

Administrative Office of the Courts



INVESTIGATION SUMMARY

Complaint No. 21-0009

Certificate/License No. [REDACTED]

February 28, 2023

Certification and Licensing Division

**ARIZONA SUPREME COURT
ADMINISTRATIVE OFFICE OF THE COURTS
INVESTIGATION SUMMARY and PROBABLE CAUSE ANALYSIS
and DETERMINATION REPORT**

CERTIFICATE HOLDER/LICENSEE INFORMATION	Certificate Holder:	Nicole Corona
	Certification Number:	██████████
	Business Name:	Arrow Fiduciary Services

COMPLAINANT INVESTIGATION INFORMATION	Name:	Roberta Wertman
	Complaint Numbers:	21-0009
	Investigator:	Janelle Bauserman

Complaint Received:	May 27, 2021
Complaint Forwarded to the Certificate Holder:	June 3, 2021
Certificate Holder/Licensee Received Complaint:	Unknown
Response From Certificate Holder:	July 1, 2021
Period of Active Certification/Licensure:	January 8, 2015 – Present
Status of Certification/License:	Active
Availability of Certificate Holder/Licensee:	Available
Availability of Complainant:	Available
Report Date:	February 28, 2023

ALLEGATIONS:

1. Nicole Corona failed to timely marshal estate assets.
2. Nicole Corona failed to timely close the estate.
3. Nicole Corona failed to respond and/or timely respond to estate heirs' communications, inquiries and/or requests.

ADDITIONAL ALLEGATIONS:

4. Nicole Corona failed to provide proper notice to the Court regarding the use of her mother as her legal representation in at least one probate case.

List of sources for obtaining information: (Investigative, records, outside resources, etc.):

- Written Complaint and documentation submitted by Complainant, Roberta Wertman ("Roberta").
- Written Response and documentation submitted by certificate holder, Nicole Corona ("Corona").
- Documentation provided by Trust beneficiary Keith Barrow ("Barrow")
- Review of applicable Certification and Licensing Division ("Division") records.
- Review of applicable sections of Arizona Revised Statutes ("A.R.S."), Arizona Codes of Judicial Administration ("ACJA") § 7-201 and § 7-202, and Arizona Supreme Court Rules.
- Telephonic interview with Barrow.
- Interview with Corona and her attorney, Pamela Walsma ("Walsma").

PERSONS INTERVIEWED:

1. Nicole Corona
2. Keith Barrow
3. Pamela Walsma
4. Roberta Wertman via email

SUMMARY OF INVESTIGATION:

The Verne and Shirley Wertman Trust Under Agreement Dated January 13, 1992, named Verne and Shirley Wertman as Grantors and Co-Trustees. Verne Wertman ("Wertman"), predeceased by his wife Shirley, made a final amendment to the trust agreement on December 5, 2017¹. The *Amended and Restated Trust of Verne and Shirley Wertman* ("Trust") dated December 5, 2017, removed Wertman's wife and named Nicole Corona as the Successor Trustee. Wertman passed away on June 21, 2019, and Corona assumed her authority to act as Successor Trustee in July of 2019.

At the time of Wertman's passing, the Trust held several banking and investment accounts, savings bonds, and life insurance policies. There were seven named beneficiaries of the Trust, including Wertman's children, Roberta Wertman and Keith Barrow; Wertman's wife Carolyn; and four charity organizations.

Roberta is the complainant. In her complaint, Roberta alleged that Corona mishandled the Trust administration by not marshaling the assets and closing the estate in a timely manner.

¹ Following his wife's death, Verne Wertman amended the Trust agreement on September 12, 2003, September 24, 2004, February 14, 2007, August 22, 2014, and January 10, 2017. In the amendments Wertman made various changes to distribution percentages and Successor Trustees to include his three children and wife, Carolyn.

She also alleged that Corona did not respond and/or timely respond to inquiries and/or requests from the beneficiaries.

Corona responded to the complaint on July 1, 2021. Her response contained one paragraph:

The Verne & Shirley Wertman Trust has seven (7) beneficiaries and ten (10) assets to marshal (including savings bonds, insurance claims, brokerage and bank accounts), making it a more complex trust administration. Administration is close to completion. During the administration, three (3) partial distributions have been made to all beneficiaries. All current, known emails have been responded to and all questions have been addressed.

Although Corona did not supply any supporting documentation with her initial response, the Division later requested and reviewed numerous documents from her including, most notably, the Trust documents, fiduciary billing records, inventories, and communications with the estate heirs.

Interviews were conducted individually with Corona, and Wertman's son, Barrow. Barrow's email address was discovered in documentation received from Corona. The Division contacted Barrow via email, and he immediately responded via telephone. The Division made initial contact with Roberta, but subsequent attempts to reach her were unsuccessful and she did not respond to a request for interview. It should be noted Roberta requested in her complaint that the Division contact her by email as she would not be available via telephone. Roberta reached out to the Division via email after this investigation was concluded. She provided additional documentation in support of her complaint. This report was revised to incorporate the newly received information.

SUMMARY OF FACTUAL FINDINGS OF INVESTIGATION:

Corona Failed to Marshal Trust Assets and Close the Estate in a Timely Manner:

Corona was appointed Successor Trustee on July 18, 2019. She provided notice of Trust administration to the named beneficiaries on that date. Upon her appointment she was provided a copy of the Verne & Shirley Wertman Trust Agreement, as well as a handwritten list of assets and several banking/investment statements. Although the Trust document refers to property contained in "Schedule A attached hereto", Corona contends she did not receive a document marked as Schedule A. She stated it is her understanding there should be a Schedule A detailing the Trust assets, however she is unsure if it exists.

A review of Corona's initial inventory and General Ledger shows the Trust held assets with a total value of \$915,913. As of August 2022, Corona had distributed \$750,000 to the seven beneficiaries. After accounting for legal fees, fiduciary fees, debts paid, and

expenses, the Trust has a remaining cash balance of \$80,296 and \$62,260 in unmatured savings bonds.

Based on billing records, Corona began marshaling Trust assets on August 21, 2019. Through the end of 2019, Corona marshaled three local bank accounts and a retirement investment account from Thrift Savings Plan totaling \$355,317.63. In February of 2020, Roberta contacted Corona to request an "advance on her inheritance" due to being involved in a car accident. In response, Corona made a partial distribution to all beneficiaries totaling \$200,000. She also paid Mr. Wertman's remaining credit card debt of \$2,000. After these disbursements, the Trust account had a balance of roughly \$153,300.

