

# SUMMARY OF CONTENTS



<i>Contents</i>		<i>ix</i>
<i>Preface</i>		<i>xxi</i>
<i>Acknowledgments</i>		<i>xxv</i>
CHAPTER 1	INTRODUCTION AND OVERVIEW	1
PART ONE	<b>INTESTATE SUCCESSION</b>	11
CHAPTER 2	DESCENT AND DISTRIBUTION	13
CHAPTER 3	TREATMENT OF CERTAIN CATEGORIES OF POTENTIAL HEIRS	33
CHAPTER 4	OTHER INTESTATE SUCCESSION ISSUES	47
PART TWO	<b>WILLS</b>	59
CHAPTER 5	REQUIREMENTS FOR A VALID WILL	61
CHAPTER 6	CHANGING CIRCUMSTANCES AFTER WILL EXECUTION — PROPERTY	95
CHAPTER 7	CHANGING CIRCUMSTANCES AFTER WILL EXECUTION — PERSONS	111
CHAPTER 8	REVOCATION OF WILLS	127
CHAPTER 9	INTERPRETATION AND CONSTRUCTION	143
CHAPTER 10	WILL CONTESTS	165
CHAPTER 11	OTHER WILL ISSUES	191
PART THREE	<b>ESTATE ADMINISTRATION</b>	201
CHAPTER 12	ESTATE ADMINISTRATION	203
PART FOUR	<b>NONPROBATE TRANSFERS</b>	219
CHAPTER 13	REASONS PEOPLE USE NONPROBATE TRANSFERS	221
CHAPTER 14	INTER VIVOS TRANSFERS	227
CHAPTER 15	CO-OWNERSHIP OF PROPERTY	239
CHAPTER 16	MULTIPLE-PARTY ACCOUNTS	245
CHAPTER 17	CONTRACTS	255

## Summary of Contents

PART FIVE	<b>TRUSTS</b>	265
CHAPTER 18	INTRODUCTION TO TRUSTS	267
CHAPTER 19	TRUST CREATION	275
CHAPTER 20	TRUST ADMINISTRATION	329
CHAPTER 21	TRUST ENFORCEMENT	381
CHAPTER 22	RESULTING TRUSTS	397
CHAPTER 23	CONSTRUCTIVE TRUSTS	403
PART SIX	<b>OTHER-ESTATE PLANNING CONCERNS</b>	409
CHAPTER 24	WEALTH TRANSFER TAXATION	411
CHAPTER 25	DISABILITY AND DEATH PLANNING	469
CHAPTER 26	MALPRACTICE AND PROFESSIONAL RESPONSIBILITY	495
	<i>Glossary</i>	507
	<i>Sample Will with Testamentary Trust Form</i>	517
	<i>Bibliography</i>	529
	<i>Table of Uniform Probate Code (UPC) Provisions</i>	531
	<i>Table of Uniform Trust Code (UTC) Provisions</i>	533
	<i>Table of Internal Revenue Code (IRC) Provisions</i>	535
	<i>Index</i>	537

# CONTENTS



<i>Preface</i>	xxi
<i>Acknowledgments</i>	xxv
<b>CHAPTER 1 INTRODUCTION AND OVERVIEW</b>	<b>1</b>
§1.1 Brief History of Property Transference When Owner Dies	1
§1.2 Basic Terminology Used in This Book	2
§1.2.1 Intestate Succession Terms	2
§1.2.2 Wills Terms	4
§1.2.3 Trusts Terms	4
§1.2.4 General Terms	5
§1.3 Determination of Applicable Law	6
§1.3.1 Generally	6
§1.3.2 Ownership and Marital Rights	7
§1.3.3 Real versus Personal Property	8
§1.4 The “Big Picture”	9
<b>PART ONE INTESTATE SUCCESSION</b>	<b>11</b>
<b>CHAPTER 2 DESCENT AND DISTRIBUTION</b>	<b>13</b>
§2.1 Reasons Most Individuals Die Intestate	14
§2.1.1 Lack of Property	14
§2.1.2 Unaware of Importance	14
§2.1.3 Indifference	15
§2.1.4 Cost	15
§2.1.5 Time and Effort	15
§2.1.6 Complexity	16
§2.1.7 Admission of Mortality	16
§2.1.8 Reluctance to Reveal Private Facts	16
§2.2 Historical Development of Descent and Distribution	17
§2.3 Surviving Spouse	17
§2.3.1 Protection at Common Law—Real Property	17
§2.3.2 Protection at Common Law—Personal Property	18
§2.3.3 Modern Law	18
§2.3.4 Community Property Jurisdictions	19
§2.4 Descendants	19
§2.4.1 Basic Procedure for Determining Shares of Descendants	20
§2.4.2 Per Stirpes (by Right of Representation)	21
§2.4.3 Per Capita with Representation	22
§2.4.4 Per Capita at Each Generation	24

