

July 2, 2013

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**MUSEUM OF ART: TRANSFER OF MABURY FINE ART FUND BALANCE
(THIRD DISTRICT – 3 VOTES)**

SUBJECT:

The department requests that the balance in the Mabury Fine Art Fund be transferred to Museum Associates to streamline accounting and collections management functions.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Auditor-Controller to remit the fund balance in the Mabury Fine Art Fund (L07) to Museum Associates, which Museum Associates shall manage subject to the terms and conditions of the trust agreement wherein Museum Associates agreed to act as sole trustee of the fund.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

In 1939, the Estate of Paul R. Mabury ("Estate") designated Museum Associates as the sole trustee to manage, care for and display a collection of artwork known as the Mabury Fine Art Collection ("Collection"). The Collection consists of 80 Francisco Goya prints, among other items. It remains a part of the Museum's permanent collection, and is available for viewing worldwide, in their online collections database.

Also as part of this trust agreement between the Estate and Museum Associates, the Estate designated Museum Associates as sole trustee of a fine art fund ("Fund"). Pursuant to the trust agreement, income from the Fund was to be used exclusively for the support and maintenance of the Collection, and the principal of the Fund was to remain intact.

In 1940, concurrently with the designation of Museum Associates as the sole trustee of the Collection and Fund, Museum Associates entered into a separate agreement with the County for the County to manage the Fund. At the time, Museum Associates did not have legal authority to manage the museum and was not adequately staffed to manage a long-term gift, such as the Fund.

The agreement between Museum Associates and the County relating to the Fund provides that the County shall pay over the balance of the Fund to Museum Associates upon its demand, and that Museum Associates shall thereafter manage the Fund under the same terms and conditions as set forth in the trust agreement between the Estate and Museum Associates. Additionally, Museum Associates and the County may agree to terminate the agreement and allow the Fund to revert to Museum Associates.

Museum Associates is now capable of managing this long-term gift, and desires to consolidate the Fund with its endowment to allow ready access to the Fund for maintenance of the Collection, and to streamline the management of the Fund.

The department therefore recommends that the County transfer the balance of the Fund to Museum Associates, subject to the original terms of the trust agreement between the Estate and Museum Associates.

As of December 31, 2012, the fund balance was \$31,925.34, of which \$24,649.66 is principal. A copy of the agreement between Museum Associates and the County is attached to this letter.

IMPLEMENTATION OF STRATEGIC GOALS:

The recommended action supports Countywide Strategic Plan Goal Number 1, Operational Effectiveness, Strategies 1 and 2, by streamlining accounting operations. Further, the action supports the County's Goal 3, Community and Municipal Services, Strategy 1.a. by supporting collections management activities of the department.

FISCAL IMPACT/ FINANCING:

None. The funds are restricted to use by the Museum of Art for the purposes stated above.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Museum Associates is authorized to operate and manage the Museum of Art pursuant to Chapter 2.92.020 of the County Code and certain contracts entered into between the County of Los Angeles and Museum Associates.

Section 5120 of the Public Resources Code allows your Board to exercise any power necessary and proper to promote the objects and purposes of the Museum.

The Auditor-Controller agrees with this request, contingent on your Board's approval.

CONTRACTING PROCESS:

Not Applicable.

LACMA

LOS ANGELES COUNTY MUSEUM OF ART
5905 WILSHIRE BOULEVARD
LOS ANGELES CALIFORNIA 90036

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Will streamline accounting practices.

CONCLUSION:

Upon approval, instruct the Auditor-Controller to issue payment via wire transfer.

