

Pursuant to Govt. Code §6103
Exempt From Fees

ENDORSED

OCT 09 2014

CLERK OF THE NAPA SUPERIOR COURT
BY T. DELUNA
DEPUTY

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF NAPA

13 IN RE:

Case No. **26-65141**

14 JEAN SCHROEDER EDUCATION TRUST;

PETITION FOR REMOVAL OF TRUSTEES, APPOINTMENT OF RECEIVER OR TEMPORARY TRUSTEE, AN ACCOUNTING, AND TO VOID THE TRANSFER OF TRUST PROPERTY TO TRUSTEE; DECLARATION OF CHRISTOPHER C. LAMERDIN WITH EXHIBITS IN SUPPORT THEREOF.

15 THE PEOPLE OF THE STATE OF
16 CALIFORNIA,

Petitioner;

18 v.

19 MATTHEW BISHOP, INDIVIDUALLY AND AS
20 TRUSTEE OF THE JEAN SCHROEDER EDUCATION
21 TRUST, GENE PRAT, INDIVIDUALLY AND AS
22 TRUSTEE OF THE JEAN SCHROEDER EDUCATION
23 TRUST, AND DOES 1-20, INCLUSIVE,

Respondents.

{Prob. Code, §§ 15002, 15004, 15202, 15403, 15642, 15680, 16002, 16004, 16006, 16009, 16049, 16102, 16400, 16420, 17000, 17005, 17200, 17203, 17210; Gov. Code, §§ 12591, 12598}

{Request for Judicial Notice and Lis Pendens filed in support}

Date: November 20, 2014
Time: 8:30 a.m.
Dept:

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF NAPA

IN RE:
JEAN SCHROEDER EDUCATION TRUST;

THE PEOPLE OF THE STATE OF CALIFORNIA,

Petitioner,

v.

MATTHEW BISHOP, INDIVIDUALLY AND AS TRUSTEE OF THE JEAN SCHROEDER EDUCATION TRUST, GENE PRAT, INDIVIDUALLY AND AS TRUSTEE OF THE JEAN SCHROEDER EDUCATION TRUST, AND DOES 1-20, INCLUSIVE,

Respondents.

Case No.
PETITION FOR REMOVAL OF TRUSTEES, APPOINTMENT OF RECEIVER OR TEMPORARY TRUSTEE, AN ACCOUNTING, AND TO VOID THE TRANSFER OF TRUST PROPERTY TO TRUSTEE; DECLARATION OF CHRISTOPHER C. LAMERDIN WITH EXHIBITS IN SUPPORT THEREOF

[Prob. Code, §§ 15002, 15004, 15202, 15403, 15642, 15680, 16002, 16004, 16006, 16009, 16049, 16102, 16400, 16420, 17000, 17005, 17200, 17203, 17210; Gov. Code, §§ 12591, 12598]

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1 *Industries, Inc. v. Lynch* (1970) 8 Cal.App.3d 902 [the Attorney General has a duty to protect the
2 beneficiaries' interest in a charitable trust]; *Estate of Ventura* (1963) 217 Cal.App.2d 50, 57 [the
3 Attorney General has the duty to participate in proceedings to protect charitable gifts]; *Estate of*
4 *Zahn* (1971) 16 Cal.App.3d 106, 114.) The Attorney General is authorized to enforce, in the
5 name of the People of this State, the provisions of the Supervision of Trustees and Fundraisers for
6 Charitable Purposes Act (Gov. Code, § 12580 *et seq.*), and the Probate Code (§§ 15000 *et seq.*,
7 16000 *et seq.*, and 17000 *et seq.*).

8 4. Respondent Matthew Bishop ("Bishop") has been a trustee of the Education Trust
9 since the death of trustor A.T. Anderson on December 3, 2009. As a trustee of the Education
10 Trust, Bishop owes a fiduciary duty to the charitable beneficiaries of this Trust, who are the
11 People of the State of California. Bishop is also an attorney licensed to practice in the State of
12 California and a resident of Napa County, California.