**Contents**

§2.5	Ancestors and Collaterals	25
§2.5.1	Parents and First-Line Collaterals	26
§2.5.2	Grandparents, Second-Line Collaterals, and More Distant Relatives	27
§2.6	Escheat	30
<b>CHAPTER 3 TREATMENT OF CERTAIN CATEGORIES OF POTENTIAL HEIRS</b>		<b>33</b>
§3.1	Posthumous or Afterborn Heirs	34
§3.2	Adopted Individuals	34
§3.2.1	Inheritance Rights of Adopted Children	35
§3.2.2	Inheritance Rights of Adoptive Parents	36
§3.2.3	Inheritance Rights of Biological Parents	36
§3.2.4	Adoption by Estoppel or Equitable Adoption	37
§3.2.5	Adult Adoption	37
§3.3	Non-Marital Children	38
§3.4	Children from Alternative Reproduction Technologies	38
§3.5	Stepchildren	39
§3.6	Half-Blooded Collateral Heirs	40
§3.7	Non-United States Citizens	41
§3.8	Unworthy Heirs	42
§3.8.1	Forfeiture	42
§3.8.2	Civil Death	42
§3.8.3	Corruption of the Blood	42
§3.8.4	Heir Killing Intestate	43
§3.8.5	Suicide	44
§3.8.6	Parent's Failure to Recognize or Support Child	44
§3.8.7	Adultery	45
§3.8.8	Abuse	45
§3.8.9	Lack of Capacity Marriages	45
§3.9	Non-Marital Partners	45
<b>CHAPTER 4 OTHER INTESTATE SUCCESSION ISSUES</b>		<b>47</b>
§4.1	Ancestral Property	47
§4.2	Advancements	48
§4.3	Survival	50
§4.4	Disclaimers	52
§4.4.1	Reasons Heir May Disclaim	52
§4.4.2	Requirements of a Disclaimer	53
§4.4.3	Distribution of Disclaimed Property	54
§4.5	Assignment or Release of Expectancy to Inherit	55
§4.6	Equitable Conversion	56
§4.7	Liability for Debts of Predeceased Intermediary	56
§4.8	Heir Designation	57
§4.9	Choice of Law	57
<b>PART TWO WILLS</b>		<b>59</b>
<b>CHAPTER 5 REQUIREMENTS FOR A VALID WILL</b>		<b>61</b>
§5.1	Legal Capacity	62
§5.1.1	Age	62

§5.1.2 Marital Status	63
§5.1.3 Military Service	63
§5.2 Testamentary Capacity (Sound Mind)	63
§5.2.1 Elements of Testamentary Capacity	64
§5.2.2 Temporal Nature of Testamentary Capacity	65
§5.2.3 Testamentary Capacity Compared to Other Types of Capacity	66
§5.2.4 Aging Process	67
§5.2.5 Individuals with Questionable Capacity	67
§5.2.6 Demonstrating Lack of Capacity	67
§5.3 Testamentary Intent	68
§5.4 Formalities	70
§5.4.1 Purposes	70
§5.4.2 Attested Wills	70
§5.4.3 Holographic Wills	89
§5.4.4 Nuncupative Wills	91
§5.4.5 Soldiers' and Seamen's Wills	92
§5.4.6 Statutory Wills	92
§5.4.7 Notarized Wills	93
<b>CHAPTER 6 CHANGING CIRCUMSTANCES AFTER WILL EXECUTION — PROPERTY</b>	<b>95</b>
§6.1 Classification of Testamentary Gifts	96
§6.1.1 Specific Gifts	96
§6.1.2 General Gifts	97
§6.1.3 Demonstrative Gifts	97
§6.1.4 Residuary Gifts	97
§6.1.5 Type of Beneficiary	98
§6.2 Ademption by Extinction	98
§6.3 Ademption by Satisfaction	101
§6.4 Changes in Value	103
§6.4.1 Appreciation and Depreciation	103
§6.4.2 Corporate Securities	104
§6.4.3 Interest on Legacies	106
§6.5 Exoneration	106
§6.6 Abatement	107
§6.7 Tax Apportionment	109
<b>CHAPTER 7 CHANGING CIRCUMSTANCES AFTER WILL EXECUTION — PERSONS</b>	<b>111</b>
§7.1 Marriage of Testator	111
§7.1.1 Common Law Marital Property States	111
§7.1.2 Community Property Marital Property States	114
§7.1.3 Change in Domicile	114
§7.2 Divorce of Testator	115
§7.3 Pretermitted Heirs	117
§7.3.1 Defined	117
§7.3.2 Excluded Situations	119
§7.3.3 Determination of Share	119

