



CONTENTS

<i>List of Illustrations</i>	xxvii
<i>Preface</i>	xxxiii
<i>Acknowledgments</i>	xxxvii
Chapter 1 INTRODUCTION: FREEDOM OF DISPOSITION	1
A. The Power to Transmit Property at Death	2
Lawrence M. Friedman, <i>Dead Hands: A Social History of Wills, Trusts, and Inheritance Law</i>	2
1. Freedom of Disposition and the Dead Hand	3
<i>Shapira v. Union National Bank</i>	5
2. Justifying Freedom of Disposition	16
a. The Donor's Prerogative	16
Adam J. Hirsch & William K.S. Wang, <i>A Qualitative Theory of the Dead Hand</i>	16
Daniel B. Kelly, <i>Restricting Testamentary Freedom: Ex Ante Versus Ex Post Justifications</i>	18
b. Concentrations of Wealth	19
Wojciech Kopczuk, <i>What Do We Know About the Evolution of Top Wealth Shares in the United States?</i>	21
Edward N. Wolff, <i>A Century of Wealth in America</i>	21
c. Human, Cultural, and Social Capital	23
Stephen J. McNamee, <i>The Meritocracy Myth: Who Gets Ahead and Why</i>	23
d. A Question of Tax Policy?	26
3. From Feudalism to a Constitutional Right	30
4. Posthumous Rights: The Post-Mortem Right of Publicity	34
<i>Shaw Family Archives Ltd. v. CMG Worldwide, Inc.</i>	35
B. The Mechanics of Succession	41
1. Probate and Nonprobate Property	41
2. Probate Terminology	42
3. What of Digital Assets?	44
4. Probate Administration	46
a. Opening Probate and Choice of Law	46
b. Common Form and Solemn Form Probate	48
c. Formal and Informal Probate	48
d. Supervised and Unsupervised Administration	49
e. Barring Creditors	49
f. Closing the Estate	50
5. Can Probate Be Avoided?	51

C. Professional Responsibility	53
1. Duties to Intended Beneficiaries	54
<i>Simpson v. Calivas</i>	54
2. Joint Representation	59
<i>A. v. B.</i>	59
Chapter 2 INTESTACY: AN ESTATE PLAN BY DEFAULT	65
A. An Estate Plan by Default	66
1. Why Do So Many People Die Intestate?	66
2. The Purpose of Intestacy Statutes	67
3. Heirship and the Expectancy of an Heir Apparent	69
4. Applicable Law and the Uniform Probate Code	70
Uniform Probate Code §§ 2-101, 2-102, 2-103, 2-105	72
B. The Structure of Intestate Succession	74
1. Surviving Spouse	75
a. The Spouse's Share	75
b. Unmarried Cohabiting Partners	76
c. The Problem of Simultaneous Death	79
2. Descendants	82
a. Representation	82
b. Representation in Wills and Trusts	86
3. Ancestors, Collaterals, and Others	86
a. Parents	86
b. Other Ancestors and Collaterals	87
c. Laughing Heirs	89
d. Stepchildren and In-Laws	89
e. "Half-Bloods"	91
f. Escheat	91
4. Disinheritance by Negative Will	92
C. Transfers to Children	92
1. Adopted Children	93
a. Formal Adoption	93
<i>Hall v. Vallandingham</i>	93
b. Adult Adoption	96
c. Adoption and Wills and Trusts	97
<i>Minary v. Citizens Fidelity Bank & Trust Co.</i>	98
d. Equitable Adoption and De Facto Parentage	104
<i>O'Neal v. Wilkes</i>	104
2. Posthumous Children	109
3. Nonmarital Children	110
4. Reproductive Technology and New Forms of Parentage	111
a. Posthumously Conceived Children	112
<i>Woodward v. Commissioner of Social Security</i>	112
b. Posthumously Conceived Children and Wills and Trusts	119
c. Surrogacy and Opposite-Sex Couples	120
d. Assisted Reproduction and Same-Sex Couples	121
e. The 2019 Uniform Probate Code	122
5. Advancements and Hotchpot	123
a. Advancements at Common Law	123
b. Hotchpot	123
c. Advancements in Modern Law	124

