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KING COUNTY
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CASE #: 18-2-55555-8 SEA

SUPERIOR COURT OF WASHINGTON FOR KING COUNTY

WILLIAM B. RADEMAKER,
RANDOLPH PRESTON RADEMAKER,
SUSAN BOEING and GRETCHEN M.
DAVIDSON,

Plaintiffs,

v.

WELLS FARGO BANK, N.A., DON W.
COOMBS, JUNE A. BOEING, MICHAEL
R. HALLMAN and BRADFORD L.
BARNARD, in their capacity as the Co-
Personal Representatives of the Estate of
William E. Boeing, Jr.,

Defendants.

NO.

COMPLAINT FOR BREACHES
OF TRUST AND FIDUCIARY DUTY

Plaintiffs, William B. Rademaker, Randolph Preston Rademaker,

Susan Boeing and Gretchen M. Davidson ("Plaintiffs"), allege:

NATURE OF CASE

1. This action arises out of breaches of trust and fiduciary duty by Wells Fargo Bank, N.A. relating to trusts established by William E. Boeing, Sr. in 1932 for the benefit of his descendants. The breaches of trust and fiduciary duty extend over a more than 36-year period beginning in at least the early 1980's and

1 continuing to the present. During this period, Wells Fargo Bank, N.A. and its
2 predecessors (“Wells Fargo”) have paid themselves millions of dollars in fees
3 without fulfilling their obligations as trustee. Wells Fargo’s failure to manage
4 trust assets, to maintain proper records, and to provide requested information
5 have prevented plaintiffs, the trust beneficiaries, from obtaining an adequate
6 accounting of trust assets. Plaintiffs seek an accounting, an award of damages and
7 removal of Wells Fargo as trustee.
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9 **PARTIES**

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11 2. William B. Rademaker is an individual residing in King
12 County, Washington. He is a great grandson of William E. Boeing, Sr. and a
13 beneficiary of the trusts at issue.

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15 3. Randolph P. Rademaker is an individual residing in King
16 County, Washington. He is a great grandson of William E. Boeing, Sr. and a
17 beneficiary of the trusts at issue.

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19 4. Susan Boeing is an individual residing in California. She is a
20 granddaughter of William E. Boeing, Sr. and a beneficiary of the trusts at issue.

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22 5. Gretchen M. Davidson is an individual residing in King
23 County, Washington. She is a granddaughter of William E. Boeing, Sr. and a
24 beneficiary of the trusts at issue.
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6. Wells Fargo Bank, N.A. is a national banking association. It has acted as co-trustee and sole trustee of the trusts at issue.

7. Don W. Coombs is an individual residing in King County, Washington. He is a co-personal representative of the estate of William E. Boeing, Jr.

8. June A. Boeing is an individual residing in King County, Washington. She is a co-personal representative of the estate of William E. Boeing, Jr.

9. Michael R. Hallman is an individual residing in King County, Washington. He is a co-personal representative of the estate of William E. Boeing, Jr.

10. Bradford L. Barnard is an individual residing in King County, Washington. He is a co-personal representative of the estate of William E. Boeing, Jr.

JURISDICTION AND VENUE

11. This court has jurisdiction over the subject matter of this matter pursuant to RCW 11.40.100, RCW 11.96A, and RCW 2.08.010. Venue is appropriate in King County pursuant to RCW 4.12.025 and RCW 11.96A.050.

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SUBJECT TRUSTS

2 12. By Indenture of Trust dated May 25, 1932, William E. Boeing,
3 Sr. and Bertha Boeing, husband and wife, established two trusts, known as the
4 Oregon-Mesabi Trust and the William E. Boeing, Jr. Separate Property Trust.
5 William E. Boeing, Sr., Bertha Boeing, and The Pacific National Bank of Seattle
6 were the original co-trustees of both trusts. The Pacific National Bank of Seattle
7 was a predecessor in interest of Wells Fargo Bank, N.A.
8

9 13. By Trust Agreement dated May 26, 1932, William E. Boeing,
10 Sr. established a third trust known as the Life Insurance Trust. The Pacific
11 National Bank of Seattle was the original trustee of the Life Insurance Trust.
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13 14. The Indenture of Trust for the Oregon-Mesabi Trust provided
14 that William E. Boeing, Jr. was to become co-trustee of the Oregon-Mesabi Trust
15 after the death of both William E. Boeing, Sr. and Bertha Boeing, provided that he
16 had obtained the age of thirty.
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18 15. William E. Boeing, Sr. died September 28, 1956.

