

Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation
or Section 4947(a)(1) Trust Treated as Private Foundation**

Do not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990PF for instructions and the latest information.

2018

Open to Public Inspection

For calendar year 2018 or tax year beginning 5/01, 2018, and ending 4/30, 2019

MARSHALL LEGACY FOUNDATION
DR. S. COOK, 320 HAMMOND HWY #403
METAIRIE, LA 70005

A Employer identification number
46-7206339

B Telephone number (see instructions)
504-309-9845

C If exemption application is pending, check here ☐ **6**

D 1 Foreign organizations, check here ☐

2 Foreign organizations meeting the 85% test, check here and attach computation ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☐ Name change

H Check type of organization ☒ Section 501(c)(3) exempt private foundation **04**
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, column (c), line 16)
\$ 17,947,035.
J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

1 Contributions, gifts, grants, etc., received (attach schedule)

4,156,130.

2 Check ☐ if the foundation is not required to attach Sch. B

3 Interest on savings and temporary cash investments

92,494.

92,494.

92,494.

4 Dividends and interest from securities

24,448.

24,448.

24,448.

5a Gross rents

b Net rental income or (loss)

6a Net gain or (loss) from sale of assets not on line 10

b Gross sales price for all assets on line 6a

7 Capital gain net income (from Part IV, line 2)

8 Net short-term capital gain

9 Income modifications

10a Gross sales less returns and allowances

b Less Cost of goods sold

c Gross profit or (loss) (attach schedule)

11 Other income (attach schedule)

12 Total. Add lines 1 through 11

4,273,072.

116,942.

116,942.

13 Compensation of officers, directors, trustees, etc

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees (attach schedule) SEE ST 1

1,985,481.

b Accounting fees (attach sch) SEE ST 2

50,054.

c Other professional fees (attach sch)

17 Interest

18 Taxes (attach schedule)(see instrs) SEE STM 3

500.

19 Depreciation (attach schedule) and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses (attach schedule)

SEE STATEMENT 4

3,038.

2,445.

24 Total operating and administrative expenses. Add lines 13 through 23

2,039,073.

2,445.

25 Contributions, gifts, grants paid

6,382,420.

6,382,420.

26 Total expenses and disbursements Add lines 24 and 25

8,421,493.

2,445.

0.

6,382,420.

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

-4,148,421.

b Net investment income (if negative, enter -0-)

114,497.

c Adjusted net income (if negative, enter -0-)

116,942.

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Received in 20 Batching Ogden

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of year amounts only (See instructions)		
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value	
Assets	1 Cash — non-interest-bearing			
	2 Savings and temporary cash investments	2,977,022.	6,207,568.	6,207,568.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — U.S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule)			
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment basis			
Less: accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule)				
14 Land, buildings, and equipment basis				
Less: accumulated depreciation (attach schedule)				
15 Other assets (describe SEE STATEMENT 5)	17,101,722.	11,739,467.	11,739,467.	
16 Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I)	20,078,744.	17,947,035.	17,947,035.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons	4,748,391.	6,765,103.	
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
23 Total liabilities (add lines 17 through 22)	4,748,391.	6,765,103.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26, and lines 30 and 31. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	15,330,353.	11,181,932.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	15,330,353.	11,181,932.	
	31 Total liabilities and net assets/fund balances (see instructions)	20,078,744.	17,947,035.	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year — Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	15,330,353.
2 Enter amount from Part I, line 27a	2	-4,148,421.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	11,181,932.
5 Decreases not included in line 2 (itemize)	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	11,181,932.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (for example, real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1 a N/A				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col. (j), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss). [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]		2		
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) See instructions If (loss), enter -0- in Part I, line 8]		3		

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes☒ No

If 'Yes,' the foundation doesn't qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col. (c))
2017	3,418,556.	11,668,810.	0.292965
2016	3,736,670.	11,659,152.	0.320492
2015	6,939,509.	10,246,905.	0.677230
2014	6,498,785.	10,769,804.	0.603426
2013	1,000,000.	11,310,216.	0.088416
2 Total of line 1, column (d)			2 1.982529
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5 0, or by the number of years the foundation has been in existence if less than 5 years			3 0.396506
4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5			4 8,093,625.
5 Multiply line 4 by line 3			5 3,209,171.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 1,145.
7 Add lines 5 and 6			7 3,210,316.
8 Enter qualifying distributions from Part XII, line 4			8 10,389,183.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary – see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	1,145.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)		2	0.
3 Add lines 1 and 2		3	1,145.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only; others, enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	1,145.
6 Credits/Payments			
a 2018 estimated tax pmts and 2017 overpayment credited to 2018	6 a	11.	
b Exempt foreign organizations – tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c	1,440.	
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7	1,451.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	20.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	286.	
11 Enter the amount of line 10 to be Credited to 2019 estimated tax 286. Refunded	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition. If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ▶ \$ 0. (2) On foundation managers ▶ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, col (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered. See instructions ▶ <u>LA</u>		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? If 'No,' attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2018 or the tax year beginning in 2018? See the instructions for Part XIV. If 'Yes,' complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses		X

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Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' attach schedule. See instructions		X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement. See instructions		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	X	
14 The books are in care of <u>SHEENA A. BONADONA, CPA</u> Telephone no <u>214-447-7486</u> Located at <u>7001 PRESTON RD, SUITE 400 DALLAS TX</u> ZIP + 4 <u>75205</u>		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — check here and enter the amount of tax-exempt interest received or accrued during the year <u>N/A</u>		
16 At any time during calendar year 2018, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If 'Yes,' enter the name of the foreign country <u>N/A</u>		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

	Yes	No
1 a During the year, did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If any answer is 'Yes' to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions. Organizations relying on a current notice regarding disaster assistance, check here <u> </u>	1 b	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2018?	1 c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2018, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2018? If 'Yes,' list the years <u>20__ , 20__ , 20__ , 20__</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement — see instructions.)	2 b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__ , 20__ , 20__ , 20__</u>		
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If 'Yes,' did it have excess business holdings in 2018 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2018.)	3 b	N/A
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2018?	4 b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5 a** During the year, did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions

☒ Yes ☐ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is 'Yes' to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions**5 b** Yes No X

Organizations relying on a current notice regarding disaster assistance, check here

☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?☒ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945–5(d)

6 a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?**6 b** Yes No X

If 'Yes' to 6b, file Form 8870

7 a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7 b Yes No**8** Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?☐ Yes ☒ No**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, and foundation managers and their compensation. See instructions.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ELAINE T. MARSHALL 7001 PRESTON RD, SUITE 400 DALLAS, TX 75205	CO-TRUSTEE 2.00	0.	0.	0.
DR. STEPHEN D. COOK 320 HAMMOND HWY, SUITE 403 METAIRIE, LA 70005	CO-TRUSTEE 2.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1 – see instructions). If none, enter 'NONE.'

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services. See instructions. If none, enter 'NONE.'**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
WEIL, GOTSHAL & MANGES LLP 200 CRESCENT COURT, STE 300 DALLAS, TX 75201	LEGAL	500,128.
HYMEL DAVID & PETERSEN, LLC 10602 COURSEY BLVD. BATON ROUGE, LA 70817	LEGAL	498,182.
LISKOW & LEWIS, APLC 701 POYDRAS ST, SUITE 5000 NEW ORLEANS, LA 70139	LEGAL	345,102.
THE SANCHEZ LAW FIRM, LLC 1200 RYAN STREET LAKE CHARLES, LA 70601	LEGAL	265,491.
HUNTER, HUNTER & SONNIER, LLC 1807 LAKE STREET LAKE CHARLES, LA 70601	LEGAL	198,128.
Total number of others receiving over \$50,000 for professional services		1

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 SEE STATEMENT 6	4,006,763.
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	4,006,763.

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1 a	
b	Average of monthly cash balances	1 b	8,216,878.
c	Fair market value of all other assets (see instructions)	1 c	
d	Total (add lines 1a, b, and c)	1 d	8,216,878.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	8,216,878.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	123,253.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,093,625.
6	Minimum investment return. Enter 5% of line 5	6	404,681.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations, check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	404,681.
2 a	Tax on investment income for 2018 from Part VI, line 5	2 a	1,145.
b	Income tax for 2018 (This does not include the tax from Part VI)	2 b	
c	Add lines 2a and 2b	2 c	1,145.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	403,536.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	403,536.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	403,536.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes.		
a	Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	1 a	6,382,420.
b	Program-related investments — total from Part IX-B	1 b	4,006,763.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	10,389,183.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b. See instructions	5	1,145.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	10,388,038.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2017	(c) 2017	(d) 2018
1 Distributable amount for 2018 from Part XI, line 7				403,536.
2 Undistributed income, if any, as of the end of 2018				
a Enter amount for 2017 only			0.	
b Total for prior years 20 __, 20 __, 20 __		0.		
3 Excess distributions carryover, if any, to 2018				
a From 2013	3,571,458.			
b From 2014	5,960,317.			
c From 2015	6,427,202.			
d From 2016	3,153,879.			
e From 2017	2,835,604.			
f Total of lines 3a through e	21,948,460.			
4 Qualifying distributions for 2018 from Part XII, line 4. ▶ \$ 10,389,183.				
a Applied to 2017, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2018 distributable amount				403,536.
e Remaining amount distributed out of corpus	9,985,647.			
5 Excess distributions carryover applied to 2018 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	31,934,107.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount – see instructions		0.		
e Undistributed income for 2017 Subtract line 4a from line 2a Taxable amount – see instructions			0.	
f Undistributed income for 2018 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2019				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required – see instructions)	0.			
8 Excess distributions carryover from 2013 not applied on line 5 or line 7 (see instructions)	3,571,458.			
9 Excess distributions carryover to 2019. Subtract lines 7 and 8 from line 6a	28,362,649.			
10 Analysis of line 9				
a Excess from 2014	5,960,317.			
b Excess from 2015	6,427,202.			
c Excess from 2016	3,153,879.			
d Excess from 2017	2,835,604.			
e Excess from 2018	9,985,647.			

N/A.

- 2a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed
- b** 85% of line 2a
- c** Qualifying distributions from Part XII, line 4 for each year listed
- d** Amounts included in line 2c not used directly for active conduct of exempt activities
- e** Qualifying distributions made directly for active conduct of exempt activities
Subtract line 2d from line 2c

- 3** Complete 3a, b, or c for the alternative test relied upon
 - a** 'Assets' alternative test – enter
 - (1)** Value of all assets
 - (2)** Value of assets qualifying under section 4942(j)(3)(B)(i)
 - b** 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed
 - c** 'Support' alternative test – enter:
 - (1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)
 - (2)** Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)
 - (3)** Largest amount of support from an exempt organization
 - (4)** Gross investment income

1 Information Regarding Foundation Managers:

- ELAINE T. MARSHALL

- NONE

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc., to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions.

- c Any submission deadlines

- Form 990-PF (2018)

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Part XV Supplementary Information (continued)**3** Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year SEE STATEMENT 7				
Total			3 a	6,382,420.
b Approved for future payment				
Total			3 b	

Part XVI-A	Analysis of Income-Producing Activities
-------------------	--

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
		(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1	Program service revenue					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments			14	92,494.	
4	Dividends and interest from securities			14	24,448.	
5	Net rental income or (loss) from real estate					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory					
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue:					
a						
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)				116,942.	
13	Total. Add line 12, columns (b), (d), and (e)					116,942.

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B	Relationship of Activities to the Accomplishment of Exempt Purposes
-------------------	--

[illegible]

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

Name of the organization

MARSHALL LEGACY FOUNDATION

Employer identification number

46-7206339

Organization type (check one)

Filers of:

Form 990 or 990-EZ

Section:

- ☐ 501(c)() (enter number) organization
☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
☐ 527 political organization

Form 990-PF

- ☒ 501(c)(3) exempt private foundation
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000, or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering 'N/A' in column (b) instead of the contributor name and address), II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year. ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer 'No' on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2018)

Name of organization

Employer identification number

MARSHALL LEGACY FOUNDATION

46-7206339

Part I Contributors (see instructions) Use duplicate copies of Part I if additional space is needed

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	EPM TESTAMENTARY LEAD TRUST 7001 PRESTON RD, STE 400 DALLAS, TX 75205	\$ 4,156,130.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)

Name of organization

Employer identification number

MARSHALL LEGACY FOUNDATION

46-7206339

Part II **Noncash Property** (see instructions) Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
	N/A		
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

BAA

Schedule B (Form 990, 990-EZ, or 990-PF) (2018)

Name of organization

MARSHALL LEGACY FOUNDATION

Employer identification number

46-7206339

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$ _____ N/A
Use duplicate copies of Part III if additional space is needed.

Use duplicate copies of Part I if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	N/A		
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

2018

FEDERAL STATEMENTS

PAGE 1

MARSHALL LEGACY FOUNDATION

46-7206339

STATEMENT 1
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	\$ 1,985,481.			
TOTAL	<u>\$ 1,985,481.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

STATEMENT 2
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	\$ 50,054.			
TOTAL	<u>\$ 50,054.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

STATEMENT 3
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX	\$ 500.			
TOTAL	<u>\$ 500.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

STATEMENT 4
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADVERTISING EXPENSE	\$ 400.			
INVESTMENT EXPENSES	2,445.	\$ 2,445.		
POSTAGE & MAILING	99.			
SOFTWARE EXPENSE	94.			
TOTAL	<u>\$ 3,038.</u>	<u>\$ 2,445.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

MARSHALL LEGACY FOUNDATION

46-7206339

STATEMENT 5
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
FELLOWSHIP OF ORTHOPAEDIC RESEARCHERS	\$ 1,180,000.	\$ 1,180,000.
SALK INSTITUTE FOR BIOLOGICAL STUDIES	10,559,467.	10,559,467.
TOTAL	<u>\$ 11,739,467.</u>	<u>\$ 11,739,467.</u>

STATEMENT 6
FORM 990-PF, PART IX-B, LINE 1
SUMMARY OF PROGRAM-RELATED INVESTMENTS

THE SALK INSTITUTE FOR BIOLOGICAL STUDIES - RESEARCH AND DEVELOPMENT UNDERSTANDING ON MOLECULAR ENGINEERING COMPANY TO DEVELOP SYNTHETIC VIRUSES TO TRANSFORM THE HUMAN UNDERSTANDING, DIAGNOSIS AND TREATMENT OF HUMAN DISEASE

STATEMENT 7
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

<u>NAME AND ADDRESS</u>	<u>DONEE RELATIONSHIP</u>	<u>FOUND- ATION STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>AMOUNT</u>
COMMITTEE TO REDUCE INFECTION DEATHS 5 PARTRIDGE HOLLOW ROAD GREENWICH CT 06831	NONE	PC	GENERAL SUPPORT	\$ 100,000.
NORTHWOOD WOMAN'S CLUE CHARITABLE FUND P.O. BOX 796155 DALLAS TX 75379	NONE	PC	GENERAL SUPPORT	7,100.
SALK INSTITUTE FOR BIOLOGICAL STUDIES 10010 N TORREY PINES ROAD LA JOLLA CA 92037	NONE	PC	RESEARCH SUPPORT FOR GENETICALLY AND METABOLICALLY REPROGRAMMING SELF-REACTIVE T CELLS TO TREAT RHEUMATOID ARTHRITIS	250,000.
CHILD ADVOCATES, INC. 3701 KIRBY DR #400 HOUSTON TX 77098	NONE	PC	GENERAL SUPPORT	100,000.
UNIVERSITY OF TEXAS MD ANDERSON CANCER P.O. BOX 301439 HOUSTON TX 77230	NONE	PC	MYELOPROLIFERATI VE NEOPLASMS CLINICAL RESEARCH FUND	664,320.