§7.4	Death of Beneficiary—Lapse	120
§7.4.1	Situations Causing Lapse	120
§7.4.2	Distribution of Lapsed Gifts—Generally	120
§7.4.3	Anti-Lapse Statutes	121
§7.4.4	Partial Lapse in Residuary Clause	122
§7.5	Failure of Charitable Gift—Cy Pres	123
§7.6	Survival	124
<b>CHAPTER 8 REVOCATION OF WILLS</b>		<b>127</b>
§8.1	Revocation by Operation of Law	127
§8.1.1	Marriage of Testator	128
§8.1.2	Divorce of Testator	128
§8.1.3	Pretermitted Heirs	128
§8.1.4	Death of Beneficiary	128
§8.1.5	Beneficiary Killed Testator	129
§8.1.6	Alienation	129
§8.1.7	Passage of Time	129
§8.1.8	Change in Feelings toward Beneficiary	130
§8.2	Revocation by Physical Act	130
§8.2.1	Requirements	130
§8.2.2	Partial Revocation	134
§8.3	Revocation by Subsequent Writing	135
§8.3.1	Express Revocation	135
§8.3.2	Revocation by Inconsistency	136
§8.3.3	New Will or Codicil?	137
§8.4	Presumptions	137
§8.4.1	The Presumption of Nonrevocation	138
§8.4.2	The Presumption of Revocation	138
§8.5	Revival	139
§8.6	Conditional Revocation	140
§8.6.1	Express Condition	140
§8.6.2	Implied Condition—Dependent Relative Revocation	140
§8.7	Multiple Originals	141
<b>CHAPTER 9 INTERPRETATION AND CONSTRUCTION</b>		<b>143</b>
§9.1	Ambiguity	144
§9.1.1	Patent (Obvious) Ambiguity	145
§9.1.2	Latent (Hidden) Ambiguity	146
§9.1.3	No Apparent Ambiguity	147
§9.2	Integration	148
§9.2.1	External Integration	148
§9.2.2	Internal Integration	149
§9.3	Incorporation by Reference	150
§9.3.1	Requirements	150
§9.3.2	Validity of Incorporated Writing	152
§9.3.3	Republication	153
§9.4	Facts of Independent Significance	154
§9.5	Tangible Personal Property Document	157
§9.6	Pour-Over Provisions	157

§9.7	Precatory Language	159
§9.8	Class Gifts	161
§9.8.1	Defined	161
§9.8.2	Time at Which Class Membership Determined	161
§9.8.3	Types of Individuals Included in Classes	162
§9.9	Dead Person’s Statute	164
§9.10	Tax-Based Modifications	164
<b>CHAPTER 10 WILL CONTESTS</b>		<b>165</b>
§10.1	Failure to Satisfy Requirements of a Valid Will	166
§10.2	Insane Delusions	167
§10.2.1	Defined	167
§10.2.2	Nexus between Delusion and Will	168
§10.3	Undue Influence	170
§10.3.1	Defined	170
§10.3.2	Demonstrating Undue Influence	171
§10.3.3	Attorney as Will Drafter and Beneficiary	173
§10.3.4	Mortmain Statutes and Charitable Gifts	174
§10.4	Duress	175
§10.5	Fraud	175
§10.5.1	Defined	175
§10.5.2	Fraud in the Execution	176
§10.5.3	Fraud in the Inducement	177
§10.6	Mistake	178
§10.6.1	Defined	178
§10.6.2	Mistake in the Execution	178
§10.6.3	Mistake in the Inducement	179
§10.7	Remedies	180
§10.8	Preventing Will Contests	180
§10.8.1	No-Contest Provision	181
§10.8.2	Statement of Reasons for Disposition	183
§10.8.3	Mean-Spirited Language	183
§10.8.4	Holographic Will	184
§10.8.5	Affidavit Acquisition	184
§10.8.6	Transaction Documentation	185
§10.8.7	Evidence Preservation	185
§10.8.8	Video-Record of Will Execution Ceremony	185
§10.8.9	Preservation of Prior Will	186
§10.8.10	Repeated Wills	186
§10.8.11	Traditional Disposition	186
§10.8.12	Nonprobate Transfers	187
§10.8.13	Simultaneous Gift to Heir	187
§10.8.14	Contract Not to Contest	187
§10.8.15	“Coincidental” Physician Appointment	188
§10.8.16	Antemortem Probate	188
§10.8.17	Family Settlement Agreement	189
§10.9	Tortious Interference with Expectancy	189

