



Wills(s) and Grace:
Wills are No Laughing Matter
How Poor Planning Leads to
Swift Litigation

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Overview of Estate Administration

- ▶ Probate of Last Will and Testament
- ▶ Marshalling and valuing assets
- ▶ Paying debts and expenses
- ▶ Filing of Pennsylvania Inheritance Tax Return and payment of Inheritance Tax
- ▶ Promptly distributing estate assets

Complicating Factors related to Estate Administration

- ▶ Issues associated with Petition for Probate
- ▶ Valuation of unique assets
- ▶ Determination of beneficial interests
- ▶ Charitable interests

Petition for
Probate
and the
*Estate of
Aretha Franklin*



Petition for Probate and *Ruhlman v. Ruhlman*

When the Administrator [C.T.A.], 61 days after probate of the first-discovered will, petitions under 20 Pa.C.S. Section 908 (appeal from probate authorized if filed within one year from probate of the earlier will) to probate a valid after-discovered and later-dated will, does the Orphans' Court err as a matter of law by involving 20 Pa.C.S. Section 3138 (register authorized to admit to probate a later will when presented within 3 months of testator's death) and denying the petition on the ground it was filed 109 days after the decedent's death, thereby frustrating testator's intentions as expressed in the later will?

Petition for Probate and *Ruhlman v. Ruhlman*

- ▶ Section 908
 - ▶ Any party in interest seeking to challenge the probate of a will or who is otherwise aggrieved by a decree of the register, or a fiduciary whose estate or trust is so aggrieved, may appeal therefrom to the court within one year of the decree...
- ▶ Section 3138
 - ▶ If a later will or codicil is submitted to the register for probate within three months of the testator's death but after the register shall have probated an earlier instrument, the register, after such notice as he deems advisable, but with at least ten-days' notice to the petitioner who presented the probated instrument if he has not requested probate of the later will or codicil, shall have the power to open the probate record, receive proof of the later instrument or instruments and amend his probate record.

Petition for Probate and *Ruhlman v. Ruhlman*

Consequently, we conclude that an interested party, pursuant to section 908 of the Probate Code, may present a later-discovered will or codicil directly to the orphans' court for probate as an appeal to set aside a prior will, as long as the petition is filed within a year of the original probate. Based upon our interpretation of the relevant statutes, we further conclude that the orphans' court erred in applying section 3138 of the Probate Code instead of section 908 in this case when it denied Ruhlman's request to probate the 2000 Will. Decedent's 1990 Will was probated on February 4, 2022, and Ruhlman filed her petition seeking probate of the 2000 Will on April 5, 2022.

Valuation of Complex Assets



Asset	Estate's Tax Return	Commissioner's Notice of Deficiency	Estate Experts at Trial	Commissioner's Expert at Trial	Court's Conclusion
Image and Likeness	\$2,105	\$434,264,000	\$3,078,000	\$161,307,405	\$4,153,912
NHT II	\$0	\$469,005,086	\$0	\$206,295,934	\$0
NHT III	\$2,207,351	\$60,685,944	\$2,267,316	\$114,263,615	\$107,313,561
Total	\$2,209,456	\$963,955,030	\$5,345,316	\$481,866,964	\$111,467,473

Valuation of Complex Assets

- ▶ Methods for Valuing Unique Assets
 - ▶ Income Approach
 - ▶ Calculates how much foreseeable revenue an asset will produce and discounts that revenue to present value
 - ▶ Market Approach
 - ▶ Compares asset to the prices at which similar assets have been transferred in arm's length transactions
 - ▶ Cost Approach
 - ▶ Cost of recreation
- ▶ Income Approach with Discounted Cash Flow
 - ▶ Accounts for time-value of money in computing the present value of an asset's future income
 - ▶ Consider effect of other assets

Determination of Beneficial Interests

- ▶ Petition for Adjudication
 - ▶ Can be filed by a Personal Representative adjudicate matters associated with an Estate's administration
- ▶ Pennsylvania counties vary in how accounts are reviewed

Determination of Beneficial Interests



Determination of Beneficial Interests

- ▶ Amendments to Pennsylvania’s Slayers’ Act
 - ▶ Effective December 30, 2024
 - ▶ Includes “elder abuser” as a party who may not inherit following the death of a victim
 - ▶ Elder abuse is defined to include assault, sexual offenses, theft and related offenses, forgery and fraudulent practices, criminal attempt, criminal solicitation, and criminal conspiracy with the victim being 60 years of age or older
 - ▶ Abuser may acquire property if there is ratification or reconciliation

Charitable Interests



Charitable Interests

- ▶ Objections by Attorney General
 - ▶ Related to payment of legal fees and commissions
- ▶ Determination of reasonable compensation
 - ▶ Reasonable compensation in light of time spent
 - ▶ Nature of services rendered
 - ▶ Difficulty of the issues
 - ▶ Skills required to handle the issues
 - ▶ Benefit to the estate from the services performed
 - ▶ Service provider's experience, ability, and reputation





DID YOU SPOT THE
ISSUES?