MARSHALL LEGACY FOUNDATION

46-7206339

STATEMENT 7 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
GENESIS WOMEN'S SHELTER 4411 LEMMON AVE #201 DALLAS TX 75219	NONE	PC	CONSTRUCTION OF NEW BUILDING AT 2023 LUCAS DR., DALLAS, TX 75219	\$ 200,000.
EMILY'S PLACE P.O. BOX 860911 PLANO TX 75074	NONE	PC	GENERAL SUPPORT	25,000.
FAMILY FOUNDATION OF SOUTHWEST LOUISIANA 220 LOUIE STEET LAKE CHARLES LA 70601	NONE	PC	CAPITAL CAMPAIGN	206,000.
CITY OF HOUSTON POLICE DEPARTMENT 1200 TRAVIS, 17TH FLOOR HOUSTON TX 77002	NONE	GOV	BODY WORN CAMERA PROGRAM	3,000,000.
STAND TOGETHER, INC. 1320 N. COURTHOUSE RD, STE 220 ARLINGTON VA 22201	NONE	PC	GENERAL SUPPORT	500,000.
THE LIBRE INSTITUTE 2200 WILSON BLVD, STE 102, PMB 44 ARLINGTON VA 22201	NONE	PC	GENERAL SUPPORT FOR TEXAS ACTIVITIES	500,000.
THE UNIVERSITY OF TEXAS FOUNDATION, INC P.O. BOX 250 AUSTIN TX 78767	NONE	PC	RESEARCH SUPPORT FOR WORK IN GENOMIC PROFILING IN MDS/CMML	820,000.
VOCAL MAJORITY P.O. BOX 3063 COPPELL TX 75019	NONE	PC	GENERAL SUPPORT	10,000.
TOTAL				\$ <u>6,382,420.</u>

ORGANIZATION MARSHALL LEGACY FOUNDATION
 EIN 46-7206339
 TAX YEAR ENDED 4/30/2019

FORM 990-PF, PART VII-B, LINE 5C

						To the Grantor's Knowledge, Grantee Has Diverted a Portion of Funds from the Purpose of the Grant (Yes/No)	Dates of Reports Received from the Grantee	Dates and Results of Any Verification of the Grantee's Reports
	Name and Address of Grantee	Amount of Grant	Date of Grant	Purpose of Grant	Amounts Expended by Grantee			
1	Fellowship of Orthopaedic Researchers, Inc 320 Hammond Hwy, Suite 403 Metairie, LA 70005	\$ -	Prior years	Research and development of Prosthetic Replacement Magnetic Technology	\$ 260,846	No	12/31/2019	N/A
2	Salk Institute for Biological Studies 10010 North Torrey Pines Road San Diego, CA 9037-1002	\$ 4,006,763	10/1/2018	Research and development understanding on molecular engineering company to develop synthetic viruses to transform the human understanding, diagnosis and treatment of human disease	\$ 1,814,798	No	8/31/2019	N/A

Form **4720**Department of the Treasury
Internal Revenue Service**Return of Certain Excise Taxes Under Chapters
41 and 42 of the Internal Revenue Code**

(Sections 170(f)(10), 664(c)(2), 4911, 4912, 4941, 4942, 4943, 4944, 4945, 4955, 4958, 4959, 4960, 4965, 4966, 4967, and 4968)

► Go to www.irs.gov/Form4720 for instructions and the latest information.

OMB No 1545-0052

2018

For calendar year 2018 or other tax year beginning 5/01, 2018, and ending 4/30, 20 19

Name of organization or entity

MARSHALL LEGACY FOUNDATION

Employer identification number

46-7206339

Number, street, and room or suite no. (or P.O. box if mail is not delivered to street address)

DR. S. COOK, 320 HAMMOND HWY #403

Check box for type of annual return

☐ Form 990☐ Form 990-EZ☒ Form 990-PF☐ Other☐ Form 5227

City or town, state or province, country, and ZIP or foreign postal code

METAIRIE, LA 70005**A** Is the organization a foreign private foundation within the meaning of section 4948(b)?

Yes No

☐ ☒**B** Has corrective action been taken on any taxable event that resulted in Chapter 42 taxes being reported on this form? (Enter 'N/A' if not applicable)☒ ☐If 'Yes,' attach a detailed description and documentation of the corrective action taken and, if applicable, enter the fair market value of any property recovered as a result of the correction ► \$ 0. If 'No,' (that is, any uncorrected acts or transactions), attach an explanation (see instructions) **SEE STATEMENT 1****Part I Taxes on Organization** (Sections 170(f)(10), 664(c)(2), 4911(a), 4912(a), 4942(a), 4943(a), 4944(a)(1), 4945(a)(1), 4955(a)(1), 4959, 4960(a), 4965(a)(1), 4966(a)(1), and 4968 (a))

1	Tax on undistributed income – Schedule B, line 4	1	0.
2	Tax on excess business holdings – Schedule C, line 7	2	0.
3	Tax on investments that jeopardize charitable purpose – Schedule D, Part I, column (e)	3	0.
4	Tax on taxable expenditures – Schedule E, Part I, column (g)	4	0.
5	Tax on political expenditures – Schedule F, Part I, column (e)	5	0.
6	Tax on excess lobbying expenditures – Schedule G, line 4	6	0.
7	Tax on disqualifying lobbying expenditures – Schedule H, Part I, column (e)	7	0.
8	Tax on premiums paid on personal benefit contracts	8	0.
9	Tax on being a party to prohibited tax shelter transactions – Schedule J, Part I, column (h)	9	0.
10	Tax on taxable distributions – Schedule K, Part I, column (f)	10	0.
11	Tax on a charitable remainder trust's unrelated business taxable income. Attach statement	11	0.
12	Tax on failure to meet the requirements of section 501(r)(3)-Schedule M, Part II, line 2	12	0.
13	Tax on excess executive compensation – Schedule N	13	0.
14	Tax on net investment income of private colleges and universities – Schedule O	14	0.
15	Total (add lines 1–14)	15	0.

Part II-A Taxes on Managers, Self-Dealers, Disqualified Persons, Donors, Donor Advisors, and Related Persons
(Sections 4912(b), 4941(a), 4944(a)(2), 4945(a)(2), 4955(a)(2), 4958(a), 4965(a)(2), 4966(a)(2), and 4967(a))

(a) Name and address of person subject to tax. City or town, state or province, country, ZIP or foreign postal code			(b) Taxpayer identification number
a PRESTON L. MARSHALL 11100 MEADOWICK DR, HOUSTON, TX 77024			449-25-5114
b			
c			
(c) Tax on self-dealing – Schedule A, Part II, col. (d), and Part III, col. (d)	(d) Tax on investments that jeopardize charitable purpose – Schedule D, Part II, col. (d)	(e) Tax on taxable expenditures – Schedule E, Part II, col. (d)	(f) Tax on political expenditures – Schedule F, Part II, col. (d)
a			
b			
c			
Total	0.	0.	0.
(g) Tax on disqualifying lobbying expenditures – Schedule H, Part II, col. (d)	(h) Tax on excess benefit transactions – Schedule I, Part II, col. (d), and Part III, col. (d)	(i) Tax on being a party to prohibited tax shelter transactions – Schedule J, Part II, col. (d)	(j) Tax on taxable distributions – Schedule K, Part II, col. (d)
a			
b			
c			
Total	0.	0.	0.
(k) Tax on prohibited benefits – Schedule L, Part II, col. (d), and Part III, col. (d)	(l) Total – Add columns (c) through (k)		
a			
b			
c			
Total	0.		

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

TEEA9912L 10/10/18

Form **4720** (2018)

Part II-B Summary of Taxes (See **Tax Payments** in the instructions.)

1	Enter the taxes listed in Part II-A, column (l), that apply to managers, self-dealers, disqualified persons, donors, donor advisors, and related persons who sign this form. If all sign, enter the total amount from Part II-A, column (l)	1	0.
2	Total tax. Add Part I, line 15, and Part II-B, line 1	2	0.
3	Total payments including amount paid with Form 8868 (see instructions)	3	
4	Tax due. If line 2 is larger than line 3, enter amount owed (see instructions)	4	
5	Overpayment. If line 2 is smaller than line 3, enter the difference. This is your refund	5	

SCHEDULE A – Initial Taxes on Self-Dealing (Section 4941)**Part I Acts of Self-Dealing and Tax Computation**

(a) Act number	(b) Date of act	(c) Description of act	(d) Question number from Form 990-PF, Part VII-B, or Form 5227, Part VI-B, applicable to the act	(e) Amount involved in act	(f) Initial tax on self-dealer (10% of col (e))	(g) Tax on foundation managers (if applicable) (lesser of \$20,000 or 5% of col (e))
1	4/01/18	USE OF ASSETS BY A DISQUALIFIED PERSON		36,719.		
2	9/30/16	USE OF ASSETS BY A DISQUALIFIED PERSON		9,419,797.		
3	9/25/15	USE OF ASSETS BY A DISQUALIFIED PERSON		6,765,003.		
4						
5						

Part II Summary of Tax Liability of Self-Dealers and Proration of Payments

(a) Names of self-dealers liable for tax	(b) Act no. from Part I, col. (a)	(c) Tax from Part I, col. (f), or prorated amount	(d) Self-dealer's total tax liability (add amounts in col. (c)) (see instructions)

Part III Summary of Tax Liability of Foundation Managers and Proration of Payments

(a) Names of foundation managers liable for tax	(b) Act no. from Part I, col. (a)	(c) Tax from Part I, col. (g), or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE B – Initial Tax on Undistributed Income (Section 4942)

1	Undistributed income for years before 2017 (from Form 990-PF for 2018, Part XIII, line 6d)	1	
2	Undistributed income for 2017 (from Form 990-PF for 2018, Part XIII, line 6e)	2	
3	Total undistributed income at end of current tax year beginning in 2018 and subject to tax under section 4942 (add lines 1 and 2)	3	0.
4	Tax – Enter 30% of line 3 here and on Part I, line 1	4	0.

SCHEDULE C – Initial Tax on Excess Business Holdings (Section 4943)

Business Holdings and Computation of Tax

If you have taxable excess holdings in more than one business enterprise, attach a separate schedule for each enterprise. Refer to the instructions for each line item before making any entries.

Name and address of business enterprise

Employer identification number

Form of enterprise (corporation, partnership, trust, joint venture, sole proprietorship, etc.)

	(a) Voting stock (profits interest or beneficial interest)	(b) Value	(c) Nonvoting stock (capital interest)
1 Foundation holdings in business enterprise	%	%	
2 Permitted holdings in business enterprise	%	%	
3 Value of excess holdings in business enterprise			
4 Value of excess holdings disposed of within 90 days, or, other value of excess holdings not subject to section 4943 tax (attach statement)			
5 Taxable excess holdings in business enterprise – line 3 minus line 4			
6 Tax – Enter 10% of line 5			
7 Total tax – Add amounts on line 6, columns (a), (b), and (c), enter total here and on Part I, line 2	0.		

SCHEDULE D – Initial Taxes on Investments That Jeopardize Charitable Purpose (Section 4944)

Part I Investments and Tax Computation

(a) Investment number	(b) Date of investment	(c) Description of investment	(d) Amount of investment	(e) Initial tax on foundation (10% of col (d))	(f) Initial tax on foundation managers (if applicable) – (lesser of \$10,000 or 10% of col (d))
1					
2					
3					
4					
5					
Total – Column (e) Enter here and on Part I, line 3				0.	
Total – Column (f) Enter total (or prorated amount) here and in Part II, column (c), below					0.

Part II Summary of Tax Liability of Foundation Managers and Proration of Payments

(a) Names of foundation managers liable for tax	(b) Investment no. from Part I, col. (a)	(c) Tax from Part I, col (f), or prorated amount	(d) Manager's total tax liability (add amounts in col (c)) (see instructions)

BAA

Form 4720 (2018)

SCHEDULE E – Initial Taxes on Taxable Expenditures (Section 4945)**Part I Expenditures and Computation of Tax**

(a) Item number	(b) Amount	(c) Date paid or incurred	(d) Name and address of recipient	(e) Description of expenditure and purposes for which made
1				
2				
3				
4				
5				
(f) Question number from Form 990-PF, Part VII-B, or Form 5227, Part VI-B, applicable to the expenditure			(g) Initial tax imposed on foundation (20% of col (b))	(h) Initial tax imposed on foundation managers (if applicable) – (lesser of \$10,000 or 5% of col (b))
Total – Column (g). Enter here and on Part I, line 4			0.	
Total – Column (h). Enter total (or prorated amount) here and in Part II, column (c), below				0.

Part II Summary of Tax Liability of Foundation Managers and Proration of Payments

(a) Names of foundation managers liable for tax	(b) Item no. from Part I, col (a)	(c) Tax from Part I, col (h), or prorated amount	(d) Manager's total tax liability (add amounts in col (c)) (see instrs)

SCHEDULE F – Initial Taxes on Political Expenditures (Section 4955)**Part I Expenditures and Computation of Tax**

(a) Item number	(b) Amount	(c) Date paid or incurred	(d) Description of political expenditure	(e) Initial tax imposed on organization or foundation (10% of col. (b))	(f) Initial tax imposed on managers (if applicable) (lesser of \$5,000 or 2-1/2% of col (b))
1					
2					
3					
4					
5					
Total – Column (e). Enter here and on Part I, line 5				0.	
Total – Column (f). Enter total (or prorated amount) here and in Part II, column (c), below					0.

Part II Summary of Tax Liability of Organization Managers or Foundation Managers and Proration of Payments

(a) Names of organization managers or foundation managers liable for tax	(b) Item no. from Part I, col (a)	(c) Tax from Part I, col (f), or prorated amount	(d) Manager's total tax liability (add amounts in col (c)) (see instrs)

SCHEDULE G – Tax on Excess Lobbying Expenditures (Section 4911)

1	Excess of grass roots expenditures over grass roots nontaxable amount (from Schedule C (Form 990 or 990-EZ), Part II-A, column (b), line 1h) (See the instructions before making an entry.)	1	
2	Excess of lobbying expenditures over lobbying nontaxable amount (from Schedule C (Form 990 or 990-EZ), Part II-A, column (b), line 1i) (See the instructions before making an entry.)	2	
3	Excess lobbying expenditures – enter the larger of line 1 or line 2	3	
4	Tax – Enter 25% of line 3 here and on Part I, line 6	4	0.

SCHEDULE H – Taxes on Disqualifying Lobbying Expenditures (Section 4912)**Part I Expenditures and Computation of Tax**

(a) Item number	(b) Amount	(c) Date paid or incurred	(d) Description of lobbying expenditures	(e) Tax imposed on organization (5% of col (b))	(f) Tax imposed on organization managers (if applicable) – (5% of col (b))
1					
2					
3					
4					
5					

Total – Column (e) Enter here and on Part I, line 7

0.

Total – Column (f) Enter total (or prorated amount) here and in Part II, column (c), below

0.

Part II Summary of Tax Liability of Organization Managers and Proration of Payments

(a) Names of organization managers liable for tax	(b) Item no from Part I, col (a)	(c) Tax from Part I, col (f), or prorated amount	(d) Manager's total tax liability (add amounts in col (c)) (see instructions)

SCHEDULE I – Initial Taxes on Excess Benefit Transactions (Section 4958)**Part I Excess Benefit Transactions and Tax Computation**

(a) Transaction number	(b) Date of transaction	(c) Description of transaction
1		
2		
3		
4		
5		

(d) Amount of excess benefit	(e) Initial tax on disqualified persons (25% of col (d))	(f) Tax on organization managers (if applicable) (lesser of \$20,000 or 10% of col. (d))

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Form 4720 (2018)

SCHEDULE I – Initial Taxes on Excess Benefit Transactions (Section 4958) Continued**Part II Summary of Tax Liability of Disqualified Persons and Proration of Payments**

(a) Names of disqualified persons liable for tax	(b) Trans. no. from Part I, col (a)	(c) Tax from Part I, col (e), or prorated amount	(d) Disqualified person's total tax liability (add amounts in col (c)) (see instructions)

Part III Summary of Tax Liability of 501(c)(3), (c)(4) & (c)(29) Organization Managers and Proration of Payments

(a) Names of 501(c)(3), (c)(4) & (c)(29) organization managers liable for tax	(b) Trans. no. from Part I, col (a)	(c) Tax from Part I, col (f), or prorated amount	(d) Manager's total tax liability (add amounts in col (c)) (see instructions)

SCHEDULE J – Taxes on Being a Party to Prohibited Tax Shelter Transactions (Section 4965)**Part I Prohibited Tax Shelter Transactions (PTST) and Tax Imposed on the Tax-Exempt Entity (see instructions)**

(a) Transaction number	(b) Transaction date	(c) Type of transaction 1 – Listed 2 – Subsequently listed 3 – Confidential 4 – Contractual protection	(d) Description of transaction
1			
2			
3			
4			
5			
(e) Did the tax-exempt entity know or have reason to know this transaction was a PTST when it became a party to the transaction? Answer Yes or No		(f) Net income attributable to the PTST	(g) 75% of proceeds attributable to the PTST
Total – Column (h). Enter here and on Part I, line 9			(h) Tax imposed on the tax-exempt entity (see instructions)
			0.