**Contents**

<b>CHAPTER 11 OTHER WILL ISSUES</b>	191
§11.1 Conditional Wills	191
§11.2 Conditional Gifts	192
§11.3 Combination Wills	194
§11.3.1 Joint Wills	195
§11.3.2 Reciprocal or Mutual Wills	195
§11.3.3 Contractual Wills	195
§11.4 Election Will	198
§11.5 Disclaimer	199
<b>PART THREE ESTATE ADMINISTRATION</b>	201
<b>CHAPTER 12 ESTATE ADMINISTRATION</b>	203
§12.1 Proper Applicant	204
§12.2 Locate Will	204
§12.3 Prepare Application	205
§12.4 File in Appropriate Court	205
§12.5 Citation	206
§12.6 Probate of Will or Determination of Heirs	206
§12.7 Type of Administration	207
§12.8 Appointment of Personal Representative	207
§12.9 Qualification of Personal Representative	211
§12.9.1 Oath of Office	212
§12.9.2 Bond	212
§12.10 Issuance of Letters	212
§12.11 Collect and Protect Decedent's Property	213
§12.11.1 Probate Assets Generally	213
§12.11.2 Digital Assets	213
§12.12 Manage Decedent's Probate Assets	214
§12.13 Inventory and Appraisalment	214
§12.14 Protect Certain Property from Creditors	214
§12.14.1 Homestead	215
§12.14.2 Exempt Personal Property	216
§12.14.3 Family Allowance	216
§12.14.4 Waiver of Protections	216
§12.15 Notice to Creditors	216
§12.16 Pay Creditors	217
§12.17 Provide Reports and Accountings	217
§12.18 Distribution and Closing Estate	218
<b>PART FOUR NONPROBATE TRANSFERS</b>	219
<b>CHAPTER 13 REASONS PEOPLE USE NONPROBATE TRANSFERS</b>	221
§13.1 Provide Non-Estate-Planning Benefits	221
§13.2 Accelerate Asset Distribution	222
§13.3 Reduce Estate Planning and Administration Expenses	223
§13.4 Enhance Confidentiality	223
§13.5 Minimize Taxes	223
§13.6 Retain Flexibility	224



§13.7	Change with Less Difficulty	224
§13.8	Protect from Creditors	224
§13.9	Isolate from Contest	225
§13.10	Increase Understandability	225
<b>CHAPTER 14 INTER VIVOS TRANSFERS</b>		<b>227</b>
§14.1	Outright Inter Vivos Gifts	227
§14.1.1	Elements	227
§14.1.2	Potential Benefits	231
§14.1.3	Potential Disadvantages	232
§14.2	Gifts Causa Mortis	233
§14.3	Gifts in Trust	233
§14.4	Transfers of Future Interests	234
§14.5	Powers of Appointment	236
§14.6	Transfers to Minors	237
<b>CHAPTER 15 CO-OWNERSHIP OF PROPERTY</b>		<b>239</b>
§15.1	Tenancy in Common	240
§15.2	Joint Tenancy	240
§15.3	Tenancy by the Entirety	244
§15.4	Community Property	244
<b>CHAPTER 16 MULTIPLE-PARTY ACCOUNTS</b>		<b>245</b>
§16.1	Joint Accounts	246
§16.1.1	Rights during Lifetime of All Parties	246
§16.1.2	Rights after Death of a Depositor	247
§16.2	Agency or Convenience Accounts	248
§16.3	Payable-on-Death Accounts	249
§16.4	Trust Accounts	251
§16.5	Other Multiple-Party Account Issues	251
§16.5.1	Ability to Alter Contract by Will	251
§16.5.2	Creditors	252
§16.5.3	Divorce	252
§16.5.4	Survival	252
§16.5.5	Effect of Depositor's Incapacity	252
§16.5.6	Practical Note	253
<b>CHAPTER 17 CONTRACTS</b>		<b>255</b>
§17.1	Life Insurance	256
§17.1.1	Basic Operation of Life Insurance Policy	256
§17.1.2	Use of Life Insurance	256
§17.1.3	Types of Life Insurance	257
§17.1.4	Payment of Proceeds	258
§17.1.5	Policies Insuring Two Lives	260
§17.2	Annuities	260
§17.3	Employee Benefit and Retirement Plans	261
§17.3.1	Types of Employee Benefit Plans	262
§17.3.2	Protection of Surviving Spouse	263
§17.4	Transfer on Death Arrangements	263

