

Table of Contents

Preface xxxi

Acknowledgments xxxiii

Chapter 1: Introduction to the Law and Practice of Trusts and Estates	1
A. Overview	1
B. The Legal System Governing Trusts and Estates	5
C. Testamentary Freedom	6
<i>Feinberg v. Feinberg</i>	8
D. Introduction to Trusts and Estates Legal Practice	12
1. The Different Roles of Trusts and Estates Practitioners	12
2. The Demands and Rewards of Trusts and Estates Practice	13
Chapter Summary	15
Applying the Concepts	15
Trusts and Estates in Practice	16
Chapter 2: Intestacy	19
A. Introduction	19
B. Share for Surviving Spouse	21
1. Who Is a Spouse?	21
<i>Legally Married Spouses</i>	22
<i>Common Law Spouses</i>	22
<i>Putative Spousehood</i>	23
<i>In re Ober</i>	25
<i>Civil Unions & Domestic Partnerships</i>	28
<i>Cohabitants</i>	28
2. Share of Surviving Spouse	28
<i>Non-UPC Share of Surviving Spouse</i>	29
<i>The UPC Share of Surviving Spouse</i>	30

C. Share to Children, Descendants, and Parents	32
1. Just Who Is a Child?	33
<i>The Marital Presumption</i>	33
<i>Special Circumstances: Assisted Reproduction & Posthumous Children</i>	33
<i>Astrue v. Capato</i>	35
<i>Nonmarital Children</i>	38
<i>Adopted Children</i>	39
<i>Fiduciary Trust Co. v. Wheeler</i>	44
<i>Foster Children & Equitable Adoption</i>	46
2. Just Who Is a Parent?	47
D. Share to Other Relatives — and Escheat	48
E. The Representation Models	49
1. Strict Per Stirpes	51
<i>Steps for Establishing the Strict Per Stirpes Share</i>	51
<i>Steps for Finding the Result for Exhibit 2.13 Under Strict Per Stirpes</i>	51
2. Modified Per Stirpes	52
<i>Steps for Establishing the Modified Per Stirpes Share</i>	52
<i>Steps for Finding the Result for Exhibit 2.13 Under Modified Per Stirpes</i>	52
3. The 1969 UPC	53
4. Per Capita at Each Generation — (1990 UPC)	53
<i>Steps for Establishing the Per Capita at Each Generation Share</i>	54
<i>Steps for Finding the Result for Exhibit 2.13</i>	54
<i>In re Estate of Donald J. Evans</i>	55
F. Reducing the Intestate Share for Advancements	58
Chapter Summary	60
Applying the Concepts	61
Trusts and Estates in Practice	63
Chapter 3: Creation of Wills	67
A. Legal Requirements for the Testator	68
1. Age and Mental Capacity	68
2. Testamentary Intent	69
B. Legal Requirements for Execution of a Formal Will	69
1. The Writing Requirement	70
2. The Signature Requirement	70

<i>In re Estate of Javier Castro</i>	72
3. The Witness Requirement	75
<i>Interested Witnesses</i>	76
<i>The Logistics and Timing of Signing</i>	77
<i>Estate of Ray Merle Burton</i>	78
<i>The Self-Proved Will</i>	81
<i>The Notarized Will</i>	83
4. Publication	84
5. Electronic Wills	84
C. Legal Requirements for a Holographic Will	85
<i>In re Estate of Melton</i>	87
D. What Constitutes the Will?	92
1. Integration	92
2. Acts of Independent Significance	93
3. Including Additional Non-Attested Documents	93
4. Republication by Codicil	94
E. Relaxing the Formalities	95
1. Substantial Compliance	95
<i>Estate of Ray Merle Burton</i>	96
2. Harmless Error	98
<i>In re Macool</i>	99
F. Choice of Law and Conflict of Laws	104
G. Common Provisions in Wills	105
<i>Signing the Will</i>	108
Chapter Summary	109
Applying the Concepts	110
Trusts and Estates in Practice	111
Chapter 4: Amendment and Revocation of Wills	113
A. Introduction	113
B. Revoking a Will by Writing	114
1. Express Revocation in Writing	114
2. Revocation by Inconsistency	115
3. Using Codicils to Revoke or Amend Will Provisions	115
C. Revoking a Will by Physical Act	115
1. Formalities Required for Revoking a Will by Physical Act	116

