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**DATA-ENTRY
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CAUSE NO. 412,249

IN RE: ESTATE OF

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IN THE PROBATE COURT

NELVA E. BRUNSTING,

§

NUMBER FOUR (4) OF

DECEASED

§

HARRIS COUNTY, TEXAS

§

PLAINTIFF'S APPLICATION FOR PARTIAL DISTRIBUTION

TO THE HONORABLE PROBATE COURT:

COMES NOW, Plaintiff, Candace Louis Curtis, and files this Application for Partial Distribution of Trust Funds and in support thereof would show the Court as follows:

1.

Plaintiff is a beneficiary under the Brunsting Family Trust, which is currently the subject of multiple lawsuits pending in this Court, one of which was transferred to this Court from the Federal Court where it had originally begun. That transfer was subject to a Temporary Injunction that had been ordered by the Federal Court that enjoined the distribution of Trust Funds without a court order. *See Ex. A, Injunction.*

2.

Plaintiff has a right to receive funds from this Trust as necessary for her health, education, maintenance and support. The Trust is currently subject to litigation because of the Trustees' misdeeds, and those Trustees are enjoined from exercising their discretion. *See Ex. A, Injunction.* There is no allegation that Plaintiff has breached her fiduciary duty to the Trust and thus no possibility that she will have to disgorge ill-gotten gains back to the Trust. The only question surrounding Plaintiff's ultimate distribution is how much money she will ultimately receive after the Defendant Trustees are found guilty of breaching their duties.

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3.

Because no Trustee can exercise discretion in favor of Plaintiff and make a distribution of her funds to her, Plaintiff moves this Court to make a partial distribution of her share of the Trust to her in the amount of \$40,000.00. Plaintiff's interest in the Trust is well in excess of \$40,000.00. Based upon the most recent bank statements available to Plaintiff, the total cash held by the Trust is \$695,805.63, which makes Plaintiff's 1/5 share equal to \$139,161.13. That value does not include real property or stocks which are held in addition to that cash. That value also does not include property improperly distributed to or on behalf of Defendants Anita, Amy or Carole Brunsting and which Plaintiffs anticipates will be ordered restored to the Trust. Plaintiff needs this distribution for her maintenance and support and requests that the Court authorize and order the same.

WHEREFORE, PREMISES CONSIDERED, Plaintiff Candace Curtis respectfully prays that her Application for Partial Distribution of Trust Funds be granted, that the Trustee be ordered to distribute to Candace Curtis the sum of \$40,000.00 out of the Brunsting Family Trust, and for such other and further relief to which she may show herself justly entitled.

Respectfully Submitted,



Candace Curtis

02062015:1143:P0071

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CERTIFICATE OF SERVICE

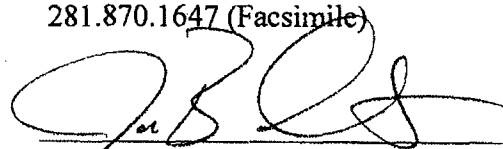
I hereby certify that a true and correct copy of the foregoing instrument was served in accordance with Texas Rule of Civil Procedure 21a on the following on the 5th day of February, 2015:

Ms. Bobbie Bayless
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Jason B. Ostrom/R. Keith Morris

02062015:1143:P0072

Exhibit A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

TRUE COPY I CERTIFY
ATTEST:

DAVID J. BRADLEY, Clerk of Court
By M. Flores
Clerk

CANDACE LOUISE CURTIS,

Plaintiff,

VS.

ANITA KAY BRUNSTING, *et al*,

Defendants.

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CIVIL ACTION NO. 4:12-CV-592

MEMORANDUM AND ORDER
PRELIMINARY INJUNCTION

I. INTRODUCTION

Before the Court is the *pro se* plaintiff's, Candace Louise Curtis, renewed application for an *ex parte* temporary restraining order, asset freeze, and preliminary and permanent injunction [Dkt. No. 35]. Also before the Court is the defendants', Anita Kay Brunsting and Amy Ruth Brunsting, memorandum and response to the plaintiff's renewed motion [Dkt. No. 39]. The Court has reviewed the documents presented, including the pleadings, response and exhibits, received testimony and arguments, and determines that the plaintiff's motion for a temporary injunction should be granted.

II. BACKGROUND

A. Procedural Background

The plaintiff filed her original petition on February 27, 2012, alleging that the defendants had breached their fiduciary obligations under the Brunsting Family Living Trust ("the Trust"). Additionally, the plaintiff claimed extrinsic fraud, constructive fraud, intentional infliction of emotional distress, and sought an accounting, as well as a

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recovery of legal fees and damages. The Court denied the plaintiff's request for a temporary restraining order and for injunctive relief. However, concurrent with the Court's order denying the relief sought by the plaintiff, the defendants filed an emergency motion for the removal of a *lis pendens* notice that had been filed by the plaintiff on February 11, 2012, prior to filing her suit.

The defendants sought, by their motion, to have the *lis pendens* notice removed in order that they, as the Trustees of the Trust might sell the family residence and invest the sale proceeds in accordance with Trust instructions. After a telephone conference and consideration of the defendants' argument that the Court lacked jurisdiction, the Court concluded that it lacked jurisdiction, cancelled the *lis pendens* notice, and dismissed the plaintiff's case.