Part II Tax Imposed on Entity Managers (Section 4965) *Continued*

(a) Name of entity manager	(b) Transaction number from Part I, col. (a)	(c) Tax – enter \$20,000 for each transaction listed in col. (b) for each manager in col. (a)	(d) Manager's total tax liability (add amounts in col. (c))

SCHEDULE K – Taxes on Taxable Distributions of Sponsoring Organizations Maintaining Donor Advised Funds
(Section 4966). See the instructions.**Part I** Taxable Distributions and Tax Computation

(a) Item number	(b) Name of sponsoring organization and donor advised fund	(c) Description of distribution
1		
2		
3		
4		

(d) Date of distribution	(e) Amount of distribution	(f) Tax imposed on organization (20% of col. (e))	(g) Tax on fund managers (lesser of 5% of col. (e) or \$10,000)

Total – Column (f) Enter here and on Part I, line 10

0.

Total – Column (g). Enter total (or prorated amount) here and in Part II, column (c), below

0.

Part II Summary of Tax Liability of Fund Managers and Proration of Payments

(a) Name of fund managers liable for tax	(b) Item no. from Part I, col. (a)	(c) Tax from Part I, col. (g) or prorated amount	(d) Manager's total tax liability (add amounts in col. (c)) (see instructions)

SCHEDULE L – Taxes on Prohibited Benefits Distributed From Donor Advised Funds (Section 4967).

See the instructions.

Part I Prohibited Benefits and Tax Computation

(a) Item number	(b) Date of prohibited benefit	(c) Description of benefit	(d) Amount of prohibited benefit	(e) Tax on donors, donor advisors, or related persons (125% of col (d)) (see instructions)	(f) Tax on fund managers (if applicable) (lesser of 10% of col (d) or \$10,000) (see instructions)
1					
2					
3					
4					
5					

Part II Summary of Tax Liability of Donors, Donor Advisors, Related Persons, and Proration of Payments

(a) Names of donors, donor advisors, or related persons liable for tax	(b) Item no from Part I, col (a)	(c) Tax from Part I, col (e) or prorated amount	(d) Donor's, donor advisor's, or related person's total tax liability (add amounts in col (c)) (see instructions)

Part III Summary of Tax Liability of Fund Managers and Proration of Payments

(a) Names of fund managers liable for tax	(b) Item no from Part I, col (a)	(c) Tax from Part I, col (f) or prorated amount	(d) Fund manager's total tax liability (add amounts in col (c)) (see instructions)

Schedule M – Tax on Hospital Organization for Failure to Meet the Community Health Needs Assessment Requirements (Sections 4959 and 501(r)(3)). (See instructions.)

Part I Failures to Meet Section 501(r)(3)

(a) Item number	(b) Name of hospital facility	(c) Description of the failure	(d) Tax year hospital facility last conducted a CHNA	(e) Tax year hospital facility last adopted an implementation strategy
1				
2				
3				
4				
5				

Part II Computation of Tax

1	Number of hospital facilities operated by the hospital organization that failed to meet the Community Health Needs Assessment requirements of section 501(r)(3)	1	
2	Tax – Enter \$50,000 multiplied by line 1 here and on Part I, line 12	2	

Schedule N – Tax on Excess Executive Compensation (Section 4960). (See instructions.)

(a) Item number	(b) Name of covered employee	(c) Excess remuneration	(d) Excess parachute payment	(e) Total Add column (c) and (d)
1				
2				
3				
4				
5				
6	Attachment, if necessary See instructions			
Total (add column (e) items 1-6)				
Tax. Enter 21% of the amount above here and on Part I, line 13				

Schedule O – Excise Tax on Net Investment Income of Private Colleges and Universities
(Section 4968)

	(a) Name	(b) EIN	(c) Gross investment income (See instructions)	(d) Capital gain net income	(e) Administrative expenses allocable to income included in cols. (c) and (d)	(f) Net investment income (See instructions)
1	Filing Organization					
2	Related Organization					
3	Related Organization					
4	Related Organization					
5	Total from attachment, if necessary					
6	Total					
7	Excise Tax on Net Investment Income Enter 1 4% of the amount in 6(f) here and on Part I, line 14					

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Form 4720 (2018)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer or trustee

CO-TRUSTEE

Title

Date

3/12/2020

Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person

Date

Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person

Date

Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person

Date

Signature (and organization or entity name if applicable) of manager, self-dealer, disqualified person, donor, donor advisor, or related person

Date

May the IRS discuss this return with the preparer shown below? (see instructions)

☒ Yes☐ No

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

CHRISTOPHER KLEIN, CPA

CHRISTOPHER KLEIN, CP

3/11/20

P01615895

Firm's name ▶ TERRANOVA WILLIAMS KLEIN CPA'S LLC

Firm's address ▶ 800 W BAYOU PINES DRIVE

Firm's EIN ▶ 81-3934518

LAKE CHARLES, LA, 70601

Phone no (337) 433-3326

Sign
HerePaid
Preparer
Use Only

Form 4720 (2018)

MARSHALL LEGACY FOUNDATION

46-7206339

STATEMENT 1
FORM 4720, LINE B
DESCRIPTION OF CORRECTIVE ACTION TAKEN

AFTER EXTENSIVE HEARINGS AND BRIEFINGS IN UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF LOUISIANA, THE MARSHALL HERITAGE FOUNDATION (ON FEBRUARY 25, 2019) WON A SUMMARY JUDGEMENT AGAINST PRESTON L. MARSHALL ("PRESTON") IN UNITED STATES DISTRICT COURT WHICH HELD THAT PRESTON'S ACTIVITIES "CONSTITUTES A BREACH OF TRUST AND BREACH OF HIS FIDUCIARY DUTIES" TO THE PEROXISOME TRUST (OF WHICH THE MARSHALL LEGACY FOUNDATION IS A CHARITABLE ANNUITANT) AND HAS ORDERED PRESTON TO MAKE BOTH THE DELINQUENT AND FUTURE DISTRIBUTIONS TO THE MARSHALL HERITAGE FOUNDATION (WHICH IS THE OTHER CHARITABLE ANNUITANT OF THE PEROXISOME TRUST). IN THE ORDER AND REASONS FOR RULING THAT ISSUED ON FEBRUARY 21, 2019, UNITED STATES DISTRICT JUDGE FALLON STATES THAT "(I)N REFUSING TO ALLOW THE REQUIRED DISTRIBUTIONS FROM THE PEROXISOME TRUST TO (THE MARSHALL HERITAGE FOUNDATION) PRESTON HAS BREACHED HIS DUTY TO ACT IN THE INTEREST OF THE BENEFICIARY" AND "(N)ONE OF PRESTON'S PURPORTED JUSTIFICATIONS FOR REFUSING TO AUTHORIZE DISTRIBUTIONS HAS MERIT". PRESTON CONTINUES TO RESIST EFFORTS TO MAKE THE MANDATORY ANNUITY DISTRIBUTIONS AND ON DECEMBER 2, 2019 PRESTON'S APPEAL OF JUDGE FALLON'S ORDER WAS HEARD BY THE UNITED STATES 5TH CIRCUIT COURT OF APPEALS; AS OF THIS STATEMENT THE 5TH CIRCUIT COURT OF APPEALS HAS NOT RULED. ON SEPTEMBER 9, 2019 THE INTERNAL REVENUE SERVICE SENT OUT NOTICE CP161 STATING THAT BY SEPTEMBER 23, 2019 THE PEROXISOME TRUST OWED \$2,792,766.81 IN TAXES, PENALTIES, AND INTEREST FOR THE TAX YEAR ENDING ON DECEMBER 31, 2017 (SUCH AMOUNT ADJUSTED BY NOTICE CP504B TO \$2,878,222.43 ON JANUARY 6, 2020). ADDITIONALLY, FOR TAX YEAR ENDING ON DECEMBER 31, 2018, THE INTERNAL REVENUE SERVICE SENT OUT A SECOND NOTICE CP161 STATING THAT AN ADDITIONAL \$2,224,639.15 ARE OWED IN TAXES, PENALTIES, AND INTEREST. THE COMBINED TOTAL NOW NOTICED BY THE INTERNAL REVENUE SERVICE AS OWED FOR TAX YEAR 2017 AND TAX YEAR 2018 IN TAXES, PENALTIES, AND INTEREST IS \$5,102,861.58 AND PRESUMABLY THE PEROXISOME TRUST FOR TAX YEAR 2019 WILL RECEIVE A CP161 SOON DUE TO PRESTON'S MISCONDUCT FOR NOT DISTRIBUTING THE MONEY TO CHARITY. THE CO-TRUSTEES OF THE MARSHALL LEGACY FOUNDATION AWAIT ADDITIONAL ACTION BY THE INTERNAL REVENUE SERVICE TO DETERMINE WHETHER PRESTON'S CONDUCT HAS ATTRACTED ADDITIONAL TAX LIABILITIES REDUCING THE FOUNDATION'S ANNUITY PAYMENTS. THE MARSHALL LEGACY FOUNDATION WILL TAKE ACTION TO RECOVER FROM PRESTON ANY SUCH REDUCTION AS WELL AS THE LEGAL AND ACCOUNTING COSTS ASSOCIATED WITH SAME.

BY JUDGEMENT DATED APRIL 2, 2019 PRESTON WAS REMOVED FROM THE POSITION OF TRUSTEE OF THE EPS/EPM CHARITABLE REMAINDER UNITRUST (OF WHICH THE MARSHALL LEGACY FOUNDATION IS A REMAINDER BENEFICIARY) BY ORDER OF JUDGE WILLIAM A. MORVANT OF THE 19TH JUDICIAL DISTRICT COURT OF THE STATE OF LOUISIANA IN CASE NO. C-656-183. THOUGH FOLLOWING A DENIAL OF PRESTON'S REQUEST FOR A NEW TRIAL, PRESTON HAS TAKEN A DEVOLUTIVE APPEAL OF THE RULING. FOLLOWING HIS REMOVAL AND THE CONFIRMATION OF A NEW TRUSTEE, PRESTON (WITH NO AUTHORITY OR CONSENT FROM THE NEW TRUSTEE) CAUSED THE LIQUIDATION OF THE MANAGED FINANCIAL EQUITIES HOLDINGS OF THE EPS/EPM CHARITABLE REMAINDER UNITRUST BEFORE TURNING OVER THE PURPORTED CASH VALUE TO THE NEW TRUSTEE. ON NOVEMBER 4, 2019 THE INTERNAL REVENUE SERVICE SENT OUT NOTICE CP259 STATING A FORM 1041 WAS NOT FILED, WHICH INDICATES THE INTERNAL REVENUE SERVICE MAY EXPECT A FORM 1041 TO BE FILED BY THE EPS/EPM CHARITABLE REMAINDER UNITRUST. THE CO-TRUSTEES OF THE MARSHALL LEGACY FOUNDATION AGAIN AWAIT ACTION BY THE INTERNAL REVENUE SERVICE TO DETERMINE THE TAX CONSEQUENCES OF HIS WITHHOLDING UNITRUST DISTRIBUTIONS AS AN ELEMENT OF HIS LITIGATION STRATEGY IN A PERSONAL EMPLOYMENT CONTRACT CLAIM. THEY INTEND TO PURSUE PRESTON TO RECOVER THE LOSS AS QUANTIFIED FOR THIS CONDUCT.

FINALLY, THE CO-TRUSTEES OF THE MARSHALL LEGACY FOUNDATION INTEND TO PURSUE PRESTON FOR THE LEGAL EXPENSES THE MARSHALL LEGACY FOUNDATION HAS INCURRED FROM HIS EFFORTS TO DISRUPT THE FOUNDATION'S ADMINISTRATION AND HONOR ITS GRANT OBLIGATIONS. THE EXTENT OF THESE EXPENSES AND INCIDENTAL LOSSES REMAIN UNDETERMINED AND AGAIN REQUIRE A RESPONSE FROM THE INTERNAL REVENUE SERVICE.

ATTACHMENT TO FORM 4720

Marshall Legacy Foundation
EIN 46-7206339
Schedule A, Part I, Lines 1, 2 & 3

Act 1:

The Marshall Legacy Foundation (the "Foundation") is one of the charitable remainder beneficiaries of the EPS/EPM Charitable Remainder Unitrust (the "CRUT") (EIN #57-6199647). A copy of the trust instrument forms *Exhibit A* to this Attachment. Preston L. Marshall ("Preston") (SS# 449-25-5114) of 11100 Meadowick, Houston, TX 77024, a disqualified person with respect to the Foundation, served as sole trustee of the CRUT until his removal by court order signed on April 2, 2019 by Judge William A. Morvant of the 19th Judicial District Court of the State of Louisiana in Case No. C-656-183. Despite numerous amicable demands, he refused to make the mandatory unitrust payments to the current beneficiary, Elaine T. Marshall ("Mrs. Marshall"), for 2015, 2016, and first and second quarters of 2017. Based on this misconduct and the danger it was placing on her charitable aspirations, Mrs. Marshall filed a lawsuit currently pending in the 19th Judicial District Court in Baton Rouge, Louisiana to compel compliance with the trust instrument. A copy of the amended petition in this lawsuit forms *Exhibit B* to this Attachment.

Preston, eventually, responded to the lawsuit by making "catch up" delinquent payments on August 10, 2017 (the delinquent payments were not in the same taxable years); he made these delinquent payments just days before the Court hearing on his misconduct. The Court nevertheless found that the failure to make the mandatory distributions in the required time period along with the failure to render accountings constituted breaches of the CRUT's Trust Instrument and the Louisiana Trust Code; therefore, the Court granted a preliminary injunction enjoining Preston from withholding distributions to Mrs. Marshall and enjoining Preston from withholding accountings (see *Exhibit C*). Even after this ruling issued, Preston's misconduct as to the CRUT and related exempt organizations continued as he promptly refused to tender an additional four (4) quarterly payments all through 2018 (eventually tendering only a partial delinquent payment in February of 2019 of \$85,000 with no accountings only days after the Court denied Preston's request to upset and re-fix the hearing to hold him in contempt of court for a later date). Following this additional waive of misconduct and disregard for his fiduciary duties, Preston was held in willful contempt of court and removed as trustee via the above referenced order signed on April 2, 2019. Preston requested a new trial, such request was denied on April 16, 2019. Preston then took a suspensive appeal, but declined to post the bond required for a suspensive appeal, the appeal therefore converted into a devolutive appeal that does not suspend the ruling. On June 10, 2019, Stephen Cook, Ph.D. ("Dr. Cook") formally accepted the role as trustee per instruction from the 19th Judicial District Court of the State of Louisiana. Preston did not cooperate with turning over materials or CRUT financial assets to Dr. Cook; rather, months after his removal as trustee Preston caused the CRUT's then asset manager to liquidate all holdings to cash and send a check to Dr. Cook (Preston had no authority or consent from Dr. Cook to cause this asset liquidation, which resulted in loss of value, loss of revenue, unnecessary gain realization on assets that would need to be repurchased, un-planned loss realization, and a higher buy back price for some of the assets). Further, Preston missed the May 2, 2019 court mandated deadline to render an accounting. Finally, Preston would not repay to the CRUT the legal fees for Preston's personal attorneys that the 19th Judicial District Court of

ATTACHMENT TO FORM 4720

Marshall Legacy Foundation
EIN 46-7206339
Schedule A, Part I, Lines 1, 2 & 3

the State of Louisiana found he owed until just days before a judgement debtor examination was schedule to take place (on November 5, 2019 Preston finally turned over to Dr. Cook's legal counsel \$181,510.51 to reimburse the CRUT for the legal fees Preston improperly paid out of the CRUT assets for his legal counsel and court costs; however, Preston's legal counsel provided via letter "Express Notice" that Preston intends to take this money back from the CRUT should he become trustee again in the future). As of this writing, the First Circuit Court of Appeals in Louisiana has not ruled on the Preston's devolutive appeal contesting his removal as trustee and misconduct in relation to his fiduciary duties.

