

SUMMARY STATEMENT

Ferguson v. Ferguson

Docket No. 46731

This appeal arose from a family dispute over trust information. Michael D. Ferguson was initially excluded as a beneficiary from his parents' marital trust (the Original Trust). Years later, Michael Ferguson's mother, Sybil Ferguson, essentially reversed Michael Ferguson's exclusion by exercising a power of appointment in her will, designating Michael Ferguson as a beneficiary of the Survivor's Trust—a sub-trust of the Original Trust. When Sybil Ferguson died, Michael Ferguson petitioned the magistrate court for financial records, including records from the Original Trust, to determine whether he would receive his full share of the Survivor's Trust. The parties filed cross-motions for summary judgment, which the magistrate court denied in part and granted in part. The district court affirmed the magistrate court's decision in part and reversed in part. The district court held that the magistrate court erred in concluding that Michael Ferguson did not become a beneficiary of the Survivor's Trust until his mother's death, concluding that he became a beneficiary the moment his mother named him as a beneficiary more than one year before her death. Further, the district court held that the magistrate court erred in refusing to apply the Original Trust's no-contest provision, removing Michael Ferguson as a beneficiary.

The Supreme Court reversed the district court's decision. First, the Court held that the district court erred in holding that Sybil Ferguson did not owe Michael Ferguson a fiduciary duty. Second, the Court held that the district court erred in failing to address whether Michael Ferguson is entitled to Original Trust allocation records pursuant to Idaho Code section 15-7-303. Third, the Court held that no-contest provisions in trust agreements are enforceable in Idaho. Notwithstanding, the Court held that the district court erred in enforcing the Original Trust's no-contest provision before addressing whether the trustees breached their fiduciary duties in administering the Survivor's Trust. Fourth, the Court held that the district court erred in failing to address Michael Ferguson's motion to compel discovery.

This summary constitutes no part of the opinion of the Court, but has been prepared by court staff for the convenience of the public.