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IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

FOURTH APPELLATE DISTRICT

DIVISION THREE

EDWARD RAY BARNETT II, a Minor,  
etc.,

Plaintiff and Appellant,

v.

WILLIAM E. WALLS, as Trustee, etc.,

Defendant and Respondent.

G045234

(Super. Ct. No. 30-2010-00345512)

O P I N I O N

Appeal from a judgment of the Superior Court of Orange County, Mary Fingal Schulte, Judge. Affirmed.

Velasco Law Group, Paul D. Velasco, Richard J. Radcliffe and Dana M. Cannon for Plaintiff and Appellant.

The Walker Law Firm, Joseph A. Walker and Mary G. Finlay for Defendant and Respondent.

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Plaintiff and appellant Edward Ray Barnett II (Eddie), through his guardian ad litem Thelma Barnett (Thelma), appeals from the judgment in his action against defendant and respondent William E. Walls, as trustee of the The Ed Barnett Living Trust (Trust).<sup>1</sup> Eddie is the Trust's primary beneficiary and sued Walls alleging he breached his fiduciary duties as trustee. Specifically, Eddie alleged Walls (1) failed to secure the Trust's assets after the trustor, Edward Barnett (Edward), died; (2) failed to distribute all of Edward's personal property to Eddie as the Trust required; (3) failed to timely provide an accurate accounting for the Trust upon request; (4) paid himself excessive compensation for his trustee services; and (5) failed to make monthly distributions from the Trust to cover Eddie's living expenses.

Following a bench trial, the court reduced the fees Walls paid himself as trustee but otherwise denied the relief Eddie sought, and found Walls did not breach his duties as trustee. Eddie contends the trial court erred in finding Walls did not breach his fiduciary duties by selling some of Edward's personal property, overpaying himself for his trustee services, and failing to timely provide an accounting upon request. Eddie also contends the trial court erred by denying his request to answer 73 questions he posed in asking for a statement of decision. Finding no error, we affirm the trial court's judgment.

## I

### FACTS AND PROCEDURAL HISTORY

Edward and Thelma married in the early 1960's and had two children. In 2001, a Nevada state court appointed Edward and Thelma coguardians for one of their three grandchildren, Eddie, who lived with the couple. Unfortunately, Edward and Thelma divorced in 2002.

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<sup>1</sup> We refer to all members of the Barnett family by their first names to avoid any confusion. No disrespect is intended. (*Martin v. PacifiCare of California* (2011) 198 Cal.App.4th 1390, 1393, fn. 1.)

After the divorce, Edward moved to California and purchased a home in San Juan Capistrano. Eddie continued to live with Thelma in Nevada, but Edward regularly visited him. Edward purchased a home close to his girlfriend, Sharon Kay Doherty, the woman whom Thelma blamed for the divorce. Walls testified that Edward lived with Doherty in her home and she kept some furniture, pictures, and other belongings at Edward's home. Doherty had a key to Edward's home for several years before his death.

In 2004, Edward established the Trust and assigned all of his property to it. He amended the Trust in 2005 and also signed a pour-over will to ensure his property would remain in the Trust when he died. Edward amended the Trust a second time in 2008. In its final form, the Trust directed the trustee to make the following gifts upon Edward's death: (1) \$1 to each of Edward's two children; (2) \$40,000 to Doherty; and (3) all of Edward's tangible personal property to Eddie. The Trust also directed the trustee to use the remainder of Edward's property for Eddie's "health, education, support or maintenance" and to distribute designated percentages of the Trust's principal to Eddie at ages 25, 28, and 30.

Edward died on March 10, 2009, when Eddie was 12 years old. Although the Trust designated Edward's sister as trustee upon his death, Walls succeeded to that position because Edward's sister declined to serve. Walls is a licensed attorney and a certified public accountant who was Edward's friend for many years and provided him professional services as both an attorney and accountant. After Edward's death, Walls hired attorney Timothy J. Blied to represent the Trust and began gathering Edward's papers and belongings to identify the Trust's assets and liabilities.

In May 2009, Thelma requested Walls provide an accounting of the Trust's assets. Blied responded to Thelma's request with a letter explaining Walls was gathering and valuing the Trust's assets and liabilities, and an interim accounting would be provided within 60 days "[t]o the extent possible given the make-up of the estate."