19 16. In 1970, The Pacific National Bank of Seattle was renamed
20 Pacific National Bank of Washington.
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22 17. Bertha Boeing died June 27, 1977. At the time of her death,
23 William E. Boeing, Jr. was 55 years of age.
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1 18. Wells Fargo states that William E. Boeing, Jr. became co-
2 trustee of the Oregon-Mesabi Trust in 1977 shortly after the death of Bertha
3 Boeing.
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5 19. Wells Fargo states that it has no record of when William E.
6 Boeing, Jr. became co-trustee of the Oregon-Mesabi Trust.

7 20. In 1981, The Pacific National Bank of Washington was
8 renamed First Interstate Bank of Washington.
9

10 21. Effective August 30, 1989, an Agreement Regarding
11 Succession of Trustees was executed by the trustees and other parties relating to
12 the Oregon-Mesabi Trust, the William E. Boeing Separate Property Trust and the
13 Life Insurance Trust.
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15 22. Effective as of December 13, 2011, a Memorandum of
16 Agreement under RCW 11.96A.230 was executed by the trustees and other parties
17 relating to the Oregon-Mesabi Trust, the William E. Boeing Separate Property
18 Trust and the Life Insurance Trust.
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20 23. In 1996, First Interstate Bank of Washington was acquired by
21 defendant Wells Fargo Bank, N.A. Wells Fargo Bank, N.A. assumed all
22 obligations and liabilities of First Interstate Bank of Washington with respect to
23 the Oregon-Mesabi Trust, the William E. Boeing Separate Property Trust and the
24 Life Insurance Trust. The term "Wells Fargo" as used in this Complaint refers
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1 collectively to Wells Fargo Bank, N.A., First Interstate Bank of Washington, and
2 The Pacific National Bank of Seattle.

3 24. William E. Boeing, Jr. and Wells Fargo were co-trustees of the
4 Oregon-Mesabi Trust from 1977 until his death on January 8, 2015.

5 25. William E. Boeing, Jr. was survived by three of his children:
6 Susan Boeing (“Susan”), Mary B. Rademaker (“Mary”), and Gretchen Davidson
7 (“Gretchen”) and was predeceased by his son, William E. Boeing III, who left no
8 surviving issue. Susan and Gretchen are currently living. Mary died on May 23,
9 2016, survived by two children: Randolph Rademaker (“Randy”) and William B.
10 Rademaker (“Will”).

11 26. Following William E. Boeing, Jr.’s death, the Oregon-Mesabi
12 Trust was divided into three trusts. Each of the three trusts received a third of the
13 assets held in the Oregon-Mesabi Trust. Mary, Gretchen and Susan each became
14 the beneficiary of one of these trusts. Will and Randy succeeded Mary as the
15 beneficiary of her trust upon her death. These three trusts are referred to in this
16 Complaint as “Will and Randy’s Trust,” “Susan’s Trust” and “Gretchen’s Trust.”
17 The term “Beneficiaries” as used in this Complaint refers collectively to Will,
18 Randy, Gretchen and Susan. The Life Insurance Trust remains a separate trust
19 and is being administered for the benefit of the Beneficiaries. The term “Subject
20 Trusts” as used in this Complaint refers collectively to the Oregon-Mesabi Trust,
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1 Susan's Trust, Gretchen's Trust, Randolph's and William's Trust, and the Life
2 Insurance Trust.

3 27. Since William E. Boeing, Jr.'s death on January 8, 2015, Wells
4 Fargo has been the sole trustee for each of the Subject Trusts.

