

ANDREW KETTERER
ATTORNEY GENERAL



Telephone: (207) 626-8800
FAX: (207) 287-3145
TDD: (207) 626-8865

STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
6 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0006

REGIONAL OFFICES:

84 HARLOW ST., 2ND FLOOR
BANGOR, MAINE 04401
TEL: (207) 941-3070
FAX: (207) 941-3075

44 OAK STREET, 4TH FLOOR
PORTLAND, MAINE 04101-3014
TEL: (207) 822-0260
FAX: (207) 822-0259
TDD: (877) 428-8800

July 21, 2000

Susan M. Almy
Register of Probate
Penobscot County Courthouse
97 Hammond Street
Bangor, Maine 04401-4996

Re: Trust u/w/o Myrtice Oakes, Trust u/w/o Louis Oakes, Trust u/w/o Ora L. Evans

Dear Ms. Almy:

Enclosed please find the Attorney General's response to the above referenced petitions. Please enter my appearance in the above-referenced matters for the Attorney General. Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Linda Conti'.

Linda Conti
Assistant Attorney General

cc: Calvin E. True, Esq.

STATE OF MAINE
PENOBSCOT, SS.

PROBATE COURT
DOCKET NO. 82-60

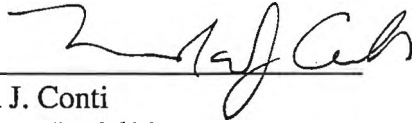
IN RE: TRUST U/W/O)
LOUIS OAKES)
OBJECTION OF)
ATTORNEY GENERAL)
)
)

NOW COMES ANDREW KETTERER in his capacity as Attorney General of the State of Maine and answers to the Complaint as follows:

1. The Attorney General is a party-in-interest in this matter pursuant to 5 M.R.S.A. § 194 and the powers vested in him by common law.
2. The Attorney General has received and reviewed a copy of the Complaint in this matter.
3. The Attorney General submits to the jurisdiction of this Court and hereby appears in this action, waiving service of process.
4. The Attorney General requests that the Trustee provide an accounting of the trust so that he can better evaluate the matters raised in the Trustee's petition.

Respectfully submitted,
ANDREW KETTERER
ATTORNEY GENERAL

Dated: July 21, 2000


Linda J. Conti
Me. Bar No. 3638
Assistant Attorney General
State House Station 6
Augusta, Maine 04333
(207) 626-8800

STATE OF MAINE

(Seal of Court)
PENOBSCOT COUNTY PROBATE COURT

DOCKET NO. 82-60

Estate of Louis Oakes
Deceased or Protected Person

GENERAL NOTICE OF
BEGINNING OF A FORMAL
PROBATE PROCEEDING
Rule 4 (a) (1)

This notice is directed to

Andrew Ketterer, Attorney General, 6 State House Stn, Augusta, ME 04333
(name and address)

who is believed to have an interest in this estate and in a proceeding relating to this estate which has been begun by a petition, a copy of which is attached to this notice. The date, form number (if any) and caption of the attached petition are In Re: Trusts Under the Will of Louis Oakes

Petition for Clarification and Direction dated June 30, 2000

THIS PROCEEDING MAY AFFECT YOUR PROPERTY RIGHTS. IF YOU WISH TO CHALLENGE OR CONTEST THE PETITION OR OTHERWISE TO PROTECT YOUR RIGHTS, YOU MUST FILE A WRITTEN RESPONSE WITHIN TWENTY DAYS OF YOUR RECEIPT OF THIS NOTICE.

Your response should set forth your objections to or comments on any matter in the attached petition. It must be filed with the court at 97 Hammond Street, Bangor, ME 04401 and a copy must be sent, before or simultaneously with its filing in court, to the petitioner's attorney whose name, address and telephone number are Calvin E. True, Esq., Eaton, Peabody, Bradford & Veague, P.A., P.O. Box 1210, Bangor, ME 04402-1210. 207-947-0111

or, if there is no attorney, to the petitioner, whose name, address and telephone number are _____

Dated July 11, 2000 X

Susan M. Almy
Register of Probate

See 18-A MRSA § 1-401 and Rule 4. Note, in particular, that this notice may usually be served by certified mail. Rule 4 (d) (1) (B).

IN RE: Trusts Under the Will of Louis Oakes

**PETITION FOR
CLARIFICATION
AND DIRECTION**

The Trustees of Foxcroft Academy, in their collective capacity as representatives of Foxcroft Academy, of Dover-Foxcroft, Maine, hereby petition the Court for clarification and direction with respect to the Trusts under Article TENTH, ELEVENTH and FIFTEENTH D(2) of the Will of Louis Oakes.

The Parties in Interest

1. The Louis Oakes Fund, the Louis Oakes Building Fund and the Louis Oakes Educational Fund (the "Trusts") were established under Articles TENTH, ELEVENTH and FIFTEENTH D(2), respectively, of the Will of Louis Oakes, who died in 1964. The Trusts were established for the benefit of Foxcroft Academy. The Merrill Trust Company was the originally named Trustee. The Will was allowed for probate in Piscataquis County Probate Court on December 1, 1964. A copy of the Will and Codicil are attached hereto as *Exhibit A*.