Thelma testified she also sent Walls a handwritten list in May 2009 identifying the personal property items Eddie wanted from Edward's home.<sup>2</sup> Walls testified he recalled Thelma sending him a list of items at some point, but he did not see the list Thelma offered at trial until after Eddie filed this action. On July 10, 2009, Blied sent a letter notifying Thelma and Eddie that Walls would sell the personal property Eddie did not want.

Thelma and Eddie met Walls at Edward's home on July 18, 2009, to look through Edward's belongings and identify the items Eddie wanted to keep. Thelma testified many of the items she identified on her handwritten list were missing when she looked through Edward's belongings, but she also conceded she had never been to Edward's home and did not know what personal property was in the home when Edward died. Eddie testified he also could not find some of Edward's belongings that he wanted and had seen on the one occasion he visited Edward at his home. Eddie, however, did not specify which items he had seen in the home belonged to Edward and which belonged to Doherty.

Before Thelma and Eddie visited Edward's home, Walls testified Doherty removed her belongings from the home and he hired Doherty to move some of Edward's belongings into storage and otherwise clear out the home so it could be listed for sale. According to Walls, he allowed Thelma and Eddie to take anything they wanted from the home and also offered to allow them to look through Edward's property in storage, but they never made arrangements to visit the storage unit.

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<sup>2</sup> Eddie's brief failed to specify the personal property items identified on this list. A handwritten list of "tangible personal property" was admitted at trial as exhibit 17, but the exhibits Eddie asked the trial court to transmit to this court did not include that exhibit. Exhibit 5 to Eddie's pleading in this action was a handwritten note from Thelma to Eddie's attorneys that included a list of personal property items, but it had a fax header dated July 2, 2009. Eddie does not cite any testimony or other evidence showing the note she sent Eddie's attorney was the list Thelma testified she gave to Walls in May 2009.

To reduce the Trust's \$700 monthly storage fees and to prepare Edward's home for sale, Walls sold three of Edward's vehicles, a coin collection, and a few items of furniture. The receipts and checks admitted at trial showed Walls sold one vehicle and the coin collection before Eddie and Thelma visited Edward's home, and he sold all other items after their visit. Walls testified he did not sell anything he knew Eddie wanted.

On November 5, 2009, Walls sent Thelma the accounting she requested in May 2009. The accounting covered the period from Edward's death on March 10, 2009, through October 31, 2009. It listed Edward's assets and liabilities, and disclosed the payments and distributions Walls made on the Trust's behalf, including nearly \$27,000 in fees Walls paid himself for his trustee services.

Eddie filed this action in February 2010, alleging Walls breached his duties as trustee by (1) allowing Doherty to remove items from Edward's home after his death; (2) removing nearly all of Edward's personal property from his home before allowing Eddie and Thelma into the residence; (3) selling some of Edward's personal property and failing to prepare an inventory of the furnishings and other items in Edward's home; (4) paying himself an excessive fee and failing to adequately describe the services he rendered as trustee; (5) providing an untimely and incomplete accounting for the Trust; and (6) failing to make monthly distributions from the Trust to pay Eddie's living expenses.

Based on these allegations, Eddie sought a judgment (1) requiring Walls to prepare a complete accounting for the Trust covering March 10, 2009, through December 31, 2009; (2) surcharging Walls at least \$25,000 for his failure to secure and protect the Trust's assets; (3) denying Walls any fees for his services as trustee; (4) requiring Walls to distribute \$2,500 per month from the Trust to pay Eddie's living expense, retroactive to March 2009; and (5) removing Walls as trustee.

Following a two-day bench trial conducted in January 2011, the trial court issued a tentative decision reducing the fees Walls paid himself as trustee to \$19,950, but

otherwise denying all relief Eddie sought and approving Walls's Trust accounting. The court found Walls did not breach his duties as trustee and Eddie failed to establish any ground for surcharging Walls or removing him as trustee. As to Walls's fees, the court approved the hours Walls spent rendering trustee services, but reduced his hourly rate from \$250 to \$175.

Eddie timely requested a statement of decision addressing 73 questions he posed in his request. The court denied Eddie's request, finding it had no obligation to separately answer the questions Eddie posed. Instead, the court adopted its 10-page tentative decision as its statement of decision because it adequately explained the basis for the court's ruling on all issues this action presented.

