

**IN THE COURT OF COMMON PLEAS OF LYCOMING COUNTY, PENNSYLVANIA**

DRAGON STONE ENERGY, LTD, : NO. CV-2024-00635  
Plaintiff, :  
vs. :  
: CIVIL ACTION - LAW  
BINDER SCIENCE LLC and :  
THOMAS HYNAN WENTZLER, :  
Defendants. : Petition to Attach

**OPINION & ORDER**

This matter came before the Court for a hearing on November 18, 2024, on a Petition to Attach Present and/or Future Distributions (filed by Plaintiff on October 21, 2024). The Court granted the parties’ request for leave of Court to file written briefs by December 13, 2024, in support of their respective positions. Counsel have now filed their respective briefs. Based upon arguments by counsel at the November 18<sup>th</sup> hearing, the filed briefs and the filed stipulation, the Court renders the following Opinion and Order.

**I. BACKGROUND**

On June 12, 2024, Dragon Stone Energy, LTD (hereinafter “Plaintiff”) filed a Praecipe to Transfer Judgment and Agreed Final Judgment in the amount of \$7,900,000.00 in favor of the Plaintiff and against Binder Science, LLC, and Thomas Hynan Wentzler. Plaintiff subsequently filed a Petition to Attach Present and/or Future Distribution, seeking to enforce the Agreed Final Judgment against Defendant Wentzler, who is a beneficiary of a Trust known as the Lycoming 2000 Family Income Trust (hereinafter the “Trust”). Plaintiff contends that—even though a spendthrift provision is contained within the Trust—the Plaintiff is entitled to pierce that provision and attach the Agreed Final Judgment to all future distributions of Trust income or principal payable to Defendant Wentzler under 20 Pa.C.S. § 7743(c). Pl.’s Br. at 2. Defendant Wentzler disagrees and contends that 20 Pa.C.S. § 7743(c) does not authorize the Court to pierce the spendthrift provision and attach the Agree Final Judgment. Def.’s Br. at 2. Both parties stipulate (in a stipulation filed January 7, 2025, as well as the briefs filed in December 2024) that the law of Pennsylvania—not Texas—applies to the interpretation of the spendthrift provision of the Trust. *Id.*

## II. ISSUES PRESENTED

1. WHETHER PENNSYLVANIA LAW OR TEXAS LAW APPLIES TO THE INTERPRETATION OF THE SPENDTHRIFT PROVISION OF THE TRUST.
2. WHETHER 20 PA.C.S. § 7743(c) PERMITS PLAINTIFF TO PIERCE THE SPENDTHRIFT PROVISION OF THE TRUST AND ATTACH ITS JUDGMENT TO THE PRESENT OR FUTURE TRUST DISTRIBUTIONS OF DEFENDANT WENTZLER.

## III. BRIEF ANSWERS

1. PARTIES HAVE STIPULATED THAT PENNSYLVANIA LAW APPLIES TO THE INTERPRETATION OF THE SPENDTHRIFT PROVISION OF THE TRUST.
2. 20 PA.C.S. § 7743(c) DOES NOT PERMIT PLAINTIFF TO PIERCE THE SPENDTHRIFT PROVISION OF THE TRUST AND ATTACH ITS JUDGMENT TO THE PRESENT OR FUTURE TRUST DISTRIBUTIONS OF DEFENDANT WENTZLER.

## IV. DISCUSSION

1. PARTIES HAVE STIPULATED THAT PENNSYLVANIA LAW APPLIES TO THE INTERPRETATION OF THE SPENDTHRIFT PROVISION OF THE TRUST.

Our Supreme Court has examined, generally and exhaustively, in *Melmark, Inc. v. Schutt by and Through Schutt*, the choice-of-law analysis as follows:

Courts conduct a choice-of-law analysis under the choice-of-law rules of the forum state. *See Klaxon Co. v. Stentor Elec. Mfg. Co.*, 313 U.S. 487, 496, 61 S.Ct. 1020, 1021, 85 L.Ed. 1477 (1941); *Griffith v. United Airlines*, 416 Pa. 1, 21, 203 A.2d 796, 805 (1964). **Pennsylvania courts first consider whether a “true conflict” exists between the two states.** *Keystone Aerial Surveys, Inc. v. Pa. Prop. & Cas. Ins. Guar. Ass’n*, 574 Pa. 147, 153, 829 A.2d 297, 301 (2003); *accord Sheard v. J.J. DeLuca Co.*, 92 A.3d 68, 76 (Pa. Super. 2014) (quoting *Budtel Assoc's, LP v. Cont'l Cas. Co.*, 915 A.2d 640, 643 (Pa. Super. 2006) ). **This is because in some instances the purported conflict is ultimately revealed to be a “false conflict” – meaning that the**

