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**UNITED STATES DISTRICT COURT**

EASTERN DISTRICT OF CALIFORNIA

C.B., a minor,

Plaintiff,

v.

SONORA SCHOOL DISTRICT, et al.,

Defendants.

CASE NO. 1:12-cv-00111-LJO-SMS

**ORDER DENYING MOTION TO  
WITHDRAW FUNDS FROM THE MINOR  
PLAINTIFF’S BLOCKED ACCOUNT**

(Doc. 236)

On February 11, 2013, Matthew D. Banks, *guardian ad litem* for Plaintiff C.B., a minor, has petitioned this Court for an order permitting him to withdraw \$4000.00 from Plaintiff’s blocked account. The blocked account includes a total of \$12,516.21. The withdrawal’s purpose is to reimburse Plaintiff’s grandmother, Theela Butcher, for funds she advanced to Plaintiff to allow him to purchase a 1987 Ford Ranger truck for his own use. Plaintiff first borrowed the money from his grandmother “because he wanted to purchase the truck before it sold to someone else.” Doc. 240. Plaintiff did not secure a driver’s license until February 19, 2013.

As a derivative of Federal Rule of Civil Procedure 17(c), district courts bear the responsibility of safeguarding the interests of minor litigants. When the parties propose to settle a lawsuit brought on behalf of a minor, the district court must “conduct its own inquiry to determine whether the settlement serves the best interests of the minor.” *Robidoux v. Rosengren*, 638 F.3d 1177, 1181 (9<sup>th</sup> Cir. 2011), *quoting Dacanay v. Mendoza*, 573 F.2d 1075, 1080 (9<sup>th</sup> Cir. 1978). The Ninth Circuit Court of Appeals “has not provided district courts with specific

1 guidance on how to conduct this independent inquiry, nor dictated whether district courts should  
2 consult state law and local rules in making such determinations. *Robidoux*, 638 F.3d at 1181.  
3 Typically, district courts in the Ninth Circuit evaluate whether a settlement serves the minor’s  
4 best interests using state and local procedures. *Id.*

5 California law permits a parent or guardian to compromise a minor’s legal claim and  
6 permits the Court to disburse funds for payment of medical expenses and legal fees, among other  
7 things. California Probate Code § 3600 *et seq.* Any remaining balance must be paid, delivered,  
8 deposited, or invested in accordance with statutory requirements. California Probate Code §  
9 3610. Among the options that a Court may elect is the one used in this case: “That the remaining  
10 balance of any money paid or to be paid be deposited in an insured account in a financial  
11 institution in this state . . . subject to withdrawal only upon authorization of the court.”

12 California Probate Code § 3611(b). Whichever option the Court chooses, it is directed to make  
13 its determination regarding the balance of a minor’s funds “in the best interest of the minor.”  
14 California Probate Code § 3611. The Court retains continuing jurisdiction over the funds until  
15 the minor reaches maturity at eighteen years of age. California Probate Code § 3612(a).

16 The Court has been unable to identify a standard for evaluating a proposed withdrawal  
17 from a minor’s blocked account other than that of the minor’s best interests. Case law regarding  
18 equitable modifications of trusts is helpful in evaluating the pending request here.

19 In cases involving trust law, courts should exercise their equitable power to modify trust  
20 terms only sparingly and in the clearest of cases, when necessary to fulfill the trust’s main  
21 purpose. *Stanton v. Wells Fargo Bank & Union Trust Co.*, 150 Cal.App.2d 763, 770 (1957).  
22 California courts have power in equity to modify a trust’s terms to preserve it or to preserve the  
23 trustor’s original intent. *Getty v. Getty*, 205 Cal.App.3d 134, 142 (1988).

24 Modifications are appropriate when the court can step into the grantor’s shoes and further  
25 the trustor’s purpose by making such changes as the trustor would have made in response to the  
26 modification petition. *Stanton*, 150 Cal.App.2d at 770. “[T]he court should not permit a  
27 deviation simply because the beneficiaries request it where the main purpose of the trust is not  
28 threatened and no emergency exists or is threatened.” *Id.* See also *Shelton v. King*, 229 U.S. 90,

1 101 (1913) (denying modification since “nothing has happened since the will which was not  
2 anticipated by the testatrix”). Where a trust directs accumulations of income for a fixed time  
3 before distributions may be made to the beneficiary, the court ordinarily cannot terminate the  
4 trust, even when all the beneficiaries request termination. *Moxley v. Title Insurance & Trust Co.*,  
5 27 Cal.2d 457, 462 (1946).

6 Suitable situations for court modification have included removal of restrictions on the  
7 sale of real property held in trust where the trustor could not have anticipated the discovery of  
8 valuable gas, oil, and minerals on the property (*Adams v. Cook*, 15 Cal.2d 352 (1940));  
9 accelerated payment of a trust balance to a beneficiary who, although young and healthy when  
10 the trust was made, had become chronically ill and required a series of operations (*Whittingham*  
11 *v. California Trust Co.*, 214 Cal. 128 (1931); and periodic payment of the income of a trust  
12 scheduled to be paid to the beneficiary at age twenty-five to enable the beneficiary, a minor “of  
13 intellectual promise,” to complete her education (*Bennett v. Nashville Trust Co.*, 127 Tenn. 126  
14 (1913)). In contrast, a beneficiary who was entitled to receive an amount in trust when she  
15 reached the age of thirty-five years petitioned the Court to modify the trust to provide for an  
16 earlier pay-out so that she could purchase a home for which she otherwise lacked the financial  
17 means. *See Moxley*, 27 Cal.2d 457. The court denied her request, finding that the situation was  
18 neither an emergency nor peculiar circumstances that the trustor would not have considered when  
19 establishing the trust’s terms. *Id.*

20 A blocked account created to protect the net settlement proceeds of a lawsuit brought on  
21 behalf of a minor is akin to a trust created to preserve a minor’s asset until he or she reaches the  
22 age of majority. Permitting arbitrary withdrawals that are not required by an emergency or  
23 unanticipated circumstances would circumvent the public policy of preserving the child’s assets  
24 until his or her majority and would not be in the child’s best interests. Just as the grantor of Mrs.  
25 Moxley’s trust would reasonably have considered that Mrs. Moxley might want to buy a house  
26 before her trust pay-out was due, the legislature can reasonably be presumed to have recognized  
27 that a youthful former plaintiff might want to buy a car upon reaching sixteen. Public policy  
28 nonetheless was structured to protect his or her net settlement proceeds until the age of majority.

1           The request for authorization to withdraw funds from Plaintiff's blocked account for the  
2 purchase of a truck is DENIED.

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4 IT IS SO ORDERED.

5 **Dated:** March 8, 2013

/s/ Sandra M. Snyder  
UNITED STATES MAGISTRATE JUDGE

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