Eddie objected to the court's statement of decision, arguing it failed to address whether Walls (1) must prepare a second accounting for the time period following his first accounting; (2) must repay the excessive fees he charged the Trust; and (3) breached his fiduciary duties by failing to prepare a second accounting. In response, the court issued a minute order overruling Eddie's objections, but clarifying that (1) Walls testified he was preparing a second accounting and therefore the court need not order him to do so; (2) Walls must repay the excessive fees he charged the Trust within 60 days; and (3) "Petitioner failed to meet her burden of proof as to whether or not Trustee breached any fiduciary duty and whether, assuming he did, any damage flowed from such breach."

The court entered its judgment in March 2011 and Eddie timely appealed.

## II

### DISCUSSION

#### A. *Walls Did Not Breach His Fiduciary Duties by Selling Some of Edward's Personal Property*

Eddie contends we must reverse the trial court's decision because the court applied the wrong legal standard in reaching its conclusion that Walls did not breach his fiduciary duties. According to Eddie, the Trust required Walls to distribute all of Edward's personal property to Eddie and Walls therefore breached his fiduciary duties as a matter of law when he sold some of the property. Eddie contends the trial court interpreted the Trust to give Walls discretion to sell Edward's personal property and found Walls did not breach his fiduciary duties because he acted in good faith. Eddie misconstrues the trial court's ruling and substantial evidence supports the court's conclusion Walls did not breach his duties.

To show the trial court applied an abuse of discretion or good faith standard, Eddie quotes comments from the statement of decision stating Walls "acted in good faith to preserve trust assets" and Walls was entitled to a presumption of good faith because he exercised absolute discretion the Trust granted to him. These comments, however, do *not* relate to the court's ruling that Walls did not breach his fiduciary duties when he sold some of Edward's personal property. Instead, these comments relate to the court's separate ruling on Walls's decision not to make monthly distributions to cover Eddie's living expenses.<sup>3</sup>

The statement of decision shows the trial court interpreted the Trust's provision regarding Edward's personal property in the same manner as Eddie.

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<sup>3</sup> Eddie does not dispute that the Trust gave Walls absolute discretion to decide whether to make monthly distributions to cover Eddie's living expenses and the amount of any such distributions. Similarly, Eddie does not appeal the trial court's ruling that Walls did not abuse his discretion by refusing to make the monthly distributions Eddie sought.

Specifically, the court interpreted section 4.02 of the Trust to require Walls to distribute Edward's personal property "per any written instructions, and if none, to Eddie."<sup>4</sup> The court noted that section granted Walls discretion to decide *when* Eddie should receive Edward's personal property — that is, it gave Walls discretion to either retain Edward's personal property until Eddie reached 18 years of age or deliver the personal property to Eddie or his guardian earlier. But nothing in the statement of decision supports Eddie's contention the court interpreted the Trust to give Walls discretion to sell Edward's personal property. Similarly, nothing in the statement of decision supports Eddie's contention the court found Walls did not breach his fiduciary duties by selling some of Edward's personal property because Walls acted in good faith when he did so.

Contrary to Eddie's contention, the statement of decision shows the trial court concluded Walls did not breach his fiduciary duties because the facts surrounding Walls's decision to sell some of Edward's personal property showed Walls properly managed the Trust and did not cause Eddie any damages. Specifically, the court found Walls did not breach his fiduciary duties when he sold some of Edward's personal property because (1) Walls allowed Eddie and Thelma to look through Edward's house

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<sup>4</sup> In its entirety, section 4.02 of the Trust provides as follows: "Distribution of Tangible Articles. On the death of the Trustor, the Trustee of the trust estate shall distribute all jewelry, clothing, household furniture and furnishings, personal automobiles, boats, and other tangible articles of a personal nature, or interest in any such property together with any insurance on such property pursuant to any written instructions given him by the Trustor regarding specific distributions of personal property. In absence of such written instructions, the Trustee shall distribute such property to Trustor's grandson, Edward Ray Barnett, aka Edward Ray Barnett II, or to the descendants of such child if he shall be deceased, such descendants to take that share their parent would have taken if living. [¶] If the beneficiary of any gift under this Item is a minor at the time of death of the Trustor, the Trustee may retain the gift until the beneficiary attains majority. The Trustee may also, in his absolute discretion, deliver the gift to the minor or to an adult person with whom the minor resides, to be held by such person, without bond, and delivered to the beneficiary when he or she attains majority. The receipt of such gift, executed by the minor or adult person, shall be a complete discharge of the Trustee with respect to such delivery." (Capitalization omitted.)