5 28. The Estate of William E. Boeing, Jr. is being administered in
6 King County Superior Court Cause No. 15-4-00301-9 SEA. The Personal
7 Representatives of the estate are June A. Boeing, Don W. Coombs, Bradford L.
8 Barnard, and Michael R. Hallman.
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10 **BREACHES OF TRUST AND FIDUCIARY DUTY**

11 29. No later than 1982, Wells Fargo abdicated its responsibilities
12 for managing and preserving real property assets in the Oregon-Mesabi Trust.
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14 30. As of July 15, 1982, First Interstate entered into a
15 "Management Agreement" with Tri-Land Corporation ("Tri-Land"), a company
16 owned or controlled by William E. Boeing, Jr. The Tri-Land Management
17 Agreement placed certain trust real property under the control of William E.
18 Boeing, Jr.
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20 31. Effective July 1, 1985, First Interstate and William E. Boeing,
21 Jr., acting as co-trustees of the Oregon-Mesabi Trust, entered into a "Property
22 Management Agreement" with Mesabi Western Corporation, a corporation,
23 owned or controlled by William E. Boeing, Jr. This agreement provided for
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1 Mesabi Western Corporation to replace Tri-Land Corporation with respect to the
2 management of certain trust property. The Land Management Agreement with
3 Mesabi Western Corporation maintained William E. Boeing, Jr.'s control over
4 certain trust property.
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6 32. Effective February 1, 1996, Wells Fargo and William E.
7 Boeing, Jr., as co-trustees of the Oregon-Mesabi Trust, entered into a "Property
8 Management Agreement" with Aldarra Management Company ("Aldarra") by
9 which Aldarra assumed the rights and obligations of Mesabi with respect to the
10 property management agreement. William E. Boeing, Jr. was the sole owner of
11 Aldarra. The Aldarra Property Management Agreement placed all real property
12 held by the Oregon-Mesabi Trust under the control of William E. Boeing, Jr.
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14 33. The Aldarra Property Management Agreement was in effect
15 when William E. Boeing, Jr. died and has not been terminated.
16

17 34. From at least 1982 through 2015, William E. Boeing, Jr. and
18 entities affiliated with William E. Boeing, Jr. entered into millions of dollars of
19 transactions with and on behalf of the Oregon-Mesabi Trust relating to the trust's
20 real-estate assets. William E. Boeing, Jr. had conflicts of interest with respect to
21 every transaction in which he or a related party received revenues relating to
22 assets of the Oregon-Mesabi Trust and with respect to every transaction in which
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1 an Oregon-Mesabi Trust asset was transferred for use in a transaction potentially
2 benefitting William E. Boeing, Jr. or a related party.

3 35. As co-trustee of the Oregon-Mesabi Trust, Wells Fargo was
4 obligated to conduct its own due diligence and independently approve or
5 disapprove every transaction with respect to which its co-trustee, William E.
6 Boeing, Jr., had a conflict of interest.

7 36. As co-trustee of the Oregon-Mesabi Trust, William E. Boeing,
8 Jr. was obligated not to engage in transactions with the trust that had not been
9 approved by Wells Fargo after the exercise of independent due diligence.
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11 37. Wells Fargo conducted no due diligence of its own regarding
12 transactions with respect to which its co-trustee, William E. Boeing, Jr., had
13 conflicts of interest.
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15 38. Wells Fargo did not independently approve or disapprove
16 any transaction with respect to which its co-trustee, William E. Boeing, Jr., had
17 conflicts of interest.
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19 39. Wells Fargo failed to exercise any meaningful oversight over
20 transactions with respect to which its co-trustee, William E. Boeing, Jr., had
21 conflicts of interest.
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1 40. As trustee and co-trustee of the Oregon-Mesabi Trust, Wells
2 Fargo was obligated to maintain records of all assets held by the trust and all
3 transactions involving trust assets.
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5 41. Wells Fargo has failed to maintain records of all assets held by
6 the Oregon-Mesabi Trust.