2. Which Physical Acts Cause Revocation	117
<i>In re Will of Powers</i>	117
3. Revocation of Electronic Wills	120
4. Presumption of Proper Revocation of Lost Will	121
<i>Johnson v. Fitzgerald</i>	122
D. Partial Revocation of a Will	124
1. Partial Revocation or Amendment by Writing	124
2. Whether Partial Revocation by Physical Act is Effective	124
E. Automatic Will Revocation Due to Changed Circumstances	125
1. Divorce and Marriage	125
2. Birth or Adoption of Descendants	127
F. Dependent Relative Revocation and Revival of Wills	127
1. Dependent Relative Revocation	127
<i>In re Estate of Virginia E. Murphy (Rocke v. American Research Bureau)</i>	128
2. Revival of Revoked Wills	134
G. Contractual Wills	136
1. Contracts to Make a Will	136
<i>Matter of Attea</i>	137
2. Contracts to Not Revoke a Will	140
3. Nonprobate Alternatives to Will Contracts	140
Chapter Summary	141
Applying the Concepts	142
Trusts and Estates in Practice	143
Chapter 5: Wills—Construction and Interpretation	147
A. Ambiguity and Mistake	148
1. The Plain Meaning Rule	148
2. Interpreting Ambiguous Language	149
<i>Patent Ambiguity</i>	149
<i>Latent Ambiguity</i>	149
<i>Modern Approach to Ambiguity</i>	150
3. Reforming a Will to Fix a Mistake	150
<i>Mistake</i>	150
<i>Estate of Duke</i>	152
B. Requiring Survival to Receive Property from a Decedent	155

C. Beneficiaries Who Fail to Survive	158
1. Lapse	158
2. Anti-Lapse Statutes	159
<i>Why Have Anti-Lapse Rules?</i>	160
<i>No Contrary Intent</i>	161
<i>Related to the Testator</i>	162
<i>Descendants</i>	162
3. Class Gifts	162
<i>Estate of Tolman v. Jennings</i>	164
D. Changes in Property	166
1. Abatement	167
2. Ademption	168
<i>Identity Theory</i>	168
<i>Change in Form, Not Substance</i>	168
<i>Intent Theory in Non-Ademption Statutes</i>	169
<i>Satisfaction</i>	171
<i>Accessions and Non-Ademption</i>	171
<i>In re Estate of Magnus</i>	173
3. Exoneration	175
E. Apportionment	176
F. Disclaimers	176
G. Slayer Statutes, Abuse, and Forfeiting Property by Wrongdoers	177
1. Killing of Testator by Beneficiary or Heir	178
2. Abuse of Testator by Beneficiary	179
Chapter Summary	180
Applying the Concepts	181
Trusts and Estates in Practice	182
Chapter 6: Will Contests	185
A. Legal and Mental Capacity	185
1. Legal Capacity Age Requirement	186
2. Mental Capacity	186
<i>Reynolds v. Steene</i>	187
3. Insane Delusion	192
<i>In re Estate of Zielinski</i>	194
B. Undue Influence	197

