

CONTENTS

<i>Preface</i>	<i>xxxvii</i>
<i>Acknowledgments</i>	<i>xxxix</i>

1 INTRODUCTION TO ESTATE PLANNING AND THE LAWYER'S ROLES	1
A. General Introduction	1
B. The Legal System Governing Trusts and Estates	3
Questions	4
1. Wills	5
Karen J. Sneddon, The Will as Personal Narrative	5
2. The Emergence of Will Substitutes	7
John Langbein, The Nonprobate Revolution and the Future of the Law of Succession	7
3. The Probate Process	9
Paula Monopoli, American Probate: Protecting the Public, Improving the Process	9
C. Testamentary Freedom and Limitations on “Control from the Grave”	12
<i>Feinberg v. Feinberg</i>	13
Notes and Questions	17
Problem	18
Problem	18
D. The Professional Standards Associated with Estate Planning	19
1. Introduction	19
2. The Model Rules of Professional Conduct and ACTEC Commentaries	20
a. Counseling	20
b. Confidentiality	22
c. Conflict of Interest	25
3. Common Situations Raising Ethical Issues for Estate Planners	27
a. Joint Representation	27
Drafting Exercise	28
Problem	28
b. Third-Party Payment	29
c. Counseling	29
	xi

4. Malpractice	29
a. Avoiding Malpractice?	30
Stephanie B. Casteel, Letittia A. McDonald, Jennifer D. Odom & Nicole J. Wade, <i>The Modern Estate Planning Lawyer: Avoiding the Maelstrom of Malpractice Claims</i>	30
b. Privity	31
<i>Hall v. Kalfayan</i>	31
Notes and Questions	35
Problem	36
Appendix A UPC Section 1-201. General Definitions [selected]	37
Appendix B Glossary — American Probate Glossary	40
Appendix C Last Will and Testament of Michael Joseph Jackson	42
2 INHERITANCE AND RELATIONSHIP	45
A. Introduction	45
B. Who Is a Child?	46
1. In General	46
Susan N. Gary, <i>We Are Family: The Definition of Parent and Child for Succession Purposes</i>	46
Notes and Questions	49
2. Intestacy — Interpreting Statutes	50
a. Establishing Parentage	50
b. The Role of Assumptions in Establishing Parentage	51
i. Marital Children and the Marital Presumption	51
Notes and Questions	52
ii. Nonmarital Children	53
Paula A. Monopoli, <i>Nonmarital Children and Post-Death Parentage: A Different Path for Inheritance Law?</i>	53
Notes and Questions	56
Problems	57
c. Establishing Parentage by Adoption and De Facto Parentage	58
Problems	60
i. Adult Adoption	61
Notes	62
ii. Equitable Adoption	62
Notes and Questions	64
Problems	64
d. Assisted Reproductive Technology (ART) Children	65
i. In General	65
Notes and Questions	67

Problems	67
ii. Surrogacy	67
Problems	68
iii. Posthumous Conception and Frozen Embryos	68
Kristine S. Knaplund, Reimagining Post-Mortem Conception	70
<i>Astrue v. Capato</i>	71
Notes and Questions	75
Problems	75
Exercise	76
e. Foster and Stepchildren	76
3. Interpreting Class Gifts in Wills and Trusts	76
a. Class Gifts from Parents	77
b. Exception — Class Gifts from Nonparents	78
C. Who Is a Parent?	80
1. In General	80
2. Inheritance by a Parent from or Through a Child Barred in Certain Circumstances	80
Notes and Questions	81
Exercise	82
D. Who Is a Spouse?	82
1. Legally Married Spouses	83
Notes	83
2. Common Law Spouses	84
Note	84
3. Putative Spouses	84
Question	85
4. Civil Unions and Domestic Partnerships	85
5. Cohabitants	85
Notes and Questions	86
Problems	86
Exercise	87
3 INTESTACY — WHAT HAPPENS TO A DECEDENT’S PROPERTY IF THERE IS NO WILL?	89
A. Introduction	89
1. The History and Development of the Intestacy Regime	91
2. Common Themes and the Limitations of Intestate Succession	92
Problems	93
3. The Intestate Estate	94
Notes	95
4. Requirement of Survival	95