The plaintiff gave notice and appealed the Court's dismissal order. The United States Court of Appeals for the Fifth Circuit determined that the Court's dismissal constituted error. Therefore, the Fifth Circuit reversed the dismissal and remanded the case to this Court for further proceedings. This reversal gave rise to the plaintiff's renewed motion for injunctive relief that is now before the Court.

B. Contentions of the Parties

The plaintiff contends that she is a beneficiary of the Trust that the defendants, her sisters, serve as co-trustees. She asserts that, as co-trustees, the defendants owe a fiduciary duty to her to "provide [her] with information concerning trust administration, copies of trust documents and [a] semi-annual accounting." According to the plaintiff,

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the defendants have failed to meet their obligation and have wrongfully rebuffed her efforts to obtain the information requested and that she is entitled.

The defendants deny any wrongdoing and assert that the plaintiff's request for injunctive relief should be denied. The defendants admit that a preliminary injunction may be entered by the Court to protect the plaintiff from irreparable harm and to preserve the Court's power to render a meaningful decision after a trial on the merits. *See Canal Auth. of State of Fla. V. Calloway*, 489, F.2d 567, 572 (5th Cir. 1974). Rather, the defendants argue that the plaintiff had not met her burden.

III. STANDARD OF REVIEW

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The prerequisites for the granting of a preliminary injunction require a plaintiff to establish that: (a) a substantial likelihood exists that the plaintiff will prevail on the merits; (b) a substantial threat exists that the plaintiff will suffer irreparable injury if the injunction is not granted; (c) the threatened injury to the plaintiff outweighs the threatened harm that the injunction may do to the defendants; and, (d) granting the injunction will not disserve the public interest. *See Calloway*, 489 F.2d at 572-73.

IV. DISCUSSION AND ANALYSIS

The evidence and pleadings before the Court establish that Elmer Henry Brunsting and Nelva Erleen Brunsting created the Brunsting Family Living Trust on October 10, 1996. The copy of the Trust presented to the Court as Exhibit 1, however, reflects an effective date of January 12, 2005. As well, the Trust reveals a total of 14 articles, yet Articles 13 and part of Article 14 are missing from the Trust document. Nevertheless, the Court will assume, for purposes of this Memorandum and Order, that the document

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presented as the Trust is, in fact, part of the original Trust created by the Brunstings in 1996.

The Trust states that the Brunstings are parents of five children, all of whom are now adults: Candace Louise Curtis, Carol Ann Brunsting; Carl Henry Brunsting; Amy Ruth Tschirhart; and Anita Kay Brunsting Riley. The Trust reflects that Anita Kay Brunsting Riley was appointed as the initial Trustee and that she was so designated on February 12, 1997, when the Trust was amended. The record does not reflect that any change has since been made.

The plaintiff complains that the Trustee has failed to fulfill the duties of Trustee since her appointment. Moreover, the Court finds that there are unexplained conflicts in the Trust document presented by the defendants. For example, The Trust document [Exhibit 1] shows an execution date of January 12, 2005.¹ At that time, the defendants claim that Anita Kay served as the Trustee. Yet, other records also reflect that Anita Kay accepted the duties of Trustee on December 21, 2010, when her mother, Nelva Erleen resigned as Trustee. Nelva Erleen claimed in her resignation in December that she, not Anita Kay, was the original Trustee.

The record also reflects that the defendants have failed to provide the records requested by the plaintiff as required by Article IX-(E) of the Trust. Nor is there evidence that the Trustee has established separate trusts for each beneficiary, as required under the Trust, even though more than two years has expired since her appointment.

¹ It appears that Nelva Erleen Brunsting was the original Trustee and on January 12, 2005, she resigned and appointed Anita Brunsting as the sole Trustee.

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In light of what appears to be irregularities in the documents and the failure of the Trustee to act in accordance with the duties required by the Trust, the Court ENJOINS the Trustee(s) and all assigns from disbursing any funds from any Trust accounts without prior permission of the Court. However, any income received for the benefit of the Trust beneficiary is to be deposited appropriately in an account. However, the Trustee shall not borrow funds, engage in new business ventures, or sell real property or other assets without the prior approval of the Court. In essence, all transactions of a financial nature shall require pre-approval of the Court, pending a resolution of disputes between the parties in this case.

The Court shall appoint an independent firm or accountant to gather the financial records of the Trust(s) and provide an accounting of the income and expenses of the Trust(s) since December 21, 2010. The defendants are directed to cooperate with the accountant in this process.

It is so Ordered

SIGNED on this 19th day of April, 2013.



Kenneth M. Hoyt
United States District Judge

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CAUSE NO. 412,249

IN RE: ESTATE OF
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IN THE PROBATE COURT
NUMBER FOUR (4) OF
HARRIS COUNTY, TEXAS

ORDER GRANTING PARTIAL DISTRIBUTION OF TRUST FUNDS

On this day came to be considered the Application for Partial Distribution of Trust Funds filed by Candace Louis Curtis, and the Court is of the opinion and finds that it should be granted.

It is, therefore,

ORDERED that the Trustee of the Brunsting Family Trust pay to Candace Curtis the sum of \$40,000.00 within seven days of this Order. It is further,

ORDERED that this distribution shall be recorded as a partial distribution of the total value of Candace Curtis's share of the Brunsting Family Trust.

SIGNED on this _____ day of _____, 2015.

JUDGE PRESIDING

APPROVED AS TO FORM:

ostrommorris, PLLC

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