In June of 2020, Corona received death benefits from a Federal Employees Group Life Insurance (FEGLI)/Met Life policy in the amount of \$12,306.22. At that time, she indicated to Roberta that she had received the last outstanding insurance claim and was working to finalize the Trust tax return.

In August of 2020, a set of savings bonds held in the Trust matured. Corona cashed the bonds and deposited \$35,251.20 in the Trust account. She replied to another inquiry from Roberta, stating she was on schedule to "wrap up" the Trust but would need to prepare the final accounting and have all beneficiaries' approval before closing the estate. During the last four months of 2020, Corona received a final pension distribution from the Office of Personnel Management ("OPM") in the amount of \$2,690.92 and a Tax Refund of \$37,706. In December 2020, Corona made a second partial distribution to all beneficiaries totaling \$100,000. The remaining Trust account balance was approximately \$141,200.00.

Billing records from March of 2021, indicate Corona began work with the Trust's CPA to wrap up the estate and make a final distribution. However, in June 2021, Corona realized there were still assets with Deutsche Asset Management ("DWS") and Vanguard she had yet to marshal. When questioned about the delay in marshaling those assets, Corona stated she discovered account numbers she had not noticed before on the handwritten list of assets she received at the time of her appointment. She said she had not received any investment statements or 1099s from DWS or Vanguard, so she was unaware of the accounts' existence. Corona went on to explain that the Trust held many assets, and she was going through "the process" with each one individually. She indicated she addressed one asset at a time before moving on to the next.

The Division obtained a copy of Wertman's handwritten asset list from Corona. The following images were taken from the asset list and clearly show accounts held at Vanguard and Deutsche Asset Management:

Financial Institution	Vanguard				
CD #	[REDACTED]				
Account Re-Filed		45 Days			
Account Closed		45 Days			
Restrict Account		45 Days			

Financial Institution	Vanguard				
Other Account #	[REDACTED]				
Account Re-Filed		45 Days			
Account Closed		45 Days			
Restrict Account		45 Days			

Given that DWS and Vanguard account information was available to Corona at the start of the Trust administration, her two-year delay in marshaling the nearly \$340,000 in assets is unreasonable.

On June 9, 2021, two years after Wertman's death, Corona began the claims process for a Mass Mutual life insurance policy. This is concerning because billing records show Corona was contacted by Wertman's wife, Carolyn on April 3, 2020, regarding a Mass Mutual life insurance check. The following image was taken from Corona's billing records:

4/03/2020 12C TCM Carolyn re: Mass Mutual life insurance check, distribution, bonds

Despite the possibility a Trust asset may have been accessible to one of the beneficiaries, Corona did not secure the asset for another year. When asked if Carolyn had erroneously received Trust assets from Mass Mutual, Corona insisted to her knowledge no trust assets were received by any beneficiaries. She went on to say she would have no way of knowing if there was non-trust money available and/or received from Mass Mutual or OPM. Corona did concede that early in the administration of the Trust there was some confusion regarding assets which were thought to be outside the Trust but were in fact part of the Trust. She specifically referred to life insurance policies held with the OPM and Mass Mutual. The following image, taken from Wertman's handwritten asset list, shows a life insurance policy with Mass Mutual held in the Trust.

Life Insurance					
Company:	MASS MUTUAL				
Address:	Boston 800-272-2245				
City, State, Zip Code					
Policy #	[REDACTED]				

During her November 14, 2022, interview, Corona stated she did not recall or have record of a conversation with Carolyn regarding checks received from Mass Mutual. When asked if anyone had informed her they had received a payment or questioned if they were entitled to receive money, she responded that she thought Carolyn received "one or two payments",

however she was not sure where those payments came from. Corona claimed Carolyn could not tell her exactly what the payments were or where they came from. Corona went on to say that Carolyn must have received payments from her own account because she would have been unable to access Trust assets.

In her complaint, Roberts indicated one of the beneficiaries had been receiving monthly payments from a Trust asset for two years before Corona secured the account. She stated that when she brought it to Corona's attention, she was told it would cost the estate money for Corona to "look into it." The following email exchange shows Roberts questioned Corona about funds being received by Carolyn and Corona acknowledged that it was possible Carolyn had received "something" from Mass Mutual.

[REDACTED] Fri, Jul 23, 2021 at 3:11 PM
Reply To: [REDACTED]
To: [REDACTED]

Good Afternoon Nicole,
Quick question. On the list you sent me there were 2 life insurance companies still open, I am wondering why as my dad has been dead for over 2 years and all are to be notified. Carolyn has told me she has been getting dividends on one of my dad's checking accounts for the last 2 years, wondering why there were not notified as well.
Thank you

Nicole Corona [REDACTED] Fri, Jul 23, 2021 at 4:08 PM
To: [REDACTED]

Hello Roberts,

I believe you are referring to the Vanguard investment account and the Mass Mutual Life Insurance Policy. Initially, I believed Carolyn was the beneficiary on the Mass Mutual policy. Carolyn recently brought in a statement which showed that the Trust was in fact the beneficiary. The claim for the policy has been processed and the Trust has received the funds. I never received any statements on the Vanguard account, but when I reviewed my file for any outstanding issues, I found notes regarding the account. I requested closure of the Vanguard account, and the funds have been received by the Trust checking account. As to the dividends received by Carolyn, I'm not sure to what you are referring, but if you would provide further details I will look into it.

Hope you have a good weekend.

Best regards,
Nicole Corona

[REDACTED] Fri, Jul 23, 2021 at 8:13 PM
To: [REDACTED]

I am not sure which account. I told her that there were 2 open life insurance accounts waiting to be closed to disburse funds and she stated that she knew because she had a bank account that still had dad's name on it and she has been getting paid dividends on it monthly since his passing. All I know is that it was a checking account with his name on it. I think it was the Mass Mutual policy she has been getting paid on.
Thank you for the update.

Message Content
To: [REDACTED]

Mon, Jul 26, 2021 at 8:08 PM

Hello Roberta,

Mass Mutual was holding a life insurance policy, I am not aware of a checking account. It's possible Carolyn was receiving something from Mass Mutual, but I don't have further information, as those statements would have gone to her. I can reach out to Carolyn or Mass Mutual to make some inquiries if you would like to know more, however it will be an additional expense to the Trust.

Best,
Nicole

On July 28, 2021, billing records show Corona spoke with her attorney regarding "communication from Roberta" and "Mass Mutual payments received by Carolyn."

