

#L-3010

jd597
03/04/88

Second Supplement to Memorandum 88-19

Subject: Study L-3010 - Fees of Corporate Trustees

Attached is a letter to Assembly Member Harris from the California Bankers Asssocation. The letter is concerned with the letter that Assembly Member Harris sent to the Law Revision Commission requesting that the Commission give active study to the matter of corporate trustees fees.

Respectfully submitted,

John H. DeMouilly
Executive Secretary



California Bankers Association
Established 1891

February 29, 1988

CALIFORNIA LAW REVISION COMMISSION

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RECEIVED

The Honorable Elihu Harris
Chairman, Assembly Judiciary Committee
State Capitol, Room 6005
Sacramento, California 95814

RE: FEBRUARY 1, 1988 LAW REVISION COMMISSION LETTER

Dear Mr. Harris:

Thank you for your recent letter to Michael Harrington informing us of your request for further study of trust administration by the Law Revision Commission.

Your letter to the Commission has caused a great deal of concern in our committee. We are concerned that we learned of the Law Revision Commission request after the fact and without an opportunity to consult with you on the issue. Based upon our previous meeting we had believed we would have an opportunity to consult and comment upon the results of our efforts and those of the Law Revision Commission and probate law section of the State Bar.

Our committee is also deeply concerned that you may have been erroneously advised as to the practical rights of trust beneficiaries and as to the custom and practice of California institutional trustees. We have enclosed a copy of a letter to the Law Revision Commission making more detailed comment on the concerns your office has transmitted to the Commission.

In our letter of December 14, 1987, we offered to make available the most senior trust executive officers to explain the practices of banks in resolving disputes with beneficiaries, movement of trusts to successor trustees, and trustee fees in general.

We would very much appreciate a chance to meet with you prior to the next Law Revision Commission. We can meet in either your capitol or district office, whichever is more convenient;

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and we have asked Stan Wieg of our Sacramento office to attempt to coordinate an appropriate time.

Thank you for your consideration.

Sincerely,



LAUREN UPSON
Chairman, CBA Trust Financial
Services Group Executive Committee

cc: Stan Wieg
John DeMouilly
David Lauer
Bruce Norman