

Holland & Knight LLP  
400 South Hope Street, 8th Floor  
Los Angeles, CA 90071  
Tel: 213.896.2400  
Fax: 213.896.2450

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HOLLAND & KNIGHT LLP  
Theresa W. Middlebrook, SBN 89709  
Jonathan H. Park, SBN 239965  
Lydia L. Lockett, SBN 292187  
400 South Hope Street, 8th Floor  
Los Angeles, CA 90071  
Telephone: 213.896.2400  
Fax: 213.896.2450  
E-mail: theresa.middlebrook@hkllaw.com  
jonathan.park@hkllaw.com  
lydia.lockett@hkllaw.com

Attorneys for Narcotics Anonymous World Services, Inc.,  
as Trustee

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT**

In the Matter of:

Case No.: 20STPB00821

THE NARCOTICS ANONYMOUS  
FELLOWSHIP INTELLECTUAL  
PROPERTY TRUST

**[PROPOSED] ORDER SUSTAINING  
TRUSTEE NARCOTICS ANONYMOUS  
WORLD SERVICES, INC.'S  
DEMURRER**

Date: September 30, 2020  
Time: 3:00 p.m.  
Dept.: 5  
Judge: Hon. Michael C. Small

1 Trustee Narcotics Anonymous World Services, Inc.’s (“World Services”) Demurrer to  
2 Petitioner The Autonomous Region of Narcotics Anonymous’ (“ARNA”) Petition for  
3 (1) Instructions; (2) Orders Fixing Compensation of Trustee; (3) Removal and Replacement of  
4 Trustee; and (4) Surcharge (the “Petition”) came on for hearing on July 9, 2020 at 3:00 p.m. in  
5 Department 5 of the above-captioned Court, located at 111 N. Hill Street, Los Angeles, California  
6 90012, the Honorable Michael C. Small presiding. Jonathan H. Park, Theresa W. Middlebrook, and  
7 Lydia L. Lockett of Holland & Knight LLP appeared on behalf of World Services. Proud  
8 Usahacharoenporn and Michael D. Adams of Rutan & Tucker, LLP appeared on behalf of ARNA.

9 Following oral argument at the July 9, 2020 hearing, counsel for ARNA requested leave to  
10 file a supplemental brief in opposition to the Demurrer. The Court granted ARNA’s request, and  
11 ordered each of the parties to file supplemental briefs. The Court took the matter under submission  
12 on August 31, 2020.

13 Having considered the Demurrer, Opposition, Reply, supplemental briefs, all papers and  
14 documents on file herein, and having heard argument of counsel, **THE COURT HEREBY**  
15 **MAKES THE FOLLOWING RULING:**

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

22 In early 2020, the Autonomous Region of Narcotics Anonymous (“ARNA”) petitioned this Court under Probate  
23 Code Sections 16420 and 17200 alleging that World Services has breached its fiduciary duties in administering  
24 the Trust’s literature. To remedy those alleged breaches, ARNA seeks the removal of World Services as trustee  
25 and the imposition of surcharges against World Services for the damage caused by its breaches. World Services  
26 demurred to the petition, asserting that ARNA failed to state facts sufficient to constitute causes of action under  
27 Sections 16420 and 17200 because ARNA lacks standing to pursue the relief that it seeks. In general, trustees  
28 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

1 “The Fellowship of Narcotics Anonymous, as given voice by its groups through their regional delegates at the  
2 World Service Conference.” In its petition, ARNA did not allege that its self-described status as “a regional  
3 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.

4 At the demurrer hearing, ARNA argued that the Trust can be interpreted to allow for not just one, single Trustor  
5 with the power to revoke, but rather, multiple Trustors possessing that power, and that ARNA should be given  
6 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.

7 Having considered the parties’ supplemental briefs, the Court is sustaining World Services’ demurrer without  
8 leave to amend. When read as a whole, the language of the Trust clearly and unambiguously provides for just  
9 one, single Trustor. The Trust’s terms are not reasonably susceptible to an interpretation that contemplates the  
10 existence of multiple Trustors with the power to revoke the Trust. Accordingly, the extrinsic evidence that  
11 ARNA submitted to support its interpretation of the Trust is inadmissible to alter or vary the terms of the Trust.  
12 (Siegel v. Fife (2015) 234 Cal.App.4th 988, 996; see Hervey v. Mercury Casualty Co. (2010) 185 Cal.App.4th  
13 954, 968 [extrinsic evidence to support plaintiff’s interpretation of an insurance contract would be inadmissible  
14 because the contract was not reasonably susceptible of plaintiff’s interpretation and therefore the trial court did  
15 not abuse its discretion in sustaining defendant’s demurrer without leave to amend to add allegations based on  
16 that extrinsic evidence]. In sum, because it is not “the” Trustor, ARNA lacks standing under Section 15800 to  
17 maintain causes of action for asserted breaches of World Services’ fiduciary duties and to seek the removal of  
18 World Services as trustee and the imposition of surcharges against World Services.