B. Share for Surviving Spouse	96
1. Introduction and Share in Non-UPC States	96
Note and Questions	97
Letter Writing Exercise	98
2. The UPC Share for Surviving Spouses	98
Problems	102
C. Share to Lineal Descendants	104
1. In General	104
D. Share to Ancestors and Collateral Heirs and Escheat to the State	105
Notes and Questions	106
E. The Representation Models	106
1. Strict Per Stirpes	108
a. Procedure for Determining the Per Stirpes Share	110
2. The Current UPC Method — “Per Capita at Each Generation”	112
a. Procedure	113
3. Modified Per Stirpes (“Per Capita with Representation”) and the Original 1969 UPC System of Per Stirpes	115
a. Procedure for Determining the Shares Employing the Per Capita with Representation (Modified Per Stirpes) Model	116
b. Procedure for Determining the Shares Employing the Original 1969 UPC System of Per Stirpes	118
<i>Archer v. Moody</i>	119
Problems	122
F. Reducing the Intestate Share for Advancements	126
1. Is an Inter Vivos Transfer a Gift, an Advancement, or a Loan?	126
Note and Question	128
Letter Writing Exercise	128
2. How Do These Transfers Affect the Shares to the Heirs?	128
3. Advancements and the “Hotchpot” Calculation	129
Problems	129
Appendix A Table of Consanguinity	131
4 NONPROBATE TRANSFERS — PASSING PROPERTY BY WILL SUBSTITUTES AND GIFTS	133
A. Introduction	133
Problems	134
B. The Different Laws of Wills and Will Substitutes	134
Grayson M.P. McCouch, Probate Law Reform and Nonprobate Transfers	135

C. Why Use Will Substitutes?	136
1. The Utility of Will Substitutes	137
2. Probate Avoidance	137
a. Benefits of Avoiding Probate	138
b. Myths About the Utility of Will Substitutes	139
c. There Are Advantages to Going Through Probate	140
d. Other Matters to Consider	140
D. Determining Which Property Is Probated and Which Is Not	141
David Horton, Indescendibility Question	142 143
1. Trusts	145
2. Joint Tenancies with Rights of Survivorship and Tenancies by the Entirety	145
3. Life Insurance	147
4. Annuities and Retirement Accounts	148
5. Contracts of Deposit with Financial Institutions	148
a. Single-Party Accounts	149
b. Multiple-Party Accounts — Joint Tenancy with Right of Survivorship	149
c. Payable-on-Death (POD) Beneficiary Designation	150
d. Convenience Accounts	150
<i>Estate of Helen Butta</i>	151
Notes and Questions	154
6. Security Accounts	155
7. Transfer-on-Death Deeds for Real Estate Exercise	155 156
E. Gifting — Not Exactly a Will Substitute	156
1. What Distinguishes a Gift from Other Property Transfers?	157
2. Methods of Gifting	157
3. Was the Gift Successfully Made? Problems	158 159
F. Developing a Comprehensive Estate Plan Incorporating Will Substitutes	161
1. Selecting the Beneficiary	162
Thomas E. Lund, Coordinating Beneficiary Designations with the Estate Plan	162
2. What If the Beneficiary Predeceases the Decedent? Role-Play Exercise	163 164
G. Which Controls? The Will or the Will Substitute?	165
<i>Lincoln Life and Annuity Co. of NY v. Caswell</i>	166
Notes and Questions	168

H. Does Divorce Revoke a Beneficiary Designation to Spouse?	170
<i>In re Estate of Johnson</i>	171
Notes and Questions	173
Appendix A Chart for Exercise on Page 156	175
5 WILL VALIDITY	177
A. Introduction	177
David Horton, Wills Law on the Ground	178
B. Legal Requirements for the Testator	178
C. Formalities Required in the Will	179
1. The Writing Requirement	181
Susan N. Gary, The Electronic Wills Act: Facing the Inevitable	184
Notes and Questions	185
2. The Signature Requirement	185
a. Where to Sign?	185
b. How to Sign?	186
c. Who Can Sign?	187
Notes and Questions	187
3. Publication	188
4. The Witness Requirement	189
a. Who May Be a Witness	189
b. Where Must the Testator and Witnesses Be?	190
i. Must the Testator Sign or Acknowledge in the Witnesses’ Presence?	190
<i>Kirkeby v. Covenant House</i>	190
Question	194
ii. Must the Witnesses Sign in the Testator’s Presence?	194
iii. When Must the Witnesses Sign?	195
<i>In re Estate of Peters</i>	195
Notes and Questions	197
iv. Interested Witnesses	198
Notes and Questions	198
Problems	199
c. The Self-Proved Will	199
Problem	201
d. The Notarized Will	202
e. Putting the Formalities into Practice	202
David K. Johns, Will Execution Ceremonies: Securing a Client’s Last Wishes	202
Questions	204

