1	Atty Name. (STATE BAR MI,BER) Atty Email Address	
2	Firm Name Firm Address	
3	Firm Address Phone/Fax Numbers	
4	Special Counsel for	
5	, Conservatee	
6		
7	SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES	
8		
9	CONSERVATORSHIP OF THE PERSON AND ESTATE OF	CASE NO.: ZE 123456
10	,	JUDGE LISA R. JASKOL
11	CONSERVATEE NAME,	PETITION FOR AUTHORITY TO EXECUTE PROPOSED SETTLEMENT
12	Conservatee.	AND FOR ORDERS TO ESTABLISH AND FUND PURSUANT TO PROBATE
13		CODE SECTION 2580:
14		(1) A SUB-TRUST ACCOUNT WITH A POOLED TRUST FOR
15		CONSERVATEE UNDER THE Z POOLED TRUST WITH
16		DISCRETIONARY AUTHORITY TO HIRE INVESTMENT ADVISOR
17		WITH DISCRETIONARY TRADING AUTHORITY;
18		(2) TO BE APPOINTED GAL WITH DISCRETIONARY AUTHORITY TO
19		ESTABLISH AN ABLE ACCOUNT FOR THE BENEFIT OF
<ul><li>20</li><li>21</li></ul>		CONSERVATEE; AND (3) FOR DISCRETIONARY
21		AUTHORITY FOR THE TRUSTEE TO FUND CONSERVATEE'S ABLE
23		ACCOUNT ANNUALLY FROM THE Z POOLED TRUST ACCOUNT UP
24		TO THE MAXIMUM AMOUNT ALLOWED AND MAINTAIN CONSERVATEE'S PUBLIC
25		BENEFITS [Probate Code §§ 2505(c)(2)l; 2580]
26		Date: December 3, 2021
27		Time: 8:30 a.m. Dept: 103
28		

1	Attorney Name, Court Appointed Special Counsel for, Conservatee,		
2	hereby presents his Petition For Authority To Execute Proposed Settlement Agreement and for		
3	Orders To Establish And Fund Pursuant To Probate Code Section 2580: (1) A Sub-Trust		
4	Account With A Pooled Trust For Conservatee Under The Z Pooled Trust With Discretionary		
5	Authority To Hire Investment Advisor With Discretionary Trading Authority; (3)To Be		
6	Appointed GAL With Discretionary Authority To Establish An Able Account For The Benefit Of		
7	Conservatee; and (4) For Discretionary Authority For The Trustee To Fund Conservatee's Able		
8	Account Annually From The Z Pooled Trust Account Up To The Maximum Amount Allowed And		
9	Maintain Conservatee's Public Benefits, and states as follows:		
10	REQUEST FOR APPROVAL OF SETTLEMENT		
11	1. The Conservatee,		
12	Schizophrenia Disorder. On October 29, 2021 Joel M. Simon was appointed as Special Counsel		
13	for, Conservatee in order to represent the interests of the Conservatee		
14	respecting settlement and to establish a sub-trust account in the Z Pooled Trust for Conservatee		
15	to receive the settlement proceeds. A copy of the minute Order is attached hereto as Exhibit B.		
16	2. The Conservatee is currently placed at Sierra Vista Behavioral Health Center;		
17	located at 3455 Highland Avenue, Highland, CA 92346; telephone number: 909.862.6454.		
18	3. Conservator is seeking approval of a settlement for Conservatee under wrongful		
19	death claims pending in LASC Case No. 2(the "Settlement"), in the amount of		
20	approximately \$32,487.29 ("Settlement Proceeds"). The lawsuit arose from the death of the		
21	Conservatee's mother,, while a patient at A copy of		
22	the proposed Settlement Agreement is attached hereto as <b>Exhibit A</b> . Petitioner requests approva		
23	the proposed Settlement offer.		
24	4. Probate Code 2505(c) provides in relevant part that:		
25	(c) Where the claim or matter is the subject of a pending action or proceeding that is		
26	not brought in a court of this state, court approval required by this article shall be		
27	obtained from either of the following:		
28	(1) The court in which the action or proceeding is pending.		

