

TAKEN ON TRUST

General information

Background

Mikki Zervu is the only child of a wealthy widow who died last year. Mikki was the sole beneficiary of the Trust in which his/her inheritance had been placed and the management of the funds in that trust had been vested in Mikki's step-father. The reason why Mikki's mother had been advised to do this was that Mikki has spent several spells in a recuperative centre, having had several nervous breakdowns. Most of these had been caused by the press hounding Mikki because of a string of unsuitable suiters and Mikki's tendency towards eccentric and obscure worthy causes. Both suiters and worthy causes had received significant sums of money from Mikki and this had caused his/her parents concern that the inheritance, now worth over £8 million, would be wasted away in a few years. Hence the Trust and its management by Mikki's step-father.

Jonathan Cartwright, Mikki's step-father, is a wealthy man in his own right. Originally from a well-known banking family, he specialised in Trust fund investment for the rich. He knows the tax rules, the tax havens, the strategies for avoiding tax and, in some cases, for evading tax. It was sensible for Mikki's mother, who married Jonathan five years before her unfortunate death from cancer, to appoint Jonathan as guardian of her estate. Their marriage was successful, Jonathan had a good relationship with Mikki and his skills were suited to the role of guardian of the estate. In general, the investments have been satisfactory. The Trust fund has grown overall, although a few of the 'risky' investments have not yielded a return – yet.

The dispute

Recently, Mikki has gone to the Trust for funds to set up a sanctuary for stray animals. S/he has always loved animals and felt that this would, at last, give meaning to an otherwise 'wasted' life. Jonathan has refused to release the money and has persuaded the other Trustees that this is not a good or responsible investment. Indeed, Jonathan can see this as the work of Mikki's new partner in trying to get significant sums out of the Trust and under his/her control. This has resulted in a huge row between Mikki and Jonathan that has reverberated throughout the family.

The terms of the Trust do permit Mikki to draw up to 50% of the fund at any one time but his/her mother left a letter of wishes that made it clear that Jonathan should exercise his judgement to ensure that the Trust was not wasted away. Jonathan had done this and vetoed the withdrawal of the money. Mikki had responded by issuing proceedings against the Trust in general and his/her step-father in particular. The other Trustees immediately requested mediation as they could see much of the Trust money being swallowed up in legal fees.

Attending the mediation

Mikki Zervos
Mikki's lawyer

Jonathan Cartwright (unless unwell)
Trustee
Trust lawyer

It is also possible that Counsel will attend on both sides

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