<b>PART FIVE TRUSTS</b>	265
<b>CHAPTER 18 INTRODUCTION TO TRUSTS</b>	267
§18.1 Overview and Terminology	267
§18.1.1 Basic Trust Operation	267
§18.1.2 Parties Involved in Trust Relationship	268
§18.2 Purposes and Uses of Trusts	269
§18.2.1 Provide for and Protect Beneficiaries	269
§18.2.2 Flexible Distribution of Assets	270
§18.2.3 Protection against Settlor's Incompetence	270
§18.2.4 Professional Management of Property	271
§18.2.5 Probate Avoidance	271
§18.2.6 Tax Benefits	271
§18.2.7 Avoid Conflicts of Interest	272
§18.3 Warning about Inter Vivos Trust Overpromotion	272
<b>CHAPTER 19 TRUST CREATION</b>	275
§19.1 Trust Intent	276
§19.1.1 Ascertaining Settlor's Intent	276
§19.1.2 Statute of Uses	278
§19.1.3 Split of Title and Merger	279
§19.1.4 Distinguishing Trusts from Other Legal Relationships	282
§19.2 Methods of Trust Creation	286
§19.2.1 During the Settlor's Lifetime	286
§19.2.2 Upon the Settlor's Death	287
§19.2.3 Consideration	287
§19.3 The Settlor	288
§19.3.1 Capacity	289
§19.3.2 Retention of Powers	289
§19.4 Statute of Frauds	290
§19.4.1 When Writing Required	290
§19.4.2 Common Exceptions to Writing Requirement	291
§19.4.3 Standing to Raise Statute of Frauds Defense	292
§19.4.4 Effect of Statute of Frauds Violation	292
§19.4.5 Acknowledgment	293
§19.5 Trust Purposes	294
§19.5.1 Determination of Validity of Purpose	294
§19.5.2 Remedies for Illegal Trusts	297
§19.6 Trust Property	298
§19.6.1 Types of Trust Property	298
§19.6.2 Transfer of Property to Trust	299
§19.7 The Trustee	300
§19.7.1 Capacity	300
§19.7.2 Acceptance	301
§19.7.3 Qualification	302
§19.7.4 Multiple Trustees	303
§19.7.5 Successor Trustees	303
§19.7.6 Resignation	304
§19.7.7 Effect of Holding Legal Title	304
§19.7.8 Trust Protectors	304