1. The Test of Undue Influence	197
<i>Mueller v. Wells</i>	198
2. Evidentiary Burden-Shifting in Undue Influence Litigation	204
C. Fraud, Duress, Mistake, and Tortious Interference with an Expectancy	205
1. Fraud	205
2. Duress	206
3. Mistake	206
4. Tortious Interference with an Expectancy	207
D. Improper Observation of Will Execution Formalities	207
E. Standing to Contest and No-Contest Clauses	208
1. Standing to Bring a Will Contest	208
2. No-Contest Clauses	209
<i>Parker v. Benoist</i>	209
3. Planning to Avoid a Will Contest	214
Chapter Summary	215
Applying the Concepts	215
Trusts and Estates in Practice	216
Chapter 7: Nonprobate Transfers and Planning for Incapacity	223
A. Introduction to Will Substitutes/Nonprobate Transfers	224
B. The Most Common Forms of Will Substitutes	225
1. Life Insurance	225
<i>Hillman v. Maretta</i>	227
2. Pensions/Retirement Plans	231
3. Nonprobate Bank and Brokerage Accounts	233
<i>Single-Party Accounts</i>	233
<i>Multiple-Party Accounts</i>	233
<i>Matter of Corcoran</i>	237
4. Concurrently Owned Real Property	240
5. Inter Vivos Trusts	241
C. Why Use Nonprobate Transfers?	241
D. Planning for Incapacity	242

1. Financial Planning	243
<i>Powers of Attorney</i>	244
<i>Agent's Responsibilities</i>	245
<i>Matter of Ferrara</i>	246
<i>Agent Liability</i>	250
<i>Uniform Power of Attorney Act</i>	250
<i>Dealing with Digital Assets</i>	251
<i>Categories of Digital Assets</i>	251
<i>Agents Versus Conservators</i>	252
2. Health Care Decisions During Incapacity	253
<i>Advance Medical Directives</i>	253
Chapter Summary	255
Applying the Concepts	256
Trusts and Estates in Practice	257
Chapter 8: Family Protection	259
A. Overview of the Two Marital Property Systems	260
1. Community Property	261
2. Common Law Property	262
B. The Elective Share	263
1. The Development of the Elective Share	263
<i>In re Estate of Thompson</i>	265
2. The Contemporary UPC	270
C. Waiving the Elective Share	270
<i>In re Estate of Shinn</i>	272
D. Protecting Against Unintentional Disinheritance	277
1. Pretermitted/Omitted Spouse	277
2. Omitted Children	278
<i>Protecting the Omitted Child</i>	278
<i>Gray v. Gray</i>	279
<i>Omitted Child Statutes</i>	283
Chapter Summary	284
Applying the Concepts	285
Trusts and Estates in Practice	286

Chapter 9: Creation of Trusts	287
A. Trust Terminology	287
1. Beneficiaries	288
2. Mandatory and Default Rules	289
3. Types of Trusts	289
<i>Inter Vivos or Testamentary</i>	289
<i>Private or Charitable</i>	289
<i>Revocable or Irrevocable</i>	290
4. Presumption of Revocability Under the UTC	290
5. Merger	290
6. Resulting Trust	291
7. Constructive Trust	291
B. Elements of a Trust	291
1. Valid, Legal Purpose	292
2. Competent Settlor	293
<i>Irrevocable Inter Vivos Trusts</i>	293
<i>Revocable Trusts</i>	293
3. Trustee	294
<i>Choosing a Trustee</i>	294
<i>Acceptance</i>	295
<i>Resignation</i>	296
4. Intent to Create a Trust	296
<i>Inter Vivos Gift in Trust or Ownership Retained</i>	297
<i>Intent to Create a Trust or Gift with Explanatory or Precatory Language</i>	297
<i>In re Estate of Bolinger</i>	298
<i>Transfer into Trust or Promise to Make a Gift in the Future</i>	303
5. Property (aka Corpus or Res)	304
6. Beneficiary	305
<i>Identifiable Person or Class</i>	305
<i>Clark v. Campbell</i>	306
<i>Honorary Trust</i>	308
<i>Trust for a Purpose</i>	308
<i>Trust for an Animal</i>	309
C. Formalities	310
1. Oral Trusts of Personal Property	310
2. Oral Trusts of Real Property	311