Notably, Preston has falsely represented to the Louisiana court that the Internal Revenue Service has acknowledged the delinquent payments as having no impact of any kind on the tax character of the CRUT and Preston alleges the Internal Revenue Service assured his personal lawyer that unfiled CRUT Federal tax returns will be accepted without tax, interest or penalties of any kind (eventually through discovery it was uncovered that all of the alleged conversations Preston claimed his counsel had with the Internal Revenue Service was through the IRS Help Line, which is of course non-binding on the Internal Revenue Service, even if the conversations really took place to begin with which has never been demonstrated). On August 26, 2019 the Internal Revenue Service selected the CRUT for audit for tax period December 31, 2017. Dr. Cook as trustee has been cooperating fully with the audit and, as of this writing, the audit remains open. On November 4, 2019 the Internal Revenue Service sent out Notice CP259 stating a Form 1041 was not filed, which indicates the Internal Revenue Service may expect a Form 1041 to be filed by the CRUT.

Compensating the unitrust beneficiary for the time value of money for years of delayed payments and associated legal expenses remains unaddressed. Preston's actions shrunk the CRUT corpus, assuredly reducing the foundation's remainder interest and hurting its charitable purposes for his personal interests.

Act 2:

The Foundation is also one of two charitable annuitants of the Peroxisome Trust (EIN # 45-6556975), a non-grantor charitable lead annuity trust (the "CLAT"). A copy of the trust instrument forms *Exhibit D* to this Attachment. Preston serves as one of the two trustees of the CLAT. The trust instrument and Louisiana law requires that the two trustees concur in making annuity distributions. Despite repeated demands, Preston has refused to join with his co-trustee in making the mandatory annuity distributions from the CLAT to the Foundation. As of the date of this filing, the unpaid annuities with respect to the two charitable organizations total \$23,824,938.10 of which \$11,912,469.05 is unpaid to this Foundation.

In fact, on February 25, 2019 a summary judgement issued against Preston in United States District Court, Eastern District of Louisiana finding that Preston's activities "constitutes a breach of trust and breach of his fiduciary duties" to the Peroxisome Trust and has ordered Preston to make both the delinquent and future distributions to the other charitable annuitant, The Marshall

ATTACHMENT TO FORM 4720

Marshall Legacy Foundation
EIN 46-7206339
Schedule A, Part I, Lines 1, 2 & 3

Heritage Foundation (see *Exhibit E*). In the Order and Reasons for ruling that issued on February 21, 2019, United States District Judge Fallon states that “(i)n refusing to allow the required distributions from the Peroxisome Trust to (The Marshall Heritage Foundation) Preston has breached his duty to act in the interest of the beneficiary” and “(n)one of Preston’s purported justifications for refusing to authorize distributions has merit” (see *Exhibit F*). Judge Fallon further found that Preston failed to act as a prudent administrator and took self-serving positions.

Notwithstanding the ruling that issued on February 21, 2019, Preston continues to resist efforts to make the mandatory annuity distributions and on December 2, 2019 Preston’s appeal of Judge Fallon’s order was heard by the United States 5th Circuit Court of Appeals; as of this Statement the 5th Circuit Court of Appeals has not ruled. On September 9, 2019 (for tax year ending on December 31, 2017) the Internal Revenue Service sent out Notice CP161 stating that by September 23, 2019 the Peroxisome Trust owed \$2,792,766.81 in taxes, penalties, and interest (such amount adjusted by Notice CP504B to \$2,878,222.43 on January 6, 2020). Additionally, for tax year ending on December 31, 2018, the Internal Revenue Service sent out a second Notice CP161 stating that an additional \$2,224,639.15 are owed in taxes, penalties, and interest. The combined total now noticed by the Internal Revenue Service as owed for tax year 2017 and tax year 2018 in taxes, penalties, and interest is \$5,102,861.58 and presumably the Peroxisome Trust for tax year 2019 will receive a CP161 soon due to Preston’s misconduct for not distributing the money to charity.

Act 3:

In addition, Preston initiated frivolous litigation in the 14th Judicial District Court in Lake Charles, Louisiana Case No. 2013-5595 and Case No. 2015-003683 which has created a significant litigation expense for the Foundation to reimburse its current co-trustees for legal fees and related expenses. The amount of this liability remains undetermined.

Preston previously served as a co-trustee of this foundation’s predecessor, Marshall Heritage Foundation (EIN # 72-6163215) and the Marshall Legacy Foundation (EIN # 46-7206339). He was removed as a co-trustee of the Marshall Legacy Foundation for violating the terms of its trust instrument, refusing to comply with investment and administrative decisions of a majority of the trustees, attempting to condition approved grants with terms not approved by the majority of the trustees and other good cause.

Preston’s non-feasance, disruptive actions and frivolous litigation appears to tie to his efforts to extract a settlement in personal litigation where he seeks to obtain the vast majority of his late father’s estate and have his mother and brother disinherited. He also appears to seek these personal advantages:

- (1) unwind the December 2013 decanting of Marshall Heritage Foundation into the two present day private foundations of Marshall Legacy Foundation and The Marshall Heritage Foundation;

ATTACHMENT TO FORM 4720

Marshall Legacy Foundation
EIN 46-7206339
Schedule A, Part I, Lines 1, 2 & 3

- (2) restoring him as a co-trustee of the Marshall Legacy Foundation;
- (3) eliminating the majority rule governance principles set forth by the trust instrument of the Marshall Legacy Foundation to give him dictatorial power to control grants of the foundation's funds;
- (4) releasing him from any liability related to his mal-administration of the EPM/EPS CRUT for the benefit of the charitable annuitants (In Re: Marshall – CRUT, 14th JDC No. 2016-4081, transferred to 19th JDC No. 656183. In the above captioned matter, Preston having already been found by the district court in open court after an adversary hearing to be in breach of his duties as a trustee for failing to timely remit payment and provide mandatory accountings pursuant to the trust agreement and regulations.);
- (5) granting him control over the investment, banking and financial affairs of the Marshall Legacy Foundation;
- (6) stopping the rescission of an extremely large gift made to him by his mother;
- (7) being re-hired by his previous employer who fired him in 2015, and
- (8) ceding to him substantial control over the property his father passed to his mother.

By holding Foundation assets hostage and threatening the stability of its governance and administration, he both uses those assets for his personal benefit and inflicts harm on the publicly-supported charities which rely on pledges made to pursue medical research, at-risk child advocacy and other important work that benefits the public at large.

EXHIBIT A

CHARITABLE REMAINDER UNITRUST

On this 18th day of September, 2002, I, Eleanor Pierce Stevens (Social Security No. 570-62-9297) hereinafter sometimes referred to as *the Donor*, a person of the full age of majority and a resident of 7831 Park Lane, Suite 347C, Dallas, Texas, desiring to establish a charitable remainder trust within the meaning of §5 of Rev. Proc. 90-31 and § 664(d)(2) and (3) of the Internal Revenue Code (hereinafter referred to as *the Code*) hereby create the EPS/EPM Charitable Remainder Unitrust (*the Trust*) and designate Preston L. Marshall as the initial trustee. Stephen D. Cook, Ph.D., shall serve as successor trustee should Preston L. Marshall cease or fail to serve as Trustee for any reason whatsoever.

1. FUNDING THE TRUST. The Donor transfers to the Trustee Six Hundred Eighty-nine Thousand Six Hundred Fifty-five and no/100 (\$689,655.00) Dollars to be held and administered in trust by the Trustee under the terms and conditions hereinafter set forth in this Trust instrument.

2. PAYMENT OF UNITRUST AMOUNT. In each taxable year of the trust, the Trustee shall pay to E. Pierce Marshall during his lifetime, and after his death, to Elaine T. Marshall (hereinafter referred to as *the Recipients*), for such time as she survives, an annuity (*unitrust amount*) equal to 10.40% percent of the net fair market value of the assets of the Trust valued as of the first day of each taxable year of the Trust (*the valuation date*). The unitrust amount shall be paid in equal quarterly installments. Any income of the Trust for a taxable year in excess of the unitrust amount shall be added to principal. If for any year the net fair market value of the Trust assets is incorrectly determined, then within a reasonable period after the value is finally determined for federal tax purposes, the Trustee shall pay to the Recipient (in the case of an undervaluation) or receive from the Recipient (in the case of an overvaluation) an amount equal to the difference between the unitrust amount properly payable and the unitrust amount actually paid.

3. PRORATION OF THE UNITRUST AMOUNT. In determining the unitrust amount, the Trustee shall prorate the same on a daily basis for a short taxable year and for the taxable year ending with the Recipient's death.

4. DISTRIBUTION TO CHARITY. Upon the death of the last surviving of the Recipients, the Trustee shall distribute all of the then principal and income of the Trust (other than any amount due the Recipient or the Recipient's estate under the provisions above) to the Marshall Museum & Library (hereinafter referred to as *the Charitable Organization*).

EXHIBIT A

If the Charitable Organization is not an organization described in §§ 170(C), 2055(A), or 2522(A) of the Code at the time when any principal or income of the Trust is to be distributed to it, then the Trustee shall distribute such principal or income to such one or more organizations described in §§ 170(C), 2055(A), or 2522(A) as the Trustee shall select in its sole discretion.

5. ADDITIONAL CONTRIBUTIONS. If any additional contributions are made to the Trust after the initial contribution, the unitrust amount for the year in which the additional contribution is made shall be equal to 10.40% of the sum of (a) the net fair market value of the Trust assets as of the valuation date (excluding the assets so added and any income from, or appreciation on, such assets) and (b) that proportion of the fair market value of the assets so added that was excluded under (a) that the number of days in the period that begins with the date of contribution and ends with the earlier of the last day of the taxable year or the day of the Recipient's death bears to the number of days in the period that begins on the first day of the taxable year and ends with the earlier of the last day of such taxable year or the day of the Recipient's death. In the case where there is no valuation date after the time of contribution, the assets so added shall be valued as of the time of contribution.

6. PROHIBITED TRANSACTIONS. Notwithstanding any provision of this trust instrument to the contrary, this trust shall be subject to the following provisions:

- (a) The trust shall not engage in any act of self-dealing (as defined in IRC §4941(d)) that would subject the trust to tax under IRC §4941.
- (b) The trust shall make distributions at such time and in such manner as not to subject the trust to tax under IRC §4942.
- (c) The trust shall not retain any excess business holdings (as defined in IRC §4943(c)) that would subject the trust to tax under IRC §4943.
- (d) The trust shall not make any investments in such manner that would subject the trust to tax under IRC §4944.
- (e) The trust shall not make any taxable expenditures (as defined in IRC §4945(d)) that would subject the trust to tax under IRC § 4945.

7. RESTRAINTS ON ALIENATION. The income interest in the Trust shall be held subject to the maximum spendthrift restraints permitted by Louisiana law.

EXHIBIT A

8. TAXABLE YEAR. The taxable year of the Trust shall be the calendar year.

9. GOVERNING LAW. The operation of the Trust shall be governed by the laws of the State of Louisiana. The Trustee, however, is prohibited from exercising any power or discretion granted under said laws that would be inconsistent with the qualification of the Trust under § 664(d)(2) and (3) of the Code and the corresponding regulations.

10. LIMITED POWER OF AMENDMENT. The Trust is irrevocable. The Trustee, however, shall have the power, acting alone, to amend the Trust in any manner required for the sole purpose of ensuring that the Trust qualifies and continues to qualify as a charitable remainder trust within the meaning of § 664(d)(2) and (3) of the Code.

11. INVESTMENT OF TRUST ASSETS. Nothing in this Trust instrument shall be construed to restrict the Trustee from investing the Trust assets in a manner that could result in the annual realization of a reasonable amount of income or gain from the sale or disposition of Trust assets.

IN WITNESS WHEREOF, Eleanor Pierce Steven has signed this instrument on the day and year first above written.

Witnesses:

Amelia Kelly

M. Villa

Eleanor Pierce Stevens
ELEANOR PIERCE STEVENS

EXHIBIT A

STATE OF TEXAS

ACKNOWLEDGMENT

COUNTY OF DALLAS

BEFORE ME, a notary public in and for the aforementioned county and state, on this 18th day of September, 2002, personally appeared **ELEANOR PIERCE STEVENS**, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that she executed same for the uses, purposes, and considerations therein expressed as her free and voluntary act and deed.

Janice S. Moore

NOTARY PUBLIC

My Commission Expires _____

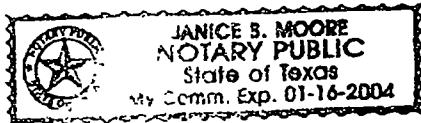


EXHIBIT A

STATE OF TEXAS

:

ACT OF ACCEPTANCE

COUNTY OF HARRIS

:

:

BEFORE ME, the undersigned Notary Public duly commissioned and qualified, and acting in and for the aforementioned county and state, and in the presence of the undersigned competent witnesses, personally appeared **PRESTON L. MARSHALL**, a person of the full age of majority and a resident of Harris County, whose mailing address is 11100 Meadowick, Houston, Texas 77024, who upon being duly sworn, declared that he accepts the appointment as trustee of the EPS/EPM Charitable Remainder Trust created by Eleanor Pierce Stevens on September 18, 2002, and agrees to be bound by the terms, conditions, and provisions set forth in the trust agreement and acknowledges receipt of the property described therein.

THUS DONE AND SIGNED at Houston, Texas, on the 3rd day of December, 2002, in the presence of the undersigned competent witnesses and me, Notary Public, after a due reading of the whole

WITNESSES:




PRESTON L. MARSHALL

EXHIBIT A

STATE OF TEXAS

ACKNOWLEDGMENT

COUNTY OF HARRIS

BEFORE ME, a notary public in and for the aforementioned county and state, on this 31st day of December, 2002, personally appeared **PRESTON L. MARSHALL**, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed same for the uses, purposes, and considerations therein expressed as his free and voluntary act and deed.

Eyvonne Scurlock

NOTARY PUBLIC

My Commission Expires 3/17/03

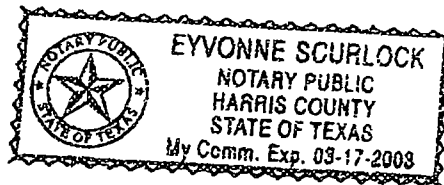


Exhibit B

ELAINE T. MARSHALL, : 14TH JUDICIAL DISTRICT COURT
INDIVIDUALLY AND AS CO- :
TRUSTEE OF THE MARSHALL :
LEGACY FOUNDATION AND : PARISH OF CALCASIEU
THE MARSHALL HERITAGE :
FOUNDATION, ET AL :
VS. NO. 2016-4081 DIV. B : STATE OF LOUISIANA
PRESTON L. MARSHALL :
FILED: OCT - 3 2016 :
DEPUTY CLERK OF COURT

CLERK OF COURT
OCT - 3 PM 2:11
J. Lynne Hardy

PETITION FOR RELEASE OF MANDATORY DISBURSEMENTS

NOW INTO COURT, through undersigned counsel, comes:

- a. ELAINE T. MARSHALL, a resident of Dallas County and appearing individually and as a Co-Trustee of the MARSHALL LEGACY FOUNDATION, a Louisiana private foundation created by order from the 14th JDC of the State of Louisiana; and as a Co-Trustee of The MARSHALL HERITAGE FOUNDATION, a Louisiana private foundation created by order of the 14th JDC of the State of Louisiana;
- b. PROFESSOR STEPHEN D. COOK, a resident of Jefferson Parish and appearing as a Co-Trustee of the MARSHALL LEGACY FOUNDATION, a Louisiana private foundation created by order of the 14th JDC of the State of Louisiana; and as a Co-Trustee of The MARSHALL HERITAGE FOUNDATION, a Louisiana private foundation created by order of the 14th JDC of the State of Louisiana;
- c. E. PIERCE MARSHALL, JR., a resident of Dallas County and appearing as a Co-Trustee of The MARSHALL HERITAGE FOUNDATION, a Louisiana private foundation created by order of the 14th JDC of the State of Louisiana,

who, appear herein and respectfully represent or plead the following:

- 1) Made defendant herein is Preston L. Marshall ("Defendant"), a resident of Harris County, Texas, who may be served via the Louisiana long-arm statute.
- 2) Eleanor Pierce Stevens settled the EPS/EPM Charitable Remainder Unitrust (the "Trust") on September 18, 2002 under the provisions of the Louisiana Trust Code generally and of Louisiana Revised Statutes Title 9, §§1951, 1952 and 2068 in particular.