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

29  
30 **THEREFORE, THE COURT HEREBY ORDERS THAT** the Demurrer is sustained  
31 without leave to amend on the grounds that ARNA’s Petition fails to state facts sufficient to  
32 constitute any causes of action under Probate Code sections 16420 and 17200.  
33

34 **IT IS SO ORDERED.**

35 Dated: \_\_\_\_\_

36 JUDGE OF THE SUPERIOR COURT

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**PROOF OF SERVICE  
20STPB00821**

STATE OF CALIFORNIA            )  
  ) ss.  
COUNTY OF LOS ANGELES        )

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 400 S. Hope Street, 8<sup>th</sup> Floor, Los Angeles, CA 90071.

On October 5, 2020, I served the foregoing document described as **[PROPOSED] ORDER SUSTAINING TRUSTEE NARCOTICS ANONYMOUS WORLD SERVICES, INC.'S DEMURRER** on all interested parties in this action

- by placing true copies thereof in sealed envelopes addressed as stated on the attached mailing list.
- by placing  the original  a true copy thereof enclosed in a sealed envelope addressed as follows:

**SEE ATTACHED SERVICE LIST**

- BY MAIL:** I enclosed the document(s) in a sealed envelope or package addressed to the persons at the addresses listed above and placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with Holland & Knight LLP's practice for collecting and processing correspondence for mailing. On the same day that the correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.
- PERSONAL SERVICE (CCP §§ 1011, 2015.5):**
  - I caused such document(s) to be delivered by hand to person(s) at the address listed above.
  - I caused such document(s) to be delivered by hand to the office of the person(s) at the address listed above.
  - I caused such document(s) to be delivered by hand to the person(s) at the address listed above.
- OVERNIGHT COURIER (CCP §§ 1013(c), 2015.5)** I am readily familiar with the firm's practice of collection and processing correspondence for overnight courier. On the same day that correspondence is placed for collection and delivery, it is deposited in the ordinary course of business in a sealed envelope to the addressee(s), fully prepaid, and deposited at an office or a regularly utilized drop box of the overnight delivery carrier.
- FACSIMILE (CCP §§ 1013(e), 2015.5, CRC 2008)** I caused the above referenced document to be transmitted by facsimile transmission from facsimile number (213) 896-2450 to the offices of the addressee(s) at the facsimile number(s) so indicated above. The transmission was reported as complete and without error. A copy of the transmission report issued by the transmitting facsimile machine is attached.
- E-MAIL (CCP §§ 1013(a))** Based on a court order or an agreement of the parties to accept service by e-mail or electronic transmission, I caused the document(s) to be sent to the person(s) at the e-mail address(es) indicated above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.
- ONLY BY ELECTRONIC TRANSMISSION (TEMPORARY).** Only by emailing the document(s) to the persons at the e-mail address(es). This is necessitated during the declared National and State emergencies due to the Coronavirus (COVID-19) pandemic, including without limitation the stay-at-home Executive Order issued by the Governor of the State of California, because this office will be working remotely and is not able to send physical mail as usual. We will provide a physical copy of the document(s), upon request only, when we return to the office at the conclusion of the National and State emergencies.

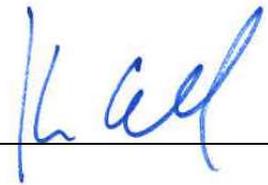
Holland & Knight LLP  
400 S. Hope, 8<sup>th</sup> Floor  
Los Angeles, California 90071  
Tel.: 213.896.2400 Fax: 213.896.2450

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(State) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on October 5, 2020, Los Angeles, California.

Kim Campbell  
Print or Type Name

  
Signature

Holland & Knight LLP  
400 S. Hope, 8<sup>th</sup> Floor  
Los Angeles, California 90071  
Tel.: 213.896.2400 Fax: 213.896.2450

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Service List  
*In the Matter of the Narcotics Anonymous Fellowship Intellectual Property Trust*  
Los Angeles Superior Court Case No. 20STPB00821

Michael D. Adams  
Proud Usahacharoenporn  
Sarah Gilmartin  
Rutan & Tucker, LLP  
611 Anton Boulevard, Suite 1400  
Costa Mesa, CA 92626  
Tel: (714) 641-5100  
Fax: (714) 546-9035  
E-Mail: [madams@rutan.com](mailto:madams@rutan.com);  
[pusaha@rutan.com](mailto:pusaha@rutan.com); [sgilmartin@rutan.com](mailto:sgilmartin@rutan.com)

*Attorneys for The Autonomous Region of  
Narcotics Anonymous*