

IN THE COURT OF APPEALS OF TENNESSEE
AT KNOXVILLE
April 15, 2026 Session

FILED

07/23/2026

Clerk of the
Appellate Courts

MARY WOODWARD v. DAVID STRICKLAND ET AL.

Appeal from the Chancery Court for Cocke County
No. 2019-CV-79 Telford E. Forgety, Jr., Chancellor

No. E2024-00708-COA-R3-CV

A trust beneficiary filed a petition seeking the removal of the trustee and successor trustee of the trust due to purported breaches of trust committed by the trustees. The beneficiary also asked that the trustees be ordered to repay any trust funds that they wrongfully withdrew. The trial court granted the requested relief, and the trustees appeal. Upon diligent review of the record, we find no error and affirm the judgment of the trial court.

**Tenn. R. App. P. 3 Appeal as of Right; Judgment of the Chancery Court Affirmed;
Case Remanded**

KRISTI M. DAVIS, J., delivered the opinion of the Court, in which JOHN W. MCCLARTY, P.J., E.S., and WILLIAM E. PHILLIPS II, J., joined.

John Derreck Whitson, Newport, Tennessee, for the appellants, David Scott Strickland and Petra Strickland.

Rebecca D. Slone, Dandridge, Tennessee, for the appellee, Mary Woodward.

OPINION

BACKGROUND

Ruth Strickland (“Settlor”) was the settlor of the Ruth M. Strickland Revocable Trust (the “Trust”). The beneficiaries of the Trust are Appellant David Strickland (“Mr. Strickland”), Appellee Mary Woodward (“Petitioner”), and a non-party, Suzanne Neven (“Ms. Neven”). Settlor executed a third amended and restated trust agreement on October 18, 2018 (the “Trust Agreement”), pursuant to which the trustee was to pay to Settlor “during [her] life the income of the Trust, and such portion of the principal as [she] may request from time to time by a written instrument delivered to the Trustee[.]” In the event

Settlor became incapacitated, the trustee was instructed to “pay such amounts from the income and from principal as the Trustee may deem necessary for the health, education, support, or maintenance needs of [Settlor’s] descendants and [Settlor].” The Trust Agreement provided that Settlor and Mr. Strickland were to serve as co-trustees but that upon Settlor’s death, resignation, or incapacity, Mr. Strickland would serve as the sole trustee. It also allowed either trustee to “take any actions without the consent of the Co-Trustee.”

On December 30, 2019, Petitioner filed a petition in the Cocke County Chancery Court (the “trial court”) seeking the appointment of a conservator for Settlor, the removal of Mr. Strickland as trustee of the Trust, and that Mr. Strickland be required to “redress the breach of trust by paying money or restoring property.” Petitioner alleged that Mr. Strickland committed a breach of trust by stealing \$1,200,000 in Trust funds; commingling his personal assets with Trust assets; and failing to keep accurate accountings. The trial court appointed a Guardian Ad Litem (“GAL”) for Settlor. On June 12, 2020, the trial court found “‘red flags’ in [Mr. Strickland’s] expenditures of [Settlor’s] funds” and enjoined him from withdrawing any funds from any account owned by Settlor or the Trust without the approval of the GAL or the trial court. On June 24, 2020, Petitioner amended her petition, with leave of the trial court, to add Mr. Strickland’s wife, Appellant Petra Strickland (“Mrs. Strickland”) (together with Mr. Strickland, the “Stricklands”), as a respondent. The Trust Agreement provided that if Mr. Strickland were no longer serving as trustee, Mrs. Strickland would become the trustee. Petitioner’s amended petition asked that Mrs. Strickland be disqualified from serving as a trustee. Petitioner alleged that the Stricklands breached their fiduciary duty to the Trust by using Trust assets to pay their personal debts, entered into transactions for their personal benefit, deposited Trust funds into inappropriate accounts, and issued themselves “instruments payable[.]” Settlor died on November 21, 2021.

On March 28, 2022, the trial court ordered that all of Settlor’s, the Stricklands’, and the Trust’s financial records be provided to the forensic accounting firm of Bible Harris Smith, P.C. “for their perusal and inspection.” In a report to the trial court dated June 27, 2022, which was admitted into evidence at trial, LeRoy B. Bible, CPA, CFE of Bible Harris Smith, noted that he had not received all of the documents he requested to facilitate his investigation and that the missing information could raise “more questions than answers.” Specifically, he stated that he “found no direct support for any of the more than \$2,300,000 spent out of the Trust over a time period of less than ten years” and “came across information that suggested there may be assets not made available” to him. Ultimately, however, he described multiple “early Trust distributions” made to Mr. Strickland.