<i>Partial Performance</i>	311
<i>Constructive or Resulting Trust</i>	311
<i>Gregory v. Bowlsby</i>	312
3. Secret and Semi-Secret Trusts to Be Given Effect at Death	315
D. Revocable Trusts	315
1. Structure of a Typical Revocable Trust	315
2. Funding a Revocable Trust	316
3. Advantages of a Revocable Trust	318
4. Disadvantages and Misconceptions	318
5. Rules Unique to Revocable Trusts	319
E. Charitable Trusts	319
1. Charitable Purpose	320
2. Modification of Charitable Trusts	321
<i>Cy Pres</i>	321
<i>Deviation</i>	322
3. Enforcement of Charitable Trusts	322
<i>Attorney General</i>	322
<i>Donor</i>	323
<i>Special Interests Doctrine</i>	323
<i>Herbst v. Univ. of Colo. Found.</i>	324
Chapter Summary	327
Applying the Concepts	328
Trusts and Estates in Practice	330
Chapter 10: Rights of Beneficiaries and Creditors in Trust Property	335
A. Common Standards of Trust Distribution	336
1. Mandatory and Discretionary Distribution Provisions	336
<i>Example of Trust with Both Mandatory and Discretionary Provisions</i>	337
2. Ascertainable and Nonascertainable	337
<i>Example of Trust with Distribution Standard for Education</i>	337
3. Support and Maintenance	338
<i>Matter of Katherine E. Reece Trust</i>	339
4. Education	343
5. Emergency	343

<i>Emergency— Trustee’s Decision Not to Distribute Upheld</i>	344
<i>Emergency— Trustee Should Distribute</i>	344
6. Welfare, Happiness, and Best Interests	344
B. Trustee’s Exercise of Discretion	345
1. Reasonableness and Good Faith	346
<i>Examples of Good Faith and Reasonableness</i>	346
2. Should the Trustee Consider a Beneficiary’s Other Assets?	347
3. Duty to Inquire	347
<i>Marsman v. Nasca</i>	348
4. What If the Trustee Is a Beneficiary?	354
<i>Example of a Trust for a Second Spouse</i>	354
C. Rights of Creditors	355
<i>Law on Creditors Not Uniform</i>	355
1. Creditors of a Beneficiary Who Is Not the Settlor	356
<i>Mandatory Distributions</i>	356
<i>Discretionary Distributions</i>	356
<i>Spendthrift Clauses</i>	357
<i>Exceptions to Spendthrift Clauses</i>	358
<i>Shelley v. Shelley</i>	359
2. Creditors of a Beneficiary Who Is the Settlor	363
<i>Revocable Trusts</i>	363
<i>Irrevocable Trusts</i>	363
<i>Foreign Asset Protection Trusts</i>	364
<i>Domestic Asset Protection Trusts</i>	365
Chapter Summary	367
Applying the Concepts	367
Trusts and Estates in Practice	369
Chapter 11: Fiduciary Duties and Modification and Termination of Trusts	371
A. Fiduciary Duties	372
<i>History of Fiduciary Duties Involving Investments</i>	372
<i>Mandatory or Default Rules?</i>	373
1. Duty of Obedience	373
2. Duty of Loyalty	373
<i>Self-Dealing— Transactions for the Trustee’s Personal Account</i>	374

