FOX LAW
LEGACY LITIGATORS

10 WARNING SIGNS YOUR TRUSTEE MAY BE BREACHING THEIR DUTIES

A Free Checklist for California Beneficiaries

As a trust beneficiary in California, you have legal rights and trustees have legal obligations to you. When a trustee fails to meet those obligations, it's called a breach of fiduciary duty, and you may have grounds to take action.

☐ THE TRUSTEE IS REFUSING TO PROVIDE AN ACCOUNTING

California law requires trustees to account to beneficiaries at least annually. If your trustee is stonewalling, ignoring your requests, or insisting they "don't have to explain anything," that's a red flag and potentially a violation of state law.

☐ DISTRIBUTIONS ARE BEING DELAYED OR WITHHELD WITHOUT EXPLANATION

Trustees must follow the trust's terms for making distributions. If you're entitled to distributions and the trustee is dragging their feet or giving vague excuses, they may be breaching their duty to administer the trust according to its terms.

*This checklist is for informational purposes only and does not constitute legal advice or create an attorney-client relationship.

- [ ] YOU SUSPECT THE TRUSTEE IS USING TRUST ASSETS FOR PERSONAL BENEFIT

Self-dealing is one of the most serious breaches a trustee can commit. This includes buying trust property for themselves at below-market value, borrowing trust funds, or directing trust business to companies they own.

- [ ] TRUST ASSETS APPEAR TO HAVE GONE MISSING OR BEEN IMPROPERLY TRANSFERRED

If real estate, bank accounts, investments, or personal property that was supposed to be in the trust is unaccounted for, or if transfers were made without proper authority, you may be looking at misappropriation of trust assets.

- [ ] THE TRUSTEE IS FAVORING SOME BENEFICIARIES OVER OTHERS

California law requires trustees to act impartially among beneficiaries. If the trustee is giving preferential treatment to themselves or another beneficiary, this can constitute a breach of the duty of impartiality.

- [ ] THE TRUSTEE IS MAKING POOR OR RECKLESS INVESTMENT DECISIONS

Trustees are held to the "prudent investor" standard under California law. If the trustee is concentrating assets, making speculative bets, or letting assets sit idle, they may be in breach of the Uniform Prudent Investor Act.

- [ ] YOU'RE NOT BEING NOTIFIED OF IMPORTANT TRUST EVENTS

Trustees must keep beneficiaries reasonably informed about the trust and its administration. If the trustee has taken significant action and not responded to a reasonable request for information, they may be violating your rights.

- [ ] THE TRUSTEE IS CHARGING EXCESSIVE OR UNREASONABLE FEES

Trustees are entitled to reasonable compensation, but "reasonable" has limits. Excessive trustee fees, inflated professional fees paid to the trustee's associates, or double-billing can all reduce the trust estate at your expense.

- [ ] THE TRUSTEE IS IGNORING THE TRUST DOCUMENT'S ACTUAL TERMS

If the trustee is paying out assets in a way the trust doesn't authorize, ignoring conditions on distributions, or acting as if they have discretion they don't actually have, they may be breaching their duty to administer the trust according to its terms.

- [ ] THE TRUSTEE IS HOSTILE, SECRETIVE, OR THREATENING WHEN YOU ASK QUESTIONS

A trustee who becomes defensive, refuses to communicate, or simply goes silent is often concealing a problem. If this sounds familiar, it may be time to get legal advice.

IMPORTANT: DON’T WAIT TOO LONG TO ACT!

California's statute of limitations for breach of trust claims is three years from the date you knew (or should have known) about the breach. The longer problematic conduct goes unaddressed, the harder it can be to recover what was lost.

READY TO TALK? GET A NO-COST CONSULTATION.

Fox Law focuses exclusively on California trust and estate litigation. If you're seeing one or more of these warning signs, we can review your situation and tell you honestly whether you have a viable claim.

Schedule a no-cost initial consultation at foxtrustlaw.com.