SUPREME COURT OF DELAWARE

Fiduciary Trust Company of New York v. Fiduciary Trust Company of New York

Fiduciary Trust Co. of New York v. Fiduciary Trust Co. of New York, 445 A.2d 927 (Del. 1982) · Decided April 20, 1982

SUMMARY

The Delaware Supreme Court considered whether a second codicil created a partial intestacy by reducing specified trust distributions without allocating the remaining percentage. The court held that the testamentary documents, read as a whole, effectively disposed of the undesignated 30% by necessary implication in favor of Cleveland Charities and reversed the Court of Chancery.

CASE DETAILS

COURT	Supreme Court of Delaware
WRITING FOR THE COURT	Herrmann, Chief Justice; McNeilly, Justice; Quillen, Justice
JURISDICTION	Delaware
DECIDED	April 20, 1982
DISPOSITION	reversed
PROCEDURAL POSTURE	Appeal from the Court of Chancery's grant of summary judgment on cross-motions, concerning the proper distribution of an undesignated portion of a testamentary trust corpus.
STANDARD OF REVIEW	On appeal from summary judgment on a paper record, the Supreme Court reviews the entire record and draws its own conclusions concerning facts when the lower court's findings are clearly wrong and justice requires, particularly when findings arise from deductions, reasoning, or logical inferences.
PRECEDENTIAL VALUE	Published Delaware Supreme Court opinion; precedential.
PARTIES	Fiduciary Trust Company of New York, trustee under agreement dated December 23, 1964 v. Fiduciary Trust Company of New York, executor and trustee under the wills of Thomas Fries Grasselli and Mary A. Grasselli, Mary A. and Thomas F. Grasselli Endowment Foundation, Harry W. Grasselli, Josephine G. Winter, Fiduciary Trust Company of New York

TOPICS

trust administration · probate · estate litigation · will contests · appellate procedure

PRACTICE AREAS

trusts and estates · probate · estate litigation · will construction

QUESTIONS PRESENTED

1. Whether the second codicil created a partial intestacy by failing expressly to designate a beneficiary for 30% of the Residuary Trust corpus.
2. If the 30% was not disposed of by express language, whether the testamentary scheme nevertheless disposed of it by necessary implication.
3. Whether the undesignated 30% should pass to Cleveland Charities as the remaining beneficiary under the overall testamentary scheme.

HOLDINGS

1. The will and codicils did not create a partial intestacy because the undesignated 30% was effectively disposed of by necessary implication as part of the overall testamentary scheme.
2. The 30% undesignated portion of the Residuary Trust corpus must pass to Cleveland Charities.

KEY QUOTATIONS

> *"Absent clear evidence to the contrary, a partial intestacy will not be inferred."* (931)

> *"By necessary implication, from the testamentary documents read as a whole, we find that the beneficiary of the 30% of the undesignated portion of the Residuary Trust must be the Cleveland Charities."* (932)

FACTUAL BACKGROUND

Thomas F. Grasselli's will created marital and residuary trusts and allocated the remainder among the Fowler family, the Mary A. and Thomas F. Grasselli Endowment Foundation, and Cleveland Charities. A first codicil changed the allocations to 48% for the Fowler trust, 43% for the Endowment Foundation, and 9% for Cleveland Charities. A second codicil reduced the Fowler allocation to not more than 20% and the Foundation allocation to no more than 40%, but did not mention Cleveland Charities, leaving 30% of the Residuary Trust undesignated. The parties agreed that the Fowler family would receive 20%, the Foundation 41%, and Cleveland Charities the previously provided 9%, but disputed the destination of the remaining 30%.

PROCEDURAL HISTORY

Fiduciary Trust Company, as executor of Thomas F. Grasselli's estate, petitioned the Court of Chancery for instructions concerning distribution of 30% of the Residuary Trust corpus left undesignated after a codicil modified prior percentage allocations. The Court of Chancery granted summary judgment for the estate of Mary A. Grasselli, concluding that the codicil created a partial intestacy and that intestate heirs were determined as of Thomas Grasselli's death. Cleveland Charities and the collateral heirs appealed.

DISPOSITION

reversed

CASES CITED

- Miller v. Equitable Trust Co., 32 A.2d 431 (Del. 1943)
- Bank of Delaware v. Bank of Delaware, 301 A.2d 280 (Del. 1973)
- Delaware Trust Co. v. Delaware Trust Co., 91 A.2d 44 (Del. Ch. 1952)
- Application of Delaware Racing Ass'n, 213 A.2d 203, 207 (Del. 1965)
- International Boiler Workers v. General Waterworks, 372 A.2d 176 (Del. 1977)
- Delaware Trust Co. v. McCune, 269 A.2d 256 (Del. Ch. 1970), aff'd sub nom. Bank of Delaware v. Delaware Trust Co., 280 A.2d 534 (Del. 1971)
- Chinn v. Downs, 421 A.2d 915 (Del. Ch. 1980)
- Riggs National Bank of Washington, D.C. v. Zimmer, 304 A.2d 69, 71 (Del. Ch. 1973)
- Bird v. Wilmington Society of Fine Arts, 43 A.2d 476 (Del. 1945)
- Society for Propagation of Faith v. Joswick, 180 A.2d 617 (Del. Ch. 1962)
- Shane v. Johnson, 99 A.2d 557 (Del. Ch. 1953)
- Stackhouse v. Webster, 169 A.2d 253 (Del. 1961)
- Girard Trust Co. v. Rector, Wardens and Vestrymen of St. Anne's Protestant Episcopal Church, 52 A.2d 591, 601 (Del. Ch. 1947)
- Jackson v. Riggs National Bank of Washington, D.C., 314 A.2d 178 (Del. 1973)
- Delaware Trust Co. v. McCune, 269 A.2d 256, 259 (Del. Ch. 1970)
- Security Trust Co. v. Cooling, 76 A.2d 1, 4 (Del. Ch. 1950)