<i>Example: Self-Dealing</i>	375
<i>Conflicts of Interest — Transactions Involving Personal or Business Relationships</i>	375
<i>Example: Conflict of Interest</i>	376
<i>Authorization of Self-Dealing and Conflicts of Interest</i>	376
<i>Hosey v. Burgess</i>	378
<i>Sole Interests or Best Interests?</i>	381
3. Duty to Inform and Report	381
<i>Categories of Beneficiaries</i>	382
4. Representation	383
5. Duty of Impartiality	384
<i>Example: Duty of Impartiality</i>	384
6. Duty of Care	385
<i>Protecting Trust Property</i>	385
<i>Investing Trust Property — The Prudent Investor Rule</i>	385
<i>In re Trust Created by Inman</i>	387
7. Investments, Trust Accounting, and the Duty of Impartiality	390
<i>Income or Principal?</i>	390
<i>Some Investments May Be More Likely to Generate Income or Principal</i>	391
<i>Duty of Impartiality Affects Investment Decisions</i>	391
<i>The Uniform Principal and Income Act</i>	391
8. Remedies for Breach	392
9. Removal of a Trustee	392
10. Trust Director	393
B. Modification and Termination	394
1. Revocable Trusts	394
<i>Can a Will Revoke a Trust?</i>	395
<i>What if the Settlor Loses Capacity to Revoke?</i>	396
2. Irrevocable Trusts	396
<i>Building Flexibility into a Trust</i>	396
<i>Termination According to the Terms of a Trust</i>	397
<i>Modification or Termination with the Settlor's Consent</i>	397
<i>In re Trust Under Deed of Garrison</i>	398
<i>Modification or Termination by Beneficiaries Without the Settlor's Consent</i>	403
<i>Material Purpose Doctrine</i>	403
<i>Modification or Termination Due to Changed Circumstances</i>	405

<i>In re Riddell</i>	406
<i>Modification to Fix a Mistake</i>	410
<i>Additional Modification Provisions in the UTC</i>	410
3. Decanting	411
Chapter Summary	412
Applying the Concepts	413
Trusts and Estates in Practice	415
Chapter 12: Powers of Appointment	417
A. What Is a Power of Appointment?	417
1. General Terminology	418
<i>Testamentary Power of Appointment</i>	418
<i>Presently Exercisable Power of Appointment</i>	418
<i>General Power of Appointment</i>	419
<i>Nongeneral Power of Appointment</i>	419
<i>Power of Withdrawal</i>	420
<i>Exclusionary Power of Appointment</i>	420
<i>Nonexclusionary Power of Appointment</i>	420
<i>Specific Reference</i>	420
2. Clauses that Exercise a Power	421
<i>Specific-Exercise Clause</i>	421
<i>Blanket-Exercise Clause</i>	421
<i>Blending Clause</i>	421
3. Distinguishing Between a Power of Appointment and Fiduciary Power	421
B. Creating a Power of Appointment	422
C. Exercising a Power of Appointment	423
1. Parsing Powers of Appointment	424
2. Residuary Blending Clause with Blanket Exercise — Does It Satisfy a Specific-Reference Requirement?	425
<i>Motes/Henes Trust, Bank of Bentonville v. Motes</i>	425
3. Can a Powerholder Exercise the Power by a “Pure” Residuary Clause?	429
<i>Cessac v. Stevens</i>	430
4. What Is Required for Substantial Compliance?	433
5. Exercise in Further Trust	434
6. Rule Against Perpetuities and Powers	435

<i>Problems with Appointees</i>	435
<i>Exercise in Favor of Impermissible Appointees</i>	435
<i>BMO Harris Bank N.A. v. Towers</i>	436
7. Predeceased Appointees	439
8. Selective Allocation	440
D. Release, Failure to Exercise, and an Express Statement of Nonexercise	441
1. Who Gets the Property?	442
<i>Takers in Default Stated</i>	442
<i>No Takers in Default Stated</i>	443
<i>Capture</i>	444
2. Contract to Exercise a Power	444
E. Rights of Creditors	445
Chapter Summary	446
Applying the Concepts	447
Trusts and Estates in Practice	449
Chapter 13: Professional Ethics in Trusts and Estates	451
A. The Identity of the Client, Malpractice Litigation, and Liability to Non-Clients	452
1. Who Is the Client in Estate Planning and Estate Administration?	452
2. Common Grounds for Malpractice	452
3. Duties to Non-Clients and the Privity Defense	454
<i>O'Bryan v. Cave: Appellate Brief</i>	455
B. Competence and Diligence	458
<i>In re J. Sinclair Long</i>	462
C. Attorney-Client Communications	465
D. Fees	466
E. Confidentiality	468
<i>Professional Ethics Opinion of the Florida Bar Opinion 95-4</i>	471
F. Conflicts of Interest	476
<i>Cooner v. Alabama State Bar</i>	478
G. Client Capacity	480
Chapter Summary	481
Applying the Concepts	482
Trusts and Estates in Practice	484