7 42. Wells Fargo has failed to maintain records of all transactions
8 involving trust assets.
9

10 43. As a condition of accepting the office of co-trustee and of
11 receiving compensation for its services, Wells Fargo was obligated, at a minimum,
12 to manage all trust assets, maintain complete records of trust assets, maintain
13 complete records of transactions involving trust assets, and to refrain from
14 breaches of fiduciary duty. Wells Fargo has failed to meet any of these standards.
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16 44. As co-trustee of the Oregon-Mesabi Trust, William E. Boeing,
17 Jr. was obligated to maintain records of all assets held by the trust and all
18 transactions involving trust assets.
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20 45. William E. Boeing, Jr. failed to maintain records of all assets
21 held by the Oregon-Mesabi Trust.

22 46. William E. Boeing, Jr. failed to maintain records of all
23 transactions involving trust assets.
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47. The Aldarra Property Management Agreement obligated Aldarra to provide the Oregon-Mesabi Trust with detailed monthly statements of amounts due to the Oregon-Mesabi Trust, expenses, depreciation and other amounts chargeable to the Oregon-Mesabi Trust, and compensation due to Aldarra. Wells Fargo and Aldarra ignored this requirement. Aldarra provided the bank co-trustee with nothing more than annual financial statements for the Oregon-Mesabi Trust real estate transactions. Wells Fargo included this information in its own reports without exercising any oversight to determine whether the information was accurate.

48. The Aldarra Property Management Agreement obligated Aldarra to maintain records of all transactions relating to its management of Oregon-Mesabi Trust properties and to retain those records for at least three years following termination of the agreement. The earlier management agreements contained similar provisions.

49. Records relating to Oregon-Mesabi Trust transactions have not been maintained and have been destroyed in breach of the management agreements entered into between Wells Fargo and entities owned or controlled by William E. Boeing, Jr.

1 50. In approximately August 2016, the Beneficiaries initiated
2 requests to Wells Fargo seeking information regarding the performance of the
3 Trusts and the performance of Wells Fargo.
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5 51. Wells Fargo failed to provide adequate or timely responses to
6 the Beneficiaries' requests for information.

7 52. Wells Fargo has not provided the Beneficiaries with any
8 records indicating that due diligence was ever conducted with respect to
9 transactions involving real property or other assets held by the Trusts.
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11 53. Wells Fargo has not provided the Beneficiaries with copies of
12 the management agreements by which Wells Fargo purported to delegate its
13 responsibilities for managing trust real property to entities owned or controlled by
14 William E. Boeing, Jr. The Beneficiaries obtained copies of the agreements
15 referenced in this Complaint from the Estate of William E. Boeing, Jr.
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17 **IMPACT OF DEFENDANTS' WRONGFUL CONDUCT**
18 **ON TRUSTS AND BENEFICIARIES**

19 54. Defendants' breaches of trust and fiduciary duties have
20 rendered the Beneficiaries unable to obtain an adequate accounting of the assets of
21 the Oregon-Mesabi Trust.
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23 55. Defendants' breaches of trust and fiduciary duties have
24 resulted in Wells Fargo being paid millions of dollars of unearned compensation.
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1 56. Defendants' breaches of trust and fiduciary duties have
2 resulted in the loss of trust assets.

3 57. Defendants' breaches of trust and fiduciary duties, including
4 the refusal to provide information and the destruction of documents, prevented
5 the Beneficiaries from discovering defendants' breaches at an earlier date.
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7 **CAUSES OF ACTION AGAINST WELLS FARGO**

8 58. Plaintiffs restate and incorporate by reference each of the
9 paragraphs above.
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11 59. The wrongful conduct of Wells Fargo constitutes breaches of
12 trust and breaches of fiduciary duty. Further, Wells Fargo has been unjustly
13 enriched to the extent of all compensation taken by Wells Fargo while not
14 fulfilling its obligations as trustee.
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16 60. Plaintiffs or their respective trusts should be awarded the full
17 amount of all amounts taken by Wells Fargo as compensation plus prejudgment
18 interest.
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20 61. Wells Fargo should be required to provide as complete
21 accounting as possible to plaintiffs and produce to plaintiffs all documents and
22 other information within Wells Fargo's control.

23 62. Plaintiffs should be awarded damages for all losses or
24 depletion of trust assets resulting from Wells Fargo's wrongful conduct. All
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