JUL-28-21 Property & Asset Management - Certified (Nicole Corona) CW Ms. Welton re: distribute savings bonds, communication from Roberta, Mass Mutual payments received by Carolyn

The email exchange with Roberta and Corona's billing notes indicate she may have been aware of payments from Mass Mutual being received by Carolyn. Additionally, the emails show she failed to marshal those assets until Carolyn provided her with a statement confirming the Trust was the beneficiary of the policy.

In addition to the Mass Mutual benefits, Corona also received the trust assets from DWS and Vanguard and seventeen matured savings bonds in July 2021. After making a third partial distribution to the beneficiaries totaling \$100,000, the trust account balance was more than \$435,000. The only remaining asset to be marshaled was the savings bonds that would not mature until 2023. Corona did not make another distribution to the beneficiaries until January 2022, when she disbursed a total of \$300,000.

In April 2022, Corona began the process of converting the remaining \$62,260 paper bonds to electronic bonds to be distributed to the beneficiaries. In July 2022, Corona followed up with the Treasury regarding the bond conversion and was told additional documentation was required to start the process. When questioned about the delay in starting the conversion process, Corona acknowledged this is the first time she has dealt with savings bonds and did not know they needed to be converted to electronic bonds to transfer them to the beneficiaries. She said the process was also delayed because in February of 2020, some beneficiaries opted to receive in-kind distribution of the bonds but changed their minds as recently as February 2022. Additionally, once the bonds were converted, Corona discovered she could not transfer them to the beneficiaries. The Treasury requires Corona to file a reissuance form for each beneficiary that includes a medallion signature guarantee². Corona described the challenges she has faced in obtaining the medallion signature guarantee because few financial institutions provide the service and typically

² A medallion signature guarantee is a guarantee by the transferring financial institution that the signature is genuine, and the financial institution accepts liability for any forgery. It confirms the individual's identity, signature and legal authority to transfer securities and investments.

only for account holders. Corona said the only option for obtaining the required guarantees was through a company called eSignatureGuarantee. She has successfully established an account with the company and can begin the process of getting the signature guarantee. Corona conceded if she had known the conversion of the bonds was going to take so long, she would have started the process sooner. With resolution of the bond conversion still pending, Corona made a fifth partial distribution in August 2022, totaling \$50,000. This

left a remaining estate balance of roughly \$80,000, which at the writing of this report has not been distributed to the beneficiaries.

Table 1 below outlines the receipts and disbursements made by Corona during the Trust administration from 2019 to 2022. By Corona's own admission, Wertman was meticulous and provided detailed records of the Trust assets, yet there are extended periods of time when the estate administration does not move forward. Corona failed to provide a sound explanation for these delays. Also concerning is the amount of time Corona held Trust assets without making distributions. For example, by December of 2019, more than \$355,000 in assets had been liquidated yet Corona did not make a distribution until receiving Robert's request for funds in February 2020. And in July 2021, the Trust account held more than \$400,000, but no distributions were made until January 2022.

Table 1

The Verne & Shirley Wertman Trust – Receipts and Disbursements

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTALS
2019							Over Appointed Successor Trustee	Asset Withdrawal Fed Fednet Bank (\$148,729)	Asset Withdrawal Fed Fednet Bank (\$48,918)		Order For Trust Bonds & M&B	Asset Withdrawal TSB Bank (\$25,000)	Monetary Disbursed \$355,000
2020		First Partial Distribution (\$25,000)				Asset Withdrawal via TD Bank (\$2,000)		Asset Withdrawal Midwest Bank (\$25,000)			Asset Withdrawal QPRT Fed Fednet (\$2,000)	Second Partial Distribution Fednet (\$25,000)	Monetary Disbursed \$75,000
2021						Asset Withdrawal Midwest Bank (\$25,000) Third Partial Distribution (\$25,000) Order For Trust Bonds & M&B (\$25,000)	Asset Withdrawal Fed Fednet (\$25,000)			Trust For Robert sold			Monetary Disbursed \$100,000
2022	Fourth Partial Distribution (\$50,000)			Fifth Partial Distribution Bank sent to Treasury for transfer			Additional Successor trustee Treasury	Fifth Partial Distribution (\$50,000)					Monetary Disbursed \$250,000

The Division analyzed Corona's monthly billing records to determine the number of hours spent administering the Trust annually and monthly. Detailed in *Figure 1* below are the total hours charged to the Wertman Estate each year during Corona's administration.³

Figure 1: Total Annual Hours Charged for the 39-month period beginning June 2019 and ending August 2022

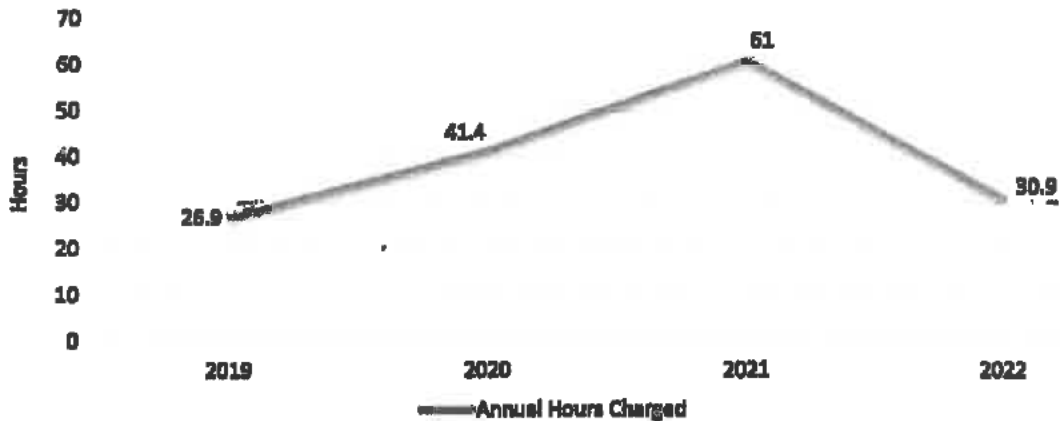
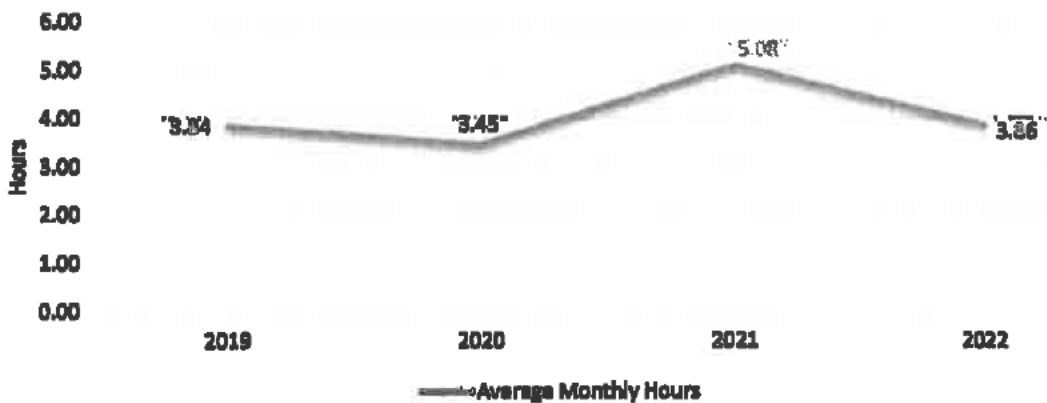