on July 18, 2009, and take any of Edward's possessions they wanted; (2) Eddie and Thelma never asked to look through the property placed in storage despite Walls's willingness to allow them to do so and take any property they wanted; (3) Blid advised Thelma on July 10, 2009, that anything Eddie did not want would be sold; (4) Eddie did not call Doherty to testify and presented no evidence showing she took any of Edward's property; (5) Walls did not see the handwritten list of personal property items Thelma offered at trial until after Eddie filed this action; (6) Walls sold a few items of Edward's personal property to clear out the house so it could be listed for sale and to reduce the substantial payments the Trust was making each month (\$700) to store some of Edward's vehicles and larger personal property items; (7) Eddie failed to present evidence showing Walls sold any item for less than its fair market value; and (8) Walls did not cause Eddie any damages because he placed the proceeds from the sales in the Trust.

We review these factual findings under the deferential substantial evidence standard of review and find substantial evidence in the record to support each of them. (*Franke v. BAM Building Co.* (2009) 172 Cal.App.4th 224, 230; *Penny v. Wilson* (2004) 123 Cal.App.4th 596, 603; see also *Blix Street Records, Inc. v. Cassidy* (2010) 191 Cal.App.4th 39, 47 [“Under the substantial evidence standard of review, our review begins and ends with the determination as to whether, on the entire record, there is substantial evidence, contradicted or uncontradicted, which will support the trial court's factual determinations. [Citations.] Substantial evidence is evidence of ponderable legal significance, reasonable in nature, credible, and of solid value. [Citation.] The substantial evidence standard of review applies to both express and implied findings of fact made by the court in its statement of decision”].)

Although he does not specifically challenge the foregoing findings, Eddie argues Walls breached his fiduciary duties and caused Eddie damages by knowingly selling personal property items Eddie wanted. According to Eddie, Walls testified he received the list of property Thelma offered into evidence around May 2009 and the

receipts from Walls's sales showed he sold items from that list before giving Eddie and Thelma an opportunity to claim the items. Eddie misconstrues the evidence.

Walls testified he received a list of property Eddie wanted at some point before Thelma and Eddie visited Edward's home on July 18, 2009, but Walls also testified he did not receive the list Thelma offered into evidence until *after* Eddie filed this action. Eddie failed to present any evidence identifying the items on the list Walls acknowledged receiving before Thelma and Eddie's visit. The trial court credited Walls's testimony he did not receive the list Thelma testified about until after Eddie filed this action.<sup>5</sup>

The receipts admitted into evidence showed the only items Walls sold before Thelma and Eddie looked through Edward's house were a 1965 Ford Mustang and a partial coin collection. Walls sold the furniture and other items *after* Thelma and Eddie looked through Edward's house and Walls testified he did not sell anything he knew Eddie wanted.

Eddie also cites a letter his attorney sent Blied on July 22, 2009, identifying six personal property items Eddie spotted during his and Thelma's visit to Edward's home that he wanted to keep. The receipts identifying the items Walls sold, however, do not coincide with any of the six items Eddie wanted.

Finally, Eddie argues Walls caused him damages by selling some of Edward's personal property because the items Walls sold had sentimental value. Eddie,

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<sup>5</sup> Eddie's brief cites three handwritten pages attached to his pleading as the list Walls purportedly acknowledged he received around May 2009, but no evidence shows those pages comprise the list Thelma offered into evidence or the list Walls received. The list Thelma offered at trial was admitted as exhibit 17. The exhibits Eddie asked the trial court to transmit to this court do not include exhibit 17. Moreover, the handwritten pages Eddie's brief cites are a note Thelma wrote to Eddie's attorneys identifying personal property items Eddie wanted and also discussing various other issues relating to the Trust. A fax header on these pages shows they were sent on July 2, 2009, not during May 2009 as Eddie contends.

however, failed to cite any evidence regarding the sentimental value attached to any particular item Walls sold or any evidence regarding the amount of damages needed to compensate Eddie for the loss of any particular item. Moreover, the trial court acknowledged that some items may have had sentimental value, but that Edward's personal property gifts were not a "big part of the estate plan" and "damages for failure to distribute are speculative at best."