Uniform Probate Code § 2-109	124
6. Guardianship and Conservatorship of Minors	125
a. Guardian of the Person	125
b. Property Management Options	126
D. Bars to Succession	128
1. The Slayer Rule	128
<i>In re Estate of Mahoney</i>	128
The Unworthy Heir	136
2. Disclaimer	137
a. From Common Law to Statutory Law	137
b. Avoiding Taxes	138
c. Avoiding Creditors	138
d. Disclaimers to Qualify for Medicaid	141
 Chapter 3 WILLS: FORMALITIES AND FORMS	 143
A. Execution of Wills	144
1. Attested Wills	145
a. The Core Formalities	145
Uniform Probate Code § 2-502	146
b. The Functions of Formalities	146
John H. Langbein, Substantial Compliance with the Wills Act	147
c. The Strict Compliance Rule	149
The Meaning of “Presence”	151
“Presence” During the COVID-19 Pandemic	153
The “Signature” Requirement	155
<i>Bitetzakis v. Bitetzakis</i>	155
d. Interested Witnesses and Purging Statutes	162
(1) From Disqualification to Purging	162
(2) The Trend Away from Purging	163
e. Model Execution Ceremony	163
Safeguarding a Will	165
f. Ad Hoc Relief from Strict Compliance	166
g. The Substantial Compliance Doctrine	168
The Unfulfilled Promise of Substantial Compliance	168
From Substantial Compliance to Harmless Error:	
Australia’s Natural Experiment	173
h. The Harmless Error Rule	175
Uniform Probate Code § 2-503	176
<i>In re Estate of Hall</i>	177
<i>In re Probate of Will and Codicil of Macool</i>	182
i. Electronic or Digital Wills	189
<i>In re Estate of Horton</i>	191
j. Video Recordings?	199
<i>Matter of Estate of Beck</i>	200
2. Notarized Wills	204
Lawrence W. Waggoner, The UPC Authorizes Notarized Wills	205
3. Holographic Wills	206
a. Discerning Testamentary Intent	206
Ashbel G. Gulliver & Catherine J. Tilson, Classification of Gratuitous Transfers	206
<i>In re Kimmel’s Estate</i>	207
b. Preprinted Will Forms	212

<i>In re Estate of Gonzalez</i>	213
c. Signature and Handwriting	216
(1) Signature	216
(2) The Extent of the Testator's Handwriting	216
d. Extrinsic Evidence	218
<i>In re Estate of Kuralt</i>	218
B. Revocation of Wills	225
1. Revocation by Writing or by Physical Act	225
Uniform Probate Code § 2-507	226
a. Express and Implied Revocatory Writings	226
b. Formality in Revocation by Writing or Physical Act	227
<i>Thompson v. Royall</i>	227
c. Presumption of Physical Act Revocation	230
<i>Harrison v. Bird</i>	230
Lost Wills and the Presumption of Revocation	232
d. Harmless Error in Revocation	234
<i>In re Estate of Stoker</i>	234
e. Partial Revocation by Physical Act	239
2. Dependent Relative Revocation	239
<i>LaCroix v. Senecal</i>	240
Restatement (Third) of Property: Wills and Other Donative Transfers § 4.3	242
3. Revival of Revoked Wills	244
Uniform Probate Code § 2-509	245
4. Revocation by Operation of Law	246
a. Divorce	246
Uniform Probate Code § 2-804	246
b. Marriage	247
c. Birth of Children	247
C. Components of a Will	248
1. Integration	248
<i>In re Estate of Rigsby</i>	248
2. Republication by Codicil	251
3. Incorporation by Reference	252
a. Existing Writings	252
Uniform Probate Code § 2-510	252
<i>Clark v. Greenhalge</i>	252
b. Subsequent Writings and Tangible Personal Property	259
Uniform Probate Code § 2-513	259
4. Acts of Independent Significance	261
Uniform Probate Code § 2-512	261
D. Contracts Relating to Wills	262
1. Contracts to Make a Will	263
Uniform Probate Code § 2-514	263
2. Contracts Not to Revoke a Will	264
<i>Keith v. Lulofs</i>	264
Chapter 4 WILLS: CAPACITY AND CONTESTS	271
A. Capacity to Make a Will	272
1. Mental Capacity	272
<i>In re Wright's Estate</i>	273