- (2) The court in which the guardianship or conservatorship proceeding is pending.
- 5. The Settlement is for the advantage and benefit of the Conservatee for the reasons as set forth in the Declaration of Jody Moore, Esq. attached hereto as **Exhibit C**.
  - 6. Petitioner requests the Court approve the Settlement as requested by Conservator.
- 7. Petitioner is further requesting an order directing distribution of the settlement proceeds to be deposited to a sub-account for the benefit of the Conservatee.

### REQUEST FOR ORDERS ESTABLISHING A Z POOLED TRUST SUB-ACCOUNT WITH AUTHORITY TO HIRE INVESTMENT ADVISOR WITH DISCRETIONARY TRADING AUTHORITY

- 8. The Conservatee receives approximately \$471.00 per month per month from SSI and receives Medi-Cal benefits.
- 9. The Z Pooled Trust. Federal Law and State Regulations allow individuals with disabilities to set aside assets for supplemental/special needs into a Pooled Trust for the purpose of maintaining eligibility for public assistance programs (i.e. Medicaid, SSI, Housing, VA). The Pooled Trust is irrevocable and the income and assets of a number of disabled persons may be managed by a not-for-profit association. The SSI definition of disability is used. Separate sub-accounts are maintained for each beneficiary. Upon the death of a beneficiary, the funds remaining in that beneficiary's account are retained by the trust if the Pooled Trust agreement so provides or applied to DHS payback with excess to go to the designated remainder men. An advantage of the Pooled Trust is that the corpus of the trust is not considered an available resource and there is no age limit.
- 10. On July 30, 2007, The Z Pooled Trust ("Z Pooled Trust") was established in compliance with 42 U.S.C. §1396(d)(4)(C) to benefit people with disabilities. A copy of the Z Pooled Trust is attached hereto and incorporated by reference as **Exhibit D**. The Trustee of the Z Pooled Trust is the Z Foundation. The Z Foundation officers and directors are volunteer attorneys, and its sole purpose is to act as trustee to administer the Z Pooled Trust.
- 11. The assets of the Z Pooled Trust are presently professionally managed by Goodstein Wealth Management, LLC ("GWM"), Alan Goodstein, Advisory Representative, at

the charge for managing the account of .50% per annum. GWM specializes in investment methods that comply with the mandates of the Uniform Prudent Investor Act (hereafter "UPIA"). Although compliance with UPIA may not be required for conservatorship accounts, the principles of Modern Portfolio Theory embraced by UPIA (specifically the management of portfolio risk and return through careful diversification) are critical to the creation of portfolios that will meet the investment objectives of conservatorships requiring longer-term financial viability. To comply with UPIA's mandate to diversify effectively, GWM invests in mutual funds that include stocks and bonds worldwide and occasionally invests in longer-term bonds, commodities, managed futures and other non-correlating assets (hereinafter the "Z Pooled Trust Portfolio"). The Z Pooled Trust Portfolio's primary policies are preservation of capital and income as its principal investment guidelines.

- 12. The Trustee, with prior court approvals as to each Sub-Account, has authorized GWM to manage the Z Pooled Trust Portfolio with discretionary trading authority, and requests that the Z Pooled Trust Sub-Account ordered to be established by this Petition be authorized to be so managed by GWM as part of the Z Pooled Trust Portfolio.
- Investor's Act "total return" investment orientation that favors longer-term, diversified (i.e. lower-risk) investing; however, the Z Pooled Trust Portfolio seeks to provide consistent income while maintaining an increased defensive risk profile. At the most fundamental level, it is the objective of the Z Pooled Trust Portfolio to maximize the inflation-adjusted "total return" of the portfolio at very conservative levels of investment risk that can be clearly defined and readily monitored (i.e., the portfolio's risk is to be measured and reported on a regular basis). "Total return" includes both long-term capital appreciation and current income. Traditionally, maximizing current income has come at the expense of total return. The historical cost of each 1% of current income has been an offsetting loss of approximately 2% of capital appreciation. Hence, the UPIA emphasizes total return over the traditional pursuit of maximum "income." (It should be noted that the Uniform Principal and Income Act has been adopted in most states in conjunction with the UPIA, enabling even income beneficiaries of "income-only" trusts to

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receive a portion of the capital gains in addition to the income.) To ensure that the portfolio maintains real purchasing power, the Trustee therefore prefers to avoid over emphasis on current income; carefully diversifying the portfolio and emphasizing total return while monitoring and managing portfolio-level risk at prudent levels.