Chapter 14: Estate Administration and the Probate Process	487
A. Actions Before Commencing Administration	487
1. Determine the Personal Representative	488
2. Establish the Client Relationship	489
3. Weigh Costs and Benefits to Determine Whether Probate Is Necessary	489
4. Small Estate Administration or Informal Probate	490
5. Determine Whether Estate Is Testate or Intestate	491
6. Cremation or Burial of Decedent and Planning for Surviving Minors	491
B. Authorizing the Personal Representative	492
1. Petition for Letters and Grant of Letters	492
2. Bond (Surety) for Personal Representative	495
3. Notice	495
4. Removal, Replacement, or Succession of Personal Representatives	496
<i>In re Estate of Mason D. Robb</i>	497
C. Probate the Will (Testate Administrations Only)	499
1. Petition to Probate the Will	500
2. Notice Requirements	500
3. Proving the Will (and Self-Proved Wills)	500
4. Order Admitting Will to Probate	501
D. Managing the Assets and Inventory	501
1. Possession and Control of Assets	501
2. Opening Estate Accounts	502
3. Filing Inventory and Appraisal	502
4. Liquidation and Investment of Assets	503
5. Periodic Accountings and Partial Settlements	504
E. Managing Creditors' Claims and Taxes	504
1. Publication of Notice to Creditors	505
2. Personal Notice to Creditors	506
<i>Tulsa Professional Collection Services v. Pope</i>	506
3. Responding to and Disputing Claims	511
4. The Insolvent Estate	511
F. Family Protection and Postmortem Planning	512
1. Elective Share	512
2. Omitted Spouse and Children	512
3. Homestead, Personal Property Set-Aside, and Family Allowance	512
4. Disclaimer	514

G. Nonprobate and Tax Matters	514
H. Fees for the Attorney and Personal Representative	515
<i>Andrews v. Gorby</i>	516
I. Closing the Estate: Distribution, Final Settlement, and Discharge of the Personal Representative	520
1. Distribution	520
2. Final Settlement	521
3. Discharge of the Personal Representative	521
4. The Termination of the Estate	521
Chapter Summary	522
Applying the Concepts	523
Trusts and Estates in Practice	525
Chapter 15: Introduction to Federal Estate and Gift Taxes	527
A. The Federal Gift Tax	528
1. Taxable Gifts	528
2. The Annual Exclusion from Gift Tax	528
<i>Estate of Maria Cristofani, Deceased, Frank Cristofani, Executor v. Commissioner of Internal Revenue</i>	530
3. Additional Exclusions and Deductions from Gift Tax	534
4. Calculating Gift Taxes	535
B. The Federal Estate Tax	536
1. Transfers Included in the Estate Tax Base	538
2. The Unified Transfer Tax Credit: The Exemption Budget for Tax-Free Transfers	540
3. The Marital Deduction and Portability	541
4. The Charitable Deduction and Other Deductions	541
5. Calculating Estate Taxes	542
C. The Generation-Skipping Transfer Tax	543
1. Forms of Generation-Skipping Transfers	543
2. Exemptions, Deductions, and Exclusions from the GST Tax	543
3. Calculating the GST Tax	544
D. Estate-Planning Techniques	544
1. Efficient Use of Lifetime Gifts	544
2. Efficient Use of the Marital Deduction and Unified Credit	546
<i>Michelle Bandy et al. v. Alexandra Clancy</i>	547

3. Valuation Planning	552
4. Charitable Giving Techniques	552
5. Other Wealth Management Planning Strategies	553
Chapter Summary	553
Applying the Concepts	554
Trusts and Estates in Practice	555
<i>Glossary</i>	<i>557</i>
<i>Table of Cases</i>	<i>571</i>
<i>Index</i>	<i>573</i>