D. Holographic Wills	204
<i>In re Estate of Edward Frank Muder</i>	205
Note and Question	210
<i>In re Estate of Charles Kuralt</i>	210
Notes and Questions	214
Problems	214
E. Dispensing with Formalities	216
1. Substantial Compliance	216
John H. Langbein, Substantial Compliance with the Wills Act	217
<i>In re Snide</i>	218
Notes and Questions	221
2. Excusing Harmless Error	222
<i>In re Estate of Wiltfong</i>	223
Notes and Questions	228
F. Choice of Law	229
G. Ethical Issues in Will Drafting	230
1. Conflicts of Interest	230
a. Drafting Attorneys as Fiduciaries	230
Questions	232
b. Exculpatory Clauses	232
c. Drafting Attorney as Beneficiary	233
2. Duty to Produce and Keep the Will	234
Questions	236
3. Drafting Software, Mistakes, and the Unauthorized Practice of Law	236
Exercises	237
6 INTERPRETING THE WILL	241
A. Introduction	241
Mary Louise Fellows, In Search of Donative Intent	242
Notes and Questions	243
B. What Constitutes the Will?	244
1. Integration	244
2. Incorporation by Reference	245
Notes and Questions	246
Problem	247
3. Republication by Codicil	247
4. Events of Independent Significance	248
Problem	249
5. Memorandum at Death	250
Problems	251

6. Pour-Over Wills	251
Exercise	252
C. Interpreting the Meaning of a Will Using Extrinsic Evidence	252
1. The Plain Meaning Rule	252
2. Modern Approaches	253
3. Resolving Ambiguities	254
<i>Flannery v. McNamara</i>	255
Notes and Questions	258
Problem	259
Exercise	259
4. Mistake — Reformation of Wills	260
John Langbein & Lawrence Waggoner, Reformation of Wills on the Ground of Mistake: A Change of Direction in American Law?	260
Notes and Questions	262
Problems	262
D. Interpreting the Meaning of a Will Using the Rules of Construction	263
Adam J. Hirsch, Text and Time: A Theory of Testamentary Obsolescence	264
1. Classification of Devises	265
2. Rules of Construction Applicable Only to Wills	266
a. What Happens When a Devise Fails?	266
b. Lapse and Antilapse — What Happens to a Bequest When the Beneficiary Predeceases the Testator?	267
i. The General Rule — Lapse	267
ii. The Exception to the General Rule — Antilapse	267
iii. Class Gifts	269
iv. Contrary Intent and Words of Survivorship	270
<i>Estate of Tolman v. Jennings</i>	271
Notes and Questions	274
Problems	275
Exercises	276
c. Ademption by Extinction and Nonademption	277
d. Accessions	280
<i>In re Estate of Magnus</i>	281
Notes and Questions	283
Problems	284
Exercises	285
e. Ademption by Satisfaction and Nonademption	285
Notes	287
f. Exoneration and Nonexoneration	288
g. Abatement and Nonabatement	288
Problems	289

h. Apportionment	290
<i>In re Estate of Kuralt</i>	290
Notes and Questions	294
Exercise	295
3. Simultaneous Death: A Rule of Construction Applicable to Both Wills and Will Substitutes	296
a. Determining Death	296
b. Requirement of Survival	297
c. Simultaneous Death	299
Problems	299
E. Disclaimers and “Deemed Death”	300
Problem	304
Exercise	304
Instructions	305
Appendix A Last Will and Testament of Marjorie M. Black	306

7 REVOKING THE WILL AND WILL CONTESTS 317

A. Introduction	317
B. Revocation by Subsequent Instrument or by Physical Act	317
1. General	317
Notes and Questions	319
2. Revocation by Subsequent Instrument	319
Problems	321
3. Revocation by Physical Act	321
Problems	322
4. Presumptions with Regard to Revocatory Acts	323
a. Mutilated Will	323
b. Lost Will	324
<i>In re Estate of Beauregard</i>	324
Notes and Questions	327
C. Revocation by Changed Circumstances	327
1. Revocation by Marriage — Omitted Spouse	328
2. Revocation on Divorce	328
<i>Podgorski v. Jones</i>	330
Notes and Questions	334
a. Will Substitutes	334
3. Revocation Due to Homicide	335
a. Will Substitutes	337
Problems	337
4. Revocation Due to Abuse	338
Problem	339