Exhibit B

- 3) The Trust's governing instrument (the "Governing Instrument"), attached to this Petition as Exhibit "A", at Paragraph 9 provides that the laws of the State of Louisiana govern the Trust.
- 4) Pursuant to the Governing Instrument, Defendant was designated as the initial Trustee of the Trust.
- 5) Petitioner, Elaine T. Marshall, is the sole non-charitable beneficiary of the Trust.
- 6) The Governing Instrument designated the Marshall Museum & Library, a Louisiana charitable trust, as the principal beneficiary of the Trust entitled to receive the remaining corpus after Petitioner, Elaine T. Marshall, has received all distributions due her or her estate.
- 7) On June 4, 2007, the Marshall Museum & Library changed its name to the Marshall Heritage Foundation.
- 8) The Honorable Clayton Davis ordered on December 23, 2013 an equal division of the assets of the Marshall Heritage Foundation between two new Louisiana charitable trusts, The Marshall Heritage Foundation and the Marshall Legacy Foundation. The order forms Exhibit "B" to this petition and the matter was allotted to Division "E", the Honorable Judge David Ritchie, for further disposition.
- 9) The Honorable Judge Davis's order referenced above did not explicitly address the principal beneficial interest in the Trust, but Petitioners believe it made those two new Louisiana charitable trusts the principal beneficiaries of the Trust, entitling each to receive one half of the remaining corpus after Petitioner, Elaine T. Marshall, has received all distributions due her or her estate.
- 10) Defendant accepted the office of trustee and took possession of \$689,655 to be administered under the terms of the Governing Instrument pursuant to an Act of Acceptance dated December 31, 2002, attached to this Petition as Exhibit "C"

Exhibit B

- 11) The Governing Instrument names Professor Stephen D. Cook a resident of Jefferson Parish, Louisiana as successor trustee should Defendant cease to serve for any reason.
- 12) This Court is the proper court in which to bring this action as set forth in Louisiana Revised Statutes Title 9, §2235D and other provisions of the Louisiana Trust Code.
- 13) The Trust has the character of a split-interest charitable unitrust under the provisions of §§ 664(d)(2), 664(d) (3) and 4947(a)(2) of the Internal Revenue Code of 1986 (hereinafter "IRC").
- 14) The Governing Instrument complies with Louisiana Revised Statutes Title 9, §2283 by mandating at Paragraph 6 that "the trust shall not engage in any act of self-dealing (as defined in IRC §4941(d) that would subject the trust to tax under IRC §4941"; "the trust shall make distributions at such time and in such manner as not to subject the trust to tax under IRC §4942"; "the trust shall not make any investment in such manner that would subject the trust to tax under IRC §4944"; and "the trust shall not make any taxable expenditures (as defined in IRC §4945)."
- 15) Paragraph 2 of the Governing Instrument provides that Defendant must each year pay in quarterly installments to Petitioner, Elaine T. Marshall, 10.4% of the net fair market value of the Trust's assets as determined on January 1st of that year.
- 16) Department of Treasury Regulations §1.664-3(a)(1)(i)(g) provides that should the trustee of a charitable remainder unitrust fail to make the proper distribution to the non-charitable beneficiary within a reasonable time after the close of the trust's taxable year, the trust will have engaged in an act of self-dealing within the meaning of IRC §4941, to have unrelated debt-financed income within the meaning of IRC §514, and to have failed to function exclusively as a charitable remainder trust within the meaning of IRC §1.664-1(a)(4).

Exhibit B

- 17) Defendant paid the last quarterly installment of an annual distribution on or about October 9, 2014. At this time, Defendant, Preston Marshall, as Trustee, is delinquent in the payment of six (6) installments to Petitioner, Elaine T. Marshall.
- 18) Pursuant to IRC § 6034, Defendant is required to file with the Internal Revenue Service Department of the Treasury Form 5227, "Split Interest Information Return", on or before April 15th of each calendar year succeeding a calendar year in which the Trust is in existence and to provide Petitioner, Elaine T. Marshall, with a Form 1041, K-1.
- 19) Defendant has provided neither the Form 5227 nor K-1 with respect to calendar year 2015 to any of the Petitioners.
- 20) Department of Treasury Regulations §1.664-3(a)(1)(i)(k) provides that ordinarily a reasonable time cannot extend beyond the due date for the filing of Form 5227 as referenced above.
- 21) The distributions improperly withheld from the non-charitable beneficiary by Defendant and the income earned on those distributions constitute an involuntary other extension of credit from a disqualified person to The Trust as defined in IRC 4941(d)(1)(B) resulting in the Trust's liability for self-dealing excise taxes.
- 22) The income earned on the distributions wrongfully withheld from the non-charitable beneficiary by Defendant constitutes unrelated business taxable income as defined in IRC §512(a)(1) resulting in an excise tax equal to the entirety of that amount pursuant to IRC §664(c) as amended by the Tax Relief and Health Care Act of 2006, such tax being charged to the corpus of the Trust.
- 23) Defendant's failure to administer the Trust exclusively as a charitable remainder trust within the meaning of IRC §1.664-1(a)(4) has jeopardized the Trust's tax exempt status, exposing it to potential income taxes, interests and penalties.

Exhibit B

24) Defendant has failed to file with the Internal Revenue Service Form 4720, "Return of Certain Excise Taxes and Other Persons Under Chapters 41 and 42 of the Internal Revenue Code", exposing the Trust to other penalties and interest.

25) Defendant has not rendered to Petitioner, Elaine T. Marshall, the annual accountings due to her pursuant to Louisiana Revised Statutes Title 9, §2088, nor has he rendered accountings to the other Petitioners in accordance with the operation of Louisiana Revised Statutes Title 9, §2274.

26) Petitioners reasonably require the accountings referenced above to ascertain whether Defendant has exposed the Trust to the excise taxes arising from jeopardizing investments as defined in IRC §4944.

WHEREFORE, Petitioners pray for a judgment of this Court providing that:

A. Defendant immediately pay Petitioner, Elaine T. Marshall, all unitrust distributions improperly withheld together with the income attributable to such distributions;

B. Defendant render to each Petitioner a full and proper accounting for each year of the Trust's existence;

C. Defendant provide each Petitioner with a Form 5227, "Split Interest Information Return," for each year of the Trust's existence;

D. Defendant provide Petitioner, Elaine T. Marshall, with a Form 1041, K-1 with respect to every year of the Trust's existence;

E. Defendant file with the Internal Revenue Service Form 4720, "Return of Certain Excise Taxes and Other Persons Under Chapters 41 and 42 of the Internal Revenue Code" for each year Defendant wrongfully withheld distributions to the non-charitable beneficiary and remit first-tier self-dealing excise taxes in respect to those withheld distributions;

F. Defendant promptly reimburse the Trust for all self-dealing excise taxes;

G. Defendant file or amend all Trust tax returns with the Internal Revenue Service for years in which the Trust earned income on the withheld distributions to reflect the character of those earnings as unrelated business taxable income and pay the excise tax equal to the entirety of that income;

H. Defendant reimburse the Trust for excise tax on its unrelated business taxable income and all interest and penalties related to it;

Exhibit B

I. Defendant make filings on behalf of the Trust with the Louisiana Department of Revenue consistent with the aforementioned filings with the Internal Revenue Service and pay all taxes, interests and penalties associated with those filings;

J. Defendant reimburse the Trust for all taxes, interests and penalties paid to the Louisiana Department of Revenue by reason of the aforementioned filings;

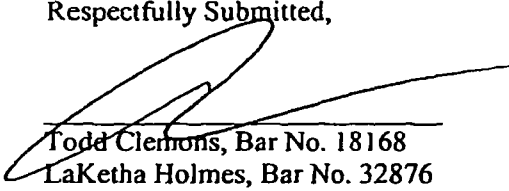
K. Defendant reimburse the Trust for the value of the lost tax exempt status of the Trust with respect both to Federal and Louisiana taxation;

L. Defendant reimburse the Trust for all legal and accounting fees which the trust may bear as a consequence of his withholding distributions to the non-charitable beneficiary and other acts of maladministration of the Trust;

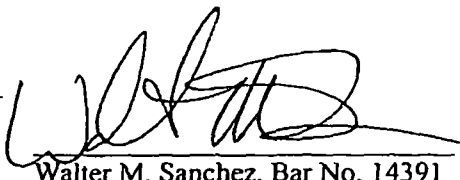
M. Defendant pay the reasonable costs of Petitioners in pursuing these claims;

N. A finding that Mrs. Elaine T. Marshall and Professor Stephen D. Cook, as Co-Trustees of the Marshall Legacy Foundation and Mrs. Elaine T. Marshall, Professor Stephen D. Cook, and E. Pierce Marshall, Jr. as Co-Trustees of The Marshall Heritage Foundation are the charitable beneficiaries of the Trust, entitling each one half of the corpus after all sums due to the unitrust beneficiary have been paid in accordance with the Governing Instrument.

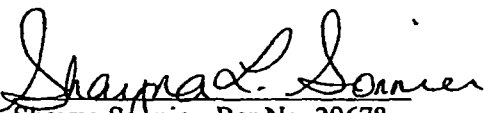
Respectfully Submitted,



Todd Clemons, Bar No. 18168
LaKetha Holmes, Bar No. 32876
Todd Clemons & Associates, APLC
1740 Ryan Street
Lake Charles, LA 70601
(337) 477-0000 Office
(337) 477-4580 Fax
Counsel for All Petitioners



Walter M. Sanchez, Bar No. 14391
The Sanchez Law Firm, L.L.C.
1200 Ryan Street
Lake Charles, LA 70601
(337) 433-4405 Office
(337) 433-4430 Fax
Counsel for All Petitioners



Shayna Sonnier, Bar No. 29678
Bradley J. Trevino, Bar No. 33694
Hunter, Hunter & Sonnier, L.L.C.
1807 Lake Street
Lake Charles, LA 70601
(337) 436-1600 Office
(337) 439-2505 Fax
*Counsel for Elaine T. Marshall,
Individually*

Exhibit B

SERVICE INSTRUCTIONS:

Please prepare for service upon

PRESTON L. MARSHALL

Via the Louisiana Long-Arm Statute

11100 Meadowick Drive

Houston, TX 77024-7503

Exhibit B

ELAINE T. MARSHALL, : 14TH JUDICIAL DISTRICT COURT
INDIVIDUALLY AND AS CO- :
TRUSTEE OF THE MARSHALL :
LEGACY FOUNDATION AND : PARISH OF CALCASIEU
THE MARSHALL HERITAGE :
FOUNDATION, ET AL :
STATE OF LOUISIANA

VS. NO. 2016-481 DIV. B

PRESTON L. MARSHALL

FILED. OCT - 3 2016

Shirley Lynne Hardy
DEPUTY CLERK OF COURT

STATE OF TEXAS :
COUNTY OF DALLAS : AFFIDAVIT

BEFORE ME, the undersigned Notary Public, personally came and appeared
Elaine T. Marshall, who after being first duly sworn did depose and say:

That she is a petitioner in the foregoing pleading; that she has reviewed all of
the allegations contained therein and that all of the information contained in the
foregoing pleading is true and correct to the best of her knowledge, information and
belief.

Elaine T. Marshall
Elaine T. Marshall

SWORN TO AND SUBSCRIBED before me this 28th day of September, 2016
2016, at the City of Dallas, County of Dallas, State of Texas.

Heather Garen
NOTARY PUBLIC

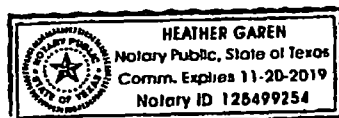


Exhibit B

ELAINE T. MARSHALL, : 14TH JUDICIAL DISTRICT COURT
INDIVIDUALLY AND AS CO- :
TRUSTEE OF THE MARSHALL :
LEGACY FOUNDATION AND : PARISH OF CALCASIEU
THE MARSHALL HERITAGE :
FOUNDATION, ET AL :
VS. NO. 2016-405 DIV. B :
PRESTON L. MARSHALL :
FILED: OCT - 3 2016 : Shirley H. Harty
DEPUTY CLERK OF COURT

STATE OF TEXAS :
COUNTY OF DALLAS : AFFIDAVIT

BEFORE ME, the undersigned Notary Public, personally came and appeared
E. Pierce Marshall, Jr., who after being first duly sworn did depose and say:

That he is a petitioner in the foregoing pleading; that he has reviewed all of
the allegations contained therein and that all of the information contained in the
foregoing pleading is true and correct to the best of his knowledge, information and
belief.

E. Pierce Marshall, Jr.
E. Pierce Marshall, Jr.

SWORN TO AND SUBSCRIBED before me this 28th day of September, 2016
2016, at the City of Dallas, County of Dallas, State of Texas.

Amy Elaine Carter
NOTARY PUBLIC

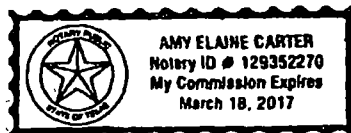


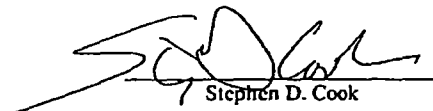
Exhibit B

ELAINE T. MARSHALL, : 14TH JUDICIAL DISTRICT COURT
INDIVIDUALLY AND AS CO- :
TRUSTEE OF THE MARSHALL :
LEGACY FOUNDATION AND : PARISH OF CALCASIEU
THE MARSHALL HERITAGE :
FOUNDATION, ET AL :
 : STATE OF LOUISIANA
VS. NO. 2016-468 DIV. :
PRESTON L. MARSHALL :
FILED: OCT - 3 2016 : Sharon Wayne Hasty
DEPUTY CLERK OF COURT

STATE OF LOUISIANA :
PARISH OF JEFFERSON : AFFIDAVIT

BEFORE ME, the undersigned Notary Public, personally came and appeared
Stephen D. Cook, who after being first duly sworn did depose and say:

That he is a petitioner in the foregoing pleading; that he has reviewed all of
the allegations contained therein and that all of the information contained in the
foregoing pleading is true and correct to the best of his knowledge, information and
belief.


Stephen D. Cook

SWORN TO AND SUBSCRIBED before me this 22 day of September,
2016, at the City of Metairie, Parish of Jefferson, State of Louisiana.


NOTARY PUBLIC

Kathleen P. Oldendorf
Notary Public #83772
Commission Expires at Death
Parish of Orleans, LA

Exhibit B

CHARITABLE REMAINDER UNITRUST

On this 18th day of September, 2002, I, Eleanor Pierce Stevens (Social Security No. 570-62-9297) hereinafter sometimes referred to as *the Donor*, a person of the full age of majority and a resident of 7831 Park Lane, Suite 347C, Dallas, Texas, desiring to establish a charitable remainder trust within the meaning of §5 of Rev. Proc. 90-31 and § 664(d)(2) and (3) of the Internal Revenue Code (hereinafter referred to as *the Code*) hereby create the EPS/EPM Charitable Remainder Unitrust (*the Trust*) and designate Preston L. Marshall as the initial trustee. Stephen D. Cook, Ph.D., shall serve as successor trustee should Preston L. Marshall cease or fail to serve as Trustee for any reason whatsoever.