13 5. Respondent Gene Prat ("Prat") has been, or has acted as, a trustee of the Education
14 Trust from on or about December 3, 2009 to the present. As a trustee of the Education Trust, Prat
15 owes a fiduciary duty to the charitable beneficiaries of this Trust, who are the People of the State
16 of California. Prat is a resident of Marin County, California.

17 6. Respondent DOES 1-20 are the fictitious names of respondents who were trustees,
18 agents, or key employees of the Education Trust, and those who have acted on behalf of or as
19 agent, servant or employee of one or more of the named respondents and DOES 1-20, or who
20 have directly or indirectly participated or acted in concert with them in the acts and omissions
21 described in the Petition, but whose true names and capacities, whether individual, corporate or
22 otherwise, are presently unknown to petitioner. Petitioner will seek leave to amend this Petition
23 when their true names are discovered.

24 **BACKGROUND FACTS IN SUPPORT OF THE PETITION**

25 7. A. T. Anderson's Will and 2004 Revocable Trust. On July 2, 2004, A. T. Anderson
26 created his Last Will and Testament ("Will"), and the A. T. Anderson 2004 Revocable Trust
27 ("Revocable Trust"). Anderson placed his residence, located at 1211 Green Valley Road, Napa,
28 California, Assessor's Parcel Number 045-330-022-000, ("Green Valley property") into the

1 Revocable Trust as its only asset. Anderson's Will directed that upon his death, the remainder of
2 his property, both real and personal, is to become assets of the Revocable Trust, to be
3 administered under the terms of the Revocable Trust.

4 8. The Will nominated Matthew Bishop as executor of the estate.

5 9. The Revocable Trust stated that upon Anderson's death, "all residue of the Trust
6 Estate shall pass to a not-for-profit entity yet to be formed which will be known as the JEAN
7 SCHROEDER EDUCATION FOUNDATION. In the event that on the Trustor's death, no such
8 foundation is in existence, all residue of the Trust Estate shall be held in a charitable trust known
9 as JEAN SCHROEDER EDUCATION TRUST, with the Trustee(s) named herein serving as
10 Trustee(s) thereof." (Declaration of Trust, section 4.03.) A copy of the trust is attached to the
11 Declaration of Christopher C. Lamerdin as Exhibit "A."

12 10. A. T. Anderson died on December 3, 2009 in Napa, California.

13 11. A Jean Schroeder Education Foundation was not established prior to Anderson's
14 death; thus, the residual assets of the Revocable Trust are to be held in the Education Trust.

15 12. Anderson's estate, under the terms of his will, was administered in Napa County
16 Superior Court. Attached to the Declaration of Christopher C. Lamerdin as Exhibit "B" is a copy
17 of Anderson's will.

18 13. On December 22, 2009, Bishop filed a Petition for Probate of Will and for Letters
19 Testamentary (Napa County Superior Case No. 26-50968). In that Petition, Bishop estimated the
20 value of Anderson's probated estate to be \$1.315 million. The Petition for Probate of Will and
21 for Letters Testamentary are attached to the Request for Judicial Notice filed herewith as Exhibit
22 "1."

23 14. On December 17, 2010, Bishop filed a Petition for Approval of First and Final Report
24 in this court. On page 3, lines 7-10 of that Petition, the only asset listed as Anderson's probated
25 estate was an account at MML Investors Services, Inc., Account No. BMA-778826, valued at
26 \$1,305,156.06. The Petition for Approval of First and Final Report is attached to the Request for
27 Judicial Notice as Exhibit "2."

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1 **FACTS IN SUPPORT OF THE PETITION**

2 15. Transfer of Trust property to Bishop. In or about April 2010, Bishop transferred
3 trustor Anderson's former home, the Green Valley property, from the Education Trust to himself.
4 The appraised market value of the Green Valley property on December 3, 2009, the date
5 Anderson died, was \$1.25 million.