On August 5, 2022, the Stricklands filed a motion to dismiss the petition based upon Petitioner’s failure to join a purportedly necessary party, Ms. Neven. The Stricklands never noticed their motion to dismiss for hearing. The trial court conducted a bench trial on

August 24, 2022. At the commencement of the trial, the Stricklands' counsel asked the trial court to address the motion to dismiss, and the trial court denied the motion.

At trial, Mr. Bible testified first. He explained that he is a certified public accountant and certified fraud examiner, and the trial court allowed him to testify as an expert witness in these fields. During his testimony, Mr. Bible noted that the records maintained by the Stricklands "were so incomplete that there is no absolutely positively certain dollar amount to what should be" in the Trust. However, he opined that the Trust was "short \$187,000 in funds" necessary to make the distributions owed to Petitioner and Ms. Neven as trust beneficiaries.

Mr. Strickland also testified. During cross-examination, he conceded that during an earlier discovery deposition, he testified he had commingled his funds with Trust funds and that he had withdrawn \$253,000 from the Trust to purchase a home in Dandridge, Tennessee. He also conceded that he had testified in his deposition that he had transferred approximately \$71,000 from the Trust to Mrs. Strickland's personal checking account and that those transferred funds were not used for Settlor's benefit. However, on redirect he attempted to explain how these funds were in fact used for Settlor's benefit. Finally, he testified that Settlor was never found to be incapacitated prior to her death.

On February 1, 2023, the trial court entered a Trial Order and Judgment finding that the Stricklands mishandled the Trust's funds and removing them as trustees. Specifically, the trial court found that the Stricklands had commingled their personal funds with the Trust's funds on multiple occasions, failed to maintain adequate Trust records, and withdrew \$187,258.57 from the Trust above and beyond what Mr. Strickland was entitled to receive in his capacity as a Trust beneficiary. The trial court reduced this amount to a judgment against the Stricklands, for which they are jointly and severally liable. The Stricklands appeal the trial court's judgment.

ISSUES

The Stricklands raise four issues on appeal, which we consolidate and restate as follows:

1. Whether the trial court erred in denying the Stricklands' motion to dismiss the petition?
2. Whether the trial court erred in ordering the Stricklands to repay the Trust \$187,258.57?

DISCUSSION

a.

The Stricklands argue that because Ms. Neven is a beneficiary of the Trust, she was an indispensable and necessary party to the petition to remove the Stricklands as trustees. Thus, they argue, the trial court lacked jurisdiction over the petition and erred in not requiring that she be joined as a party pursuant to Tennessee Rule of Civil Procedure 19.01. However, they do not cite any Tennessee authority to support their argument that all trust beneficiaries are indispensable parties to an action to remove a trustee, and this appears to be an issue of first impression in this state.

Whether a party is an indispensable party for purposes of Rule 19.01 is an issue of law which we review de novo without a presumption of correctness. *Green v. May*, No. E2024-00419-COA-R3-CV, 2024 WL 3949942, at *3 (Tenn. Ct. App. Aug. 27, 2024), *perm. app. denied* (Tenn. Jan. 23, 2025) (citing *McNabb v. Highways, Inc.*, 98 S.W.3d 649, 652 (Tenn. 2003); 24 Monique C.M. Leahy, *Tennessee Practice Series Summary Judgment and Related Termination Motions* § 6:82 (August 2024 Update)). Rule 19.01 “is designed to protect the interests of absent persons as well as those already before the court from multiple litigation and inconsistent judicial determinations.” *Id.* at *4 (quoting *Citizens Real Estate & Loan Co., Inc. v. Mountain States Dev. Corp.*, 633 S.W.2d 763, 766 (Tenn. Ct. App. 1981)). Accordingly, the rule requires that a person subject to service of process be joined as a party if

(1) in the person’s absence complete relief cannot be accorded among those already parties, or (2) the person claims an interest relating to the subject of the action and is so situated that the disposition of the action in the person’s absence may (i) as a practical matter impair or impede the person’s ability to protect that interest, or (ii) leave any of the persons already parties subject to a substantial risk of incurring double, multiple, or otherwise inconsistent obligations by reasons of the claimed interest.

