

**SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES**

**Probate Division  
Stanley Mosk Dept. - 5**

**20STPB00821**

**In re: The Narcotics Anonymous Fellowship Intellectual Property Trust**

**September 30, 2020  
3:00 PM**

Honorable Michael Small, Judge

Albert Palomera, Judicial Assistant  
Cynthia Piedra, Court Services Assistant

Not Reported, Court Reporter

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**NATURE OF PROCEEDINGS:** Ruling on Submitted Matter

The following parties are present for the aforementioned proceeding:

No appearances.

Out of the presence of the court reporter, the Court makes the following findings and orders:

The Court having taken the above captioned matter under submission on Monday, August 31, 2020 hereby rules as follows:

**RULING ON TRUSTEE’S DEMURRER**

Narcotics Anonymous World Services, Inc. (“World Services”) is the trustee of the Narcotics Anonymous Fellowship Intellectual Property Trust (the “Trust”), which is a charitable trust that was established by the Fellowship of Narcotics Anonymous (“the Fellowship”). The Trust’s “object and purpose . . . is to hold and administer all recovery literature and other intellectual properties of the Fellowship . . . in a manner that will help [narcotics] addicts find recovery from the disease of addiction and carry that message of recovery to the addict who still suffers. . . .” The Trust designates the Fellowship “as a whole” as the Trust’s beneficiary.

In early 2020, the Autonomous Region of Narcotics Anonymous (“ARNA”) petitioned this Court under Probate Code Sections 16420 and 17200 alleging that World Services has breached its fiduciary duties in administering the Trust’s literature. To remedy those alleged breaches, ARNA seeks the removal of World Services as trustee and the imposition of surcharges against World Services for the damage caused by its breaches. World Services demurred to the petition, asserting that ARNA failed to state facts sufficient to constitute causes of action under Sections 16420 and 17200 because ARNA lacks standing to pursue the relief that it seeks. In general, trustees and beneficiaries have standing under Sections 16420 and 17200. In the petition, ARNA described itself as “a regional delegate group of the Fellowship with a voice at the World Service Conference who has a special and definite interest in the charitable Trust.” ARNA did not allege that it was either the trustee or a beneficiary of the Trust. For that reason, World Services argued in its demurrer that ARNA lacks standing under Sections 16420 and 17200.

In its opposition to the demurrer, ARNA observed that the Trust presently is revocable and that therefore its standing must be evaluated under Probate Code Section 15800, which precludes everyone except “[t]he person holding the power to revoke” a trust from maintaining actions for relief pursuant to Sections 16420 and 17200. The Trust provides that the power to revoke resides in “the Trustor.” In turn, the Trust defines the Trustor as

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“The Fellowship of Narcotics Anonymous, as given voice by its groups through their regional delegates at the World Service Conference.” In its petition, ARNA did not allege that its self-described status as “a regional delegate group of the Fellowship with a voice at the World Service Conference” makes it the Trustor with the power to revoke the Trust. Accordingly, World Services argued in its reply brief that ARNA lacks standing under Section 15800.

At the demurrer hearing, ARNA argued that the Trust can be interpreted to allow for not just one, single Trustor with the power to revoke, but rather, multiple Trustors possessing that power, and that ARNA should be given leave to amend its petition to allege that it is “a” Trustor. Following the hearing, the Court directed ARNA to file a supplemental brief addressing how this interpretation squares with the language of the Trust as a whole; the Court directed World Services to file a brief responding to ARNA’s supplemental brief.

Having considered the parties’ supplemental briefs, the Court is sustaining World Services’ demurrer without leave to amend. When read as a whole, the language of the Trust clearly and unambiguously provides for just one, single Trustor. The Trust’s terms are not reasonably susceptible to an interpretation that contemplates the existence of multiple Trustors with the power to revoke the Trust. Accordingly, the extrinsic evidence that ARNA submitted to support its interpretation of the Trust is inadmissible to alter or vary the terms of the Trust. (Siegel v. Fife (2015) 234 Cal.App.4th 988, 996; see Hervey v. Mercury Casualty Co. (2010) 185 Cal.App.4th 954, 968 [extrinsic evidence to support plaintiff’s interpretation of an insurance contract would be inadmissible because the contract was not reasonably susceptible of plaintiff’s interpretation and therefore the trial court did not abuse its discretion in sustaining defendant’s demurrer without leave to amend to add allegations based on that extrinsic evidence]. In sum, because it is not “the” Trustor, ARNA lacks standing under Section 15800 to maintain causes of action for asserted breaches of World Services’ fiduciary duties and to seek the removal of World Services as trustee and the imposition of surcharges against World Services.

ARNA fares no better with its claim that it has standing under the common law doctrine that confers standing on persons with a “special interest” in the administration of charitable trusts. Assuming arguendo that the petition sufficiently alleged that ARNA falls within the ambit of the doctrine of special interest standing (a point that World Services contests), the doctrine does not overcome Section 15800’s obstacles to ARNA’s standing. As indicated above, in cases involving revocable trusts, Section 15800 overrides the statutory rights of trust beneficiaries under Sections 16420 and 17200 to seek redress for alleged breaches of a trustee’s fiduciary duties, and provides that the exclusive right to maintain such actions belongs to [t]he person holding the power” to revoke the trust. Nothing in Section 15800 hints at an exception to that rule for persons alleging a special interest in the administration of revocable charitable trusts under the common law. This void may explain the failure of ARNA to identify any precedent applying the doctrine of special interest standing in a revocable trust case.

The Court directs counsel for World Services to prepare an order memorializing the Court’s ruling sustaining World Services’ demurer without leave to amend.

Jonathan Park is ordered to prepare the Order After Hearing.

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The Court orders the Clerk to give notice.

**CLERK'S CERTIFICATE OF MAILING/  
NOTICE OF ENTRY OF ORDER**

I, SHERRI R. CARTER, Executive Officer/Clerk of the above-entitled court, do hereby certify that I am not a party to the cause herein, and that on this date I served the Notice of Entry of the above minute order of September 30, 2020 upon each party or counsel named below by placing the document for collection and mailing so as to cause it to be deposited in the United States Mail at the courthouse in Los Angeles, California, one copy of the original filed/entered herein in a separate sealed envelope to each address as shown below with the postage thereon fully prepaid, in accordance with standard court practices.

Dated: October 1, 2020

By: /s/ Albert Palomera

Albert Palomera, Deputy Clerk

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