SUPREME COURT OF VERMONT

Powers v. Hayes, 172 Vt. 535

776 A.2d 374 (2001) · No. No. 00-033 · Decided March 1, 2001

SUMMARY

The Vermont Supreme Court reversed summary judgment in an attorney malpractice action arising from an attorney's failure to advise a client that an IRA beneficiary designation would control over the client's will. The court held that circumstantial evidence of the client's intent and efforts to provide his assets to his daughter created a genuine issue of material fact regarding proximate causation.

CASE DETAILS

COURT	Supreme Court of Vermont
WRITING FOR THE COURT	Chief Justice Amestoy; Justice Dooley; Justice Morse; Justice Johnson; Justice Skoglund
JURISDICTION	Vermont
DECIDED	March 1, 2001
DOCKET	No. 00-033
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Plaintiff appealed from the Washington Superior Court's grant of summary judgment to defendants in an attorney-malpractice action.
STANDARD OF REVIEW	The Supreme Court reviews a motion for summary judgment under the same standard as the trial court. Summary judgment is proper when the record shows no genuine issue of material fact and the movant is entitled to judgment as a matter of law. In determining whether a genuine issue exists, the court accepts allegations of the nonmoving party supported by admissible evidence as true and gives that party the benefit of reasonable doubts and inferences.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Rachel Powers, administrator of the estate of Charles Powers v. Katherine A. Hayes, Esq., Barr, Sternberg & Moss, P.C.

TOPICS

professional negligence · estate planning · proximate cause · probate · standard of review

PRACTICE AREAS

professional negligence · estate planning · probate · civil procedure

QUESTIONS PRESENTED

1. Whether summary judgment was proper where circumstantial evidence created a genuine issue of material fact as to whether the attorney's alleged negligence proximately caused the loss of the IRA proceeds.

HOLDINGS

1. The evidence was sufficient to create a genuine issue of material fact as to whether Powers would have changed his IRA beneficiary had he known that doing so was necessary to accomplish his estate-planning intent; therefore, summary judgment for defendants was improper.
2. On summary judgment, the court must treat allegations supported by admissible evidence as true and draw reasonable doubts and inferences in favor of the nonmoving party.

KEY QUOTATIONS

> *"For similar reasons, we hold that the evidence of Powers' intent, coupled with the evidence that he was attempting to act on that intent, is sufficient to avoid summary judgment in this case."* (776 A.2d at 376)

FACTUAL BACKGROUND

Charles Powers hired attorney Katherine Hayes shortly before major surgery to draft a will leaving all of his assets to his daughter, Rachel Powers. Hayes knew that Powers had an IRA whose beneficiary was his former girlfriend, but she did not discuss with him that the IRA beneficiary designation had to be changed and that the will would not control the IRA. Powers died about two months after the surgery, and the IRA passed to the former girlfriend. Evidence showed that Powers wanted his daughter to receive everything, had communicated that intent, and was fond of his daughter while disliking his former girlfriend.

PROCEDURAL HISTORY

Rachel Powers, as administrator of Charles Powers's estate, sued attorney Katherine Hayes and her law firm, alleging that Hayes negligently failed to advise Charles Powers that his IRA beneficiary designation had to be changed to ensure that the IRA passed to his daughter. The Washington Superior Court granted defendants summary judgment, concluding that plaintiff could not establish proximate causation. The Supreme Court of Vermont reversed and remanded because circumstantial evidence created a genuine issue of material fact regarding causation.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The case was remanded for further proceedings because the causation issue presented a genuine dispute of material fact.

CASES CITED

- O'Donnell v. Bank of Vermont, 166 Vt. 221, 224, 692 A.2d 1212, 1214 (1997)
- Politi v. Tyler, 170 Vt. 428, 431, 751 A.2d 788, 790-91 (2000)
- Haynes v. Golub Corp., 166 Vt. 228, 233, 692 A.2d 377, 380 (1997)
- Knott v. Pratt, 158 Vt. 334, 335, 609 A.2d 232, 233 (1992)
- Brown v. Kelly, 140 Vt. 336, 338, 437 A.2d 1103, 1104 (1981)
- Messier v. Metropolitan Life Insurance Co., 154 Vt. 406, 408, 410, 578 A.2d 98, 99-100 (1990)