D. The Impact of Revocation	339
Adam J. Hirsch, Inheritance and Inconsistency	340
1. What Happens to a Previously Revoked Will When the Revoking Will Is Itself Revoked?	341
Question	343
2. What Happens When a Revocation of a Prior Will and Execution of a New Will Are Interrelated?	344
a. Dependent Relative Revocation	344
i. A Traditional Application of DRR	346
<i>Kirkeby v. Covenant House</i>	346
Notes	347
b. Harmless Error	347
Problems	348
E. Will Contests	349
1. Improper Execution	350
2. Testamentary Capacity — General Capacity and Insane Delusion	351
a. General Capacity	351
b. Insane Delusion	351
<i>Breedon v. Stone</i>	352
Notes and Questions	356
3. Lack of Testamentary Intent	357
Problems	357
4. Undue Influence	357
<i>Estate of Sharis</i>	358
Notes and Questions	363
5. Fraud and Duress	364
6. Tortious Interference with an Expectancy	364
F. Preventing Challenges — <i>In Terrorem</i> or “No-Contest” Clauses	365
Notes	367
G. Alternative Dispute Resolution in Probate	368
1. The Benefits	369
2. The Challenges	369
3. Are Mediation or Arbitration Clauses Enforceable?	370
Notes and Questions	371
H. Contracts Concerning Wills	372
1. Contract to Make a Will	372
2. Contracts Not to Revoke Wills	373
Notes and Questions	374
Problems	374
Exercise	375

8 CREATION OF TRUSTS	377
A. Introduction	377
1. What Is a Trust?	377
2. Terminology for Trusts	379
a. Settlor	379
b. Trustee	380
c. Trust Protector	380
d. Beneficiary	380
e. Qualified Beneficiary	381
f. Corpus (Property or Res)	382
g. Inter Vivos and Testamentary Trusts	382
i. Inter Vivos Trusts	382
ii. Testamentary Trusts	383
h. Revocable and Irrevocable Trusts	383
i. Revocable Trusts	383
ii. Irrevocable Trusts	384
i. Charitable Trusts	385
j. Private Express Trusts	385
k. Trust Agreement/Declaration of Trust	385
l. Constructive Trusts	385
m. Resulting Trusts	386
n. Merger	386
B. Creation — Elements of a Trust	388
1. Valid, Legal Purpose	388
Problem	389
2. Competent Settlor	390
Notes and Questions	391
3. Trustee	391
a. Choosing a Trustee	391
b. Acceptance	393
c. Resignation of a Trustee	394
Problems	396
Exercises	396
4. Intent to Create a Trust	397
a. Inter Vivos Gift in Trust or Ownership Retained?	398
<i>Palozie v. Palozie</i>	398
Questions	402
b. Gift in Trust or Outright Gift with Explanatory or Precatory Language?	402
<i>In re Estate of Bolinger</i>	403
Notes and Questions	407
c. Transfer into Trust or a Promise to Make a Gift in the Future?	408
Problems	409
5. Corpus (Property or Res)	410
Problems	413

6. A Beneficiary	413
a. Identifiable Person or Class	413
<i>Clark v. Campbell</i>	414
Question and Problem	415
b. Charitable Trust	415
c. Honorary Trusts	416
d. Trust for a Purpose	416
Notes and Questions	417
e. Trust for a Specific Animal	418
Notes and Questions	419
Exercise	420
7. Formalities — Written Trusts vs. Oral Trusts and Secret Trusts	420
a. Oral Trusts of Personalty	420
Problem	421
b. Oral Trusts of Real Property	421
i. Voluntary Trust	421
ii. Partial Performance	422
iii. Constructive or Resulting Trust	422
<i>Gregory v. Bowsby</i>	423
Questions	425
c. Oral Trusts to Be Given Effect at Death — Secret and Semi-Secret Trusts	425
<i>Pickelner v. Adler</i>	426
Notes and Questions	427
Problem	427
8. Exculpatory (Exoneration) Clauses	428
Questions	430
9. Mandatory Rules	430
C. Revocable Trusts	430
1. Typical Structure	431
2. Funding the Trust	432
Exercise	434
3. Purposes and Advantages	435
a. Lifetime Purpose — Planning for Incapacity	435
b. After-Death Purposes — Avoiding Probate	435
4. Disadvantage — Statute of Limitations for Creditors	436
5. Misconception — Taxes	436
6. Challenging a Revocable Trust	436
7. Rules for Revocable Trusts That Differ from Those Applicable to Other Trusts	437
a. Capacity	437
b. Duty to Beneficiaries	437
c. Rules That Apply to Wills	438
Problem	439
Exercises	439