**laws of both states would produce the same result**, *see Titeflex Corp. v. Nat'l Union Fire Ins. Co.*, 88 A.3d 970, 979 (Pa. Super. 2014) (quoting *Williams v. Stone*, 109 F.3d 890, 893 (3d Cir. 1997) ), or that one of the states has no meaningful policy-based interest in the issue raised. *See, e.g., Kuchinic v. McCrory*, 422 Pa. 620, 624 & n.4, 222 A.2d 897, 899-900 & n.4 (1966) (citing cases). *See generally Commonwealth v. Eichinger*, 591 Pa. 1, 21 n.17, 915 A.2d 1122, 1134 n.17 (2007) (discussing false conflicts).

*Melmark, Inc. v. Schutt by & Through Schutt*, 206 A.3d 1096, 1104 (Pa. 2019) (emphasis added).

Here, Section 4.12 of the Trust—titled “Situs”—provides that “The construction and validity of any trust created in this agreement shall be controlled by the laws of the State of Texas. The administration of any trust shall be controlled by the laws of the State of Texas unless the trustees designate the laws of any other jurisdiction as the controlling law with respect to the administration of the trust, in which event the designated laws shall apply to the trust from that point on (until the laws of another jurisdiction are designated). However, the laws of the State of Texas shall continue to apply to the extent that the powers of the trustees are broader under the laws of the State of Texas than under any other designated laws. The trustees shall designate the laws of another jurisdiction by written notice to each income beneficiary of the trust or, if any beneficiary is under a legal disability, to the guardian of the person of that beneficiary or the person having the care or custody of that beneficiary.” Pl.’s Pet. Ex. B, at 13. Both parties have stipulated, in their briefs and stipulation, that Pennsylvania law applies on the issue regarding the spendthrift provision. Pl.’s Br. at 2; Def.’s Br. at 2; Stipulation of January 7, 2025. Furthermore, as counsel for the “Defendant/beneficiary/current Trustee,” counsel for the Defendants has asserted that Pennsylvania law “should be the controlling state law as it relates to the resolution of the creditor’s dispute with the Trust, which power the Defendant has under Section 4.12.” Def.’s Br. at 3. Because it appears to the Court that counsel for the Defendants is also counsel for the current trustee and beneficiary—and Section 4.12 permits the trustee to “[d]esignate the laws of any other jurisdiction as the controlling law with respect to the administration of the trust[]”—the Court will apply

Pennsylvania law in the interpretation of the spendthrift provision in question. Pl.'s Pet. Ex. B, at 13; Stipulation of January 7, 2025.

2. 20 PA.C.S. § 7743(c) DOES NOT PERMIT PLAINTIFF TO PIERCE THE SPENDTHRIFT PROVISION OF THE TRUST AND ATTACH ITS JUDGMENT TO THE PRESENT OR FUTURE TRUST DISTRIBUTIONS OF DEFENDANT WENTZLER.

Regarding spendthrift provisions in Pennsylvania, 20 Pa.C.S. § 7742 provides, in full:

**(a) Validity.**--A spendthrift provision is valid only if it restrains both voluntary and involuntary transfer of a beneficiary's interest.

**(b) Creation.**--A term of a trust providing that the interest of a beneficiary is held subject to a "spendthrift trust," or words of similar import, is sufficient to restrain both voluntary and involuntary transfer of the beneficiary's interest.

**(c) Effect.**--A beneficiary may not transfer an interest in a trust in violation of a valid spendthrift provision. Except as otherwise provided in this subchapter, a creditor or assignee of the beneficiary of a spendthrift trust may not reach the interest or a distribution by the trustee before its receipt by the beneficiary.

20 PA. CONS. STAT. § 7742.

Pennsylvania law further provides the following exceptions to 20 Pa.C.S. § 7742:

(a) (Reserved).