Even assuming Walls breached his fiduciary duties and caused Eddie damages by knowingly selling personal property items Eddie wanted, the Trust exonerated Walls from personal liability under these circumstances. Specifically, the Trust provided, "The Trustee shall be and hereby is absolved and exonerated from any individual responsibility or liability for any loss which may result to any property passing under this Trust or otherwise than under this Trust, or which may result to any person in connection with the exercise or non-exercise of the powers, authority or elections granted to the Trustee under this Trust or conferred by law so long as the Trustee shall have been acting in good faith and without gross negligence." Probate Code section 16461 states "the trustee can be relieved of liability for breach of trust by provisions in the trust instrument" unless the trustee acted "intentionally, with gross negligence, in bad faith, or with reckless indifference to the interest of the beneficiary."<sup>6</sup> (§ 16461, subs. (a) & (b).)

Eddie contends the exoneration clause does not apply to Walls selling Edward's personal property because the clause limits itself to "the exercise or non-exercise of the powers, authority or elections granted to the Trustee under this Trust." In Eddie's view, section 4.02 of the Trust did not authorize Walls to sell Edward's personal property, and therefore the exoneration clause does not apply because Walls was not exercising a power, authority, or election the Trust granted to him. Although exoneration clauses are strictly construed (*Estate of Collins* (1977)

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<sup>6</sup> All future statutory references are to the Probate Code unless otherwise noted.

72 Cal.App.3d 663, 673), Eddie nonetheless reads the Trust's exoneration clause too narrowly.

The clause broadly exonerates the trustee from liability for *any* loss resulting from the exercise or nonexercise of *any* power, authority, or election the Trust grants to the trustee. Under Eddie's interpretation, the exoneration clause would not apply when the trustee breaches any Trust provision, but the clause does not limit itself in that manner. The only limitation included in the exoneration clause is that the trustee must act in good faith and without gross negligence. Here, section 5.01(c) of the Trust broadly authorized Walls to manage, control, sell, convey, or exchange Trust property. Accordingly, when Walls sold some of Edward's personal property he was generally exercising a power, authority, or election the Trust granted to him even though section 4.02 of the Trust directed Walls to distribute the personal property to Eddie. Nothing in section 4.02 expressly prohibited Walls from selling some of Edward's personal property and Eddie does not contend that Walls acted in bad faith or with gross negligence. We independently interpret the exoneration clause to exonerate Walls from liability for any loss caused by his decision to sell some of Edward's personal property.

**B. *Walls Did Not Breach His Fiduciary Duties by Overpaying Himself for His Services as Trustee***

Eddie contends Walls breached his fiduciary duties by overpaying himself for his services to the Trust. In Eddie's view, the trial court's finding that Walls overpaid himself required the court to also find that Walls breached his fiduciary duties. Eddie is mistaken.

A trustee has the power to compensate him or herself for all services rendered as trustee without first obtaining a court order. (§ 16243; *Estate of Gilfillan* (1978) 79 Cal.App.3d 429, 436-437; cf. Cal. Rules of Court, rule 7.755(a) [prohibiting a guardian and conservator, but not a trustee, from receiving compensation without first obtaining a court order approving the compensation].) The trustee is entitled to

compensation as provided in the trust instrument. (§ 15680, subd. (a).) “If the trust instrument does not specify the trustee’s compensation, the trustee is entitled to reasonable compensation under the circumstances.” (§ 15681.)

There is no rigid rule for determining what amounts to reasonable compensation for a trustee; ““what is a reasonable compensation depend[s] “largely upon the circumstances of each particular case.” [Citation.]” (*Estate of McLaughlin* (1954) 43 Cal.2d 462, 467-468.) ““Allowance of compensation rests in the sound discretion of the trial court, whose ruling will not be disturbed on appeal in absence of a manifest showing of abuse. [Citations.]’ [Citations.]” (*Estate of Gump* (1991) 1 Cal.App.4th 582, 597, fn. omitted; *Estate of McLaughlin*, at p. 468 [“The trial court has a wide discretion in determining the allowance”].) ““If the trustee commits a breach of trust, the court may in its discretion deny him all compensation or allow him a reduced compensation or allow him full compensation.’ [Citation.]” (*Estate of Gump*, at p. 597, fn. 16.)