2. **Foxcroft Academy**, an educational institution located in Dover-Foxcroft, Maine, is the sole income beneficiary of the Trusts.

3. **Fleet Bank of Maine**, successor in interest to The Merrill Trust Company, is the currently serving Trustee of the Trusts.

4. **Andrew Ketterer** is the duly elected, qualified, and acting Attorney General of the State of Maine, and is a party in interest by reason of 5 M.R.S.A. § 194.

Jurisdiction and Venue

5. The principal place of administration of the Trusts is Bangor, Maine.

6. The Court has jurisdiction with respect to this proceeding in accordance with 18-A M.R.S.A. § 7-201.

7. The Trusts are not registered in Maine; however, venue is proper in this Court by virtue of 18-A M.R.S.A. § 7-202.

Background and Reasons for Request

8. The Trusts provide for annual payments of trust income to Foxcroft Academy.

9. Neither the Will nor the Trusts defines "income."

10. In the absence of contrary direction in the Will and Trusts, net income distributed to Foxcroft Academy has included only interest and dividend income. Accordingly, the Trusts managed by Fleet Bank for the benefit of Foxcroft Academy have historically distributed approximately three to four percent (3-4%) of the value of trust corpus annually.

11. Modern-day portfolio managers and investment advisors suggest that organizations adopt a spending or distribution policy such that a fixed percentage of trust assets is distributed each year without respect to whether the amount being distributed is interest income, dividend income, realized capital gain income or principal. This widely accepted practice adds predictability and flexibility to trust management without violating the intent of the settlor to preserve and grow trust corpus.

12. With respect to its own unrestricted endowment funds, the Trustees of Foxcroft Academy have adopted a spending and distribution policy that provides for the annual distribution of an amount ranging from five to seven percent (5-7%) of the value of the unrestricted endowment funds for use in support of the Academy's operations.

13. Upon information and belief, similarly situated charitable organizations in Maine have adopted spending and distribution policies similar to that described above.

14. Foxcroft Academy, in order to fulfill its educational mission, and to continue its growth and development, would benefit significantly if the Trusts annually distributed to Foxcroft Academy an amount equal to five and three-quarters percent (5¾%) of the fair market value of the assets comprising the corpus of the Trusts.

Wherefore, Petitioner prays that this Court:

- A. Order, adjudge and decree that Fleet Bank of Maine, as Trustee of the Trusts, shall annually pay over to Foxcroft Academy in periodic payments an amount equal to five and three-quarters percent (5¾%) of the corpus of each of the Trusts valued as of the first business day of each year beginning on, and retroactive to, January 3, 2000.
- B. Order that the first payment made pursuant to the Order issued by this Court shall be made on September 1, 2000, or as near thereto as practicable, and that such payment shall include additional monies attributable to the difference between payments made to Foxcroft Academy between January 3, 2000, and the first payment made pursuant to the Order of this Court, and the amount of payment that would have been made had the spending policy outlined in this Petition been in place at such time as any earlier payments were made in the year 2000.
- C. Order that all expenses incurred in connection with this proceeding, including reasonable attorneys' fees, be charged equally against the principal of the respective Trusts.

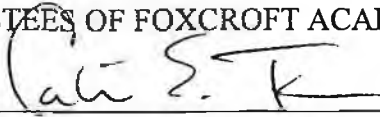
D. Order that a copy of the Order in this proceeding be filed by the Register with the Piscataquis County Probate Court.

E. Order such other and further relief as it may deem proper.

Dated at Bangor, Maine, this 30th day of June, 2000.

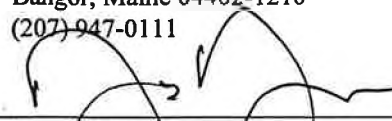
TRUSTEES OF FOXCROFT ACADEMY, Petitioner

By



Calvin E. True, Esq.
Eaton, Peabody, Bradford & Veague, PA
Fleet Center; Exchange Street
P.O. Box 1210
Bangor, Maine 04402-1210
(207) 947-0111

By



Darin G. Haugen, Esq.
Eaton, Peabody, Bradford & Veague, PA
Fleet Center; Exchange Street
P.O. Box 1210
Bangor, Maine 04402-1210
(207) 947-0111

STATE OF MAINE

PENOBSCOT COUNTY PROBATE COURT
(Seal of Court)

DOCKET NO. 82-60-3

In Re: LOUIS OAKES

ORDER FOR PRE-TRIAL CONFERENCE


Pursuant to Rule 16 of the Maine Rules of Probate Procedure, the Court believes a pre-trial conference is necessary in the above-entitled on the Petition for Clarification and Direction

This conference has been set for Tuesday, January 23, 2001 at 8:15 a.m.

 Pre-trial memorandums must be filed 5 days prior to the conference.

 X Pre-trial memorandums are not required.

Dated: December 7, 2000



Judge of Probate

Copy forwarded to Calvin E. True, Esquire, Linda Conti, AAG, John D. Duncan, Esquire, and Frank T. McGuire, Esquire 12-7-00