

SUPREME JUDICIAL COURT OF MAINE

Estate of Sweetland

2001 ME 21, 770 A.2d 1017 · Decided January 30, 2001

SUMMARY

The Maine Supreme Judicial Court affirmed an order requiring a personal representative to reimburse an estate for excessive administrative fees, travel expenses, and related losses caused by breach of fiduciary duty. The court held that the personal representative was liable for the full surcharge rather than only the beneficiary’s proportionate share, notwithstanding releases signed by the other beneficiaries.

CASE DETAILS

COURT	Supreme Judicial Court of Maine
WRITING FOR THE COURT	Rudman, J.; Alexander; Calkins; Clifford; Dana; Rudman; Saufley; Wathen
JURISDICTION	Maine
DECIDED	January 30, 2001
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal by the personal representative from a Cumberland County Probate Court judgment ordering her to reimburse the estate \$40,613.26 for excessive fees, expenses, and related losses.
STANDARD OF REVIEW	Because Mailhiot did not challenge the Probate Court's factual findings and challenged only the legal conclusion regarding the amount of reimbursement, the court reviewed the issue without requiring a factual record.
PRECEDENTIAL VALUE	Published Maine Supreme Judicial Court opinion
PARTIES	Irene Mailhiot, personal representative of the Estate of Robert E. Sweetland v. Maine State Society for the Protection of Animals

TOPICS

- probate procedure
- estate administration
- breach of trust
- remedies
- statutory interpretation

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the Probate Court had authority to order the personal representative to reimburse the estate for the entire amount of excessive fees and expenses rather than only the ten-percent share corresponding to MSSPA's residuary interest.
2. Whether the receipt-and-release agreements executed by the other beneficiaries limited Mailhiot's reimbursement obligation to MSSPA's proportionate share.

HOLDINGS

1. Under 18-A M.R.S.A. § 3-721, the Probate Court may order any person who received excessive compensation from an estate to make an appropriate refund, including reimbursement of the entire overcharge to the estate.
2. Receipt-and-release agreements signed by other beneficiaries did not limit the personal representative's obligation to reimburse the estate for the full amount of the excessive charges.

KEY QUOTATIONS

“Just because Mailhiot “was open and forthcoming” about the excessive fees she charged does not change the fact that she breached her fiduciary duty when she overcharged the Estate.” (770 A.2d at 1020-21)

“Accordingly, because Mailhiot intentionally breached her fiduciary duty, she must reimburse the Estate in the amount of \$40,613.26.” (770 A.2d at 1021)

FACTUAL BACKGROUND

Robert E. Sweetland died testate in 1997, leaving a residuary estate divided among six charitable beneficiaries, including MSSPA, which was entitled to ten percent. Mailhiot, the personal representative, charged the estate \$36,000 in administrative fees and \$14,113.26 in travel and related expenses, including charges the Probate Court found unreasonable and unsupported. Although the other five beneficiaries signed receipt-and-release agreements, MSSPA refused to release its claims and successfully challenged the charges. The Probate Court found that Mailhiot systematically and intentionally abused her authority for personal gain and had breached her fiduciary duties.

PROCEDURAL HISTORY

Mailhiot filed a sworn closing statement for the estate. MSSPA objected and petitioned for judicial review of the reasonableness of Mailhiot's fees and expenses. After a testimonial hearing, the Probate Court found excessive compensation and breach of fiduciary duty, ordered reimbursement of \$40,613.26, and ordered an additional surcharge for MSSPA's attorney fees. Mailhiot appealed only the order requiring reimbursement of the entire overcharge rather than MSSPA's proportionate share.

DISPOSITION

affirmed

REMAND INSTRUCTIONS

Remand to the Cumberland County Probate Court for assessment of attorney fees incurred on appeal.

CASES CITED

- Estate of Stowell, 596 A.2d 1022, 1026 (Me. 1991)
- Harrington v. Lord, 1997 ME 201, ¶ 12, 704 A.2d 1211, 1215
- Estate of Stowell, 595 A.2d 1022, 1026 (Me. 1991)