

SUPREME COURT OF THE STATE OF ALASKA

Schultz v. Wells Fargo Bank, N.A.

301 P.3d 1237 (Alaska 2013) · No. S-14673 · Decided June 7, 2013

SUMMARY

The Alaska Supreme Court held that a trust advisory committee was the prevailing party in litigation seeking insurance-related information and documents from the trustee. Although the committee obtained only about half of its requested disclosures, it secured an order requiring production of the master insurance policy and other information relevant to the trustee's fiduciary duties. The court reversed the denial of attorney's fees under Alaska Civil Rule 82 and remanded for renewed consideration of the fee award.

CASE DETAILS

COURT	Supreme Court of the State of Alaska
WRITING FOR THE COURT	Winfree, Justice; Fabe, Chief Justice; Stowers, Justice; Maassen, Justice; Bolger, Justice
JURISDICTION	Alaska
DECIDED	June 7, 2013
DOCKET	S-14673
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The trust advisory committee appealed the superior court's denial of its request for attorney's fees under Alaska Civil Rule 82 after the court ordered Wells Fargo to produce the insurance policy and approximately half of the requested information and documents.
STANDARD OF REVIEW	The court independently reviewed whether the trial court applied the appropriate legal standard, reviewed the prevailing-party determination for abuse of discretion, and would overturn it only if manifestly unreasonable.
PRECEDENTIAL VALUE	Published Alaska Supreme Court opinion; precedential
PARTIES	Jean Schultz, as Guardian of Dennis P. Hutchinson, Jr., The Trust Advisory Committee created under the Dennis P. Hutchinson, Jr. Trust v. Wells Fargo Bank, N.A.

TOPICS

trust administration

trustee duties

beneficiary litigation

attorney fees

appellate procedure

PRACTICE AREAS

trusts

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QUESTIONS PRESENTED

1. Whether the superior court abused its discretion by determining that neither the Trust Advisory Committee nor Wells Fargo was the prevailing party for purposes of Alaska Civil Rule 82 attorney's fees.
2. Whether a party may be the prevailing party under Alaska Civil Rule 82 when it obtains substantial affirmative relief but not all of the relief requested.

HOLDINGS

1. The Trust Advisory Committee was the prevailing party because it obtained substantial affirmative relief: a court order recognizing Wells Fargo's fiduciary obligation to provide information and directing Wells Fargo to produce the master insurance policy and approximately half of the requested information and documents.
2. The superior court abused its discretion by treating the case as a split result based primarily on the Committee's success on roughly half of its disclosure requests and by failing to recognize the Committee as prevailing on the main issue.

KEY QUOTATIONS

“Under these circumstances the Committee was the prevailing party entitled to an award of attorney’s fees.”
(slip op. at 10)

“When ‘considering prevailing party status the trial court should ask the ‘objective question . . . whether [the party] obtained the relief it sought.’” (slip op. at 8)

FACTUAL BACKGROUND

The Dennis P. Hutchinson, Jr. Trust owned two residential properties, and Wells Fargo served as trustee. The trust agreement required the trustee to manage trust finances, meet annually with the Trust Advisory Committee, provide statements and asset information, and maintain appropriate insurance. After learning that premiums had increased and that the properties were insured through a Wells Fargo master insurance program, the Committee repeatedly requested the policy and related information from 2005 through 2009. Wells Fargo did not provide the requested policy before the Committee petitioned the superior court, which ordered production of the policy and approximately half of the requested information and documents.

PROCEDURAL HISTORY

After several years of requests for insurance-policy and trust-administration information, the Committee petitioned the Alaska Superior Court for relief. A probate master recommended production of six categories of

information and seven categories of documents and recommended that neither party receive fees. The superior court adopted the recommendation, granted a protective order, and denied attorney's fees, concluding that neither party clearly prevailed. The Alaska Supreme Court reversed and remanded for renewed consideration of fees.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The superior court must reconsider whether and how to award attorney's fees to the Committee under Alaska Civil Rule 82, including the Committee's argument that Wells Fargo's breach of fiduciary duty is relevant to the fee calculation.

CASES CITED

- State v. Jacob, 214 P.3d 353, 358 (Alaska 2009)
- Halloran v. State, Division of Elections, 115 P.3d 547, 550 (Alaska 2005)
- Taylor v. Moutrie-Pelham, 246 P.3d 927, 928-30 (Alaska 2011)
- Alliance of Concerned Taxpayers, Inc. v. Kenai Peninsula Borough, 273 P.3d 1123, 1126 (Alaska 2012)
- Progressive Corp. v. Peter ex rel. Peter, 195 P.3d 1083, 1092-93 (Alaska 2008)
- K & K Recycling, Inc. v. Alaska Gold Co., 80 P.3d 702, 721 (Alaska 2003)
- Tobeluk v. Lind, 589 P.2d 873, 877-78 (Alaska 1979)
- Western Airlines, Inc. v. Lathrop Co., 535 P.2d 1209, 1217 (Alaska 1975)
- City of Kenai v. Friends of the Recreation Center, Inc., 129 P.3d 452, 460 (Alaska 2006)
- Chambers v. Scofield, 247 P.3d 982, 989 (Alaska 2011)
- Pavone v. Pavone, 860 P.2d 1228, 1233 (Alaska 1993)
- Alaska Center for the Environment v. State, 940 P.2d 916, 922 (Alaska 1997)
- Shepherd v. State, Department of Fish & Game, 897 P.2d 33, 44 (Alaska 1995)
- Blumenshine v. Baptiste, 869 P.2d 470, 474 (Alaska 1994)

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