Figure 2 below shows the annual billing hours broken down to the monthly average during each year. Despite Corona's assertion this was a complex Trust to administer, she and her assistant devoted no more than 5 hours per month to the Trust administration during any year. Moreover, the peak hours billed did not occur until the third year of the administration.

Figure 2: Average Monthly Hours Charged for the 39-month period beginning June 2019 and ending August 2022



To extend the Trust administration over such a protracted period is not prudent management of the estate nor is it in the best interest of the beneficiaries. The beneficiaries

³ Billing hours are allocated to the calendar year in which they were incurred. However, December hours each year were not billed to the estate until January of the following calendar year.

have been denied the monetary benefit of a sizable portion of their inheritance for more than 3 years.

During her interview with the Division on November 14, 2022, Corona was asked what remains to be done to close the Wertman Estate. She responded she first needs to obtain medallion signature guarantees for all beneficiaries to complete the necessary forms for TreasuryDirect⁴ and transfer the savings bonds. She indicated she is hopeful the transfer would be completed within the next three months. After the bond transfer is complete, Corona will prepare the amended K-1 statements and final accounting. The beneficiaries will have 30 days to accept or reject the accounting before the estate can be closed. Corona noted she anticipates making the final cash distributions in December 2022.

During his October 6, 2022, interview with the Division, Barrow relayed his experience⁴⁴ dealing with Corona during the administration of his father's trust. He was unaware of the complaint and allegations filed by Roberta but reported he was very dissatisfied with the length of time it has taken Corona to administer his father's estate. After Corona became trustee, Barrow asked how long she anticipated the estate administration to take. She responded it would likely be 12 to 18 months. He pointed out they are now in year four of the administration and the estate is still open. Barrow said "there have been constant delays and excuses since the beginning." Initially, Corona claimed the estate could not be closed until the taxes were filed. She also pointed to delays in receiving funds and 1099s from DWS, Vanguard and Mass Mutual. Barrow said at this point all that remains to be taken care of are "some savings bonds." He believes Corona had no idea how to handle the savings bonds which has caused an additional delay.

Barrow reported that Corona first inquired about his preference regarding distribution of the bonds in February or March of 2020. On June 24, 2021, Barrow contacted Corona with questions about the still-outstanding bond inventory. And on August 21, 2021, Barrow sent Corona an email stating he was surprised it was taking so long to close the estate. Corona replied that she was waiting on a 1099 from DWS and a possible tax refund. Barrow did not hear anything more until October 14, 2021, when Corona sent an update saying the final tax return was done. She again claimed to be waiting on the IRS for a possible refund but would, in the meantime, prepare the Final Account.

On December 21, 2021, Barrow sent a follow up email to Corona asking for status since the last update. Corona responded on December 30, 2021, saying she was in the process of splitting the bonds between the beneficiaries and preparing the final accounting. Barrow received Corona's January 26, 2022, letter with a breakdown of the bonds to be distributed. She noted that all assets had been received. She stated that the administration of the trust has taken considerable time due to a "variety of assets and issues." In May of 2022, Barrow

⁴ TreasuryDirect is a website run by the Bureau of the Fiscal Service under the United States Department of the Treasury. It is the only place to electronically buy and redeem U.S. Savings Bonds.

asked Corona for a status update. She responded that she was working with one of the charity beneficiaries regarding the savings bonds. On July 8, 2022, Barrow wrote to Corona, "another month past and still nothing?" Corona responded that she had been in touch with TreasuryDirect and they needed the death certificate to process the bonds. Barrow commented that he thought that would have been taken care of a long time ago. In August 2022, Barrow received another partial distribution from Corona. He noted there was no accounting or explanation of the remaining Trust assets. Barrow stated he has tried numerous times to obtain information from Corona regarding closing the estate. He reported his questions are always met with general information but no details. Barrow stated he has "given up trying to get Corona to close the estate." He feels there is no point continuing to try to get the estate finalized.

In a follow up email to the Division on February 1, 2023, Barrow reported he has not received a final cash distribution, amended K-1, or final accounting. Additionally, he has not received his portion of the remaining savings bonds and indicated Corona is having ongoing issues with the savings bond distribution despite her previous claims the conversion was complete. At the close of his email, Barrow reiterated his frustration stating "I would think a fiduciary would know/understand how to navigate this sort of thing."

Corona Failed to Respond or Timely Respond to Estate Heirs' Communications, Inquiries and Requests for Information

During the administration of the Wertman estate, the beneficiaries sent Corona numerous inquiries and requests for information including an estimated estate closing date; status of the administration; the source of the distributions; estate tax filing status; and the savings bond conversion process. Based on the documentation the Division received from the beneficiaries, Corona often took days or weeks to reply to their communications and frequently responded with vague references to issues such as taxes, final accounting, and "wrapping up" the estate.

With her complaint, Roberta provided copies of several email communications with Corona and/or her office. The emails document Roberta's frustration with the level of communication she had with Corona. For example, Roberta requested a status update on June 25, 2020. In her response Corona informed Roberta, she had received the last life insurance claim and was working with the accountant to finalize the Trust tax return, which needed to be completed before final distributions could be made. However, on August 5, 2020, Roberta sent a follow up email stating, "it has been 6 weeks since you said everything was in and just waiting on the tax guy, how much longer is this going to take?" Corona replied on August 10, 2020, stating she was on schedule to "wrap up the Trust." She indicated the final accounting would take 60 days to prepare, and the beneficiaries would have 30 days to approve or object to the accounting. She informed Roberta they had just passed the one-year mark and there was no closing date set.