Tenn. R. Civ. P. 19.01. However, the courts of this state have long distinguished between proper parties to a lawsuit and indispensable parties described in Rule 19.01:

A “proper party” to a lawsuit is one who has legal or equitable rights in the subject of the litigation. *Horton v. Tennessee Dept. of Correction*, No. M1999-02798-COA-R3-CV, [] 2002 WL 31126656[, at *4] (Tenn. Ct. App. [] Sept. 26, 2002) (citing *Steele v. Satterfield*, [] 257 S.W. 413, 414 ([Tenn.] 1923); William H. Inman, *Gibson’s Suits in Chancery* § 51 (7th ed. 1988)). A proper party is so connected with the dispute as to be under an enforceable obligation to the plaintiff, or to have a right or position with regard to the subject of the litigation that entitles him to defend against the court’s

judgment. *Id.* (citing *Inman*, *supra*, § 53). However, a proper party is not necessarily an indispensable party for the purposes of Tenn. R. Civ. P. 19.01. *Id.* “Only a party who will be directly affected by a decree and whose interest is not represented by any other party to the litigation is an indispensable or necessary party, that is, one without which no valid decree may be entered settling the rights between the parties that are before the [c]ourt.” *Brewer v. Lawson*, 569 S.W.2d [856,] 858 [(Tenn. Ct. App. 1978)] (emphasis added).

Hill v. Hill, 682 S.W.3d 184, 207 (Tenn. Ct. App. 2023) (quoting *Locke v. Locke*, No. M2021-01454-COA-R3-CV, 2022 WL 3650806, at *3–4 (Tenn. Ct. App. Aug. 25, 2022)).

A trust beneficiary has an interest in ensuring that a trustee is “administer[ing] the trust solely in the interests of the beneficiaries as the beneficiaries’ interests are defined under the terms of the trust.” Tenn. Code Ann. § 35-15-802(a). “A violation by a trustee of a duty the trustee owes to a beneficiary is a breach of trust.” Tenn. Code Ann. § 35-15-1001(a). Pursuant to the terms of the Trust Agreement, Petitioner and Ms. Neven are to receive equal shares of the Trust estate: namely, twenty-five percent of the principal, interest, and accrued income. As such, their interests are aligned. By asking the trial court to remove the Stricklands as trustees and remedy any breach of trust they had committed, Petitioner was protecting not only her own twenty-five percent interest in the Trust estate, but also Ms. Neven’s interest. Accordingly, Ms. Neven’s interest was already represented by a party to the litigation, and she was not an indispensable party. *See Belfiglio v. Metro. Gov’t of Nashville & Davidson Cnty.*, No. M2024-01504-COA-R3-CV, 2026 WL 279977, at *8 (Tenn. Ct. App. Feb. 3, 2026), *perm. app. denied* (Tenn. June 24, 2026); *Moore v. Teddleton*, No. W2005-02746-COA-R3-CV, 2006 WL 3199273, at *7 (Tenn. Ct. App. Nov. 7, 2006). Furthermore, Ms. Neven’s absence as a party did not affect the trial court’s ability to grant “complete relief” to the parties nor did it leave any of the parties “subject to a substantial risk of incurring double, multiple, or otherwise inconsistent obligations[.]” *See* Tenn. R. Civ. P. 19.01. Moreover, Ms. Neven testified at trial that she was aware of the lawsuit and had even spoken to the Stricklands’ attorney about it. Had Ms. Neven believed she needed to intervene in this action to protect her interest in the Trust estate, she could have done so. She did not.

There is no question that Ms. Neven, as a trust beneficiary, was a proper party to the action to remove the trustees and address any breaches of the Trust; however, because Ms. Neven’s interest in seeing that any breach of trust be remedied was already represented by Petitioner, Ms. Neven was not an indispensable or necessary party for purposes of Rule 19.01. We affirm the trial court’s denial of the Stricklands’ motion to dismiss.

b.

Next, the Stricklands argue that the trial court erred by entering the \$187,258.57 judgment against them in favor of the Trust. “[I]n addition to removing a trustee, the court

may order such appropriate relief under [Tennessee Code Annotated section] 35-15-1001(b) as may be necessary to protect the trust property or the interests of the beneficiaries.” Tenn. Code Ann. § 35-15-706(c). Among other potential remedies, “the court may: . . . [c]ompel the trustee to redress a breach of trust by paying money, restoring property, or other means[.]” Tenn. Code Ann. § 35-15-1001(b)(3). Given the permissive language used in these sections, the trial court retains discretion regarding its decisions about the proper relief to be ordered. *In re Graham*, No. M2021-00967-COA-R3-CV, 2022 WL 17008526, at *3 (Tenn. Ct. App. Nov. 17, 2022) (citing *In re Est. of Edmonds*, No. W2018-01783-COA-R3-CV, 2019 WL 2304053, at *6 (Tenn. Ct. App. May 30, 2019)). Accordingly, we review the trial court’s decision for an abuse of discretion.

