor, the other two remaining Special Trustees shall select a replacement Special Trustee by unanimous vote.

7.4 Appointment of Special Trustees with Authority to Remove and Replace Corporate Trustees. The Grantor hereby appoints PAULA REES and LUKE E. THOMAS as co-Special Trustees who shall have the power acting jointly to remove and replace any professional trustee serving as Trustee or co-Trustee under the Trust Agreement. Such professional trustee may be removed by the Special Trustees named herein (or their appointees) at any time without cause and without court approval by delivery to such professional trustee written notice of its removal signed by the co-Special Trustees and accepted by the replacement professional trustee. The replacement corporate trustee shall be selected by the co-Special Trustees in their sole and absolute discretion. Any co-Special Trustee serving under this Paragraph 7.4 shall have the



power to nominate a succession of alternate successor co-Special Trustees to serve in the event that such serving co-Special Trustee ever resigns fails or otherwise ceases to serve. In the event that one of the co-Special Trustees serving under this Section 7.4 resigns, fails or otherwise ceases to serve and has not nominated a successor co-Special Trustee, the remaining Special Trustee shall continue to serve alone.

## 8. FIDUCIARY POWERS AND COMPENSATION

8.1 In General. Except as otherwise limited by the terms of this Trust Agreement, the Trustee shall have all of the powers, authority and discretion conferred by Washington law. The Trustee shall not be required to furnish annual statements of account under RCW 11.106.020; provided, however, that upon the Board's reasonable request, the Trustee shall furnish such beneficiary with a current statement of assets and liabilities of the Trust together with a summary of current account activities of the Trust. The Trustee shall have the authority to make all elections involved in the application of state and federal taxes to the trust and beneficiaries and shall have no liability to any beneficiary on account of taxes allocable to a beneficiary's interest resulting from an election made in good faith.

8.2 Enumerated Powers. The following enumerated powers are implied by the law of the State of Washington. In enumerating these powers Grantor in no way means to dilute or eliminate the implied powers not specifically enumerated:

8.2.1 Securities. The Trustee shall be authorized to acquire and hold all manner of securities whether publicly traded or closely held. Respecting such securities as are acquired or held by the Trust at any time, the Trustees are authorized to acquire the same on margin, trade options, buy/sell puts and calls, and is authorized to freely trade, mortgage, hypothecate, pledge or otherwise encumber the same.

8.3 Delegation of Investment Authority: Notwithstanding any other contrary provisions of this Trust Agreement, the Trustee shall delegate its investment authority to JANICE ("Jann") CROSTA or such other professional investment advisor nominated by her in the future. Although JANICE CROSTA is currently employed by McAdams Wright Ragen, this delegation of investment authority is to JANICE CROSTA (and her future designees) personally and not to McAdams Wright Ragen. Therefore, all investment decisions shall continue to be made by JANICE CROSTA (and her future designees) irrespective of her (or their) place of future employment. The Trustee shall be absolved of any and all liability regarding investment decisions of the Trust when acting in reliance on directions from JANICE CROSTA (or her future designees).

8.4 Extraordinary Powers. Grantor desires that the Trustee have sufficient authority to avail the Trust and its beneficiaries of any opportunities under existing and future laws that may require extraordinary action; S corporation shareholdership qualification and generation skipping transfer tax minimization being examples of such opportunities. To this end, Grantor confers upon Trustee the power to divide trusts into separate shares, to create new trusts for the purposes of holding specific property or for holding undivided interests in trust assets, or create limited powers of appointment exercisable by specific beneficiaries, all to be consistent with, though not necessarily in literal compliance with, the dispositive scheme set forth in this

Agreement. No Trustee who is also a beneficiary under this Agreement shall be qualified to exercise these powers. If there is no qualified Trustee at the time that the exercise of such a power is called for, the Trustee may request a judicial appointment of a qualified independent trustee to consider the situation then at hand and to proceed in the independent trustee's discretion with the powers as set forth herein.

8.5 Compensation. The Trustee shall be entitled to reasonable compensation which may include compensation in accordance with the Trustee's standard fee schedule.

## 9. TAXATION

The Trustee may pay any estate or inheritance taxes properly charged by law against the Trust estate by reason of Grantor's death. To the extent governed thereby, all estate, inheritance and succession taxes payable by reason of Grantor's death, if any, shall be apportioned in accordance with the Washington Estate Tax Apportionment Act, except that gifts of tangible personal property under Grantor's will and gifts under Article 5 hereof shall bear no portion of such taxes.

## 10. ABSTRACT OF TRUST

Any transfer agent or other party involved in the transfer of assets to the Trust, the sale to or the purchase of assets from the Trust, the mortgage or lease of trust property, or any other transaction involving the Trust, may request and rely upon an Abstract of Trust certified by the Trustee and confirming the Trust's existence, the Trustee's appointment, the Trustee's authority to act on behalf of the Trust, the law governing the Trust's operation and the ability of third parties to rely on such Abstract.

## 11. DEFINITIONS AND CONSTRUCTION

11.1 Context. As the context may require, the gender of all words used herein shall include the masculine, the feminine and neuter, and the singular of all words shall include the plural and the plural the singular.

11.2 Governing Law and References. This Agreement shall be governed by Washington law and by applicable federal law. All references made to the statutes or legislative acts of any jurisdiction include any amendments and successor legislation.

11.3 Trust Estate. The term "trust estate" shall mean all property contributed by Grantor however contributed, whether directly, by bequest under Grantor's will, or by beneficiary designation under a life insurance or annuity policy, a retirement plan of Grantor's employer, an individual retirement account or otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the date first above written.

GRANTOR: [Signature]

SARA LITTLE TURNBULL

TRUSTEE: [Signature]

ELAINE P. ADAMS, of Weyburn Fiduciary Services, Inc.

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this day personally appeared before me SARA LITTLE TURNBULL, to me known to be the Grantor described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the purposes therein mentioned.

Given under my hand and official seal on November 30 2009.



[Signature]  
NOTARY PUBLIC in and for the State of Washington  
Residing at Mercer Is, WA  
My appointment expires 7/29/2011

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this day personally appeared before me ELAINE P. ADAMS, of Weyburn Fiduciary Services, Inc., to me known to be the Trustee described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary purposes therein mentioned.

SIGNED AND SWORN TO (or affirmed) before me on December 1, 2009.



[Signature]  
NOTARY PUBLIC in and for the State of Texas  
Luke Thomas  
(Printed or Stamped Name of Notary)  
Residing at Mercer Is, WA  
My appointment expires 7/29/2011