1. FUNDING THE TRUST. The Donor transfers to the Trustee Six Hundred Eighty-nine Thousand Six Hundred Fifty-five and no/100 (\$689,655.00) Dollars to be held and administered in trust by the Trustee under the terms and conditions hereinafter set forth in this Trust instrument.

2. PAYMENT OF UNITRUST AMOUNT. In each taxable year of the trust, the Trustee shall pay to E. Pierce Marshall during his lifetime, and after his death, to Elaine T. Marshall (hereinafter referred to as *the Recipients*), for such time as she survives, an annuity (*unitrust amount*) equal to 10.40% percent of the net fair market value of the assets of the Trust valued as of the first day of each taxable year of the Trust (*the valuation date*). The unitrust amount shall be paid in equal quarterly installments. Any income of the Trust for a taxable year in excess of the unitrust amount shall be added to principal. If for any year the net fair market value of the Trust assets is incorrectly determined, then within a reasonable period after the value is finally determined for federal tax purposes, the Trustee shall pay to the Recipient (in the case of an undervaluation) or receive from the Recipient (in the case of an overvaluation) an amount equal to the difference between the unitrust amount properly payable and the unitrust amount actually paid.

3. PRORATION OF THE UNITRUST AMOUNT. In determining the unitrust amount, the Trustee shall prorate the same on a daily basis for a short taxable year and for the taxable year ending with the Recipient's death.

4. DISTRIBUTION TO CHARITY. Upon the death of the last surviving of the Recipients, the Trustee shall distribute all of the then principal and income of the Trust (other than any amount due the Recipient or the Recipient's estate under the provisions above) to the Marshall Museum & Library (hereinafter referred to as *the Charitable Organization*).



Page 1 of 4

OCT - 3 2016
FILED

Shirley L. H. H. H.
Deputy Clerk of Court
Calcasieu Parish, Louisiana

Exhibit B

If the Charitable Organization is not an organization described in §§ 170(C), 2055(A), or 2522(A) of the Code at the time when any principal or income of the Trust is to be distributed to it, then the Trustee shall distribute such principal or income to such one or more organizations described in §§ 170(C), 2055(A), or 2522(A) as the Trustee shall select in its sole discretion.

5. ADDITIONAL CONTRIBUTIONS. If any additional contributions are made to the Trust after the initial contribution, the unitrust amount for the year in which the additional contribution is made shall be equal to 10.40% of the sum of (a) the net fair market value of the Trust assets as of the valuation date (excluding the assets so added and any income from, or appreciation on, such assets) and (b) that proportion of the fair market value of the assets so added that was excluded under (a) that the number of days in the period that begins with the date of contribution and ends with the earlier of the last day of the taxable year or the day of the Recipient's death bears to the number of days in the period that begins on the first day of the taxable year and ends with the earlier of the last day of such taxable year or the day of the Recipient's death. In the case where there is no valuation date after the time of contribution, the assets so added shall be valued as of the time of contribution.

6. PROHIBITED TRANSACTIONS. Notwithstanding any provision of this trust instrument to the contrary, this trust shall be subject to the following provisions:

- (a) The trust shall not engage in any act of self-dealing (as defined in IRC §4941(d)) that would subject the trust to tax under IRC §4941.
- (b) The trust shall make distributions at such time and in such manner as not to subject the trust to tax under IRC §4942.
- (c) The trust shall not retain any excess business holdings (as defined in IRC §4943(c)) that would subject the trust to tax under IRC §4943.
- (d) The trust shall not make any investments in such manner that would subject the trust to tax under IRC §4944.
- (e) The trust shall not make any taxable expenditures (as defined in IRC §4945(d)) that would subject the trust to tax under IRC § 4945.

7. RESTRAINTS ON ALIENATION. The income interest in the Trust shall be held subject to the maximum spendthrift restraints permitted by Louisiana law.

Exhibit B

8. TAXABLE YEAR. The taxable year of the Trust shall be the calendar year.

9. GOVERNING LAW. The operation of the Trust shall be governed by the laws of the State of Louisiana. The Trustee, however, is prohibited from exercising any power or discretion granted under said laws that would be inconsistent with the qualification of the Trust under § 664(d)(2) and (3) of the Code and the corresponding regulations.

10. LIMITED POWER OF AMENDMENT. The Trust is irrevocable. The Trustee, however, shall have the power, acting alone, to amend the Trust in any manner required for the sole purpose of ensuring that the Trust qualifies and continues to qualify as a charitable remainder trust within the meaning of § 664(d)(2) and (3) of the Code.

11. INVESTMENT OF TRUST ASSETS. Nothing in this Trust instrument shall be construed to restrict the Trustee from investing the Trust assets in a manner that could result in the annual realization of a reasonable amount of income or gain from the sale or disposition of Trust assets.

IN WITNESS WHEREOF, Eleanor Pierce Steven has signed this instrument on the day and year first above written

Witnesses:

Amelia Kelly

R. J. Villan

Eleanor Pierce Stevens
ELEANOR PIERCE STEVENS

Exhibit B

STATE OF TEXAS

COUNTY OF DALLAS

ACKNOWLEDGMENT

BEFORE ME, a notary public in and for the aforementioned county and state, on this 18th day of September, 2002, personally appeared **ELEANOR PIERCE STEVENS**, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that she executed same for the uses, purposes, and considerations therein expressed as her free and voluntary act and deed.

Janice S. Moore
NOTARY PUBLIC
My Commission Expires _____



Exhibit B

IN RE: : 14TH JUDICIAL DISTRICT COURT
NO. 2013-5595 DIVE : PARISH OF CALCASIEU
EPM TESTAMENTARY LEAD
TRUST, PEROXISOME TRUST,
and MARSHALL HERITAGE : STATE OF LOUISIANA
FOUNDATION
FILED: DEC 23 2013 : Carole B. LeBlanc
DEPUTY CLERK OF COURT

ORDER

Considering the forgoing Petition to Re-Situs Trust, Divide Trusts, and Divide Foundation:

IT IS HEREBY ORDERED that the EPM Testamentary Lead Trust is immediately deemed to have been re-sitused as a Louisiana Trust upon execution of same by Elaine T. Marshall, Trustee;

IT IS FURTHER ORDERED that the EPM Testamentary Lead Trust is divided equally into two new trusts upon execution of same by Elaine T. Marshall, Trustee;

IT IS FURTHER ORDERED that the Peroxisome Trust is divided equally into two new trusts upon execution and agreement of same by a majority of the Trustees; and

IT IS FURTHER ORDERED that the Marshall Heritage Foundation is divided equally into two new foundations upon execution and agreement of same by a majority of the Trustees

THUS DONE AND SIGNED, at Lake Charles, Louisiana, on this 23rd day of December, 2013.

S. Clayton Davis
14TH JUDICIAL DISTRICT COURT JUDGE



Exhibit B

STATE OF TEXAS

COUNTY OF HARRIS

:
:
:

ACT OF ACCEPTANCE

BEFORE ME, the undersigned Notary Public duly commissioned and qualified, and acting in and for the aforementioned county and state, and in the presence of the undersigned competent witnesses, personally appeared **PRESTON L. MARSHALL**, a person of the full age of majority and a resident of Harris County, whose mailing address is 11100 Meadowick, Houston, Texas 77024, who upon being duly sworn, declared that he accepts the appointment as trustee of the EPS/EPM Charitable Remainder Trust created by Eleanor Pierce Stevens on September 18, 2002, and agrees to be bound by the terms, conditions, and provisions set forth in the trust agreement and acknowledges receipt of the property described therein.

THUS DONE AND SIGNED at Houston, Texas, on the 3rd day of December, 2002, in the presence of the undersigned competent witnesses and me, Notary Public, after a due reading of the whole.

WITNESSES:

E. P. Marshall

PRESTON L. MARSHALL

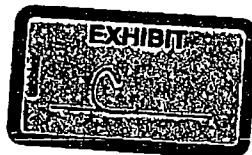


Exhibit B

STATE OF TEXAS

ACKNOWLEDGMENT

COUNTY OF HARRIS

BEFORE ME, a notary public in and for the aforementioned county and state, on this 31st day of December, 2002, personally appeared **PRESTON L. MARSHALL**, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed same for the uses, purposes, and considerations therein expressed as his free and voluntary act and deed.

Eyvonne Scurlock

NOTARY PUBLIC

My Commission Expires 3/17/03

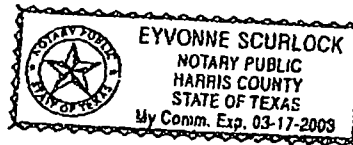


Exhibit C

POSTED

SEP 05 2017

ELAINE T. MARSHALL, INDIVIDUALLY
AND AS CO-TRUSTEE OF THE
MARSHALL LEGACY FOUNDATION AND
THE MARSHALL HERITAGE
FOUNDATION, ET AL

NO. C-656,183 SECTION 23
19TH JUDICIAL DISTRICT COURT
PARISH OF EAST BATON ROUGE

VS

STATE OF LOUISIANA

COST OK \$ 31⁰⁰

PRESTON L. MARSHALL

SEP -1 2017
CH 10560A
DEPUTY CLERK OF COURT

JUDGMENT

On August 17, 2017, this matter came before the Court for hearing on
Petitioners' Motion for Preliminary Injunction, Petitioners' Motion to Remove
Trustee, and Defendant's Motion *in Limine*.

Present in Court were: Michael Reese Davis and Richard A. Sherburne, Jr.,
as counsel for Elaine T. Marshall ("Mrs. Marshall"), individually and as Co-Trustee
of Marshall Legacy Foundation ("MLF") and The Marshall Heritage Foundation
("MHF"); Mary Olive Pierson, as counsel for Dr. Stephen D. Cook, as Co-Trustee
of MLF and MHF, and E. Pierce Marshall, Jr., as Co-Trustee of MHF; and Kirk A.
Patrick, Hunter W. Lundy, Daniel A. Kramer, and Jeff Chambers, as counsel for
Preston L. Marshall.

The Court, having considered the pleadings, evidence, memoranda, and
arguments of counsel, and for the reasons given orally in Open Court renders
judgment as follows:

IT IS ORDERED, ADJUDGED AND DECREED that the foregoing
Motion *in Limine* is **GRANTED**.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
Petitioners' Motion for Preliminary Injunction is **GRANTED IN PART AND
DENIED IN PART** as follows: (1) the Motion is **GRANTED** regarding accountings
and Preston L. Marshall is hereby enjoined from withholding accountings of the EPS\EPM
Charitable Remainder Unitrust ("the CRUT") and is ordered to immediately render clear
and accurate accountings of the CRUT; (2) the Motion is **GRANTED** regarding
distributions and Preston L. Marshall is hereby enjoined from withholding distributions
from the CRUT to Mrs. Marshall and is ordered to make all distributions due from the
CRUT to Mrs. Marshall, to the extent that the distributions he made on or about August
10, 2017 did not fulfill this obligation; and (3) the Motion is **DENIED** as to the request to

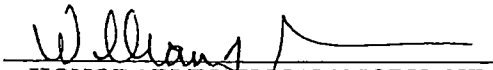
EBR4311329

Exhibit C

enjoin Preston L. Marshall from using any property of the CRUT to pay for attorney's fees and other costs of this action.

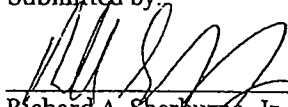
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Petitioner's Motion to Remove Preston as Trustee is **DENIED**.

JUGMENT READ AND SIGNED, this 19 day of September, 2017, in Baton Rouge, Louisiana.


HONORABLE WILLIAM MORVANT
19th Judicial District Court Judge – Section 23

I HEREBY CERTIFY THAT ON THIS DAY A COPY OF
THE WRITTEN REASONS FOR JUDGMENT /
JUDGMENT ORDER / WAS MAILED BY ME, WITH
SUFFICIENT POSTAGE AFFIXED TO Richard Allen Sherburne, Jr.
DONE AND SIGNED ON September 20, 2017 Mary Olive Person,
Jeffrey A. Shaffert, Michael Reese Davis,
Kirk Albert Patrick, III, Tim P. Hartdegen,
Grant T. Herrem, Daniel A. Kramer,
Jeffrey Chambers, & Bradley Hancock,
Hunter W. Hundt

Submitted by:


Richard A. Sherburne, Jr. (#02106)
Hymel Davis & Petersen, L.L.C.
10602 Coursey Blvd.
Baton Rouge, LA 70817

Counsel for Elaine T. Marshall ("Mrs. Marshall"), individually and as Co-Trustee of Marshall Legacy Foundation ("MLF") and The Marshall Heritage Foundation ("MHF")

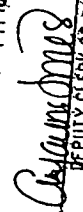
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EAST BATON ROUGE PARISH, LA
2017 SEP -1 PM 12:48

DEPUTY CLERK OF COURT

Exhibit C

ELAINE T. MARSHALL,
INDIVIDUALLY AND AS CO-
TRUSTEE OF THE MARSHALL
LEGACY FOUNDATION AND THE
MARSHALL HERITAGE
FOUNDATION, ET AL

NO. C-656,183 SECTION 23
19TH JUDICIAL DISTRICT COURT
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

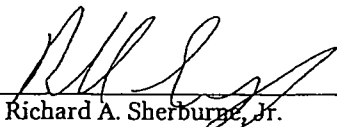
VS

PRESTON L. MARSHALL

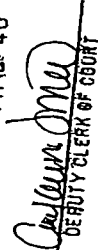
RULE 9.5 CERTIFICATE

I hereby certify that on August 23, 2017, the proposed judgment was circulated to all counsel via email pursuant to Rule 9.5 of the Uniform Rules for Louisiana District Courts. On August 24th, counsel for Preston Marshall indicated he desired some minor changes. As of this date, he has not provided those for our consideration. More than five working days elapsed between the day of circulation and the date of submission.

Baton Rouge, Louisiana, this 1 day of Sept 2017.


Richard A. Sherburne, Jr.

EBR4311330

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DEPUTY CLERK OF COURT

RECEIVED
SEP 05 2017
SECTION XXIII

Exhibit C

19TH JUDICIAL DISTRICT COURT
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

RECEIVED
SEP 21 2017
By: _____

19-SEP-2017

TO: MICHAEL REESE DAVIS
HYMEL DAVIS & PETERSEN
10602 COURSEY BLVD
BATON ROUGE, LA 70816

ELAINE T MARSHALL VS PRESTON MARSHALL

CASE NUMBER: C656183

JUDGE: WILLIAM A. MORVANT

DIVISION: SECTION 23

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING ACTION FOR THE

AFOREMENTIONED CASE: THE COURT ENCLOSES A COPY OF THE JUDGMENT
RENDERED IN OPEN COURT ON AUGUST 17, 2017 AND SIGNED SEPTEMBER 19,
2017.

TERRY SHAFFETT
JUDICIAL ASSISTANT TO JUDGE
WILLIAM A. MORVANT

NOTIFIED:
ATY - RICHARD ALLEN SHERBURNE JR
ATY - MARY OLIVE PIERSON
ATY - MICHAEL REESE DAVIS
ATY - KIRK ALBERT PATRICK III
ATY - TIM P HARTDEGEN
ATY - GRANT T HERRIN
ATY - DANIEL A KRAMER
ATY - JEFFREY CHAMBERS
ATY - L BRADLEY HANCOCK
ATY - HUNTER W. LUNDY

Exhibit D

THE PEROXISOME TRUST

On this 19th day of August, 2011, I, Elaine T. Marshall (hereinafter "the Donor"), desiring to establish a nongrantor charitable lead annuity trust within the meaning of Rev. Proc. 2007-45, hereby enter into this trust agreement with E. Pierce Marshall, Jr. and Preston L. Marshall as the initial Co-Trustees (hereinafter collectively referred to as "the Trustee"). This trust shall be known as The Peroxisome Trust. All references to "section" or "§" in this instrument shall refer to the Internal Revenue Code of 1986, 26 U.S.C. § 1, et seq.