- 14. The Z Pooled Trust Portfolio strategy is based on research that the potential improvement in portfolio performance resulting from careful diversification among asset classes outweighs the impact of asset selection and all other decisions combined. Modern Portfolio Theory has further demonstrated that expert diversification is the most effective means of controlling portfolio-level risk and that a focus on managing risk tends to enhance, rather than reduce long-term investment returns. The Z Pooled Trust Portfolio achieves a substantial diversification of the invested assets which, in accordance with the principles of Modern Portfolio Theory, should help keep risk within prudent limits while improving investment returns. The assets in the portfolio are managed within a fee-based account in which all mutual funds (both load and no-load funds) may be purchased on a no-load basis. The objectives of the Z Pooled Trust Portfolio are to generate comparable returns over the long term while taking less risk as compared to an appropriate benchmark. The Benchmark for evaluating performance relative to the objectives is the average of the Morningstar Allocation-15%-30% Equity category of mutual funds. Investment of the monies of this account invested in 90% in income producing securities, such as corporate and government debt as well as high-dividend yielding stocks across multiple sectors; the other 10% of net assets is invested in stocks of growth-related industries to keep pace with inflation and maintain positive real returns over time. In addition to tempering its equity market risk, the Income Portfolio tempers its interest rate and sub-investment grade credit.
- 15. The Z Pooled Trust Portfolio's disciplines involve the use of mutual funds and exchange traded funds to respond to turbulent market and economic conditions on a timely basis, discretionary trading authority. Therefore, court approval under Probate Code § 2574(c) is requested.

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16. Petitioner requests the Court to establish a beneficiary sub-trust account with the Z Pooled Trust for the Conservatee to hold the Settlement Proceeds, subject to the terms and conditions of the Joinder Agreement attached hereto as **Exhibit E**.

## REQUEST TO BE APPOINTED GAL FOR DESCRETIONARY AUTHORITY TO ESTABLISH AN ABLE ACCOUNT FBO CONSERVATEE

- 17. ABLE Account. ABLE accounts are tax-advantaged savings accounts for individuals with disabilities. ABLE accounts come from the federal ABLE (Achieving a Better Life Experience) Act of 2014 (H.R. 647 113<sup>th</sup> Congress), but they are established and managed on a state level. The ABLE account helps individuals with disabilities save money to pay for qualified expenses, without being taxed on the earnings and in most cases, without losing eligibility for benefit programs. ABLE accounts give people with special needs the opportunity to manage a modest bank account without penalty against their eligibility for SSI, Medicaid or other government benefits.
- 18. The annual contribution to an ABLE account that is exempt from SSI income and resource requirements and thus, not impair public benefits, is presently \$15,000.00. The primary advantage of an ABLE account is that it may be used to fund food and shelter needs of the beneficiary without causing loss or impairment of benefits, which payments are not permitted by a special needs or pooled trust; however a special needs or pooled trust may fund an ABLE account for the beneficiary. An ABLE account is an effective tool to enhance the beneficiary's basic needs for food and shelter and provide a higher quality of life than otherwise heretofore allowed to maintain public benefits.
- 19. To qualify for an ABLE account a person must be diagnosed with a disability prior to age 26. The Conservatee meets this criteria.
- 20. The State of California and also other jurisdictions offer ABLE accounts with various investment options and fees charged to maintain the ABLE account. Petitioner may establish the ABLE account either through CalABLE (the California ABLE account) or another state, which is permitted under the laws governing ABLE accounts. The documentary requirements to establish the ABLE account vary, and may govern the ultimate choice.

21. Petitioner requests discretionary authority in his capacity as special counsel to be appointed Guardian Ad Litem for the Conservatee to establish and maintain an ABLE account for the Conservatee in the most appropriate jurisdiction to meet Conservatee's requirements and discretionary authority for the Trustee of the Z Pooled Trust to fund the ABLE account up to the maximum permitted amount to be within SSI guidelines from time to time prevailing.