Here, the Trust provided that the trustee “shall be entitled to reasonable compensation” for services as Trustee and authorized the trustee to draw payments from the Trust without first obtaining a court order. The Trust, however, did not specify the amount of Walls’s compensation. Walls paid himself \$250 per hour for the time he spent working for the Trust, which represents the same hourly rate he charged his legal clients. As the trial court noted in its statement of decision, Walls testified he used that rate because ““my time is my time.””

The trial court, however, reduced Walls’s hourly rate to \$175 based on testimony by an expert Eddie called regarding trustee services. The expert testified that \$175 per hour was at the high end of the range for trustee services in Orange County. The court found that rate was appropriate for Walls based on his expertise as a certified public accountant and the variety of services he provided, including “negotiating sale of residence, probating a Nevada residence, preparing accounting, preparing tax returns, [and] paying and negotiating debts.”

Eddie does not challenge the trial court's findings, but argues the court should have found Walls breached his fiduciary duties based on section 15687's prohibition against "dual compensation." That section prohibits a trustee who is an attorney from receiving compensation for both services as trustee and legal services unless the trustee obtains advance approval. The trial court implicitly found the statutory prohibition against dual compensation did not apply because Walls did not pay himself dual compensation.

The trial court simply found that Walls overpaid himself because he charged his hourly rate as an attorney for services he rendered as trustee. In other words, the court found the hourly rate Walls charged was unreasonable for the service Walls rendered. The court did not find Walls performed trustee services and hired himself to perform legal services as prohibited by section 15687. Indeed, Walls hired and separately paid Blid to provide him legal services in his capacity as trustee. The court approved all services Walls performed as trustee and the number of hours he spent performing those services.<sup>7</sup>

Eddie provides no authority or evidence to show the trial court abused its discretion in reducing Walls's compensation, but approving his compensation in the reduced amount. Similarly, Eddie provides no authority or evidence to show the trial court's finding that Walls overpaid himself required the court to find Walls breached his fiduciary duties. If accepted, Walls's contention would mean a court must find a trustee breached his or her fiduciary duty any time the court declines to award the trustee compensation in the full amount paid or sought. That is not the law.

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<sup>7</sup> Eddie contends that Walls admitted he billed the Trust for legal services, but Eddie misconstrues Walls's testimony. Walls testified that, as an attorney, he provided legal services to other trustees "in terms of tax returns" and billed those trustees at his \$250 hourly rate. Walls did not testify that he provided the Trust with legal services and, again, the trial court approved all of Walls's work as trustee.

C. *Walls Did Not Breach His Fiduciary Duties by Failing to Timely Provide an Accounting for the Trust*

Eddie contends Walls breached his fiduciary duties by failing to provide an initial accounting within 60 days of Eddie's May 2009 request and another accounting running through December 31, 2009, as requested in Eddie's pleading. These contentions fail because they ignore the Trust's terms and misconstrue the facts and governing law.

Section 16062, subdivision (a), requires a trustee to account to the beneficiaries at least annually and upon the termination of the trust or a change in the trustee, "[e]xcept as otherwise provided . . . in Section 16064 . . . ." (Italics added.) Section 17200, subdivision (b)(7)(C), authorizes a trust beneficiary to bring an action to compel a trustee to "[a]ccount to the beneficiary, *subject to the provisions of section 16064*, if the trustee has failed to submit a requested account within 60 days after the written request of the beneficiary . . . ." (Italics added.) Section 16064 states, "The trustee is *not* required to account to a beneficiary as described in subdivision (a) of Section 16062, in any of the following circumstances: [¶] (a) To the extent the trust instrument waives the account . . . ." (Italics added.) Accordingly, a beneficiary's right to annual accountings, and a beneficiary's right to compel a trustee to provide an accounting within 60 days of a written request, are subject to the limitation that the trust instrument may waive or otherwise modify those rights.