<i>Wilson v. Lane</i>	278
2. Insane Delusion	281
<i>In re Strittmater's Estate</i>	282
<i>Breeden v. Stone</i>	285
B. Undue Influence	290
1. What Is Undue Influence?	290
2. Undue Influence in the Cases	292
<i>In re Estate of Sharis</i>	292
Presumptions and Burden Shifting in Undue Influence Cases	297
<i>In re Will of Moses</i>	299
<i>Lipper v. Weslow</i>	305
Bequests to Lawyers and Fiduciary Appointments	313
3. Planning for and Avoiding a Will Contest	314
a. Warning Signs	314
b. Strategies	315
C. Duress	318
<i>Latham v. Father Divine</i>	319
Interference with Inheritance, Restitution and Unjust Enrichment, and Constructive Trust	322
D. Fraud	323
E. Tortious Interference	326
<i>Schilling v. Herrera</i>	327
 Chapter 5 WILLS: CONSTRUCTION	 335
A. Mistaken or Ambiguous Language in Wills	336
1. Plain Meaning and No Reformation	336
<i>Mahoney v. Grainger</i>	336
<i>In re Estate of Cole</i>	339
2. Ad Hoc Relief for Mistaken Terms	345
<i>Arnheiter v. Arnheiter</i>	345
<i>In re Gibbs' Estate</i>	347
3. Openly Reforming Wills for Mistake	351
Uniform Probate Code § 2-805	351
<i>In re Estate of Duke</i>	352
B. Death of Beneficiary Before Death of Testator	361
1. Lapsed and Void Devises	361
<i>In re Estate of Russell</i>	363
2. Antilapse Statutes	367
Uniform Probate Code § 2-605	367
a. Presumed Intent	368
b. Scope	368
c. Default Rules	369
d. Words of Survivorship	370
<i>Gibney v. Hossack</i>	372
3. Class Gifts	378
a. What Is a Class?	378
Restatement (Third) of Property: Wills and Other Donative Transfers §§ 13.1, 13.2	379
<i>Dawson v. Yucus</i>	379

b. Application of Antilapse Statutes to Class Gifts	382
4. Summary Diagram	383
C. Changes in Property After Execution of Will	384
1. Ademption by Extinction	384
<i>In re Estate of Anton</i>	385
Uniform Probate Code § 2-606	391
2. Stock Splits and the Problem of Increase	392
3. Satisfaction of General Pecuniary Bequests	393
4. Exoneration of Liens	394
5. Abatement	394
Chapter 6 TRUSTS: CHARACTERISTICS AND CREATION	397
A. The Trust in American Law	398
1. Origins of the Trust	398
2. Sources of Law	399
3. Vocabulary, Typology, and Illustrative Uses	403
4. Bifurcation of Ownership	406
5. A Trust Compared with a Legal Life Estate	409
a. Legal Life Estate	409
b. Equitable Life Estate — A Trust	410
6. Business Trusts	411
7. Foreign Trust Law	412
B. Creation of a Trust	413
1. Intent to Create a Trust	413
a. Testamentary Trust	413
b. Deed of Trust	416
<i>Jimenez v. Lee</i>	416
c. Declaration of Trust	420
<i>Hebrew University Ass'n v. Nye (1961)</i>	421
<i>Hebrew University Ass'n v. Nye (1966)</i>	424
2. Trust Property	426
<i>Unthank v. Rippstein</i>	426
3. Ascertainable Beneficiaries	430
a. The Beneficiary Principle	430
<i>Clark v. Campbell</i>	430
b. Pet and Other Noncharitable Purpose Trusts	434
<i>In re Seairight's Estate</i>	434
4. A Written Instrument?	440
a. Oral Inter Vivos Trusts of Personal Property	441
Uniform Trust Code § 407	441
<i>In re Estate of Fournier</i>	441
b. Secret Testamentary Trusts and the Wills Act	445
<i>Olliffe v. Wells</i>	445
c. Oral Inter Vivos Trusts of Land and the Statute of Frauds	448
Chapter 7 NONPROBATE TRANSFERS AND PLANNING FOR INCAPACITY	449
A. The Rise of Nonprobate Succession	450