6 16. Prior to Bishop's transfer of the Green Valley property to himself, it was listed on the
7 open market through the Multiple Listing Service ("MLS") for no more than 20 days. During this
8 time, two real estates agents viewed the property. The property's listing agent was the son of the
9 Education Trust's accountant.

10 17. To complete the transfer of the Green Valley property to Bishop, on April 26, 2010,
11 the trustees of the Education Trust, Bishop and Prat, recorded two grant deeds for the Green
12 Valley property. The first grant deed transferred the property from "Matthew Bishop, the Trustee
13 of the A. T. Anderson 2004 Revocable Trust Executed July 2, 2004" to "Gene Prat, Trustee of the
14 Jean Schroeder Education Trust." The next grant deed, recorded on the same day, transferred the
15 Green Valley property from "Gene Prat, Trustee of the Jean Schroeder Education Trust," to
16 "Matthew Bishop, an unmarried man." These grant deeds are attached to the Request for Judicial
17 Notice as Exhibits "3" and "4," respectively.

18 18. In exchange for the Green Valley property, Bishop signed a "Straight Note." Under
19 its terms, the Education Trust would hold a \$1.25 million note owed by Bishop, which included
20 the following terms: 4.5% interest would be imposed on the \$1.25 million loan; Bishop would be
21 required to make interest-only payments of \$4,687.50 per month for the first five years of the
22 note; and if these monthly payments are not made, the amount of unpaid interest would thereafter
23 bear interest at the same rate as the principal (4.5%). In addition, the Straight Note stated that if a
24 payment is not made within 10 days of being due, a late charge of the greater of 6% of the
25 payment or \$5.00 would be assessed. According to the Straight Note, Bishop was not required to
26 make a down payment on the \$1.25 million Green Valley property.

27 19. The transfer of the Green Valley property to trustee Bishop was approved by trustee
28 Prat.

1 20. Bishop's Failure to Make Mortgage Payments. Despite the straight note terms that
2 required Bishop to make interest-only payments for the first five years, Bishop failed to make
3 numerous payments to the Education Trust.

4 21. The Education Trust's financial records indicate that in 2010, Bishop failed to make
5 three interest-only mortgage payments to the Education Trust. In 2011, Bishop failed to make 11
6 of his 12 mortgage payments to the Education Trust. In 2012, Bishop failed to make his first six
7 payments of the year. Although requested, the Education Trust has not produced its financial
8 records for 2013.

9 22. Of the monthly payments Bishop did make to the Education Trust, none of them was
10 for \$4,687.50, the amount required by the Straight Note.

11 23. As a result of the partial, and missed, interest payments, the Education Trust has been
12 deprived of revenue it is owed. According to the Education Trust's records produced, its lost
13 revenue, including penalties, to date is approximately \$213,000.

14 24. Despite Bishop's missed and incomplete payments, trustees Bishop and Prat have not
15 attempted to collect the payments owed by Bishop, and they have not moved to foreclose on
16 Bishop.

17 25. The Education Trust's "Loans" to Bishop. Despite the fact that Bishop owed the
18 Education Trust \$1.25 million, plus unpaid interest and penalties, the Education Trust made two
19 additional "loans" to Bishop. These loans were approved by Prat.

20 26. On December 31, 2011, the Education Trust gave Bishop an unsecured loan in the
21 amount of \$25,000. According to the loan agreement, Bishop is to pay the principal and all
22 accrued unpaid interest on December 31, 2015. The loan agreement also required Bishop to make
23 regular annual payments of accrued unpaid interest on the anniversary of the loan. The loan
24 agreement states that Bishop is in default if payments are not made when due.

25 27. On June 30, 2012, the Education Trust gave Bishop an additional unsecured loan in
26 the amount of \$14,925. According to the loan agreement, Bishop is to pay the principal and all
27 accrued unpaid interest on December 31, 2015. For this loan, the regular annual payments of
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1 accrued unpaid interest were to begin on December 31, 2012. The loan agreement states Bishop
2 is in default if he fails to make payments when due.

