

# BLOOMBERG TERMINAL

## **Barbara Burton Morriss v. Wells Fargo**

**Bloomberg Terminal**

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### **Short Summary:**

A St. Louis jury awarded \$77.87 million, including \$32.1 million in punitives to the Barbara Burton Morriss revocable trust in a claim of breach of fiduciary duty against Wells Fargo Bank, alleging the bank failed to keep the assets safe as her son siphoned them off.

### **Long Summary:**

Barbara Burton Morriss sued Wells Fargo in March 2012, alleging breach of fiduciary duty in mismanaging two trusts that cost her tens of millions of dollars.

She alleged in the complaint that the bank breached its fiduciary duty by failing to fully disclose financial transactions from two family trusts that lost millions of dollars.

According to the complaint Barbara Morriss' son, venture capitalist B. Douglas Morriss, pledged Burton Trust assets to secure a \$40 million line of credit for his various investment schemes and a "lavish personal lifestyle," said plaintiff's attorney James Bennett in an Oct. 29, 2015, telephone interview. He put total trust losses at \$41 million.

The bank granted Morriss' loan requests, never getting "the complete, knowing and informed consent of Barbara," the complaint said.

Morriss, the widow of a trust company chairman, said she began getting an inkling of her son's behavior in late 2011 when her credit card was declined at Neiman Marcus.

In January 2012 she became fully aware of the situation when the Securities and Exchange Commission accused her son of defrauding investors. He is serving five years in federal prison for tax evasion.

"Wells Fargo cannot knowingly participate and benefit from a trustee's breach of his fiduciary duties for more than a dozen years, and then claim to only be a custodian which has no responsibility for the complete loss of over tens of millions of the Morriss Trust's assets," Bennett said.

On May 11, 2015, the jury found for Morriss, awarding her \$45.8 million in actual damages for various breach of fiduciary duty claims and \$32.1 million in punitive damages, according to court documents.

On the same day the court entered judgment on the Mary Schofield Burton Trust for actual damages of \$17.8 million and also awarded Wells Fargo nearly \$6 million on its claim for contribution against Morriss, Bennett said.

The difference between the two figures is approximately \$11.9 million and results in a total judgment for Morriss of \$88,821,571, he added.

Bennett said that the defendants were expected to file post-trial motions on Oct. 30, 2015.