**(b) Who may override.**--A spendthrift provision is unenforceable against:

(1) a beneficiary's child who has a judgment or court order against the beneficiary for support or maintenance, to the extent of the beneficiary's interests in the income and principal of the trust;

(2) any other person who has a judgment or court order against the beneficiary for support or maintenance, to the extent of the beneficiary's interest in the trust's income;

(3) a judgment creditor who has provided services for the protection of the beneficiary's interest in the trust; and

(4) a claim of the United States or the Commonwealth to the extent Federal law or a statute of this Commonwealth provides.

**(c) Remedy if unenforceable.**--A claimant against whom a spendthrift provision cannot be enforced may obtain from a court an order attaching present or future distributions to or for the

benefit of the beneficiary. The court may limit the award to such relief as is appropriate under the circumstances.

**(d) Definition.**--As used in this section, the term “child” includes any person for whom an order or judgment for child support has been entered in this Commonwealth or another state.

20 PA. CONS. STAT. § 7743.

Regarding the general effect of spendthrift provisions under Pennsylvania law, our Superior Court opined the following:

As the trial court noted correctly in its Opinion of December 20, 2001, spendthrift clauses in trusts “insulate the assets of the trusts from the incursions of creditors until such time as those assets, either as principal or income, are delivered into the hands of the beneficiary.” *See* Trial Court Opinion, 12/20/2001, at 2 (citing 10 *Summary of Pennsylvania Jurisprudence 2d*, Probate, Estates and Trusts § 31:7). When a spendthrift trust is at issue, the courts of this Commonwealth will uphold the spendthrift provisions as a means to enforce the settlor's right to dispose of his property as he so chooses. *Borsch's Estate*, 362 Pa. 581, 67 A.2d 119 (1949).

In order to determine the intent of the settlor of the trust, we look to the writing that established the trust, which is the best evidence of the settlor's intent. *Appeal of Gannon*, 428 Pa.Super. 349, 631 A.2d 176, 186 (1993). Of course, a reviewing court may not redraft a settlor's deed of trust or distort the language it contains in order to achieve what the court believes to be a beneficial result even if it is evident that the settlor would have reached the same conclusion as the reviewing court. *In Re Benson*, 419 Pa.Super. 582, 615 A.2d 792, 795 (1991).

*In re Ware*, 814 A.2d 725, 731-32 (Pa. Super. Ct. 2002).

Although not binding on this Court, the United States Court of Appeals for the Third Circuit, in *Schreiber v. Kellogg*, observed the following historical development of the effects of spendthrift provisions in Pennsylvania:

In general, “[t]rusts in which the interest of a beneficiary cannot be assigned by him or reached by his creditors have come to be known as ‘spendthrift trusts.’ ” 2A Austin W. Scott & William F. Fratcher, *The Law of Trusts* § 151, at 83 (4th ed. 1987). No specific wording is required under Pennsylvania law to create a

spendthrift trust. If a spendthrift trust is created, courts will sustain its validity, except in a few limited circumstances.

....

Because a spendthrift provision is involved, we must decide whether Pennsylvania would adopt section 157(c) of the Restatement (Second) of Trusts, which permits creditors to reach spendthrift trust interests to satisfy claims for services or materials that preserved or benefitted the beneficiary's interest in the trust. No Pennsylvania court has resolved this question. Indeed, neither the parties nor this court could locate more than one reported decision from any jurisdiction addressing this issue. Accordingly, we must determine whether the Pennsylvania Supreme Court would adopt section 157(c) and, if so, whether it is applicable under the facts of this case. *See Commissioner v. Estate of Bosch*, 387 U.S. 456, 465, 87 S.Ct. 1776, 1782, 18 L.Ed.2d 886 (1967); *Bohus v. Beloff*, 950 F.2d 919, 924 (3d Cir.1991).

Section 157 of the Restatement (Second) of Trusts provides:

Although a trust is a spendthrift trust or a trust for support, the interest of the beneficiary can be reached in satisfaction of an enforceable claim against the beneficiary,

- (a) by the wife or child of the beneficiary for support, or by the wife for alimony;
  - (b) for necessary services rendered to the beneficiary or necessary supplies furnished to him;
  - (c) for services rendered and materials furnished which preserve or benefit the interest of the beneficiary;
  - (d) by the United States or a State to satisfy a claim against the beneficiary.
- (emphasis added).