On November 18, 2020, Roberta followed up again with an email stating "it's been over 3 months since my last update. I am just wondering how much longer this will be." With no response from Corona, Roberta sent another email on December 2, 2020. In her email Roberta stated, "I do not understand why you refuse to respond in a timely manner or answer any of my questions regarding status of my dad's account." Corona's assistant responded the following day and apologized for the delayed response but provided no information other than to attach a copy of the distribution letter sent to the beneficiaries on December 1, 2020.

There appears to have been no further communication from Corona's office and on May 11, 2021, Roberta sent a follow up email. She stated that it had been over 6 months since she last heard from Corona. She pointed out that tax season was over and wondered if there were any updates on the Trust Administration. On May 24, 2021, after not receiving a response to her May 11th email, Roberta informed Corona she would be filing a complaint with the Division. Roberta pointed out that all funds had been received over a year ago, but final funds have yet to be disbursed. Roberta reached out again on August 19, 2021, asking Corona how much longer it would be before the estate was closed. Corona replied on August 24, 2021, again referencing a tax return issue, preparation of the final accounting, and final distributions as items still outstanding.

On October 14, 2021, Corona sent an email update to Roberta stating, "at this point we are waiting on the IRS if a refund is due." She also indicated she would begin preparing the final accounting. Corona closed by stating, "we are close to the end." On December 15, 2021, Roberta requested an update, noting it had been 2 months since Corona's last email. In her response on December 16, 2021, Corona indicated she was "in the process of splitting the remaining savings bonds" and preparing the final account. On October 12, 2022, one year after declaring she was close to finalizing the estate, Corona replied to another email inquiry from Roberta by again saying she was working with the CPA on outstanding tax issues and preparing the final account. Roberta sent follow up emails on January 19, 2023. Corona replied on February 7, 2023, indicating there are ongoing issues transferring the savings bonds. Despite Roberta's repeated and direct inquiries regarding the status of the estate, Corona has continued to offer the same ambiguous information with reference to the final accounting, tax issues, savings bond complications and final distributions since June 2020.

During his interview with the Division, Barrow was asked about his communications with Corona during the estate administration. He claimed to have very poor communication with Corona from the beginning of the administration. He stated that she has been slow to respond to questions and requests for information. Barrow said his emails would go days, weeks, and sometimes months without a response. Eventually, Corona or her assistant would respond and apologize for the delay. Barrow provided the Division numerous emails documenting his communication experiences with Corona. As in her replies to Roberta, Corona frequently told Barrow she was working on tax issues, the final accounting, making

final distributions, or converting and transferring the savings bonds. In several emails Barrow sent to Corona he specifically pointed out considerable time had passed since his last communication, and he had heard nothing from her.

Corona was questioned about the perceived lack of communication alleged by the beneficiaries. She acknowledged that at times she was slow to respond to the inquiries made by the beneficiaries. Corona stated she does her best to respond to all inquiries in a timely manner; however, because she is the sole fiduciary in her company and has only one employee to assist in the management of her cases, some inquiries are not responded to as quickly as she would like. Corona also pointed to the COVID-19 pandemic as a source of difficulty during the administration of the Wertman Estate. She [REDACTED] was forced to close her business for two weeks, causing her to fall behind on some duties. In response to the Division's inquiry regarding her standard communication practices, Corona indicated she prioritizes and triages her Guardianship cases before moving on to less urgent matters. She reported implementing more stringent standards since the difficulties during COVID to improve her communication turn-around time.

In addition to the lack of timely response to beneficiary inquiries, the Division also noted several instances where Corona failed to provide requested financial information. For instance, Barrow repeatedly told Corona he was concerned about tax ramifications in terms of the source of the funds being distributed. On several occasions, he asked Corona to specify the type of accounts the money was coming from. Corona replied saying the money came from several sources, was deposited into the trust account, and distributed to the beneficiaries. When Barrow pressed her about the sources of funds she did not respond. Barrow reported having difficulty knowing how to file his taxes due to the lack of information Corona provided. When he asked if he could speak with the estate accountant, Corona responded a month later by saying the accountant would not speak with the beneficiaries. She went on to say he could provide his accountant's contact information and the estate accountant would contact him directly. Barrow claims communication between the accountants never took place. Because he has not been able to get answers from Corona, Barrow said he has been saving some of the distribution money due to concerns there will be tax issues in the future.

Barrow also expressed concerns about having received a "Final" K-1 despite ongoing distributions. When he questioned her, Corona replied by simply saying "final distributions were estimated on the estate's final tax return." Barrow questioned whether he will be required to file an amended tax return should Corona's "estimates" prove to be inaccurate. During her interview, Corona conceded that a revised K-1 will be necessary, but that it will not require beneficiaries to revise their 2021 taxes. As of this report writing, it does not appear the beneficiaries are aware of the revised K-1.

ACJA § 7-202(J)(6)(e) requires a fiduciary to resolve questions in good faith and make decisions that are most beneficial to the estate. Furthermore, A.R.S. § 14-10813(A) states

unless the trust instrument provides otherwise, a trustee shall keep the qualified beneficiaries of the trust reasonably informed about the administration of the trust and of the material facts necessary for them to protect their interests. The Division also notes Article VII of the Wertman Trust instrument states, in pertinent part, "the Trustee has a duty to respond to the requests of a qualified beneficiary of an irrevocable trust for the Trustee's reports and other information reasonably related to the administration of the irrevocable trust." Therefore, Corona is obligated not only by code, but also the Trust instrument to respond to any reasonable request by the beneficiaries for information regarding the administration of the Trust. The beneficiaries should be reasonably well informed to protect their interests in the estate. Additionally, in her Notification of Trust Administration sent to the beneficiaries on July 18, 2019, Corona included the following statement:

9. **NICOLE CORONA, Licensed Fiduciary No. [REDACTED]** will keep you informed about the administration of the Trust and the material facts necessary for you to protect your interest in the Trust. You may request any reasonable information from **NICOLE CORONA, Licensed Fiduciary No. [REDACTED]** concerning the Trust Administration.