John H. Langbein, Major Reforms of the Property Restatement and the Uniform Probate Code: Reformation, Harmless Error, and Nonprobate Transfers	450
B. Revocable Trusts	454
1. The Wills Act and a Present Transfer	454
2. Abandoning the Present Transfer Fiction	456
Uniform Trust Code § 603	457
<i>Fulp v. Gilliland</i>	457
3. Revoking or Amending a Revocable Trust	463
Uniform Trust Code § 602	463
<i>In re Omega Trust</i>	464
4. The Subsidiary Law of Wills	470
<i>State Street Bank and Trust Co. v. Reiser</i>	470
<i>Clymer v. Mayo</i>	473
5. Revocable Trusts in Contemporary Practice	476
a. The Pour-Over Will	477
b. Deathtime Considerations	478
c. Lifetime Considerations	480
C. The Other Will Substitutes	481
1. Life Insurance	481
<i>Cook v. Equitable Life Assurance Society</i>	482
2. Pension and Retirement Plans	487
a. Tax-Advantaged Saving and Investment	488
b. Types of Pension and Retirement Plans	488
c. Succession Issues for Pension and Retirement Accounts	490
<i>Nunnenman v. Estate of Grubbs</i>	491
<i>Egelhoff v. Egelhoff</i>	495
3. Pay-on-Death (POD) and Transfer-on-Death (TOD) Contracts	501
Uniform Probate Code § 6-101	502
Multiple-Party Bank and Brokerage Accounts	502
<i>Varela v. Bernachea</i>	503
4. Nonprobate Transfer of Real Property	506
D. Planning for Incapacity	508
1. Property Management	508
a. Conservatorship	508
b. Revocable Trust	510
c. Durable Power of Attorney	512
<i>In re Estate of Kurrelmeyer</i>	515
2. Health Care	521
a. Default Law	521
b. Advance Directives	522
c. Physician Aid in Dying	524
3. Disposition of the Body	525
a. Post-Mortem Remains	525
b. Organ Donation	526
 Chapter 8	
LIMITS ON FREEDOM OF DISPOSITION: PROTECTION OF THE SPOUSE AND CHILDREN	529
A. Protection of the Surviving Spouse	530
1. The Elective Share of a Separate Property Surviving Spouse	530

a. Separate Property or Community Property?	530
b. Economic Partnership or Support Obligation?	532
Uniform Probate Code Article II, Part 2, General Comment	534
c. Unmarried Cohabiting Partners	535
d. Variation Across the States	535
e. Nonprobate Property	538
(1) Judicial Responses	538
<i>Sullivan v. Burkin</i>	538
(2) Statutory Reform	545
<i>In re Estate of Myers</i>	545
f. The Uniform Probate Code	550
g. Waiver by Premarital or Postnuptial Agreement	554
Uniform Probate Code § 2-213	556
<i>Reece v. Elliott</i>	558
2. Community Property	563
a. The Spread of the Community Property System	563
b. Management and Disposition of Community Property	566
3. Migrating Couples and Multistate Property Holdings	568
a. Moving from Separate Property to Community Property	568
b. Moving from Community Property to Separate Property	570
4. Miscellaneous Additional Rights	571
a. Social Security	571
b. Pension and Retirement Accounts	571
c. Homestead	573
d. Personal Property Set-Aside	573
e. Family Allowance	574
f. Dower and Curtesy	574
B. Intentional Omission of a Child	575
1. American Law	575
2. The Family Maintenance System of the Commonwealth	576
<i>Lambeff v. Farmers Co-operative Executors & Trustees Ltd.</i>	577
C. Protection Against Unintentional Omission	580
1. Spouse Omitted from Premarital Will	581
Uniform Probate Code § 2-301	581
<i>In re Estate of Prestie</i>	581
2. Unintentional Disinheritance of a Child	584
Uniform Probate Code § 2-302	584
<i>Gray v. Gray</i>	586
<i>In re Estate of Jackson</i>	592
 Chapter 9	 597
TRUSTS: FIDUCIARY ADMINISTRATION	
A. From Limited Powers to Fiduciary Administration	598
1. From Conveyance to Management	598
John H. Langbein, Rise of the Management Trust	598
2. Trustees' Powers	601
3. Fiduciary Governance	603
Robert H. Sitkoff, Trust Law as Fiduciary Governance Plus Asset Partitioning	603
B. The Duty of Loyalty	606
<i>Hartman v. Hartle</i>	606
<i>In re Gleeson's Will</i>	607
<i>In re Rothko</i>	612