Section 157(c) has two fundamental purposes. First, it was intended to prevent unjust enrichment of a beneficiary, and second, to ensure that beneficiaries were able to obtain necessary resources to protect their interests.

As the state credited with first recognizing the validity of spendthrift trusts, Pennsylvania has more than 150 years' worth of jurisprudence on the issue. Originally, "spendthrift trusts were upheld in their entirety by Pennsylvania courts on the theory that property rights include the right to place any type of restriction on ... disposition." *Wills—Spendthrift Clause—Legacies—Assignment*, *Fiduciary Rev.*, June 1941, at 1. Yet, as time passed,

Pennsylvania courts began recognizing exceptions to the spendthrift trust rule, *see id.* at 1–4, even when that meant overruling prior case law. *See, e.g.,* John L. Bigelow, *Support Claims of the Wife and the Spendthrift Trust Interest of the Husband–Beneficiary*, 51 Dick.L.Rev. 1, 2 (1946) (noting Pennsylvania courts' “change of position from one extreme to the other” with regard to a woman's ability to attach the spendthrift interest of her husband).

....

Schreiber contends that, as in *Evans*, the state courts in Pennsylvania have adopted all the other subsections of section 157. Subsection (a), which permits trust assets to be reached to satisfy alimony or support claims, has been substantially—if not entirely—adopted in Pennsylvania. For more than sixty years, the Pennsylvania Supreme Court has permitted wives to reach the assets of spendthrift trusts to satisfy claims for support. *See In re Moorehead's Estate*, 289 Pa. 542, 137 A. 802 (1927); *see also In re Stewart's Estate*, 334 Pa. 356, 5 A.2d 910 (1939).

*Schreiber v. Kellogg*, 50 F.3d 264, 267-73 (3d Cir. 1995) (footnotes omitted).

Although the *Schreiber* decision appears to be outdated—since 20 Pa.C.S. § 7743 became effective in November of 2006—*Schreiber* is illustrative because § 7743 appears to have codified parts of the language of the Restatement of Trusts, which was the subject of analysis by the Third Circuit in *Schreiber*; however, as noted in the Uniform Law Comment of § 7743, “[u]nlike Restatement (Third) of Trusts Section 59(2) (Tentative Draft No. 2, approved 1999), and Restatement (Second) of Trusts Section 157(b) (1959), this Code does not create an exception to the spendthrift restriction for creditors who have furnished necessary services or supplies to the beneficiary. Most of these cases involve claims by governmental entities, which the drafters concluded are better handled by the enactment of special legislation as authorized by subsection (b)(3). The drafters also declined to create an exception for tort claimants....” 20 PA. CONS. STAT. § 7743 UNIFORM LAW COMMENT; 50 F.3d at 267-73.

Here, 4.13 of the Trust—titled “Spendthrift Provision”—provides that “While in the hands of the trustees, **neither the principal of nor the income from** any of the trusts created in this agreement shall be liable for the debts, contracts, or torts of any beneficiary, **nor shall the trust estate be subject to any claim of any creditor of any beneficiary under any writ, process or proceeding, either at law or in equity.** No beneficiary shall have the power to sell,

assign, transfer, mortgage, pledge or encumber any interest of any kind in a trust created in this agreement. Any attempted sale, assignment, transfer, mortgage, pledge or encumbrance made by any beneficiary prior to actual receipt of trust income or principal shall be void.” Pl.’s Pet. Ex. B, at 13 (emphasis added). To pierce the aforementioned spendthrift provision, Plaintiff must demonstrate that Plaintiff qualifies under § 7743. Although Plaintiff does not appear to qualify under § 7743(b)(1) through (b)(4), Plaintiff asserts that § 7743(c) permits a court to pierce the spendthrift provision in the event a claimant does not qualify under § 7743(b). Pl.’s Br. at 4-5. Defendants assert the opposite, indicating that § 7743(c) is only triggered when a claimant qualifies under § 7743(b). Def.’s Br. at 6.