Based on the communications the Division received from the beneficiaries, it appears Corona frequently made vague reference to issues but failed to provide substantive information which would allow the beneficiaries to protect their current or future financial interests. Although Articles VII and VIII of the Wertman Trust stipulate the duty to inform and report provisions under A.R.S. § 14-10813 do not apply with the exception the Trustee has a duty to respond to the requests of a qualified beneficiary of an irrevocable trust for the Trustee's reports and other information reasonably related to the administration of the irrevocable trust, Corona repeatedly promised the beneficiaries a final accounting was forthcoming. As Barrow pointed out in his February 17, 2023, email to the Division, he still has not received the final accounting. Barrow acknowledged that Corona's "promises" may have initially dissuaded him from requesting more information, but that eventually he "got used to her providing dates or will close soon responses and gave up questioning or pushing for more information." Due to the ongoing assurance the beneficiaries would soon receive a final accounting and final distribution, they were repeatedly led to believe resolution to their questions and concerns was imminent. However, as of February 28, 2023, the beneficiaries have not received final distributions or a final accounting.

Conflict of Interest or the Appearance of a Conflict of Interest

In her Notification of Trust Administration, Corona informed the beneficiaries of her representation by attorney Pamela Walmsa. She also disclosed that Walmsa is her mother.

ACJA § 7-202(J)(2)(b)(1), and (J)(7)⁵ require a licensed fiduciary acting as a trustee to avoid not only a conflict of interest but the appearance of a conflict of interest. Furthermore, ACJA §7-202(J)(2)(b)(2) and (J)(7) require the fiduciary to maintain independence from all service providers. These issues, as they relate to the Wertman Trust, were addressed during interview with Corona and Walsma. Corona conceded that she reviewed and approved her mother's invoices for payment from the Verne & Shirley Wertman Trust. However, she suggests ACJA §7-202(J)(2)(b)(2) does not apply because Walsma is providing services to her personally. She contends that because Walsma is not providing legal counsel to the Trust, she is not a direct service provider. The Division disagrees with Corona's argument because the Trust is paying Walsma's legal fees. Corona refutes any possibility of impropriety and believes the relationship does not prevent her from raising concerns with her mother's billing or services should the need arise. Regarding ACJA §7-202(J)(2)(b)(1), Corona proposed her disclosure to the courts and/or interested parties of the familial relationship negates any code violation. However, the use of her mother as legal counsel in professional fiduciary services or in a probate case where Corona is the licensed fiduciary gives the appearance of a conflict of interest.

When asked how she became acquainted with Wertman, Corona stated her attorney introduced them two years prior to Wertman's death. Walsma refuted that statement, saying she does not remember introducing them and believes someone at Hospice of Yuma referred Wertman to Corona. When asked to clarify if Walsma or someone in her law firm drafted the Trust Amendment naming Corona as the Successor Trustee, neither would answer due to confidentiality concerns. However, the Trust amendment was notarized by Kathleen Barnes and a search of the Arizona Secretary of State Notary website lists Pamela Walsma, P.C. as Kathleen Barnes' employer, giving the appearance the 2017 Trust Amendment appointing Corona as Successor Trustee was drafted by Walsma or her firm. Corona, upon becoming Trustee, then retained her mother as counsel. This apparent mutual relationship between the two businesses further contributes to the appearance of a conflict.

The significance of engaging in a conflict of interest, or the appearance of a conflict of interest, became evident in the Wertman case when Barrow expressed confusion about the role Walsma played at the start of the Trust administration. He stated it was his belief Walsma was administering the Trust initially and transferred the case to Corona. His misunderstanding of their roles appears to have arisen from the fact Corona was an employee of Walsma's firm when the Trust administration began. In a July 2019 email, Corona informed Barrow she had left the firm and opened her own business⁶. Barrow

⁵ ACJA §7-202(J)(7) applies the code of conduct to a licensed fiduciary who is acting as a trustee or agent under power of attorney regardless of whether that person is acting pursuant to court appointment. Therefore, the code of conduct outlined in ACJA §7-202(J)(2)(b)(1), (b)(2) applies to a Trustee's relationship with the Trust's qualified beneficiaries.

⁶ Nicole Corona operates under the business name Arrow Fiduciary Services. The Arizona Corporation Commission shows Arrow Fiduciary Services was formed in 2013 naming Nicole Corona as the member/manager and Pamela Walsma as the Statutory Agent. Subsequent ACC documents filed by Corona

expressed concern about Corona's move from Walsma's firm, however she assured him it would not impact the Trust in any way. Under these circumstances, it would be unlikely a beneficiary would be able to adequately protect their interests in the Trust if they had no clear understanding of who the Trustee is or what the Trustee's qualifications are.

It should be noted when asked if her mother had represented her in other probate matters, Corona answered to the affirmative. When the Division inquired about the number of cases in which her mother represented her, Corona responded "almost all of them." She went on to say in all cases with court oversight, the courts were notified of her familial relationship with her attorney, and it was never deemed problematic. In non-court appointed cases, Corona said she provides notification to interested parties just as she did in the Wertman case.

Pursuant to ACJA §7-202(J)(2)(b)(5) the fiduciary should seek court approval before providing direct services in those situations where no other service providers are available. In requesting court approval, the fiduciary is required to provide in writing that "all alternatives have been considered and that no alternative is available that is reasonable or practical." The Division reviewed a random sample of Corona's court appointed probate cases and found she did provide notice her mother would be acting as her attorney. However, in at least one case, the notice provided to the court neither demonstrated that all available alternative service providers had been considered, nor provided reason why the use of an alternative service provider was deemed unreasonable or impractical.

Despite the notice provided to the court and interested parties, the Division finds Corona's representation by her mother in numerous probate cases concerning. Corona contends she can maintain independence from her mother sufficient to challenge costs and services as required by code, if needed. She further notes that because she provides notice to the court and all interested parties that a familial relationship exists, she is not violating the code. The Division agrees Corona's notification to the court and/or interested parties may mitigate a violation of ACJA §7-202(J)(2)(b)(1) and (J)(7); however, when comparable alternatives are available in the marketplace, the best practice is to avoid such a potential conflict of interest or appearance of a conflict of interest, particularly in matters where there is no court oversight. The Division is concerned that given the familial relationship, Corona is unnecessarily challenged to "[m]aintain independence from all service providers to enable the fiduciary to coordinate services, challenge inappropriate or poorly delivered services..." or act in the best interest of the estate as required by ACJA §7-202(J)(2)(b)(2). Additionally, the Division found the notice provided to the Courts did not satisfy the requirements of ACJA §7-202(J)(2)(b)(5) because Corona did not demonstrate what alternative service providers had been explored and why those alternatives were unacceptable.

indicate she took office of Arrow Fiduciary Services on August 24, 2015. Arrow Fiduciary Services is not a licensed entity with the Arizona Supreme Court.