1. Funding of Trust. Effective on the 31st day of August, 2011, the Donor transfers and irrevocably assigns to the Trustee all right, title and interest in 1,000 membership units of Peroxisome, LLC, a limited liability company organized under the laws of the Island of Nevis, constituting all of my interest as sole member of Peroxisome, LLC, having a value of One Hundred Million Dollars (\$100,000,000), and the Trustee accepts the property and agrees to hold, manage, and distribute the property under the terms set forth in this trust instrument.

2. Payment of Annuity Amount. In each taxable year of the trust during the annuity period, the Trustee shall pay to the Marshall Heritage Foundation an annuity amount equal to 6.647126% of the initial net fair market value of all property transferred to the trust, valued as of the date of the transfer. If the Marshall Heritage Foundation is not an organization described in §§ 170(c), 2055(a), and 2522(a) at the time any payment is to be made to it, the Trustee shall instead distribute such payments to one or more organizations described in §§ 170(c), 2055(a), and 2522(a) as the Trustee shall select, and in such proportions as the Trustee shall decide, from time to time, in the Trustee's sole discretion. The term "the Charitable Organization" shall be used herein to refer collectively to the organization(s) then constituting the charitable recipient, whether named in this paragraph or subsequently selected as the substitute charitable recipient. During the trust term, no payment shall be made to any person other than the Charitable Organization. The annuity period is a term of twenty (20) years. The first day of the annuity period shall be the date the property is transferred to the trust, and the last day of the annuity period shall be the day preceding the twentieth (20th) anniversary of that date. The annuity amount shall be paid in equal quarterly installments at the end of each calendar quarter from income and, to the extent income is not sufficient, from principal. The first installment shall be due on September 30, 2011, with other quarterly installments due on December 31st, March 31st, June 30th and September 30th of each year. Any income of the trust for a taxable year in excess of the annuity amount shall be added to principal. If the initial net fair market value of the trust assets is incorrectly determined, then within a reasonable period after the value is finally determined for federal tax purposes, the Trustee shall pay to the Charitable Organization (in the case of an undervaluation) or receive from the Charitable Organization (in the case of an overvaluation) an amount equal to the difference between the annuity amount(s) properly payable and the annuity amount(s) actually paid.

Exhibit D

3. **Proration of Annuity Amount.** The Trustee shall prorate the annuity amount on a daily basis for any short taxable year. In the taxable year in which the annuity period ends, the Trustee shall prorate the annuity amount on a daily basis for the number of days of the annuity period in that taxable year.
4. **Distribution Upon Termination of Annuity Period.** At the termination of the annuity period, the Trustee shall distribute all of the then principal and income of the trust (other than any amount due to the Charitable Organization under the provisions above) to Preston L. Marshall and E. Pierce Marshall, Jr. in equal proportions.
5. **Additional Contributions.** No additional contributions shall be made to the trust after the initial contribution.
6. **Prohibited Transactions.** The Trustee shall not engage in any act of self-dealing within the meaning of § 4941(d), as modified by § 4947(a)(2), and shall not make any taxable expenditures within the meaning of § 4945(d), as modified by § 4947(a)(2). The Trustee shall not retain any excess business holdings that would subject the trust to tax under § 4943, as modified by §§ 4947(a)(2) and 4947(b)(3). In addition, the Trustee shall not acquire any assets that would subject the trust to tax under § 4944, as modified by §§ 4947(a)(2) and 4947(b)(3), or retain assets which, if acquired by the Trustee, would subject the Trustee to tax under § 4944, as modified by §§ 4947(a)(2) and 4947(b)(3).
7. **Taxable Year.** The taxable year of the trust shall be the calendar year.
8. **Governing Law.** The operation of the trust shall be governed by the laws of the State of Louisiana. The Trust shall be situated in Calcasieu Parish, Louisiana, with its principal office located at 1807 Lake Street, Lake Charles, Louisiana. However, the Trustee is prohibited from exercising any power or discretion granted under said laws that would be inconsistent with the requirements for the charitable deductions available to a charitable lead annuity trust or for contributions to a charitable lead annuity trust.
9. **Limited Power of Amendment.** This trust is irrevocable. However, the Trustee shall have the power, acting alone, to amend the trust from time to time in any manner required for the sole purpose of ensuring that the annuity interest passing to the Charitable Organization is a guaranteed annuity interest under §§ 2055(e)(2)(B) and 2522(c)(2)(B) and the regulations thereunder and that payments of the annuity amount to the Charitable Organization will be deductible from the gross income of the trust to the extent provided by § 642(c)(1) and the regulations thereunder.
10. **Investment of Trust Assets.** Except as provided in paragraph 6 herein, nothing in this trust instrument shall be construed to restrict the Trustee from investing the trust assets in a manner that could result in the annual realization of a reasonable amount of income or gain from the sale or disposition of trust assets.

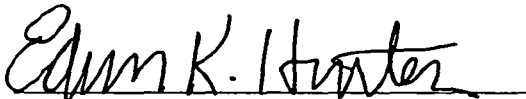
Exhibit D

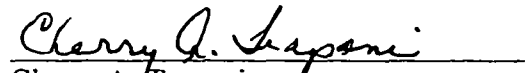
11. Retained Powers and Interests. Notwithstanding any other provision of this trust instrument to the contrary, no person shall hold any power or possess any interest that would cause the Donor to be treated as the owner of any portion of the trust under the provisions of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code.

12. Counterparts. This instrument may be signed in multiple counterparts with the same effect as if all signing parties had signed the same document. All such counterparts shall be construed together and constitute the same instrument.


In witness whereof, Elaine T. Marshall, Donor, and Marshall Heritage Foundation, Trustee, have signed this trust agreement on the date first written herein.

Witnesses:


Edwin K. Hunter


Cherry A. Trapani


ELAINE T. MARSHALL, Donor


E. Pierce Marshall, Jr., Co-Trustee



Preston L. Marshall, Co-Trustee

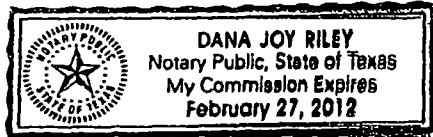
Exhibit D

STATE OF TEXAS

ACKNOWLEDGMENT

COUNTY OF DALLAS

BEFORE ME, a notary public in and for the aforementioned county and state, on this 19th day of August, 2011, personally appeared **Elaine T. Marshall**, Donor, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that she executed same for the uses, purposes, and considerations therein expressed as her free and voluntary act and deed.



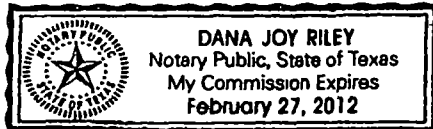
Dana Joy Riley
Notary Public

STATE OF TEXAS

ACKNOWLEDGMENT

COUNTY OF DALLAS

BEFORE ME, a notary public in and for the aforementioned county and state, on this 19th day of August, 2011, personally appeared **E. Pierce Marshall, Jr.**, appearing in his capacity as Co-Trustee of The Peroxisome Trust, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed same on behalf of the Foundation for the uses, purposes, and considerations therein expressed as the free and voluntary act and deed of the trust.



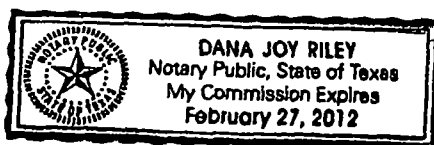
Dana Joy Riley
Notary Public

STATE OF TEXAS

ACKNOWLEDGMENT

COUNTY OF DALLAS

BEFORE ME, a notary public in and for the aforementioned county and state, on this 19th day of August, 2011, personally appeared **Preston L. Marshall**, appearing in his capacity as Co-Trustee of The Peroxisome Trust, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed same on behalf of the Foundation for the uses, purposes, and considerations therein expressed as the free and voluntary act and deed of the trust.



Dana Joy Riley
Notary Public

Exhibit E

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

STEPHEN D. COOK

CIVIL ACTION

VERSUS

NO. 17-5368

PRESTON L. MARSHALL

SECTION: L (1)

J U D G M E N T

Considering the Court's Order & Reasons entered herein on February 25, 2019,
accordingly:

IT IS ORDERED, ADJUDGED AND DECREED that there be judgment in favor of plaintiff, Dr. Stephen D. Cook, and against defendant, Preston L. Marshall. IT IS FURTHER ORDERED that Marshall be declared as co-trustee of the Peroxisome Trust and is obligated to assure the distribution of the funds owed to The Marshall Heritage Foundation ("TMHF") as a beneficiary. IT IS FURTHER ORDERED that Marshall's failure to distribute the annuity payments from the Peroxisome Trust to TMHF constitutes a breach of trust and a breach of his fiduciary duties. IT IS FURTHER ORDERED that Marshall is directed in the future, for the term of the Peroxisome Trust, to effect required future distributions from the Peroxisome Trust to TMHF. In the event Preston refuses to comply with the judgment of the Court, Dr. Cook requests that the Court, in accordance with Rule 70 of the Federal Rules of Civil Procedure, authorize a third party (*e.g.*, Clerk of Court) to execute the necessary documents to effect the distribution.

New Orleans, Louisiana, this 25th day of February, 2019.



**ELDON E. FALLON
UNITED STATES DISTRICT JUDGE**

Exhibit F

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

STEPHEN D. COOK

*

CIVIL ACTION

*

VERSUS

*

No. 17-5368

*

PRESTON L. MARSHALL

*

SECTION "L" (3)

ORDER AND REASONS

Before the Court are cross motions for summary judgment. Having considered the parties' briefs and the applicable law, the Court now issues this Order and Reasons.

I. BACKGROUND

Plaintiff Dr. Stephen Cook ("Dr. Cook") brings this action in his capacity as trustee of The Marshall Heritage Foundation ("TMHF") against Preston Marshall in his capacity as trustee of the Peroxisome Trust, to recover sums that The Peroxisome Trust allegedly owes TMHF as its beneficiary.

The Peroxisome Trust is a Louisiana Nongrantor Lead Annuity Trust with two co-trustees: Preston Marshall ("Preston") and Pierce Marshall ("Pierce"). Originally, the Peroxisome Trust had one sole beneficiary: the "Marshall Heritage Foundation." The instrument creating the Peroxisome Trust requires the trustee to pay the Marshall Heritage Foundation an annuity amount equal to 6.647126% of the initial net fair market value of all property transferred to the trust, in quarterly installments for twenty years.

In December 2013, the original Marshall Heritage Foundation was split into two separate trusts – TMHF and the Marshall Legacy Foundation. Dr. Cook contends that, as a result of the 2013 split, the Peroxisome Trust became obligated to pay half the total original annuity amount (3.323563%) to TMHF and the other half to the Marshall Legacy Foundation (the Marshall Legacy

Exhibit F

Foundation is not involved in this suit). Since June 2016, Preston has refused to execute the documents required to effect the quarterly payments by the Peroxisome Trust to TMHF. Accordingly, Dr. Cook brings this action to enforce the Peroxisome Trust's obligation to its alleged beneficiary, TMHF. In response, Preston argues that (i) TMHF is not a beneficiary of the Peroxisome Trust, and (ii) Dr. Cook lacks standing to bring this suit because he is not a valid trustee of TMHF.

II. PRESENT MOTIONS

Dr. Cook moves for summary judgment (i) declaring that Preston, as co-trustee of the Peroxisome Trust, is obligated to assure the distribution of funds owed to TMHF as a beneficiary; (ii) declaring that Preston's failure to distribute the annuity payments from the Peroxisome Trust to TMHF constitutes a breach of trust and a breach of his fiduciary duties; and (iii) directing Preston in the future, for the term of the Peroxisome Trust, to effect required distributions from the Peroxisome Trust to TMHF.

Dr. Cook argues that Preston has violated his duties under the Louisiana Trust Code and under the instrument creating the Peroxisome Trust by failing to execute the documents necessary to effect the quarterly payments by the Peroxisome Trust to TMHF. Preston, however, argues that he has not breached the trust or his duties because (1) TMHF is not a beneficiary of the Peroxisome Trust; (2) his actions are justified by potential adverse federal tax consequences; and (3) Dr. Cook is not a valid co-trustee of TMHF and he therefore lacks standing to bring this lawsuit.

III. LAW AND ANALYSIS

Summary judgment is proper "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." *Celotex*

Exhibit F

Corp. v. Catrett, 477 U.S. 317, 322 (1986) (citing Fed. R. Civ. P. 56(c)). “Rule 56(c) mandates the entry of summary judgment, after adequate time for discovery and upon motion, against a party who fails to make a showing sufficient to establish the existence of an element essential to that party’s case, and on which the party will bear the burden of proof at trial.” *Id.* A party moving for summary judgment bears the initial burden of demonstrating the basis for summary judgment and identifying those portions of the record, discovery, and any affidavits supporting the conclusion that there is no genuine issue of material fact. *Id.* at 323. If the moving party meets that burden, then the nonmoving party must use evidence cognizable under Rule 56 to demonstrate the existence of a genuine issue of material fact. *Id.* at 324.

A genuine issue of material fact exists if a reasonable jury could return a verdict for the nonmoving party. See *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1996). “[U]nsubstantiated assertions,” “conclusory allegations,” and merely colorable factual bases are insufficient to defeat a motion for summary judgment. See *Hopper v. Frank*, 16 F.3d 92, 97 (5th Cir. 1994); *Anderson*, 477 U.S. at 249-50. In ruling on a summary judgment motion, a court may not resolve credibility issues or weigh evidence. See *Int’l Shortstop, Inc. v. Rally’s Inc.*, 939 F.2d 1257, 1263 (5th Cir. 1991). Furthermore, a court must assess the evidence, review the facts and draw any appropriate inferences based on the evidence in the light most favorable to the party opposing summary judgment. See *Daniels v. City of Arlington, Tex.*, 246 F.3d 500, 502 (5th Cir. 2001); *Reid v. State Farm Mut. Auto. Ins. Co.*, 784 F.2d 577, 578 (5th Cir. 1986).

Preston offers three arguments: (1) Dr. Cook lacks standing, (2) TMHF is not a beneficiary of the Peroxisome Trust, and (3) his refusal to effect distributions are justified by potential adverse federal tax consequences. The Court will address each in turn.

I.

Exhibit F

Preston argues that Dr. Cook lacks standing to bring this lawsuit because he is not a proper co-trustee of the plaintiff-in-interest, TMHF. Article V of the original Marshall Heritage Foundation, written on September 5, 1997, appointed Dr. Cook as a trustee of the original Marshall Heritage Foundation for a limited term:

Upon the resignation of E. Pierce Marshall as trustee, Dr. Stephen D. Cook ... shall serve as sole trustee until the occurrence of: (1) a period of *one year* from the date of execution of these Amended and Restated articles, (2) the final termination of the matter entitled and numbered "Estate of J. Howard Marshall, II, Deceased, No. 276,815, In the Probate Court Number Three (3) of Harris County, Texas" or (3) Dr. Cook's resignation, *whichever occurs first*.

R. Doc. 11-4 at 11 (emphasis added).

Article VI provided:

These articles may be amended from time to time by the trustee, whenever the trustee believes it is necessary or advisable to enable the trustee to carry out the purpose of the Foundation more effectively. Every amendment shall be in writing and shall be signed by the trustee. *No such amendment shall, however, vary the provisions of articles V, IX, and X except where required to preserve the tax-exempt status of the Foundation.*

Id. (emphasis added).

Preston argues that (1) Article V stated that Dr. Cook could serve as a trustee until September of 1998, at the latest, (2) Article VI stated that Article V could not be amended, and (3) these articles carried over into TMHF and the Marshall Legacy Foundation when the original Marshall Heritage Foundation was divided. Accordingly, Preston contends that Dr. Cook is not a valid co-trustee of TMHF.