C. The Duty of Prudence	620
1. The Distribution Function	621
a. Discretionary Distributions	621
<i>Marsman v. Nasca</i>	621
b. Sole, Absolute, or Uncontrolled Discretion	628
c. Exculpation Clauses	630
d. Mandatory Arbitration	632
2. The Investment Function	633
a. From Legal Lists to the Prudent Investor Rule	633
Uniform Prudent Investor Act §§ 1, 2, 3, 4	634
Max M. Schanzenbach & Robert H. Sitkoff, <i>The Prudent Investor Rule and Market Risk: An Empirical Analysis</i>	635
b. Applying the Prudent Investor Rule	642
(1) The Duty to Diversify and Inception Assets	642
<i>In re Estate of Janes</i>	642
Compensatory Damages for Imprudent Investment	652
(2) Powers, Duties, and the Terms of the Trust	653
3. The Custodial and Administrative Functions	657
a. Duty to Collect and Protect Trust Property	657
b. Duty to Earmark Trust Property	658
c. Duty Not to Mingle Trust Property with the Trustee's Own Property	659
d. Duty to Keep Adequate Records of Administration	659
e. Duty to Bring and Defend Claims	660
4. Trustee Selection and Divided Trusteeship	660
a. Choosing a Trustee	661
b. Delegation by a Trustee	661
Uniform Trust Code § 807	663
c. Division by a Settlor	664
(1) Co-Trustees	664
(2) Power of Appointment	665
(3) Directed Trusts	665
d. Private Trust Company	669
D. The Duty of Impartiality	670
1. Due Regard and the Terms of the Trust	670
2. The Principal and Income Problem	672
<i>Matter of Will of Kline</i>	673
E. The Duty to Inform and Account	678
Uniform Trust Code § 813	678
1. Responding to a Request for Information	679
Uniform Trust Code § 105	679
<i>Wilson v. Wilson</i>	680
2. Affirmative Disclosure	686
<i>Allard v. Pacific National Bank</i>	686
3. Accountings, Beneficiary Authorization, and Repose	690
a. Judicial Accountings	690
<i>National Academy of Sciences v. Cambridge Trust Co.</i>	690
b. Informal Accountings	695
c. Accounting to a Representative Beneficiary	696
d. Beneficiary Authorization: Consent or Release	697

Chapter 10	TRUSTS: ALIENATION AND MODIFICATION	699
	A. Alienation of the Beneficial Interest	700
1.	Discretionary Trusts	700
a.	Pure Discretionary Trust	701
b.	Support Trust	704
c.	Discretionary Support Trust	705
d.	Collapsing the Categories	705
	Uniform Trust Code § 504	706
e.	Protective Trusts	707
2.	Spendthrift Trusts	707
	Uniform Trust Code §§ 502, 503	710
	<i>Scheffel v. Krueger</i>	711
3.	Self-Settled Asset Protection Trusts	716
	<i>Huber v. Huber</i>	718
4.	Trusts for the State Supported	726
a.	Self-Settled Trusts	727
b.	Trusts Created by Third Parties	728
	B. Modification and Termination	729
1.	Consent of the Beneficiaries	730
a.	English Law	730
b.	The <i>Clafin</i> Doctrine	731
	<i>In re Estate of Brown</i>	732
c.	The UTC and the Restatement (Third) of Trusts	735
	Uniform Trust Code § 411	735
d.	Nonjudicial Settlement Agreements	737
2.	Deviation and Changed Circumstances	737
a.	Traditional Law	737
b.	Extension to Dispositive Provisions	738
	Uniform Trust Code § 412	739
	<i>In re Riddell</i>	739
c.	Tax Objectives	744
3.	Trust Decanting	745
	<i>Hodges v. Johnson</i>	747
	C. Trustee Removal	755
	Uniform Trust Code § 706	756
	<i>Davis v. U.S. Bank National Association</i>	756
Chapter 11	TRUSTS: CHARITABLE PURPOSES, CY PRES, AND SUPERVISION	763
	A. Charitable Purposes	764
	<i>Shenandoah Valley National Bank v. Taylor</i>	764
	B. Cy Pres and Deviation	772
1.	Cy Pres	772
a.	Illegal, Impossible, or Impracticable	772
	<i>In re Neher's Will</i>	772
b.	Wasteful	776
	San Francisco Chronicle: The Buck Trust	776
2.	Deviation	779
	Philadelphia Story: The Barnes Foundation	780
3.	Discriminatory Trusts	784