9 FIDUCIARY DUTIES	441
A. Introduction	441
John H. Langbein, Mandatory Rules in the Law of Trusts	442
B. Duty of Obedience	444
Rob Atkinson, Obedience as the Foundation of Fiduciary Duty	444
C. Duty of Loyalty	445
1. Conflicts of Interests — Transactions for the Trustee’s “Personal Account” (Self-Dealing)	447
<i>Hosey v. Burgess</i>	448
Notes and Questions	451
2. Conflicts of Interest — Transactions Involving Personal or Business Relationships	451
3. Exceptions to the Duty of Loyalty — UTC §802(b)	452
a. Terms of the Trust	452
Notes and Questions	453
b. Court Approval	454
c. Consent of the Beneficiaries	455
d. Trustee Compensation	455
e. Proprietary Mutual Funds	455
f. Advances by Trustee	456
g. Voting Stock	456
Note and Questions	456
Problems	457
4. Best Interests of the Beneficiaries — Reprise	458
John H. Langbein, Questioning the Trust Law Duty of Loyalty: Sole Interest or Best Interest?	458
D. Duty to Inform and Report	461
1. Common Law Duty	461
2. Expanded Duties Under the Uniform Trust Code	461
3. Silent or Quiet Trusts—Limits on the Duty to Report	462
Notes and Questions	464
4. To Whom to Report?	464
Problems	466
E. Duty of Impartiality	466
F. Duty of Care or Prudence	467
1. Managing the Property	467
2. Investing the Property	469
a. Types of Investments	469
b. The Prudent Investor Standard	470

John H. Langbein, The Uniform Prudent Investor Act and the Future of Trust Investing	471
<i>In re Trust Created by Inman</i>	476
Notes and Questions	478
Problems	479
G. Allocation of Principal and Income	481
John H. Langbein, The Uniform Prudent Investor Act and the Future of Trust Investing	481
H. Remedies for Breach of Trust	484
<i>Uzyel v. Kadisha</i>	485
Notes	487
I. Removal of Trustees	488
J. Trust Protectors and the Uniform Directed Trust Act	490
1. Trust Protectors	490
Notes	491
2. The Uniform Directed Trust Act	491
Problems	494
10 RIGHTS OF BENEFICIARIES AND CREDITORS IN TRUST PROPERTY; MODIFICATION AND TERMINATION OF TRUSTS	497
A. Introduction	497
B. Distribution Provisions — Rights of Beneficiaries	498
1. Overview of Distribution Provisions	498
a. Mandatory Provisions	498
b. Discretionary Provisions	498
c. Spray or Sprinkle Provisions	501
2. Interpreting Discretionary Standards of Distribution	502
a. Judicial Review of Trustee’s Exercise of Discretion — Reasonableness and Good Faith	503
b. Support and Maintenance	504
c. Education	505
d. Emergency	505
e. Welfare, Best Interests, Happiness	506
f. Beneficiary’s Other Assets	506
g. Duty to Inquire	508
<i>O’Riley v. U.S. Bank, N.A.</i>	508
Notes and Questions	513
3. When the Trustee Is a Beneficiary	514
<i>Roenne v. Miller</i>	514

Note and Question	518
Problems	519
Exercise	520
C. Rights of Creditors and Planning to Protect the Assets in a Trust	520
1. General	520
2. Creditors of a Beneficiary Who Is Not the Settlor	522
a. Mandatory Distributions	522
b. Discretionary Distributions	523
c. Spendthrift Clauses	524
d. Exceptions to Spendthrift Protection — “Super Creditors”	526
<i>Shelley v. Shelley</i>	526
<i>Duvall v. McGee</i>	530
Notes and Questions	533
Problems	533
Exercises	534
3. Creditors of a Beneficiary Who Is Also a Settlor	534
a. Revocable Trusts	534
b. Irrevocable Trusts	535
c. Asset Protection Trusts — Foreign and Domestic	535
Problem and Notes	539
D. Modification and Termination of Trusts	540
1. Revocable Trusts	540
Problems	542
2. Irrevocable Trusts	543
a. Making Modification Unnecessary	543
b. Termination According to the Terms of the Trust	543
c. Modification or Termination with Settlor’s Consent	544
d. Modification or Termination Without Settlor’s Consent	
(Usually After Settlor’s Death)	545
i. Material Purpose Doctrine	545
Note	546
ii. Modification or Termination by Consent of the Beneficiaries	547
Question	548
iii. Modification or Termination Due to Changed	
Circumstances — Equitable Deviation	548
<i>In re Riddell</i>	549
Notes and Questions	553
iv. Modification of Charitable Trusts	554
v. Modification (Reformation) to Fix a Mistake	554
vi. Statutory Provisions That Correspond with Best Practices	555
Problems	557
3. Decanting Statutes	558
Note	561
Problems	561