ANALYSIS OF ALLEGATIONS:

Allegation 1: Nicole Corona failed to timely marshal assets of the estate.

ACJA §7-202(J)(6)(b) Requires the fiduciary take reasonable steps to marshal and secure the property and income of the decedent's estate as soon as possible. The fiduciary shall provide stewardship of the property for safekeeping and, at a minimum, record pictorially and establish and maintain accurate records of all real and personal property.

Additionally, ACJA §7-202(J)(6)(d) requires a fiduciary to exercise intelligence, prudence and diligence in providing competent management of the property and income of the estate. And A.R.S. §14-10809 requires a trustee shall take reasonable steps to take control of and protect the trust property.

Corona's handling of four trust assets is particularly concerning: DWS, Vanguard, Mass Mutual and the remaining savings bonds. Corona failed to marshal investment funds from DWS and Vanguard for two years. Despite the account numbers being listed on Wertman's handwritten inventory, Corona failed to contact the institutions to determine what assets the accounts held until June 8, 2021. Her delay not only denied the beneficiaries access to funds they were entitled to, but also posed a potential threat to the value of the investments during a time of Global Market turbulence.

Corona also failed to marshal Wertman's Mass Mutual life insurance benefit for two years. In addition to her delay in obtaining the funds, Corona may have failed to safeguard the beneficiaries' interest in the assets after she was notified of one of the seven beneficiaries possibly receiving payments from Mass Mutual. To date, Corona is unsure whether one beneficiary received unaccounted for funds. She instead theorized it must have been non-trust money the beneficiary received because they could not access the Trust accounts.

Finally, as of the date of this report, Corona has yet to disburse funds from the remaining savings bonds. By her own admission, she had no knowledge or experience dealing with the conversion and distribution process required to disburse the bonds. ACJA §7-202(J)(3)(d) requires the fiduciary to maintain an awareness of her limited expertise. Her lack of expertise in the management of this process has resulted in considerable delays and ongoing issues. She stated that had she known the process would take so long she would have started sooner. The lengthy bond conversion process aside, the Division has concerns that Corona delayed initiating the bond distribution for nearly three years.

ACJA §7-201(H)(6)(k)(7) requires a fiduciary to perform any responsibility or duty of the profession or occupation with the degree of care, skill and proficiency commonly exercised by the ordinary skillful, careful and prudent professional certificate holder engaged in similar practice under the same or similar conditions regardless of any level of harm or

injury to the client or customer. Corona's handling of the Wertman Estate, particularly the marshaling of the assets held by DWS, Vanguard, Mass Mutual and the Savings Bonds, does not demonstrate the skill and proficiency one would expect from a skillful professional fiduciary.

Corona violated ACJA §7-202(J)(6)(b), ACJA §7-202(J)(6)(d), and A.R.S. §14-10809 during her administration of the Trust by failing to timely control and marshal trust assets. Additionally, Corona violated ACJA §7-202(J)(3)(d) by failing to maintain an awareness of her limited expertise regarding the bond conversion and distribution resulting in ongoing delays. Corona also violated ACJA § 7-201(H)(6)(k)(7) by failing to perform her responsibilities with care, skill, and proficiency. Allegation 1 is substantiated.

Allegation 2: Nicole Corona failed to timely close the estate.

ACJA §7-202(J)(6) requires a fiduciary to settle and distribute the estate of the decedent efficiently, timely, and in the best interest of the estate. A.R.S. §14-10802(A) requires a trustee shall administer the trust solely in the interests of the beneficiaries.

At the time of Wertman's passing, the Verne & Shirley Wertman Trust held several banking and investment accounts, savings bonds, and life insurance policies. There were seven named beneficiaries of the Trust. The value of the estate was \$915,913.41, including \$62,260 of yet-to-mature savings bonds. As of November 2022, the estate had remained open for 42 months, and Corona estimated it would take at least another three months to complete the transfer of the savings bonds. Corona described the Trust administration as complex however, she was given a straightforward, detailed blueprint to follow. Corona has been slow to marshal and secure estate assets. She and her assistant dedicated on average less than 5 hours per month to the administration of the Wertman trust over a 39-month period. By her actions, Corona has denied the beneficiaries assets which they were entitled to for nearly four years. Her administration of this estate can be considered neither efficient nor timely and not in the best interest of the estate.

Corona's lack of expertise managing the assets has resulted in additional delays causing the estate to remain open beyond what is reasonable for an estate of this size. ACJA §7-202(J)(3)(d) requires the fiduciary maintain an awareness of the limitations of the fiduciary's expertise and seek independent opinions when necessary. Corona failed to seek assistance when she found herself in the unfamiliar territory of the savings bond conversion and distribution process.

Corona violated ACJA §7-202(J)(6), ACJA §7-202(J)(3)(d) and A.R.S. §14-10802(A) by failing to efficiently and timely close the estate. Allegation 2 is substantiated.

Allegation 3: Nicole Corona failed to respond and/or timely respond to estate heirs' communications, inquiries and/or requests for information.

ACJA §7-202(J)(6)(e) requires the fiduciary shall resolve questions in good faith and make decisions that are most beneficial to the estate. A.R.S. §14-10813(A) states unless the trust instrument provides otherwise, a trustee shall keep the qualified beneficiaries of the trust reasonably informed about the administration of the trust and of the material facts necessary for them to protect their interests. Unless the trustee determines that it is unreasonable under the circumstances to do so, a trustee shall promptly respond to a beneficiary's request for information related to the administration of the trust. Furthermore, Article VII of the Verne & Shirley Wertman Trust expressly states the Trustee has a duty to respond to the requests of a qualified beneficiary for information reasonably related to the administration of the irrevocable trust.

The beneficiaries made several requests for information regarding status of the administration; the source of the distributions; estate tax filing status; estimated estate closing date; and the savings bond conversion process. The email communications provided by Barrow and Roberta were carefully reviewed by the Division. There were numerous instances of inquiries and/or requests that went unanswered by Corona for days or weeks. Frequently, the beneficiaries sent several follow up emails before receiving a response to their inquiry. Often, the response Corona provided the beneficiaries was vague and gave little substantive information. Barrow and Roberta repeatedly asked when they could expect the estate to be finalized but did not receive a definitive answer or a reasonable estimate.