§19.8	The Beneficiary	305
§19.8.1	Capacity	305
§19.8.2	Adequacy of Beneficiary Designation	305
§19.8.3	Honorary or Purpose Trusts	306
§19.8.4	Incidental Beneficiaries	307
§19.8.5	Disclaimer	308
§19.8.6	Transfers and Assignments of Beneficial Interests	308
§19.8.7	Availability of Beneficiary's Interest to Creditors	309
§19.8.8	Spendthrift Restrictions	309
§19.8.9	Discretionary Provisions	313
§19.8.10	Support Provisions	316
§19.8.11	Pour-Over Provisions	318
§19.8.12	Life Insurance Trusts	318
§19.9	Rule Against Perpetuities	320
§19.10	Charitable Trusts	321
§19.10.1	Size of Charitable Class	322
§19.10.2	Description of Charitable Class	324
§19.10.3	Determination of Charitable Purpose	324
§19.10.4	Other Charitable Trust Issues	325
<b>CHAPTER 20 TRUST ADMINISTRATION</b>		<b>329</b>
§20.1	Overview of Trust Administration	329
§20.1.1	Accept Trusteeship	329
§20.1.2	Post Bond	330
§20.1.3	Register Trust	330
§20.1.4	Possess and Safeguard Trust Property	330
§20.1.5	Identify and Locate Beneficiaries	333
§20.1.6	Follow Settlor's Instructions	333
§20.1.7	Act as Fiduciary	333
§20.1.8	Support and Defend Trust	333
§20.2	Trust Investments and Standard of Care	334
§20.2.1	Selection of Investments	334
§20.2.2	Duty to Diversify	338
§20.2.3	Exculpatory Clauses	339
§20.2.4	Directory Provision	340
§20.2.5	Duty to Review Investments	340
§20.3	Trustee Powers	341
§20.3.1	Sources of Powers	341
§20.3.2	Delegation of Powers	343
§20.4	Trust Distributions	345
§20.4.1	Standard of Care	345
§20.4.2	Competent Adult Beneficiary	346
§20.4.3	Minor or Incapacitated Beneficiary	346
§20.5	Duty of Loyalty	347
§20.5.1	Buying and Selling Trust Property	347
§20.5.2	Borrowing Trust Property	348
§20.5.3	Purchase of Common Investments	349
§20.5.4	Transfers between Trusts	349
§20.5.5	Dealings with Beneficiaries	350
§20.5.6	Self-Employment	350

§20.5.7	Ramifications of Breach of Loyalty Duties	350
§20.5.8	Permitted Self-Dealing	351
§20.5.9	Loyalty and Investment Duties Compared and Contrasted	352
§20.6	Liability of Trustee to Third Parties	352
§20.6.1	Contract Liability	353
§20.6.2	Tort Liability	355
§20.6.3	Liability as Property Owner	356
§20.7	Allocation of Receipts and Expenses	357
§20.7.1	General Allocation Rules	358
§20.7.2	Corporate Distributions	360
§20.7.3	Wasting Assets	361
§20.7.4	Business and Farming Operations	362
§20.7.5	Bond Premiums and Discounts	363
§20.7.6	Underproductive Property	364
§20.7.7	Rights of Income Beneficiaries	364
§20.7.8	Apportionment of Income among Beneficiaries	366
§20.7.9	Allocation of Expenses	366
§20.7.10	Unitrust Approach	367
§20.8	Accountings	367
§20.9	Compensation	369
§20.10	Trust Modifications	371
§20.10.1	By Court	371
§20.10.2	By Parties	373
§20.11	Trust Termination	375
§20.11.1	Express Terms of Trust	375
§20.11.2	Revocation by Settlor	375
§20.11.3	Termination by Beneficiaries	375
§20.11.4	Merger	377
§20.11.5	Lack of Property	377
§20.11.6	Uneconomic to Continue Trust	377
§20.11.7	Court Order	377
§20.11.8	Duties of Trustee upon Termination	378
§20.12	Reformation	378
<b>CHAPTER 21 TRUST ENFORCEMENT</b>		<b>381</b>
§21.1	Procedural Matters	381
§21.1.1	Standing	381
§21.1.2	Jurisdiction and Venue	382
§21.1.3	Virtual Representation	382
§21.2	Remedies against the Trustee	383
§21.2.1	Money Damages	383
§21.2.2	Removal of Trustee	385
§21.2.3	Pre-Breach Remedies	386
§21.2.4	Criminal Sanctions	387
§21.2.5	Damages in Absence of Breach	387
§21.3	Remedies Involving Trust Property	388
§21.3.1	Tracing	388
§21.3.2	Subrogation	390
§21.3.3	Marshalling	390
§21.3.4	Bona Fide Purchasers	391
§21.4	Remedies against the Beneficiary	392
§21.5	Causes of Action against Third Parties	392