11 POWERS OF APPOINTMENT, FUTURE INTERESTS, AND THE RULE AGAINST PERPETUITIES	563
A. Defining a Power of Appointment	564
1. Definition	564
2. General Terminology	564
3. Distinguishing Between a Power of Appointment and Fiduciary Power Problems	566
	567
B. Creating a Power of Appointment	568
C. Exercising a Power of Appointment	568
1. Overview	568
Problem	571
2. Different Ways to Exercise a Power of Appointment	571
Exercise	571
a. Residuary Blending Clause with Blanket Exercise—Does It Satisfy a Specific Reference Requirement?	572
<i>Motes/Henes Trust Bank of Bentonville v. Motes</i>	572
Notes and Questions	575
b. Can a Powerholder Exercise the Power by a “Pure” Residuary Clause?	576
<i>Will of Block</i>	577
Notes and Questions	578
c. What Is Required for Substantial Compliance?	579
<i>In re Estate of Carter</i>	579
Notes and Questions	581
Exercise	583
3. Exercise in Further Trust	583
4. Problems with Appointees	584
a. Exercise in Favor of Impermissible Appointees	584
<i>BMO Harris Bank N.A. v. Towers</i>	585
Notes and Questions	588
b. Predeceased Appointees	588
c. Selective Allocation	590
D. Release, Failure to Exercise, and an Express Statement of Nonexercise	590
1. Who Gets the Property?	591
a. Takers in Default Stated	591
b. No Takers in Default Stated	592
2. Contract to Exercise a Power	593
Problems	594
Exercise	595
E. Rights of Creditors and Taxes	596
1. Creditors	596
2. Taxable Transfer	597

F. Future Interests	598
1. Present Interests	598
a. Life Estate	598
b. Term of Years	599
2. Future Interests	599
a. Reversion — Interest in the Transferor	599
b. Remainder — Interest in Transferee	600
c. Executory Interest	601
3. Acceleration into Possession	602
a. Common Law Rule	602
b. Disclaimers	602
G. The Rule Against Perpetuities	603
1. In General	604
2. Perpetuities Reform — Wait and See and USRAP	605
a. USRAP	606
b. Perpetuities Saving Clause	607
Notes and Questions	608
3. Complete Abolition?	608
Lawrence W. Waggoner, Curtailing Dead-Hand Control: The American Law Institute Declares the Perpetual-Trust Movement Ill Advised	609
Notes and Questions	610
4. Charitable Interests — Exception to the Rule	610
 12 PROTECTING THE FAMILY	 611
A. Introduction	611
B. History of Adult Partner Protections	612
Susan N. Gary, The Oregon Elective Share Statute: Is Reform an Impossible Dream?	612
Questions	613
C. Differing Protections Under Community Property and Common Law Property Systems	614
1. Community Property	614
2. Common Law Property	615
3. Division at Death for Migrating Couples	616
Notes and Questions	617
D. Protection for the Surviving Spouse — The Elective Share	618
1. What Happens Without an Elective Share?	618
Problems	618
2. Non-UPC Approaches to the Elective Share	619

<i>In re Estate of Thompson</i>	619
Notes and Questions	622
E. The UPC Approach to the Elective Share	623
Susan N. Gary, The Oregon Elective Share Statute: Is Reform an Impossible Dream? (Cont'd)	623
Notes and Questions	625
Exercise	626
1. General Approach to Determining the Elective Share Amount Under the UPC	626
2. Determine the Value of the Augmented Estate	627
a. The Spousal Equivalent Rule — UPC §2-207	628
b. The Net Probate Estate — UPC §2-204	628
c. Nonprobate Transfers to Others (§2-205) and to the Surviving Spouse (§2-206)	628
i. Property Owned in Fact or in Substance by the Decedent Immediately Before Death	629
ii. Certain Transfers During Marriage with Interests Retained by the Decedent (UPC §2-205(2))	630
iii. Transfers to Persons Other Than the Surviving Spouse During Marriage and Within Two Years of Decedent's Death (UPC §2-205(3))	631
Questions	631
3. Determine the Marital Property Portion of the Augmented Estate	631
Problem	632
Notes and Questions	632
4. Determine the Elective Share Amount	633
Problems	633
5. Determine Whose Interests Have to Be Abated to Fund the Elective Share	635
Problem	635
F. Prenuptial and Other Marital Agreements	636
1. When Is a Waiver Valid?	636
<i>In re Estate of Hollett</i>	637
Notes and Questions	640
2. The UPC Response	641
Notes and Questions	642
Problems	643
G. Protections for an Omitted Spouse and Child	643
1. The Omitted Spouse	644
a. The Testator's Intent?	644
<i>Bay v. Estate of Bay</i>	645
Notes and Questions	648
b. The UPC Approach	649
Note and Question	650