Although Corona does appear to have a policy in place whereby, she evaluates and triages more critical cases first, she did not demonstrate means of dedicating sufficient time to less critical cases. The Division recognizes she has taken steps to improve her communication standards since the difficulties she experienced during the COVID pandemic, however that does not mitigate the challenges these beneficiaries experienced during her Trusteeship. Corona is obligated by code as well as the Trust instrument to respond to any reasonable request by the beneficiaries for information regarding the administration of the Trust.

Corona violated ACJA §7-202(J)(6)(e) and A.R.S. §14-10813(A) by failing to keep the beneficiaries timely and reasonably informed regarding the estate administration. Allegation 3 is substantiated.

Allegation 4: Nicole Corona failed to provide proper notice to the Court regarding the use of her mother as her legal representation in at least one probate case.

ACJA §7-202(J)(2)(b)(5) states in those exceptional situations when no other services are available, seek court approval before providing direct services. When requesting court approval, the fiduciary shall demonstrate in writing and with prior notice to parties entitled to notice that all alternatives have been identified and considered and that no alternative is available that is reasonable or practical. This does not apply in an emergency situation where it is necessary for the fiduciary to provide services, to protect the best interests of

the ward or protected person. The fiduciary shall document the emergency and the need for the fiduciary to provide the services.

In a random sample of Corona's court appointed probate cases, the Division found at least one case in which proper notice pursuant to ACJA §7-202(J)(2)(b)(5) was not provided to the Court. Specifically, in her notification to the Court, Corona neither demonstrated that all alternative service providers had been considered nor explained why those alternatives were either impractical or unreasonable.

Corona violated ACJA §7-202(J)(2)(b)(5) by providing insufficient notice to the court to explain her use of a service provider that would otherwise be considered a conflict of interest or give the appearance of a conflict of interest as defined by ACJA §7-202 (J)(2)(b)(1) and (J)(7). Allegation 4 is substantiated.

DISCIPLINARY HISTORY:

None

SUBMITTED BY:

[REDACTED]

3/6/2023

Janelle Bauseman, Investigator
Certification and Licensing Division

Date

REVIEWED BY:

[REDACTED]

3/6/2023

Aaron Nash, Division Director
Certification and Licensing Division

Date

**ARIZONA SUPREME COURT
ADMINISTRATIVE OFFICE OF THE COURTS
ORDER OF THE BOARD**

<i>CERTIFICATE HOLDER/LICENSEE INFORMATION</i>	Certificate Holder:	Nicole Corona
	Certificate Number:	20700

RECOMMENDATION TO THE FIDUCIARY BOARD ("BOARD"):

It is recommended the Board accept the finding of the Probable Cause Evaluator and enter a finding Nicole Corona has committed the alleged act(s) of misconduct in Allegations 1, 2, 3, and 4 as detailed in the Investigation Summary and Probable Cause Analysis and Determination Report in complaint number 21-0009.

It is further recommended the Board enter a finding that grounds for formal disciplinary action exist under Arizona Code of Judicial Administration ("ACJA") § 7-201(H)(6) and (H)(9) for acts of misconduct as further described in the Investigation Summary and Probable Cause Analysis and Determination Report.

Mitigating Factors:

1. The absence of a prior disciplinary record;
2. The absence of a dishonest motive;
3. The absence of a selfish motive.

Aggravating Factors:

1. Multiple offenses;
2. Harm or potential harm caused to beneficiaries due to delays.

It is further recommended the Board issue a Censure against Nicole Corona, license number [REDACTED] under ACJA § 7-201(H)(24)(a)(6)(b).

SUBMITTED BY:



Aaron Nash, Division Director
Certification and Licensing Division

3/6/2023

Date

FINAL DECISION AND ORDER:

The Board having reviewed the above Investigation Summary and Probable Cause Analysis and Determination Report, finding of the Probable Cause Evaluator, and Recommendation regarding complaint number 21-0009 and Nicole Corona, license number [REDACTED] makes a finding of facts and this decision, based on the facts, evidence, and analysis as presented and enters the following order:

- requests division staff to investigate further.
- refers the complaint to another entity with jurisdiction.
- Referral to: _____
dismisses the complaint, and:
 - requests division staff prepare a notice of dismissal pursuant to ACJA § 7-201(H)(5)(c)(1).
 - requests division staff prepare a notice of dismissal and an Advisory Letter pursuant to ACJA § 7-201(H)(5)(c)(2).
- determines grounds for discipline exist demonstrating the certificate holder committed the alleged act(s) of misconduct and:
 - enter a finding the alleged act(s) of misconduct or violation(s) be resolved through informal discipline, pursuant to ACJA § 7-201(H)(7) and issue a Letter of Concern.
 - enter a finding the alleged act(s) of misconduct or violation(s) be resolved through formal disciplinary proceeding, pursuant to ACJA § 7-201(H)(9).
- requests the certificate holder appear before the Board to participate in a Formal Interview, pursuant to ACJA § 7-201(H)(8).
- orders the filing of Notice of Formal Charges, pursuant to ACJA § 7-201(H)(10).
- enters a finding the public health, safety or welfare is at risk, requires emergency action, and orders the immediate emergency suspension of the certificate and sets an expedited hearing for:

Date, Time, and Location: _____
- adopts the recommendations of the Division Director.
- does not adopt the recommendations of the Division Director and orders:

The Board accepts the determination of the Probable Cause Evaluator and finds that Nicole Corona has committed the violations described in the Investigation Summary and Probable Cause Analysis and Determination Report. Further, the Board orders that Nicole Corona receive a censure and be placed on probation for a term of one year from the Board's Final order, the terms of which are:

- That Corona submits to an audit to be performed by a third party mutually agreed upon by the Division and Corona. The purpose and scope of the audit is to provide the Board with assurance that Corona is in compliance with code, rule and statutory requirements and to cause Corona to modify her policies, procedures and practices until she is in compliance.
- If the Division and Corona cannot agree on an auditor, the matter be brought back to the Board at the next regularly scheduled meeting for a final determination.
- On completion of the compliance audit, implementation of any corrective action recommended by the audit, and Board concurrence that Corona is in compliance and has demonstrated reasonable assurance that she will remain in compliance, the Board may approve the early termination of probation.
- That Corona pay all costs associated with the compliance audit.
- That Corona comply with all reasonable requests of the compliance auditor.
- That Corona immediately notify Division staff of any refusal to comply, including the bases of Corona's refusal to comply.
- The term of probation does not affect or limit, in any manner, further disciplinary action if the audit uncovers violations of statutes, rules or the administrative code.


Deborah Primock, Chair
Fiduciary Board

5/19/23
Date