Here, the Trust modified Eddie's right to receive an accounting by providing, "Any and all accountings shall be made annually *or at other reasonable intervals as determined by the Trustee . . . .*" (Italics added.) Eddie requested an accounting in May 2009, approximately two months after Edward died. Blied responded to that request on Walls's behalf, explaining Walls was "still in the process of gathering and valuing the assets, as well as the liabilities," of the Trust. Blied also stated, "To the extent possible given the make-up of the estate, an interim accounting shall be prepared

and provided to you within the time frame set forth above [i.e., 60 days].” In Eddie’s view, section 17200, subdivision (b)(7)(C), and Blied’s response required Walls to provide an accounting before the end of July 2009 and therefore Walls breached his fiduciary duties because he failed to provide an accounting until November 5, 2009.

The Trust, however, modified Eddie’s right to receive an accounting within 60 days of his written request and limited him to an accounting only at reasonable intervals determined by Walls. Eddie presents no argument or evidence to show the interval between his request for an accounting and the accounting Walls provided was unreasonable. Specifically, Eddie fails to show Walls acted unreasonably in waiting until settling most of Edward’s estate before providing an accounting. Eddie also fails to accurately characterize Blied’s response to his accounting request. Blied did not promise an accounting before the end of July 2009 as Eddie contends. Instead, Blied stated Walls would try to provide an accounting by that time “[t]o the extent possible.” Walls did not breach any duty by waiting until November 2009 to provide his first accounting.

Eddie also contends that Walls breached his fiduciary duty by failing to provide a second accounting running through December 31, 2009, as requested in Eddie’s pleading. Again, Eddie fails to acknowledge the limitation the Trust placed on his right to demand an accounting, and fails to show the interval between accountings was unreasonable. Walls testified he did not provide a second accounting after Eddie filed this lawsuit because he provided that information in discovery. Moreover, the trial court declined to order Walls to prepare an accounting because Walls testified at the January 2011 trial that he was preparing the Trust’s taxes for 2010 and a new accounting that would cover the end of 2009 and all of 2010. We see no reason to disturb the trial court’s conclusion Walls acted reasonably and did not breach his duties.

D. *The Trial Court’s Statement of Decision Adequately Explained the Factual and Legal Basis for Its Decision on All Principal Controverted Issues*

Eddie contends we must reverse the trial court’s judgment because the court failed to issue a statement of decision separately addressing each controverted issue he identified in his request for a statement of decision. Eddie’s request, however, sought a level of detail that far exceeds anything required by the governing standards.

Upon any party’s timely request in a nonjury trial, the trial court must “issue a statement of decision explaining the factual and legal basis for its decision as to each of the principal controverted issues at trial.” (Code Civ. Proc., § 632.) The controverted issues in a case are those placed at issue by the parties’ pleadings and on which they offered evidence at trial. (*People v. Casa Blanca Convalescent Homes, Inc.* (1984) 159 Cal.App.3d 509, 525 (*Casa Blanca*), disapproved on other grounds in *Cel-Tech Communications, Inc. v. Los Angeles Cellular Telephone Co.* (1999) 20 Cal.4th 163, 184-185.) The “principal” controverted issues are those which are “relevant and essential to the judgment and closely and directly related to the trial court’s determination of the ultimate issues in the case.” (*Kuffel v. Seaside Oil Co.* (1977) 69 Cal.App.3d 555, 565; Wegner et al., Cal. Practice Guide: Civil Trials and Evidence (The Rutter Group 2011) ¶ 16:170, p. 16-39 (rev. # 1, 2010).)

A court’s statement of decision “need do no more than state the grounds upon which the judgment rests, without necessarily specifying the particular evidence considered by the trial court in reaching its decision. [Citations.] ‘[A] trial court rendering a statement of decision under . . . [Code of Civil Procedure] section 632 is required to state only ultimate rather than evidentiary facts because findings of ultimate facts necessarily include findings on all intermediate evidentiary facts necessary to sustain them. [Citation.]’ [Citations.] In other words, a trial court rendering a statement of decision is required only to set out ultimate findings rather than evidentiary ones.” (*Muzquiz v. City of Emeryville* (2000) 79 Cal.App.4th 1106, 1125.) “The trial court need

not discuss each question listed in a party's request; all that is required is an explanation of the factual and legal basis for the court's decision regarding the principal controverted issues at trial as are listed in the request." (*Hellman v. La Cumbre Golf & Country Club* (1992) 6 Cal.App.4th 1224, 1230.)