#### REQUEST FOR FINDINGS

- 22. The Conservatee is 55 years of age (born November 20, 1966), is a disabled adult, and is considered to have a disability that constitutes a substantial handicap which impairs his ability to provide for his own care or custody with onset prior to age 26. The Conservatee has special needs that will not be met without a special needs trust or participation in the Z Pooled Trust. The proposed funding of the beneficiary sub-trust account with the Z Pooled Trust will be held for medical emergencies and used for the Conservatee's special needs (including such items as education and associated expenses) over the remaining years of his life expectancy of 25.70 years. Of most importance, The Z Pooled Trust was established for the specific purpose of coordinating the protections afforded by special needs trust within the operating confines and requirements of an ongoing conservatorship at a minimal cost of administration to allow for the maximum use of the trust res for the benefit of the Conservatee.
- 23. The Conservatee's disabilities indicate that he will be faced with a multitude of personal and medical needs. If the Settlement Proceeds are given over to the Conservatee to pay for the ongoing cost of his care, the funds will be dissipated rapidly. Further, if the Conservatee requires any type of additional medical care or hospitalization, the funds will be consumed at an even greater rate.
- 24. If the Settlement Proceeds are paid to the Conservatee, the Conservatee will immediately become ineligible for public benefits for the treatment of his conditions under the SSI program as well as lose his Medi-Cal coverage. The Conservatee will remain ineligible for any services until all assets have been spent and he subsequently becomes impoverished.
- 25. The Conservatee is allowed to have additional funds under the SSI and Medi-Cal guidelines to the same extent as now obtained with the SNT if a Z Pooled Trust sub-trust account

is established for his benefit and the funds in the Conservatorship Account are distributed to The Z Pooled Trust as above requested. Medi-Cal requires that the balance of the trust, if any, at the Conservatee's death, be available for payback of a claim by Medi-Cal.

- 26. Petitioner believes that it will be in the Conservatee's best interests if every effort is made to ensure that the Settlement Proceeds are preserved and available to provide for care and services which would not otherwise be available to the Conservatee. The amount of the Collection Proceeds does not exceed the amount that appears reasonably necessary to meet the special needs of Conservatee.
- 27. Because of the Conservatee's disabilities, he has special needs that will not be met without a special needs trust or participation in the Z Pooled Trust. Petitioner requests that an order be granted for authority for Conservator to establish a beneficiary sub-trust account with the Z Pooled Trust for the Conservatee to hold the Settlement Proceeds, subject to the terms and conditions of the Z Pooled Trust Agreement and Subscription Agreement attached hereto as **Exhibits D** and **E**, in order to provide for the Conservatee's future needs and care.
  - 28. This Court is requested to make findings as follows:
- A. Conservatee has a disability with onset prior to age 26 in the nature of having a DSM V mental disorder that constitutes a substantial handicap;
- B. Conservatee's disability appears to be permanent and to affect Conservatee for the foreseeable future;
- C. Conservatee is likely to have special needs related to the disability described above that will not be met without establishing a beneficiary sub-trust account with the Z Pooled Trust; and
- D. The monies to be paid to the beneficiary sub-trust account with the Z Pooled Trust do not exceed the amount that appears reasonably necessary to meet the Special Needs of the Beneficiary.

# REQUEST FOR BOND FOR Z POOL TRUST AND BOND TO BE WAIVED FOR ABLE ACCOUNT

29. Bond for the Trustee of Z Pooled Trust is requested to be set at \$36,000.00

1 (Thirty-Six Thousand Dollars), which would cover the net distribution of approximately \$32,000.00 (Thirty-Two Thousand Dollars), plus the 10% recovery amount and anticipated earnings.

30. Bond for the Conservator is recommended waived, as the funds in the ABLE account will be under the control of the Trustee of the Z Pooled Trust and covered by the foregoing bond.