C. Enforcement of Charitable Trusts	785
1. Traditional Law	785
2. Settlor Standing	787
<i>Smithers v. St. Luke's-Roosevelt Hospital Center</i>	788
3. Local Politics	796
The Sweetest Place on Earth: Hershey's Kiss-Off	796
4. Persons with a Special Interest in the Trust	802
5. Federal Supervision	803
Hawaii Journal: The Bishop Estate	803
Chapter 12 TRUSTS: POWERS OF APPOINTMENT	811
A. Purposes, Terminology, and Types of Powers	812
1. Terminology and Relationships	812
a. The Parties	812
b. Creation	813
c. General and Nongeneral Powers	813
d. Time and Manner of Exercise	814
e. Ownership Equivalence	815
f. A Fiduciary Power of Appointment?	815
2. Tax Considerations	816
a. General and Nongeneral Powers	816
b. Flexibility Without Estate Tax Liability	818
3. Creditor Rights	819
<i>Irwin Union Bank & Trust Co. v. Long</i>	820
B. Exercise of a Power of Appointment	824
1. Manifestation of Intent	824
2. Formal Requirements Imposed by the Donor	826
a. The Nature of the Instrument	827
b. Specific Reference Requirement	828
Uniform Probate Code § 2-704	828
<i>Cessac v. Stevens</i>	828
3. Permissible Exercise of the Power	832
a. Appointment to an Object	833
<i>Timmons v. Ingrahm</i>	833
b. Appointment in Further Trust	838
<i>Brown v. Miller</i>	838
c. Creation of a New Power of Appointment	841
d. Exclusive and Nonexclusive Powers	842
e. Salvage Doctrines: Allocation and Capture	843
(1) Allocation	843
(2) Capture	844
4. Disclaimer, Release, and Contract	844
C. Failure to Exercise a Power of Appointment	846
1. General Power	846
Uniform Powers of Appointment Act § 310	846
2. Nongeneral Power	846
Uniform Powers of Appointment Act § 311	847

Chapter 13	TRUSTS: CONSTRUCTION AND FUTURE INTERESTS	849
	A. Future Interests	850
	1. Classification	850
	2. Future Interests in the Transferor	851
	a. Reversion	851
	b. Possibility of Reverter	852
	c. Right of Entry	852
	3. Future Interests in Transferees	852
	a. Remainders	852
	(1) Vested and Contingent Remainders	852
	(2) Vested Subject to Partial Divestment	853
	(3) Vested Subject to Divestment or Contingent?	854
	(4) Remainders and Reversions	855
	b. Executory Interests	855
	4. Future Interests Reform	857
	B. Construction of Trust Instruments	859
	1. Preference for Vested Interests	859
	a. Acceleration into Possession	860
	b. Transferability	862
	(1) Inter Vivos Transfer	862
	(2) Transfer at Death	862
	c. Requiring Survival to Time of Possession	863
	(1) The Traditional No-Survivorship Rule of Construction	863
	<i>Tait v. Community First Trust Co.</i>	863
	(2) Multigenerational Class Gifts and Other Exceptions	867
	<i>Clobberie's Case</i>	868
	(3) The Survivorship-Plus-Antilapse Rule of UPC § 2-707	870
	2. Gifts to Classes	874
	a. Gifts of Income	874
	<i>Dewire v. Haveles</i>	874
	b. Gifts to Children, Issue, or Descendants	878
	(1) Gift to Children	878
	(2) Gift to Issue or Descendants	879
	c. Gifts to Heirs	880
	<i>Estate of Woodworth</i>	880
	d. The Rule of Convenience	886
	(1) Immediate Gifts	887
	(2) Postponed Gifts	888
	(3) Gifts of Specific Sums	889
Chapter 14	THE RULE AGAINST PERPETUITIES AND TRUST DURATION	891
	A. The Common Law Rule	892
	1. History	892
	a. Predicates to the Rule	892
	b. The Duke of Norfolk's Case	893
	c. Toward Lives in Being Plus 21 Years	894
	2. The Policy Against Remote Vesting	895
	a. The Modern Purposes of the Rule	895
	b. Why "Lives in Being Plus 21 Years"?	897