Here, Eddie filed a request for a statement of decision identifying 73 issues he contends the trial court was required to separately address. The court denied Eddie's request because it found, "This is not a proper request for a statement of decision. It is a set of interrogatories to the Court. . . . There were not 73 controverted issues, not even close to 73. This request asks for findings on a host of evidentiary points and is improper. . . ." (Underscoring omitted.)

In response to Eddie's request, the court adopted the 10-page tentative decision it issued as its final statement of decision. That decision identified the following five issues as the "chief controverted issues" presented by the parties' pleadings and joint pretrial statement: "1. Did Trustee Walls breach his fiduciary duties by failing to properly marshal, inventory, appraise, and/or account for trust assets? . . . [¶] 2. Did Trustee Walls fail to properly secure trust assets from the residence? . . . [¶] 3. Should Trustee Walls be surcharged and denied compensation for breaches of fiduciary duty? . . . [¶] 4. Is petitioner entitled to reimbursement of \$2500 per month from the trust, retroactive to the date of decedent's death, for Eddie's support? . . . [and] [¶] 5. Should Trustee Walls be removed? . . ."

The court's decision answered each of these questions in the negative and provided a lengthy narrative discussing the legal and factual basis for the court's decision. The decision discussed the parties' claims and evidence regarding Walls's decision not to make monthly distributions from the Trust to cover Eddie's living expenses, the compensation Walls paid himself for his services as trustee, other payments and distributions Walls made as disclosed in his accounting, Walls's management and disposition of Edward's personal property, and whether Walls should be surcharged or

removed as trustee. The court also issued a minute order further clarifying its decision and explaining that (1) Walls testified he was preparing a new accounting covering the period from November 1, 2009, to December 31, 2010, and therefore “[t]here[ was] no need to order him to do so”; (2) Walls must repay the Trust the amount he overcharged for his trustee services within 60 days; and (3) “Petitioner failed to meet her burden of proof as to whether or not Trustee breached any fiduciary duty and whether, assuming he did, any damage flowed from such breach.”

A statement of decision is sufficient if it “addresse[s] the substance of all of the matters raised by [the parties’] request for specific findings. The trial court is not required to make an express finding of fact on every factual matter controverted at trial, where the statement of decision sufficiently disposes of all the basic issues in the case.” (*Bauer v. Bauer* (1996) 46 Cal.App.4th 1106, 1118.) The “trial court is not required to respond point by point to issues posed in a request for a statement of decision. “The court’s statement of decision is sufficient if it fairly discloses the court’s determination as to the ultimate facts and material issues in the case.” [Citations.]’ [Citation.]” (*Ermoian v. Desert Hospital* (2007) 152 Cal.App.4th 475, 500; see also *In re Marriage of Balcof* (2006) 141 Cal.App.4th 1509, 1530 [“The trial court is not . . . constrained to provide a statement of decision addressing every single one of Kathleen’s 37 questions”]; *Golden Eagle Ins. Co. v. Foremost Ins. Co.* (1993) 20 Cal.App.4th 1372, 1379-1380 [trial court not required to respond point by point to the 36 issues identified in party’s request for statement of decision]; *Casa Blanca, supra*, 159 Cal.App.3d at p. 525 [“The trial court was not required to provide specific answers [to 75 questions posed in a party’s request for statement of decision] so long as the findings in the statement of decision fairly disclosed the court’s determination of all material issues”].)

The trial court’s statement of decision adequately addressed the substance of the matters Eddie raised in his request and explained the factual and legal basis for the court’s decision. Nothing more was required. The 73 issues Eddie’s request identified

are *not* principal controverted issues the trial court had to separately address. Rather, Eddie's "issues" were essentially interrogatories that sought to breakdown the issues the court identified into numerous subissues and thereby examine the court's reasoning in minute detail. The authorities discussed above did not require the level of detail Eddie sought. We agree that Eddie's request was improper and he has not established any omissions or defects in the trial court's statement of decision.

### III

#### DISPOSITION

The judgment is affirmed. Walls shall recover his costs on appeal.

ARONSON, J.

WE CONCUR:

BEDSWORTH, ACTING P. J.

MOORE, J.