3 28. Despite the two "loans" made by the Education Trust to trustee Bishop, the
4 Education Trust's Annual Registration Renewal Fee Report, filed with the California Attorney
5 General's Registry of Charitable Trusts and signed by Bishop under penalty of perjury, states,
6 that in 2012 there were no contracts, loans, lease or other financial transactions between the
7 Education Trust and its trustees. A copy of the Annual Registration Renewal Fee Report is
8 attached to the declaration of Christopher C. Lamerdin as Exhibit "C."

9 29. Payment Credits to Trustee Bishop for Horse Maintenance. At the time of
10 Anderson's death, two horses were living on the Green Valley property. The horses were not
11 listed as Trust assets in the Trust document, and they were not listed as assets on the Petition for
12 First and Final Accounting filed on behalf of Anderson's estate. Furthermore, the horses have
13 never been listed as Education Trust assets on any of its financial records.

14 30. For the care of the horses, the Education Trust, through trustees Bishop and Prät, gave
15 Bishop a monthly credit, in the amount of \$2,200, against the interest-only monthly payments
16 Bishop owed on the mortgage to the Education Trust. This \$2,200 monthly credit was given to
17 allegedly cover the horses' housing, feeding and veterinary care.¹ The amount of the credit was
18 allegedly determined by the Education Trust's accountant. There is no evidence the trustees
19 performed a due diligence investigation to determine the appropriateness or accuracy of this
20 credit to Bishop.

21 31. Neither the Purchase Agreement nor the Straight Note, the documents establishing the
22 terms of the Green Valley property transfer to Bishop, has been amended to reflect the credit
23 given to Bishop for the care of the horses. Furthermore, no documents have been produced by the
24 Education Trust to date showing the true cost to the Education Trust of maintaining the two
25 horses. The \$2,200 credit to Bishop is an ongoing benefit to Bishop.

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27 ¹ One of the horses died in September 2013. The Education Trust has yet to adjust the
28 credit given to Bishop to decrease the amount.

1 32. Trustee Fees. The Revocable Trust includes a trustee fees provision. It states that
2 trustees are entitled to reasonable compensation that shall not exceed "1% of the gross estate for
3 the first year of administration and 0.05% for each subsequent year in which administration is
4 required." (Exhibit A to Lamerdin Declaration - Declaration of Trust, Article 5.09.) The
5 Revocable Trust does not include an extraordinary fees provision. There is no separate trustee fee
6 provision specifically for the Education Trust.

7 33. Bishop's trustee fees have exceeded the amount allowed in the Revocable Trust for
8 each year the Education Trust has been in existence.

9 34. In 2010, the Education Trust's balance sheet valued its assets at \$2,726,072.78.
10 According to its profit and loss statement, Bishop was paid \$30,935 in trustee fees, a 1.135% of
11 the year-end total assets of the Education Trust. In 2011, the Education Trust's balance sheet
12 valued its assets at \$2,755,250.96. According to its profit and loss statement, Bishop was paid
13 \$38,291 in trustee fees, a 1.39% of year-end total assets of the Education Trust. In 2012,
14 according to the Education Trust's IRS Form 990, Bishop was paid \$47,733.75 in trustee fees,
15 while its assets were listed as \$2,728,609, thus a 1.75% of the Education Fund's assets were paid
16 as trustee fees to Bishop.

17 35. Through June 2013, Bishop received \$29,875 in trustee fees. The Education Trust's
18 profit and loss statement listed the value of the Education Trust in June 2013 as \$2,737,703.
19 According to Bishop, the Education Trust's accountant allegedly allowed him a trustee fee of 2%
20 of the Education Trust's assets in 2013.

21 36. Bishop's trustee fees exceeded the amount allowed by the Revocable Trust, with
22 interest, by approximately \$170,000. The excessive trustee fees violate Probate Code sections
23 15680 and 16000.