#### POINTS AND AUTHORITIES

- 31. Probate Code Sections 2580 et seq. provide for the establishment of a special needs trust. [Conservatorship of Kane (2006) 137 Cal.App.4th 400.] In determining the merits for doing so the provisions of California substituted judgment statutes are applicable to give guidance to the court. Probate Code Section 2580(b)(5) provides in pertinent part that substituted judgment may be used for the following purpose: Creating for the benefit of the conservatee or others, revocable or irrevocable trusts of the property of the estate, which trusts may extend beyond the Conservatee's disability or life.
- 32. As indicated by the text of Section 2580, the establishment of a beneficiary subtrust account with the Z Pooled Trust by a Conservator is an act of substituted judgment.
- 33. Federal law, 42 U.S.C. §1396p(d)(4)(C), provides that the beneficiary sub-trust Pooled Trust will be honored. Therefore, Petitioner maintains that this petition so be analyzed according to the principles governing substituted judgment. Petitioner believes that the issues raised by Section 2582 are always relevant issues which the common law of substituted judgment encourages the Court to consider, regardless of whether Sections 2580, et seq., apply.
- 34. The beneficiary sub-trust account with the Z Pooled Trust requested hereinabove would meet the requirements of Probate Code Section 2582 for the following reasons:
- (a) If Conservatee dies possessed of any property, the trust will benefit

  Conservatee's natural heirs, i.e., "relatives" who would be likely "objects of bounty . . . [or]

  likely beneficiaries of gifts from the conservatee." The proposed trust leaves the balance (after claims and expenses and taxes, etc.) to Conservatee's heirs (and thereafter to issue).

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1	(b) If Conservatee dies possessed of any property which is not "absorbed" by
2	claims from the State Department of Health Services or Medi Cal, the trust will benefit
3	Conservatee's heirs. These are persons who would be likely "objects of bounty [or] likely
4	beneficiaries of gifts from" Conservatee.
5	(c) Probate Code Section 2582(a): Conservatee lacks sufficient legal capacity for
6	or desire the proposed transaction.
7	(d) Probate Code Section 2582(b): After the proposed action, "the estate
8	remaining after the proposed action is taken will be adequate to provide for the needs of"
9	Conservatee within the meaning of Probate Code Section 2582(b). Conservatee's eligibility for
10	supplemental funding from the Medi Cal administration for health care will be maintained. The
11	proposed transaction would have only a positive effect on the size of Conservatee's estate since
12	it will continue that eligibility.
13	(e) Probate Code Section 2583: The proposed action should be taken in light of
14	the fact that the following circumstances surrounding the proposed action are in general such
15	circumstances as militate in favor of the proposed action:
16	(1) Probate Code Section 2583(a): Legal Capacity and the Likelihood of
17	Recovery of Legal Capacity. Conservatee lacks legal capacity needed to make the proposed
18	transaction, and a court order is required to establish the Special Needs Trust 42 U.S.C. Section

- the Likelihood of the proposed transaction, and a court order is required to establish the Special Needs Trust. 42 U.S.C. Section 1396p, and Probate Code Sections 3604 and 3605.
- Probate Code Section 2583(b): Past Donative Declarations and (2) Conduct. Conservatee has always been dependent and in need of having his assets marshaled.
- (3) Probate Code Section 2583(c): Traits of the Incompetent Donor. Conservatee has special needs which the proposed transaction will provide for.
- (4) Probate Code Section 2583(d): Standards of Living. The proposed transaction will allow for Conservatee to have an enhanced standard of living.
- (5) Probate Code Section 2583(e) and (f): The Conservatee's Wishes and Known Estate Plan. Conservatee is available to testify about his wishes. The proposed trust provides for Conservatee to appoint his beneficiaries.