c. The Rule and Trust Duration	898
3. A Rule of Logical Proof	898
a. Some Life in Being	898
b. When the Lives in Being Are Ascertained	899
4. What Might Happen and the Fantastical Characters	900
a. The Fertile Octogenarian	901
b. The Unborn Widow	902
c. The Slothful Executor	903
d. The Magic Gravel Pit and Other Marvels	904
B. Perpetuities Reform	904
1. Saving Clauses	904
2. Reformation (or Cy Pres)	906
3. Wait-and-See	907
4. Abolition of the Rule Against Perpetuities	910
Robert H. Sitkoff & Max M. Schanzenbach, Jurisdictional Competition for Trust Funds: An Empirical Analysis of Perpetuities and Taxes	910
Lawrence W. Waggoner, From Here to Eternity: The Folly of Perpetual Trusts	914
Jesse Dukeminier & James E. Krier, The Rise of the Perpetual Trust	915
5. The Restatement (Third) of Property	918
Restatement (Third) of Property: Wills and Other Donative Transfers § 27.1	919
C. Application of the Rule to Class Gifts and Powers of Appointment	920
1. Class Gifts	920
a. The All-or-Nothing Rule	920
b. Exceptions to the All-or-Nothing Rule	921
(1) Gifts to Subclasses	922
(2) Specific Sum to Each Class Member	922
2. Powers of Appointment	922
a. General Powers Presently Exercisable	923
(1) Validity of Power	923
(2) Validity of Exercise	923
b. General Testamentary Powers and Nongeneral Powers	923
(1) Validity of Power	923
(2) Validity of Exercise	924
c. The Delaware Tax Trap	925
D. Other Durational Limits	926
1. The Rule Against Suspension of the Power of Alienation	926
2. The Rule Against Accumulations of Income	927
 Chapter 15 WEALTH TRANSFER TAXATION	 931
A. The Federal Gift Tax	932
1. Taxable Gifts	932
a. Inadequate Consideration in Money's Worth	932
b. Completion	933
c. Joint Tenancy	934
d. Income Tax Basis	935
e. Liability for Gift and Estate Taxes	935
2. The Annual Exclusion	936
3. The Marital Deduction and Gift Splitting	939
B. The Federal Estate Tax	940
1. A Thumbnail Sketch	940

2. The Gross Estate	942
a. The Probate Estate	943
b. Joint Tenancy	943
c. Annuities and Employee Death Benefits	944
d. Life Insurance	944
e. Retained Rights or Powers	945
<i>Old Colony Trust Co. v. United States</i>	947
Family Limited Partnerships	950
f. Revocable Transfers	952
g. Transfers Within Three Years of Death	953
h. Powers of Appointment	954
<i>Estate of Vissering v. Commissioner</i>	956
3. Deductions	959
a. The Marital Deduction	959
(1) Requirements to Qualify	959
(2) The Nondeductible Terminable Interest Rule	960
(3) Exceptions to the Nondeductible Terminable Interest Rule	960
(4) Qualified Domestic Trusts	964
(5) Tax Planning for Spouses: The Credit Shelter Trust and Portability	964
b. The Charitable Deduction	966
C. The Generation-Skipping Transfer Tax	967
1. The Nature of the Tax	967
a. A Taxable Generation-Skipping Transfer	968
b. When GST Tax Must Be Paid	970
2. Exemption and Exclusions	970
D. State Estate and Inheritance Taxes	972
E. Income Taxation of Grantor Trusts	973
<i>Table of Cases</i>	977
<i>Author Index</i>	989
<i>Index</i>	997