Problems	650
Exercise	650
2. Omitted Children	651
a. History of Protections	651
Joshua C. Tate, Caregiving and the Case for Testamentary Freedom	652
Notes and Questions	654
b. Intentional Disinheritance	655
<i>In re Gilmore</i>	655
Notes and Questions	658
Problem	658
c. The UPC Approach	658
Notes and Questions	660
Problems	660
Exercises	661
Problems	661

13 PLANNING FOR INCAPACITY

663

A. Introduction

663

B. Financial Decisions During Incapacity

664

1. What Happens When There Is No Planning?	664
2. What Is Possible with Advance Planning?	666
a. Powers of Attorney	667
i. General	667
Exercise	668
Notes and Questions	668
ii. Agent's Responsibilities	669
<i>In re Ferrara</i>	669
Notes and Questions	672
iii. Uniform Power of Attorney Act	674
Notes and Questions	676
Problems	677
iv. Dealing with Digital Property	678
Questions	679
Exercise	680
b. Agents vs. Conservators	680
i. Revocable Trusts	680
<i>In re Franzen</i>	681
Notes and Questions	683
Problems	683
Exercise	684

C. Health Care Decisions During Incapacity	684
1. What Happens Without Planning?	684
a. The Constitutional Context for the Right to Die	685
i. <i>Schiavo</i>	686
<i>In re Guardianship of Theresa Marie Schiavo</i>	686
Notes	689
b. State Standards for EOL Decision Making	690
Problems	691
2. What Is Possible with Advance Planning?	692
a. Advance Medical Directives	692
Notes and Questions	693
Exercise	694
D. Covering the Costs of Medical and Long-Term Care	694
1. Medicare	695
2. Medicaid	697
a. Requires Medical Assistance	697
b. Cannot Have Too Many Assets	698
i. Disclaimers	698
<i>Schell v. Department of Public Welfare</i>	699
Notes and Question	701
ii. Exceptions?	702
c. Cannot Have Too Much Income	703
Note	704
Problems	704
E. The End of Life — Physician-Assisted Suicide	706
1. State Approaches	706
2. Is Banning Physician-Assisted Suicide Constitutional?	707
Notes	708
F. Ethical Issues in Representing a Person with Mental Disabilities	708
Notes and Questions	711
Problem	711
G. Planning for the Care of Children on the Death or Disability of a Parent	712
1. Death of a Parent	713
2. Standby Guardianship	715
3. Partial Delegation — Educational and Medical Consents	715
4. Child with Disabilities	716
5. Financial Planning for a Child	716
Problem	717

14 ESTATE AND GIFT TAX PLANNING	719
A. Introduction	719
B. The Politics of Taxing Transfers of Wealth	722
Problem	724
Note and Questions	725
C. Introduction to Transfer Taxes	725
Note	727
D. Income Tax Issues Related to Estate Planning	727
1. What Are the Income Tax Consequences to the Recipient upon Receiving a Gift or Bequest?	728
2. What Is the Recipient's Basis in Property Received as a Gift or Inheritance?	728
3. How Is the Income Earned on Transferred Property Taxed?	730
E. Taxation of Estates	731
1. Determining the "Gross Estate"	731
a. Property in Which the Decedent Had an Interest at Death — IRC §2033	732
b. Revocable Trusts — IRC §2038	732
c. Transfers with a Retained Life Estate — IRC §2036	733
Note	734
d. Life Insurance Proceeds — IRC §2042	734
e. Transfers of Certain Interest Within Three Years of Death — IRC §2035	735
f. Annuities — IRC §2039	736
g. Joint Tenancy with Right of Survivorship — IRC §2040	736
h. General Power of Appointment — IRC §2041	737
i. Qualified Terminable Interest Property (QTIP) Trusts — IRC §2044	738
2. Deductions Allowable in Determining the "Taxable Estate"	739
a. Administrative Expenses, Etc. — IRC §2053	739
b. Debts of the Decedent	739
c. Transfers to Surviving Spouse — IRC §2056	739
d. Other Deductions	741
Note	741
3. Calculating the Estate Tax — IRC §2001	742
4. Estate Tax Credits	742
5. Liability for Estate Tax	743
F. Taxation of Gifts	743
1. Determining "Total Amount of Gifts"	743
a. Gifting Within the Annual Exclusion Amount	744
Notes and Questions	745

