

Master's Final Reports in *Mennen v. Wilmington Trust*

Client Alert

05.07.2015

Two Master's Final Reports were issued in *Mennen v. Wilmington Trust Company* on April 24, 2015. As a courtesy to our clients and friends, below please find analysis of both reports.

THE CO-TRUSTEE LIABILITY OPINION

Morris Nichols' Tax, Trusts and Estates group previously published a case alert analyzing Master LeGrow's draft Master's Report dated December 8, 2014 (the "Draft Report") in the Mennen case pertaining to a co-trustee's liability for certain investment decisions. In the Draft Report, the Delaware Court of Chancery (the "Court") entered a judgment against George Jeffrey Mennen ("Jeff"), as the co-trustee of a trust for Jeff's brother, John, in the amount of \$72,448,299 plus interest. This judgment was based on the Court's conclusion that Jeff engaged in an extensive pattern of bad faith with respect to managing the trust's investments over a significant period of time. The analysis of the Draft Report is available [here](#).

Exceptions to the Draft Report were submitted to the Court on February 13, 2015. On April 24, 2015, Master LeGrow issued a Master's Final Report (the "Final Report") entering a judgment against Jeff in the amount of \$96,978,299.93 plus pre-judgment interest of 7.75% compounded quarterly. Notably, the Final Report contains some additional insight regarding the Court's analysis of the definition of "good faith" and the application of Delaware's virtual representation statute, 12 Del. C. § 3547. The parties in Mennen may take exceptions to the Final Report in accordance with Court Rule 144.

Click here to download the full Morris Nichols analysis of the Final Report concerning co-trustee liability.

SPENDTHRIFT TRUST OPINION

Morris Nichols' Tax, Trusts and Estates group previously published a case alert analyzing Master LeGrow's draft Master's Report dated January 17, 2014 (the "Draft Report") in the Mennen case pertaining to the protections available to a trust beneficiary under Delaware's spendthrift statute, 12 Del. C. § 3536. In the Draft Report, the Court granted a defendant's motion for summary judgment and, in doing so, the Court notably upheld the enforceability of a spendthrift clause under Section 3536. That analysis is available [here](#).

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Exceptions to the Draft Report were submitted to the Court on February 13, 2015. On April 24, 2015, Master LeGrow issued a Master's Final Report (the "Final Report") and affirmed the defendant's motion for summary judgment. The Final Report contains substantively the same analysis as the Court's Draft Report. The parties may take exceptions to the Final Report in accordance with Court Rule 144.

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PRACTICE AREAS

Trusts & Estates/Private Client