However, before the original Marshall Heritage Foundation was divided, Elaine, Pierce, and Preston himself signed a resolution reflecting their intention for Dr. Cook to serve as a trustee of TMHF:

BE IT RESOLVED, that the [original Marshall Heritage Foundation's] existing

Exhibit F

articles (with the exception of initial trustees) carry over to the new foundations and specifically, the existing successor trustee plan developed by Elaine T. Marshall shall remain in force.

BE IT RESOLVED, that Elaine T. Marshall, Dr. Stephen D. Cook and E. Pierce Marshall, Jr. shall serve as Trustees of the new Marshall Heritage Foundation [TMHF], with Elaine T. Marshall serving as Chairman of the Board of Trustees and President.

R. Doc. 62-2 at 6.

Furthermore, Dr. Cook was named as a co-trustee in the governing articles of TMHF. R. Doc. 62-3 at 2. The co-trustees of the original Marshall Heritage Foundation understood – and TMHF’s governing articles reflect – that Dr. Cook would be a co-trustee of TMHF. Even if he was no longer a co-trustee of the original Marshall Heritage Foundation, he was properly made a co-trustee of TMHF and has standing to bring this suit in that capacity.

II.

Preston initially argued that TMHF is not a beneficiary of the Peroxisome Trust because it was not “in being and ascertainable” when the Peroxisome Trust was created, as required by Section 1803 of the Louisiana Trust Code:

A beneficiary must be in being and ascertainable on the date of the creation of the trust, *except as otherwise provided in this Code*. An unborn child is deemed a person in being and ascertainable, if he is born alive.

LA. REV. STAT. § 9:1803 (emphasis added).

This section, however, does not apply to the Peroxisome Trust. *See* LA. REV. STAT. § 9:1803, cmt. (b) (“The exceptions referred to in this section” include “class trusts, trusts for employees, and trusts for mixed private and charitable purposes”). The Peroxisome Trust is a mixed purpose trust under Louisiana law – “one that has both private and charitable purposes and beneficiaries.” LA. REV. STAT. § 9:1951. The Louisiana Trust Code articles applicable to the charitable portion of the Peroxisome Trust do not include a requirement that the beneficiary be in

Exhibit F

being and ascertainable at the time of its creation. *See* LA. REV. STAT. § 9:2271. The fact that TMHF was not “in being and ascertainable” when the Peroxisome Trust was created thus does not preclude it from being a beneficiary.

i.

The Peroxisome Trust instrument designates the original Marshall Heritage Foundation as its sole beneficiary and requires that “[i]n each taxable year of the trust during the annuity period, the Trustee shall pay to the [original] Marshall Heritage Foundation an annuity amount equal to 6.647126% of the fair market value of all property transferred to the trust, valued as of the date of the transfer.” R. Doc. 1-2. It also states that if the original Marshall Heritage Foundation ceases to be “an organization defined in §§ 170(c), 2055(a), and 2522(a)” of the Internal Revenue Code at any time payment is to be made to it, the “Trustee,” defined as both Preston and Piercē, who must act in unity,¹ must instead agree to distribute some or all of the payment to one or more qualified entity. This gives Preston and Pierce, jointly, the right to select a successor charitable organization(s) to receive some or all of the payments if the original Marshall Heritage Foundation should cease to exist:

Payment of Annuity Amount. In each taxable year of the trust during the annuity period, the Trustee shall pay to the [original] Marshall Heritage Foundation an annuity amount equal to 6.647126% of the initial net fair market value of all property transferred to the trust, valued as of the date of the transfer. If the [original] Marshall Heritage Foundation is not an organization defined in §§ 170(c), 2055(a), and 2522(a) at the time any payment is to be made to it, the Trustee shall instead distribute such payments to one or more organizations described in §§ 170(c), 2055(a), and 2522(a) as the Trustee shall select, and in such proportions as the Trustee shall decide, from time to time, in the Trustee’s sole discretion.

R. Doc. 1-2.

¹ LA. REV. STAT. § 9:2113 (“If there are two trustees, the powers conferred upon them shall be exercised only by both of them, unless it is otherwise provided in the trust instrument or by order of the proper court.”); Dr. Cook’s Response to Preston’s Statement of Uncontested Fact No. 4, R. Doc. 124-1 (“Unanimity is required in accordance with and subject to the provisions of the applicable Louisiana law.”).

Exhibit F

The Peroxisome Trust instrument has never been amended to designate TMHF – or any entity other than the original Marshall Heritage Foundation – as its beneficiary. Because it is undisputed that the original Marshall Heritage Foundation no longer exists, Preston argues that TMHF is not entitled to distributions from the Peroxisome Trust absent agreement of both trustees.

Dr. Cook does not dispute the fact that the entity designated as the beneficiary of the Peroxisome Trust, the original Marshall Heritage Foundation, no longer exists. He argues, though, that TMHF and the Marshall Legacy Foundation succeeded to the beneficial interest of the original Marshall Heritage Foundation when it was divided, as permitted by Section 2030 of the Louisiana Trust Code, and no amendment to the Peroxisome Trust instrument was needed.

ii.

The Louisiana Trust Code allows a trustee to divide or “decant” a trust into two separate trusts if the beneficiaries and purpose of the trust are not adversely affected:

A trustee may combine two or more trusts into one trust, or divide a trust into two or more trusts, on written notice to all beneficiaries having a current interest in the trust or trusts, if the combination or division does not impair the rights of any beneficiary or adversely affect the accomplishment of the purposes of the trust or trusts. The division of a trust shall be based on the fair market value of the assets of the trust on the effective date of the division and need not result in a uniform interest in each asset. After the division, discretionary distributions need not be made uniformly from each of the separate trusts. A trust instrument may modify these rules, either to expand or to restrict the trustee’s authority to combine or divide a trust.

LA. REV. STAT. § 9:2030.

Court approval to divide is not required, but “[p]rudence may dictate” that it be sought and obtained. *See Unif. Trust Code* § 417. In December 2013, the co-trustees of the original Marshall Heritage Foundation agreed to divide the original Marshall Heritage Foundation equally into two trusts: TMHF, to be administered by Pierce, and the Marshall Legacy Foundation, to be administered by Preston. They passed the following resolutions:

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BE IT RESOLVED, that the [original Marshall Heritage Foundation] be decanted into two new foundations, and that Edwin K. Hunter petition the 14th Judicial District Court for Calcasieu Parish, Louisiana, for approval of the decanting.

BE IT RESOLVED, that the [original Marshall Heritage Foundation] divide and distribute its assets and obligations, including the excess distribution carryover reflected on the [original Marshall Heritage Foundation]'s Form 990PF, one-half (1/2) to [TMHF] and one-half (1/2) to the Marshall Legacy Foundation.

R. Doc. 62-2.

Elaine Marshall filed a petition to obtain court approval to divide the original Marshall Heritage Foundation, the EPM Testamentary Lead Trust, and the Peroxisome Trust in the 14th Judicial District Court for the Parish of Calcasieu:

1.

Elaine T. Marshall, Trustee of the EPM Testamentary Lead Trust, hereby seeks authority to re-situs the Trust as a Louisiana Trust. Following this event, with the authority granted herein, she will transfer the complete corpus of the Trust into two new trusts.

2.

Elaine T. Marshall, Donor, E. Pierce Marshall, Jr. and Preston L. Marshall, Co-Trustees of the Peroxisome Trust, a Louisiana Trust, **would like to transfer the entire corpus of the Peroxisome Trust into two new trusts.**

3.

Elaine T. Marshall, Dr. Stephen D. Cook, E. Pierce Marshall, Jr. and Preston L. Marshall, Co-Trustees of the [original Marshall Heritage Foundation] **hereby seek authority to pay over all of the assets and beneficiary interests of [the original Marshall Heritage Foundation] into two new foundations.**

4.

With the authority granted herein, the two new foundations would divide in equal parts the assets of the [original Marshall Heritage Foundation]. Each of the two new foundations would **receive the beneficiary interests of one of the two divided trusts of both the divided EPM Testamentary Lead Trust and the divided Peroxisome Trust.**

R. Doc. 5-2 (emphasis added).

The petition stated that the parties wanted to divide the original Marshall Heritage

Exhibit F

Foundation, the Peroxisome Trust, and the EPM Testamentary Lead Trust. TMHF and the Marshall Legacy Foundation were to “receive the beneficiary interest of one of the two divided trusts of both the EPM Testamentary Lead Trust and the divided Peroxisome Trust.” R. Doc. 5-3. The court issued an order dividing all trusts “upon execution and agreement of same by a majority of the Trustees.” R. Doc. 5-4.

The original Marshall Heritage Foundation was divided. Pierce, however, has blocked the split of the Peroxisome Trust – it has never been divided, and the Peroxisome Trust instrument has never been amended to formally change the beneficiary from the original Marshall Heritage Foundation.

Dr. Cook argues that TMHF succeeded to half of the original Marshall Heritage Foundation’s beneficial interest in the Peroxisome Trust when it was divided. Preston responds that (1) all parties agree that the original Marshall Heritage Foundation no longer exists, (2) the Peroxisome Trust instrument provides that if the original Marshall Heritage Foundation should cease to exist, agreement of Preston and Pierce is required for future distributions to qualified entities, and (3) although it was contemplated, at one point, that TMHF would receive the beneficial interest of one of the “divided Peroxisome Trust” entities, that trust was never divided.

iii.

The co-trustees of the original Marshall Heritage Foundation divided its assets – including its beneficial interest in the Peroxisome Trust – equally between TMHF and the Marshall Legacy Foundation. Preston does not cite, and the Court cannot find, any authority for the position that a formal amendment to the Peroxisome Trust instrument was required for TMHF to be a proper beneficiary under these circumstances. TMHF became a beneficiary of the Peroxisome Trust by virtue of succeeding to the assets of the original Marshall Heritage Foundation.

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The petition to divide the original Marshall Heritage Foundation contemplated division of the Peroxisome Trust as well – but the court authorized the division of each “upon execution and agreement” of a majority of the trustees. There has been no majority agreement of the co-trustees to divide the Peroxisome Trust. The trustees of the original Marshall Heritage Foundation, however, signed a resolution to divide its assets and obligations equally between TMHF and the Marshall Heritage Foundation, and the governing articles of the new foundations were signed by their respective trustees. R. Docs. 62-2, 62-3, 62-4. Pierce’s refusal to agree to divide the Peroxisome Trust as originally contemplated does not change the fact that the original Marshall Heritage Foundation’s assets, including its beneficial interest in the Peroxisome Trust, were in fact divided and distributed equally between TMHF and the Marshall Legacy Foundation.

“The fundamental duty that a trustee owes a beneficiary is the duty of loyalty[.]” *Id.* at cmt (c). Indeed, the Louisiana Supreme Court has declared:

The statutory provisions relative to the responsibilities of a Trustee are rigid and hold the Trustee to an even higher fiduciary responsibility to his beneficiary than that owed by a succession representative to heirs. The very word “Trustee” implies the strongest obligation on the part of the Trustee to be chaste in all dealings with the beneficiary.

Succession of Dunham, 408 So.2d 888, 900 (La. 1981).

“A trustee shall administer the trust as a prudent person would administer it.” LA. REV. STAT. § 9:2090. To that end, a trustee shall “exercise reasonable care and skill, considering the purposes, terms, distribution requirements, and other circumstances of the trust.” *Id.* Furthermore, a trustee must administer the trust solely in the benefit of the beneficiary, and a trustee’s violation of a duty owed to a beneficiary is a breach of trust. LA. REV. STAT. §§ 9:2082, 2081.

Preston’s continued refusal to execute the documents required to effect distributions to TMHF is a breach of trust and a breach of his duties as a trustee. The Peroxisome Trust instrument

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requires the trustee to pay to the original Marshall Heritage Foundation an annuity amount of 6.647126% of the initial net fair market value of all property transferred to the trust. It sets the annuity period at twenty years and states that the annuity amount shall be paid in equal quarterly installments at the end of each calendar quarter. When the original Marshall Heritage Foundation was divided, the Peroxisome Trust became obligated to pay half of the total original annuity amount to TMHF and half to the Marshall Legacy Foundation at each time quarterly payments became due.

In refusing to allow the required distributions from the Peroxisome Trust to TMHF Preston has breached his duty to act in the interest of the beneficiary. Rather than acting “with the highest good faith toward, and loyalty to” TMHF and in TMHF’s best interest, he has blocked the distribution of millions of dollars owed to TMHF from the Peroxisome Trust and has jeopardized TMHF’s ability to meet its enforceable donation commitment to Tulane University. He has not acted as a prudent administrator considering the distribution requirements and purpose of the Peroxisome Trust. Indeed, “[t]he Peroxisome Trust’s primary purpose is to pay the [original] Marshall Heritage Foundation an annuity for a term of twenty (20) years.” R. Doc. 5-3 at 6. See also *Albritton v. Albritton*, 622 So. 2d 709, 713 (La. Ct. App. 1993) (“The very word ‘trustee’ implies the strongest obligation on the part of the trustee to be chaste in all dealings with the beneficiary”); *Bridges v. Autozone Properties, Inc.*, 900 So. 2d 784, 796 (La. 3/24/05) (“The purpose of the trust is the administration of property for the sole benefit of the beneficiary”); *In re Merlin A. Abadie Inter Vivos Tr.*, 791 So. 2d 181, 187, (La. App. 4 Cir. 7/11/01) (“The measure of whether a trustee has erred in the exercise of ‘ordinary prudence’ is whether the trustee has failed to take reasonable measures to protect all beneficiaries”).

None of Preston’s purported justifications for refusing to authorize distributions has merit.

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First, he argues that Elaine Marshall, by consenting to a resolution of TMHF authorizing Dr. Cook to bring this lawsuit, has attempted to control distributions from the Peroxisome Trust, which could raise significant adverse tax consequences. As a trustee of TMHF, however, Elaine Marshall has the right to enforce the rights of TMHF to receive distributions from the Peroxisome Trust. *See* LA. REV. STAT. §§ 9:2091, 2093. Preston next points to Elaine Marshall's attempted revocation of a portion of the Peroxisome Trust for ingratitude, which he argues violates the terms of the Peroxisome Trust and applicable federal laws. Preston's own federal tax expert opined Elaine Marshall's attempted revocation of Preston's remainder interest in the Peroxisome Trust and assignment to the Spliceosome Trust is *not* a justification for refusing to authorize distributions. R. Doc. 124-2 at 6-7. Third, Preston avers that his refusal to authorize distributions was justified by TMHF's questionable tax-qualified status, citing to the deposition testimony of his federal tax expert. That expert did not examine the IRS database until June 8, 2018 – two years after Preston first began refusing to authorize distributions. Finally, Preston points to the fact that the Donor of the Peroxisome Trust, Elaine Marshall, is a co-trustee and President of TMHF, which means she could be treated as or deemed to be the “owner” of a portion of the trust, in violation of the Peroxisome Trust agreement and/or the Internal Revenue Code. This argument is likewise speculative and, in any event, any tax consequences will be borne by Elaine Marshall – who consented to the filing of this lawsuit and the relief sought herein. The Court is not persuaded by Preston's attempt to use potential adverse federal tax consequences as a shield.

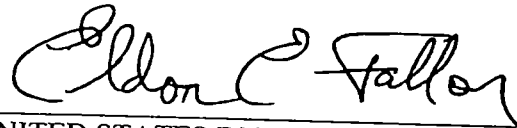
Preston, as a co-trustee of the Peroxisome Trust, is obligated to assure the distribution of funds owed to TMHF as a beneficiary. His continued refusal to authorize distributions from the Peroxisome Trust to its beneficiary constitutes a breach of trust and a breach of fiduciary duties.

Exhibit F

III. CONCLUSION

For these reasons, Dr. Cook's motion for summary judgment, R. Doc. 62, is **GRANTED**, and Preston's cross-motion for summary judgment, R. Doc. 123, is **DENIED**.

New Orleans, Louisiana, this 21st day of February, 2019.

A handwritten signature in black ink, reading "Eldon C. Fallon". The signature is written in a cursive style with a large initial "E" and a stylized "F".

UNITED STATES DISTRICT COURT JUDGE