1	(6) Probate Code Section 2583(g): Likely Devolution of Estate on the	
2	Conservatee's Death. On Conservatee's death, Conservatee's estate should go to Conservatee's	
3	issue or otherwise to his heirs, subject to any State Department of Health Services claims.	
4	(7) Probate Code Section 2583(h): The Value, Liquidity and	
5	Productiveness of the Estate. The proposed beneficiary sub-trust account with the Z Pooled	
6	Trust is unlikely to affect the liquidity or productivity of the estate in any meaningful sense. The	
7	estimated total size of the proposed beneficiary sub-trust account with the Z Pooled Trust is	
8	approximately Thirty-Two Thousand Four Hundred and Eighty-Seven Dollars and 29/100	
9	(\$32,487.29). The proposed trust will maintain liquidity for Conservatee.	
10	(8) Probate Code Section 2583(i): Minimization of Taxes or Expenses of	
11	Administration. The expenses of administration of the estate and of the eventual probate	
12	administration may be greatly reduced by the proposed trust.	
13	(9) Probate Code Section 2583(j): Changes in Tax or Other Laws That	
14	Would Have Motivated a Change in Estate Plan. Federal Medicaid laws make the proposed	
15	transactions necessary and appropriate. 42 U.S.C. Section 1396p.	
16	(10) Probate Code Section 2583(k): Likelihood That the Conservatee	
17	Would Take the Proposed Action. It is likely under the circumstances that were Conservatee a	
18	reasonably prudent person, that he would take the proposed action. The proposed action will	
19	reduce the expenses of the management of Conservatee's estate, the costs of Conservatee's	
20	health care, and any probate.	
21	(11) Probate Code Sections 3604 and 3605:	
22	(i) Conservatee has a disability that substantially impairs his	
23	ability to provide for his own care or custody and constitutes a substantial handicap. (Probate	
24	Code Section 3604(b)).	
25	(ii) Conservatee is likely to have special needs that will not be met	
26	without the proposed beneficiary sub-trust account with the Z Pooled Trust. (Probate Code	
27	Section 3604(b)).	
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1	(iii) The money to be paid to the proposed beneficiary sub-trust
2	account with the Z Pooled Trust does not exceed the amount that appears reasonably necessary
3	to meet Conservatee's special needs. (Probate Code Section 3604(b)).

(iv) The terms of the proposed beneficiary sub-trust account with the Z Pooled Trust provide that the proposed beneficiary sub-trust account with the Z Pooled Trust is subject to continuing jurisdiction of the court.

(v) The proposed beneficiary sub-trust account with the Z Pooled Trust includes a provision recognizing that at the death of the trust beneficiary or on termination of the beneficiary sub-trust account with the Z Pooled Trust, the beneficiary sub-trust account with the Z Pooled Trust property is subject to claims of the State Department of Health Services, the State Department of Mental Health, the State Department of Developmental Services, and any county or city and county in this state to the extent authorized by law as if the trust property is owned by the beneficiary or is part of the beneficiary's estate.

- 35. There are no outstanding liens within the meaning of Probate Code Section 3604(d) will be paid. There are no liens with Department of Health Services.
- 36. Petitioner requests that the bond be waived for Conservator pursuant to Probate Code §2628, as discussed above.

#### NOTICE

#### 29. The following persons are entitle to notice:

Director Los Angeles County Department of Mental Health Office of the Public Guardian 320 West Temple Street, 9th Floor Los Angeles, CA 90012	Department of Developmental Services Bureau of Patient Accounts 1600 Ninth Street, Second Floor South Sacramento, CA 95814
Omar Hazel, DPD Los Angeles County Office of the Public Defender 6464 W. Sunset Blvd, Ste. 810 Hollywood, CA 90028	DHCS 3 <sup>rd</sup> Party Liability & Recovery Division Special Needs Trust Section PO Box 997425 MS 4702 Sacramento, CA 95814
/// ///	

WHEREFORE, Petitioner prays for orders as follows:

- 1. That the Court approve the Settlement on behalf of the Conservatee;
- 2. That Court establish a Sub-Trust Account with a Pooled Trust for Conservatee under The Z Pooled Trust with the Z Pooled Trust Portfolio to be managed by GWM with discretionary trading authority;
- 3. That Petitioner be appointed Guardian Ad Litem for Conservatee and granted discretionary authority to establish and maintain an ABLE account for Conservatee;
- 4. That Trustee of the Z Pooled Trust be granted discretionary authority to fund the Conservatee's ABLE account from the Z Pooled Trust sub-account hereby established up to the maximum amount permitted under applicable law to maintain Conservatee's pubic benefits;
- 5. That the Trustee of the Z Pooled Trust be ordered subject to the jurisdiction of this Court as respects the beneficiary sub-trust account established with the Z Pooled Trust;
- 6. That the Court establish a reasonable bond for the Trustee of the Z Pooled Trust, in the amount of \$36,000.00 (Thirty-Six Thousand Dollars); and
  - 7. That the Court make such other orders as it considers proper.

ATTY NAME, Special Counsel for

., Conservatee

 $S: |ASGSDATA| LPS|FORMS|PETITIONS|2580\ PET\_Z\ POOL\ TRUST\ PETITION\_R211117.DOCXE$