24 37. Bishop's excessive trustee fees included the following questionable fees: \$22,000 in
25 "prepaid trustee fees" credited on December 15, 2010; \$12,000 in "investment expense" credited
26 on March 22, 2011; \$7,100 in "administrative expense" credited on April 29, 2011; and \$6,000 in
27 "first mortgage loans" credited both on October 6, 2011 and June 7, 2013.

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1 38. Expenses versus donations. Although the Education Trust was established to provide
2 financial assistance to needy students, from its inception, the Education Trust's expenses have far
3 exceeded its donations to needy students. The Education Trust's balance sheets for 2010 showed
4 that it incurred \$97,134.31 in expenses. Of this total amount of the expenses, only \$5,000 were
5 attributable to charitable contributions. In 2011, the Education Trust's expenses were
6 \$117,064.11, of which \$14,470 were for charitable contributions. According to the Education
7 Fund's 2012 IRS Form 990, it had \$151,077 in expenses of which \$19,500 were for charitable
8 contributions.

9 The Education Trust's claimed expenses included the following:

10 39. Asset Protection and Maintenance Fees. The Education Trust's annual profit and loss
11 statements include an expense item titled, "Asset Protection and Maintenance." After the transfer
12 of Anderson's Green Valley property to Bishop, the only assets listed on the Education Fund's
13 balance sheets were Checking and Saving Accounts, a Note receivable, Prepaid Trustee Fees, and
14 First Mortgage Loans. The Education Trust's balance sheets do not include any physical assets
15 that would require protection or maintenance. Therefore, the expenses related to the Green Valley
16 property incurred after the sale are improper charitable expenses. The improper Asset Protection
17 and Maintenance Fees total approximately \$25,000.

18 40. Legal and Professional Fees: The Education Trust also incurred significant legal and
19 professional fees. These fees include payments to the Education Trust's accountant, Eric
20 Lehman. According to the Education Trust's balance sheets, from 2010 to 2011, it paid
21 \$61,324.22 in legal and professional fees. In 2012 alone, these fees totaled \$76,464. Lehman
22 charged the Education Trust \$350.00 an hour for his services. Examples of items included on the
23 Lehman's invoices were "September 1, 2012 to November 3, 2012 re Attorney General, Esq.
24 requests and investment and status reporting to Trustees" (21.5 hours, 11/5/2012 invoice); and
25 "November services to develop documents responsive to audit requests from the Attorney
26 General's Office" (26 hours, 12/17/ 2012 invoice).

1 according to the trust instrument; the duty to administer the trust solely in the interest of the
2 beneficiaries; the duty not to use or deal with trust property for the trustee's own profit or for any
3 other purpose unconnected with the trust, nor to take part in any transaction in which the trustee
4 has an interest adverse to the beneficiary; the duty to take reasonable steps under the
5 circumstances to take and keep control of and to preserve the trust property; the duty to make the
6 trust property productive under the circumstances and in furtherance of the purposes of the trust;
7 the duty to take reasonable steps to enforce claims that are part of the trust property; the duty to
8 bring the trust portfolio into compliance with the purposes, terms, distribution requirements, and
9 other circumstances of the trust; the duty to only incur costs that are appropriate and reasonable in
10 relation to the assets, overall investment strategy, purposes, and other circumstances of the trust;
11 and the prohibition on self-dealing transactions. (Prob. Code, §§ 16000, 16002, subd. (a), 16004,
12 subd. (a), 16006, 16007, 16010, 16049, 16050, and 16102.)