§21.6	Barring of Remedies	392
§21.6.1	Settlor's Approval in Trust Instrument	393
§21.6.2	Prior Approval or Ratification by Beneficiary	393
§21.6.3	Court Decree	395
§21.6.4	Statute of Limitations	395
§21.6.5	Laches	396
<b>CHAPTER 22 RESULTING TRUSTS</b>		<b>397</b>
§22.1	Failure to Create Express Trust	397
§22.2	Failure of Express Trust to Dispose of All Trust Property	399
§22.3	Purchase-Money Resulting Trust	399
<b>CHAPTER 23 CONSTRUCTIVE TRUSTS</b>		<b>403</b>
§23.1	Fraudulent Conduct	404
§23.2	Abuse of Confidential Relationships	405
§23.3	Unperformed Promises Made in Contemplation of Death	406
<b>PART SIX OTHER-ESTATE PLANNING CONCERNS</b>		<b>409</b>
<b>CHAPTER 24 WEALTH TRANSFER TAXATION</b>		<b>411</b>
§24.1	Federal Gift Tax	412
§24.1.1	Overview	413
§24.1.2	Transfers Subject to Gift Tax	413
§24.1.3	Valuation of Gifts	418
§24.1.4	Exclusions	420
§24.1.5	Deductions	424
§24.1.6	Computation of Gift Tax	425
§24.1.7	Split Gifts	427
§24.1.8	Gift Tax Return	428
§24.1.9	Liability for Gift Tax	428
§24.2	Federal Estate Tax	429
§24.2.1	Overview	429
§24.2.2	Contents of Gross Estate	430
§24.2.3	Valuation of Gross Estate	440
§24.2.4	Deductions	442
§24.2.5	Computation of Estate Tax	444
§24.2.6	Estate Tax Return	448
§24.2.7	Liability for Estate Tax	448
§24.3	Marital Deduction and Bypass Planning	448
§24.3.1	Transfers Qualifying for the Marital Deduction	449
§24.3.2	Sheltering the Applicable Exclusion Amount	452
§24.3.3	Portability of the Applicable Exclusion Amount	454
§24.4	Charitable Deduction	455
§24.4.1	Non-Split Transfers	455
§24.4.2	Split Transfers	456
§24.5	Federal Generation-Skipping Transfer Tax	457
§24.5.1	Skip Person Defined	458
§24.5.2	Transfers Subject to GST Tax	458
§24.5.3	Exemptions and Exclusions	460
§24.6	Federal Income Tax Ramifications of Gratuitous Transfers	461
§24.6.1	Inter Vivos Gifts	462

**Contents**

§24.6.2	At-Death Gifts	463
§24.6.3	Planning Suggestions	465
§24.7	State Wealth Transfer Taxation	465
§24.7.1	Inter Vivos Transfers	465
§24.7.2	At-Death Transfers	466
<b>CHAPTER 25 DISABILITY AND DEATH PLANNING</b>		469
§25.1	Property Management	470
§25.1.1	Durable Power of Attorney for Property Management	470
§25.1.2	Custodial Trusts	474
§25.1.3	Self-Designation of Guardian of Estate or Conservator	476
§25.1.4	Disability Income Insurance	477
§25.2	Health Care	478
§25.2.1	Durable Power of Attorney for Health Care or Medical Power of Attorney	478
§25.2.2	Self-Designation of Guardian of Person	481
§25.2.3	Funding Long-Term Health Care Expenses	482
§25.3	The Death Event	487
§25.3.1	Living Wills	487
§25.3.2	Physician Orders for Life-Sustaining Treatment	489
§25.3.3	Assisted Suicide	489
§25.3.4	Anatomical Gifts	490
§25.3.5	Disposition of Body	493
<b>CHAPTER 26 MALPRACTICE AND PROFESSIONAL RESPONSIBILITY</b>		495
§26.1	Professional Negligence	495
§26.2	Ethical Concerns	497
§26.2.1	Drafting Attorney as Beneficiary	497
§26.2.2	Drafting Attorney as Fiduciary	498
§26.2.3	Drafting Attorney as Fiduciary's Attorney	498
§26.2.4	Drafting Attorney as Will Custodian	498
§26.2.5	Estate Planning for Both Spouses	499
§26.2.6	Representation of Non-Spousal Relatives	500
§26.2.7	Fiduciary Hiring Self as Attorney	501
§26.2.8	Capacity of Representation	501
§26.3	Ethical Obligations of Legal Assistants	501
§26.4	Appropriate Tasks for Legal Assistants	502
§26.5	Ethical Issues for Legal Assistants in Estate Planning	502
§26.6	NALA Code of Ethics and Professional Responsibility	503
§26.7	NFPA Model Disciplinary Rule	504
	<i>Glossary</i>	507
	<i>Sample Will with Testamentary Trust Form</i>	517
	<i>Bibliography</i>	529
	<i>Table of Uniform Probate Code (UPC) Provisions</i>	531
	<i>Table of Uniform Trust Code (UTC) Provisions</i>	533
	<i>Table of Internal Revenue Code (IRC) Provisions</i>	535
	<i>Index</i>	537