Our Superior Court, in *2303 Bainbridge, LLC v. Steel River Bldg. Sys., Inc.*, restated the following regarding statutory interpretation:

When construing [provisions] utilized by the General Assembly in a statute, our primary goal is “to ascertain and effectuate the intention of the General Assembly.” 1 Pa.C.S.[A.] § 1921(a). “Every statute shall be construed, if possible, to give effect to all its provisions.” *Id.* However, “[w]hen the words of a statute are clear and free from all ambiguity, the letter of it is not to be disregarded under the pretext of pursuing its spirit.” *Id.* § 1921(b). “Words and phrases shall be construed according to the rules of grammar and according to their common and approved usage.” *Id.* § 1903(a). In other words, if a term is clear and unambiguous, we are prohibited from assigning a meaning to that term that differs from its common everyday usage for the purpose of effectuating the legislature's intent. Additionally, we must remain mindful that the “General Assembly does not intend a result that is absurd, impossible of execution or unreasonable.” *Id.* § 1922(1). *Commonwealth v. Cahill*, 95 A.3d 298, 301 (Pa. Super. 2014). **It is axiomatic that the plain language of a statute is the best indication of the legislative intent that gave rise to the statute.**

Words and phrases shall be construed according to the rules of grammar and according to their common and approved usage; but technical words and phrases and such others as have acquired a peculiar and appropriate meaning or are defined in this part, shall be construed according to such peculiar and appropriate meaning or definition.



*2303 Bainbridge, LLC v. Steel River Bldg. Sys., Inc.*, 239 A.3d 1107, 1114 (Pa. Super. Ct. 2020) (internal citations omitted) (emphasis added).

Furthermore, 1 Pa.C.S. § 1924 provides the following:

The title and preamble of a statute may be considered in the construction thereof. **Provisos shall be construed to limit rather than to extend** the operation of the clauses to which they refer. **Exceptions expressed in a statute shall be construed to exclude all others. The headings prefixed to titles, parts, articles, chapters, sections and other divisions of a statute shall not be considered to control but may be used to aid in the construction thereof.**

1 PA. CONS. STAT. § 1924 (emphasis added).

The section name of 20 Pa.C.S. § 7743, “Exceptions to spendthrift provision - UTC 503,” indicates that this statutory section is an exception—i.e., a carve out—to § 7742. *See* 20 PA. CONS. STAT. § 7743 (indicating the word “Exceptions” in the section heading). 20 Pa.C.S. § 7743(b) further specifies particular claimants against whom a spendthrift provision is unenforceable. *Id.* Reading § 7743 too broadly, thus, may have the unintended consequence of neutralizing the general rule that has been codified in § 7742. Furthermore, while the Court shall not consider the headings as controlling (as 1 Pa.C.S. § 1924 indicated), the Court may use these headings to aid in the interpretation of statutes. 1 PA. CONS. STAT § 1924. 20 Pa.C.S. § 7743(c), which has the subsection heading “Remedy if unenforceable,” provides the remedy—that is, the mechanism—for “[a] claimant against whom a spendthrift provision cannot be enforced[.]” The word “unenforceable” appears twice in § 7743, both in subsection (c) and subsection (b). *Id.* One interpretation is that a claimant who qualifies in subsection (b) is a claimant against whom a spendthrift provision is unenforceable, and such a qualified claimant may obtain a court order under subsection (c) to pierce that spendthrift provision. Alternatively, a different interpretation is that if a claimant is not qualified under subsection (b), that unqualified claimant may then use subsection (c) to pierce the spendthrift provision. The Uniform Law Comments to both §§ 7742 and 7743 is illustrative here in that although the drafters relied on the Restatement of Trusts in creating these exceptions, the drafters also declined to create certain exceptions. 20 PA. CONS. STAT. §§ 7742-43, UNIFORM LAW

COMMENT. Furthermore, the maxim *Expressio unius est exclusio alterius* “[e]stablishes the inference that, where certain things are designated in a statute, ‘all omissions should be understood as exclusions.’ The maxim is one of longstanding application, and it is essentially an application of common sense and logic.” *Commonweath v. Charles*, 411 A.2d 527, 530 (Pa. Super. Ct. 1979) (internal citations omitted). Based upon the numerous reasons provided above, 20 Pa.C.S. § 7743(c) does not permit Plaintiff to pierce the spendthrift provision of the Trust.

**ORDER**

**AND NOW**, this 13<sup>th</sup> day of January 2025, for the reasons more fully stated above, Plaintiff’s Petition to Attach Present and/or Future Distributions is denied.

BY THE COURT,

William P. Carlucci, Judge

WPC/aml

cc: Court Administrator  
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