b. Gifting for Medical and Educational Needs	745
c. Section 529 College Savings Plans, or Qualified Tuition Programs	745
2. Deductions Allowable in Determining “Taxable Gifts”	746
3. Gift Tax Rates and Credits	746
G. The Generation-Skipping Transfer Tax — Briefly	746
H. Post-Mortem Planning Using Disclaimers	747
Problems	749
Appendix A	752
15 ADMINISTRATION OF THE PROBATE ESTATE	753
A. Introduction	753
Paula Monopoli, American Probate: Protecting the Public, Improving the Process	755
Exercise	758
B. Matters That Need Immediate Attention	759
1. Appointing Someone to Take Charge	759
2. Deciding What to Do with Decedent’s Body	759
3. Protecting the Decedent’s Property	760
4. Having a Guardian and Conservator Appointed for Minors and Incapacitated Persons	761
5. Providing for the Family Financially During Estate Administration	761
Notes and Questions	762
6. Obtaining the Will and Other Important Documents	763
C. Where to Probate the Estate — Jurisdiction and Venue	763
D. Formal and Informal Procedures to Probate Estates — In General	764
E. Opening the Estate — Getting the Will Accepted for Probate and Getting the Personal Representative Appointed	766
1. General	766
2. Probating the Will or Adjudicating Intestacy	766
3. Appointing the Personal Representative	767
4. Obtaining Letters	768
Notes	768
Exercise	769
F. General Duties, Powers, and Liability of the Personal Representative	770
1. Duties of the Personal Representative	770

2. Powers of the Personal Representative	772
3. Liability of the Personal Representative	772
G. Duty to Gather, Inventory, and Value the Estate	772
1. Gathering the Decedent's Property	772
2. Inventorying and Valuing the Decedent's Property	773
Exercise	774
H. Duty to Manage the Property of the Estate	775
I. Duties Associated with Creditors	775
1. General	775
2. Notification and the Statute of Limitations	776
<i>Tulsa Professional Collection Services, Inc. v. Pope</i>	776
Notes and Questions	781
Exercises	781
3. Presenting Claims and Determining Validity	782
Exercises	782
4. Payment of Claims and Priority of Payment	783
a. Secured Creditors	784
b. Homestead Allowance, Exempt Property, and Family Allowance	785
Question	786
5. Payment of Claims Using Nonprobate Assets	786
a. Procedure for Pursuing Claims Against Nonprobate Transferees	788
J. Important Matters to Be Addressed Before Finalizing the Estate	789
1. Will Contests and Other Estate Controversies	789
2. Tax Issues	790
3. Partial Distributions	792
K. Closing the Estate — The Final Accounting and the Final Distribution	792
1. Closing the Estate	792
2. The Final Distribution	793
Exercise	794
3. Finality of Final Settlement and Reopening the Estate	795
L. Ethical Issues in Estate Administration	795
<i>Legal Ethics Opinion 1778</i>	800
Problem	801
Appendix A Estate Administration Checklist	803

16 CHARITABLE TRUSTS	809
A. Charitable Purpose	810
B. Charitable — Not Benevolent	810
<i>Shenandoah Valley National Bank v. Taylor</i>	811
Questions	815
Exercise	815
C. Tax Purposes	815
D. Modification of Charitable Trusts	816
1. Cy Pres	816
a. Buck Trust	817
<i>In re the Estate of Beryl Buck</i>	817
John G. Simon, American Philanthropy and the Buck Trust	819
Questions	822
2. Deviation	823
Jonathan Scott Goldman, Just What the Doctor Ordered? The	
Doctrine of Deviation, the Case of Doctor Barnes's Trust and	
the Future Location of the Barnes Foundation	824
<i>In re Barnes Foundation</i>	825
Questions	827
Problems	827
3. UPMIFA	828
E. Enforcement of Charitable Trusts	828
1. Donor Standing	829
<i>Smithers v. St. Luke's Roosevelt Hosp. Center</i>	830
Notes and Questions	834
<i>Hardt v. Vitae Foundation</i>	835
Notes and Questions	837
2. Special Interests Doctrine	838
3. Relators	839
4. Internal Revenue Service	839
5. Role of the General Public — The Bishop Estate	840
Note	842
F. Drafting for Donor Intent	842
1. Robertson v. Princeton	842
2. Leona M. and Harry B. Helmsley Trust	844
G. Drafting Considerations	845
1. Non-Perpetual Trusts	845
2. Clear Statement of Intent	845
3. Flexibility	845

4. Provisions for Modification	845
5. Standing	846
6. Mediation or Arbitration	846
Note	846
Exercises	847
<i>Table of Cases</i>	<i>849</i>
<i>Table of Laws and Other Material</i>	<i>855</i>
<i>Index</i>	<i>857</i>