13 47. Trustee Bishop breached the above-cited duties by:

14 (a) Failing to learn his duties as trustee;

15 (b) Failing to conduct due diligence in the management of the Education Trust's
16 charitable assets;

17 (c) Transferring the Green Valley property from the Education Trust to himself,
18 individually, while serving as a trustee of the Education Trust in violation of Probate Code
19 sections 16002, 16004, and *Differding v. Ballagh* (1932) 121 Cal.App. 1;

20 (d) Violating the terms of the Purchase Agreement and the Straight Note by failing to
21 make the mortgage payments to the detriment of the Education Trust and the charitable
22 beneficiaries;

23 (e) Failing to enforce the terms of the Purchase Agreement and Straight Note,
24 including collecting the mortgage payments owed and failing to enforce the penalties contained in
25 the Straight Note against himself;

26 (f) Borrowing money from the Education Trust for the amount of mortgage payments
27 owed;

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1 (g) Receiving a monthly credit of \$2,200 for maintaining horses that are not
2 Education Trust assets or assets in furtherance of the charitable purpose of the Education Trust;

3 (h) Failing to maintain records supporting, or justifying, the \$2,200 per month credit
4 for maintaining the horses;

5 (i) Collecting excessive trustee fees;

6 (j) Failing to review Education Trust expenses to determine their appropriateness;

7 (k) Failing to adequately account for the Education Trust's expenses; and

8 (l) Allowing the Education Trust's expenses, including those expenses paid to the
9 Trustees or expenses benefitting the Trustees, to far exceed the amount paid in scholarships.

10 48. Prat breached his fiduciary duties by:

11 (a) Failing to learn his duties as trustee;

12 (b) Failing to conduct due diligence on the management of the Trust's charitable
13 assets;

14 (c) Approving the transfer of the Education Trust's property to Bishop;

15 (d) Failing to enforce the terms of the Purchase Agreement and Straight Note,
16 including collecting the mortgage payments owed, and then failing to enforce the penalties
17 contained in the Straight Note;

18 (e) Approving loans between Bishop and the Education Trust;

19 (f) Failing to conduct due diligence on Bishop's creditworthiness and financial
20 situation prior to approving the sale of the Education Trust property and subsequent loans to
21 Bishop;

22 (g) Failing to review the trustee fees paid to Bishop;

23 (h) Failing to review Education Trust expenses to determine their appropriateness;

24 and;

25 (i) Failing to determine that Bishop was in breach of trust.

26 49. As a proximate result of Bishop and Prat's breach of trust, the Education Trust has
27 been damaged.

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SECOND CAUSE OF ACTION
An Accounting
(Probate Code §§ 16420 and 17200)
Against Trustees Bishop and Prat

50. Petitioner hereby realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 49 above.

51. Probate Code sections 16420 and 17200 provide for an accounting of trust assets as a remedy for breach of fiduciary duty.

52. The grounds under which the Attorney General seeks an accounting include the following:

(a) Failure to adequately document the terms of the transfer of the Green Valley property to Bishop;

(b) Failure to adequately document Bishop's compliance with the terms of the Straight Note;

(c) Failure to adequately document loan payments made, or missed, by Bishop to the Education Trust;

(d) Failure to adequately document the \$2,200 monthly horse credit;

(e) Failure to adequately document the trustee fees paid to Bishop;

(f) Failure to adequately document the Education Trust's expenses, including, but not limited to, the Education Trust's assets protection, administrative, and board meeting expenses;

(g) Failure to adequately document loans made by the Education Trust; and

(h) Failure to adequately document legal and professional fees paid by the Education Trust.

53. Petitioner requests that this Court order an accounting to be performed by the receiver or temporary trustee, and filed with the Court. Petitioner further requests that this Court order respondents Bishop and Prat to personally pay the costs of such accounting. Any expenses that cannot be support should be surcharged under Probate Code, section 16420, subd. (a)(8) and (a)(9).

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THIRD CAUSE OF ACTION
Removal of Trustees and Appointment of Receiver or Temporary Trustee
(Probate Code §§ 16420 and 17200)
Against Trustees Bishop and Prat

54. Petitioner hereby realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 53 above.

55. Probate Code sections 15642 and 17200 permit the removal of trustees as a remedy for breach of trust duties. Pending a decision on a petition for removal of a trustee, the court may compel a trustee to surrender trust property to a receiver or temporary trustee when, as here, trust property or the interests of a beneficiary would continue to suffer loss or injury unless so ordered. (Prob. Code, § 15642, subd. (e).)