Respectfully submitted,



Ann Rowland
Chief Deputy Director

AR:am

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Museum Associates

Attachment

Source: Registrar

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CGT 22 1946

1 THIS AGREEMENT, made by COUNTY OF LOS ANGELES, a body
 2 politic and corporate and a political subdivision of the State
 3 of California, hereinafter referred to as "First Party", with
 4 BELLA MABURY, as Executrix of the Last Will of PAUL RODMAN MABURY,
 5 (also known as PAUL R. MABURY, and as P. R. MABURY), deceased,
 6 hereinafter referred to as "Second Party", and MUSEUM ASSOCIATES,
 7 a California corporation, incorporated under Title XII, Part IV,
 8 Division 1, of the Civil Code of the State of California, as
 9 Trustee, under the trust created by the Last Will of said Paul
 10 Rodman Mabury, deceased, hereinafter referred to as "Third Party",

W I T N E S S E T H :

12 First Party acknowledges receipt from Second Party of
 13 THREE THOUSAND SIX HUNDRED and 00/100 (3,600.00) DOLLARS, desig-
 14 nated as "Fine Arts Fund" in the Last Will of said deceased, and
 15 agrees to maintain said Fund intact and to use the income there-
 16 from exclusively for the protection and benefit of the "Fine Arts
 17 Collection" described in that certain agreement made by and be-
 18 tween First Party and Third Party under date of January 18, 1940,
 19 and further agrees to hold and use any addition to said Fine Arts
 20 Fund heretofore or hereafter made for the purposes and upon the
 21 conditions herein set forth.

22 Said money shall be deposited in the County Treasury of
 23 the County of Los Angeles and designated as the "Paul Rodman
 24 Mabury Fine Arts Fund" to be held as a trust fund upon the terms
 25 and conditions herein provided;

26 First Party shall have authority to invest and reinvest
 27 moneys in said Fund only in United States Government bonds, and to
 28 deposit in said trust fund any increment, including interest,
 29 arising therefrom;

30 First Party further agrees in case it fails to perform
 31 all of its obligations under this agreement, that title to said
 32 Fund shall revert to Third Party, and First Party further agrees

1 to pay over the moneys from any on hand in said Fund to Third
2 Party upon its demand therefor;

3 Third Party agrees that in the event said Fine Arts Fund
4 reverts to it, it shall hold and use said Fund upon the terms and
5 conditions set forth herein and in the Last Will of Paul Rodman
6 Mabury, deceased, duly admitted to probate in the Superior Court
7 of the State of California in and for the County of Los Angeles
8 in the Matter of the Estate of PAUL RODMAN MABURY (also known as
9 PAUL R. MABURY and as P. R. MABURY), deceased, No. 183,092 of the
10 files of said Court.

11 IN WITNESS WHEREOF, First Party, by order of its Board
12 of Supervisors, has caused this agreement to be subscribed by the
13 Chairman of said Board and the seal of said Board to be affixed
14 hereto and attested by the Clerk of said Board; Second Party has
15 subscribed this agreement as Executrix aforesaid, pursuant to de-
16 cree of the Superior Court of the State of California, in and for
17 the County of Los Angeles, duly made in the Matter of the Estate
18 of PAUL RODMAN MABURY (also known as PAUL R. MABURY and as P. R.
19 MABURY), deceased, on July 24th, 1940; and Third Party has caused
20 this agreement to be subscribed and its corporate seal to be here-
21 unto affixed by its officers thereunto duly authorized, this 23
22 day of October, 1940.

23 ATTEST:

24 L. E. LAMPTON, County Clerk,
25 and Ex-Officio Clerk of the
26 Board of Supervisors,

26 By Alice Burks
27 Deputy.

COUNTY OF LOS ANGELES

By [Signature]
Chairman of the Board of Supervisors
FIRST PARTY

26 By Bella Mabury
27 As Executrix of the Last Will of
28 Paul Rodman Mabury, (also known as
29 Paul R. Mabury and as P. R. Mabury),
30 deceased.
31 SECOND PARTY

MUSEUM ASSOCIATES

By [Signature]
Its President

By [Signature]
Its Secretary

TRUSTEE, THIRD PARTY

32 APPROVED AS TO FORM

J. H. O'CONNOR

COUNTY COUNSEL

[Signature]
DEPUTY

Oct. 21, 1940