The abuse of discretion standard of review “reflects an awareness that the decision being reviewed involved a choice among several acceptable alternatives.” *Harmon v. Hickman Cmty. Healthcare Servs., Inc.*, 594 S.W.3d 297, 305 (Tenn. 2020) (quoting *Lee Med., Inc. v. Beecher*, 312 S.W.3d 515, 524 (Tenn. 2010)). Accordingly, “[u]nder the abuse of discretion standard, a trial court’s ruling ‘will be upheld so long as reasonable minds can disagree as to propriety of the decision made.’” *Eldridge v. Eldridge*, 42 S.W.3d 82, 85 (Tenn. 2001) (quoting *State v. Scott*, 33 S.W.3d 746, 752 (Tenn. 2000)); *State v. Gilliland*, 22 S.W.3d 266, 273 (Tenn. 2000)). “Indeed, when reviewing a discretionary decision by the trial court, the ‘appellate courts should begin with the presumption that the decision is correct and should review the evidence in the light most favorable to the decision.’” *Henderson v. SAIA, Inc.*, 318 S.W.3d 328, 335 (Tenn. 2010) (quoting *Overstreet v. Shoney’s, Inc.*, 4 S.W.3d 694, 709 (Tenn. Ct. App. 1999)). This presumption notwithstanding, “[a] trial court abuses its discretion when it causes an injustice by applying an incorrect legal standard, reaching an illogical decision, or by resolving the case ‘on a clearly erroneous assessment of the evidence.’” *Id.* (quoting *Lee Med.*, 312 S.W.3d at 524).

The Stricklands argue that they should be granted “additional time to file an accounting in an attempt to cover any amounts herein found to be due to the Trust” and that “after [they] have submitted their accounting and the successor trustee(s) has submitted its final accounting, then a determination of any amounts owed to the Trust can be made, and can be offset from any distribution to Mr. Strickland as a beneficiary under the Trust.” Petitioner’s amended petition filed June 24, 2020, asked that the Stricklands be ordered to “redress the breach of trust by paying money or restoring property.” The trial in this matter occurred more than two years later, on August 24, 2022. The Stricklands were on notice for over two years that Petitioner was requesting this relief. Moreover, on March 28, 2022, the trial court ordered the Stricklands to provide all their financial records and those of the Trust to the forensic accounting firm of Bible Harris Smith. Despite this, in his June 27, 2022 report to the trial court, Mr. Bible stated that after reviewing the records provided to him, he “found no direct support for any of the more than \$2,300,000 spent out of the Trust over a time period of less than ten years[.]” including the period during which Mr. Strickland was serving as trustee. The report goes on to say: “If more, or better information

is obtained, the new data would help in getting to an accurate summary” of the Trust’s finances. The Stricklands’ attorney was copied on this report, and Mr. Strickland testified at trial that he had read the report. Nonetheless, there is no evidence in the record that Mr. Strickland made any effort to provide any additional information to Mr. Bible after receiving this report.¹ To the extent the Stricklands have supporting documentation from which an accounting could be prepared, the time to present that evidence was (1) when they were ordered to produce that evidence to Bible Harris Smith and (2) at trial. Their failure to act timely to protect their purported interest does not entitle them to relief on appeal.

Sections 35-15-706 and 35-15-1001 of the Tennessee Uniform Trust Code grant the trial court broad discretion in fashioning a remedy to protect the trust property or the interests of the beneficiaries, and the trial court offered the Stricklands ample opportunities to present any and all evidence they had. The trial court did not abuse its discretion in entering judgment against them in the amount of \$187,258.57, and we affirm the judgment.

CONCLUSION

The judgment of the Chancery Court for Cocke County is affirmed, and this case is remanded for proceedings consistent with this opinion. Costs on appeal are assessed jointly and severally to the appellants, David Strickland and Petra Strickland, for which execution may issue if necessary.

KRISTI M. DAVIS, JUDGE

¹ At trial, Mr. Bible testified that he “asked for whatever accounting records [the Stricklands] had” and that “[a]ll they provided were bank statements and other statements.” Mr. Strickland testified that “[a]ll the receipts . . . pocket full, hand full of receipts, documentation, a journal, all of it” were provided to his attorney. However, further questioning revealed that Mr. Strickland had not provided itemized receipts and had instead “took the household expenses equally divided by one-third and that was the amount that [he] ledgered.”