56. The removal of Bishop and Prat as trustees of the Education Trust, the appointment of a receiver or temporary trustee, and the trustees' surrender of the trust property to a receiver are necessary to protect the charitable assets, to account for all Trust assets, and to manage the affairs of the Education Trust.

57. The Attorney General recommends appointing a receiver or temporary trustee until the accounting is completed and filed with the Court. After the Receiver has traced and completed the marshaling of all of the Education Trust's assets, the Attorney General would file a separate petition for approval to appoint a successor trustee of the Jean Schroeder Education Trust, or request other appropriate remedies under the circumstances.

FOURTH CAUSE OF ACTION
Void Transfer of Education Trust
Property to Bishop
(Probate Code §§ 16420 and 17200)
Against Trustee Bishop

58. Petitioner hereby realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 57 above.

59. Probate Code sections 16420 and 17200 permit voiding the transfer of the Green Valley property to Bishop. (*Differding v. Ballagh* (1932) 121 Cal.App. at p. 8.) When a trustee attempts to transfer to himself, as an individual, property of the trust, the transaction is void. (*Id.*

1 at p. 8.) The rule is absolute and does not depend upon any showing of bad faith on the part of
2 the trustee, or injury to the trustor or principal. (*Ibid.*)

3 60. The Attorney General requests that this transfer be void and the Green Valley
4 property be transferred back to the Education Trust, and that trustee Bishop pay all outstanding
5 mortgage payments, loan payments, and penalties, together with interest, until the date the Green
6 Valley property is returned to the Education Trust.

7 **PRAYER FOR RELIEF**

8 WHEREFORE, petitioner prays for an Order:

9 1. Removing Matthew Bishop and Gene Prat as trustees of the Jean Schroeder
10 Education Trust;

11 2. For trustees Matthew Bishop and Gene Prat to surrender all of the assets of the
12 Jean Schroeder Education Trust to the receiver or temporary trustee appointed by this court;

13 3. Appointing a receiver or temporary trustee for the Jean Schroeder Education
14 Trust to marshal, preserve and control the Trust assets, and to do any other things authorized by
15 this Court;

16 4. For a full accounting of all of the real property and personal property and all
17 additional assets of the Jean Schroeder Education Trust to be conducted by the Receiver and paid
18 for by Bishop and Prat, personally;

19 5. Compelling Bishop and Prat to redress their breaches of fiduciary duty by
20 imposing appropriate remedies under Probate Code section 16420, including repayment to the
21 Jean Schroeder Education Trust of all funds and other assets wrongfully taken, with interest at the
22 legal rate from the date of each such taking, as well as tracing trust property that has been
23 wrongfully disposed of and recovering the Education Trust property and the proceeds;

24 6. Voiding the transfer of the Green Valley property to Matthew Bishop.
25 (*Differding v. Ballagh* (1932) 121 Cal.App. 1);

26 7. Imposing a constructive trust on all Education Trust property wrongfully
27 disposed of by the trustees;

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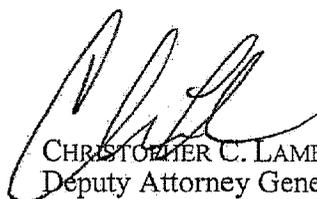
8. Awarding petitioner attorney's fees and costs, including actual costs incurred in conducting this proceeding, pursuant to Government Code section 12598, subdivision (b); and

9. For any other legal and equitable relief that this Court may deem just and proper.

Dated: October 7, 2014

Respectfully Submitted,

KAMALA D. HARRIS
Attorney General of California
ELIZABETH S. KIM
Supervising Deputy Attorney General



CHRISTOPHER C. LAMERDIN
Deputy Attorney General
Attorneys for the People for the State of California