

SUPREME COURT OF ALABAMA

Williams v. Burgett

831 So. 2d 597 (Ala. 2002) · Decided March 22, 2002

SUMMARY

The Alabama Supreme Court held that traceable proceeds from timber sold by a life tenant remained part of the estate subject to the testator’s remainder provision. Although the life tenant had an absolute power of disposition, the proceeds placed in jointly held certificates of deposit passed to the remaindermen upon her death. The court reversed the probate court’s judgment in favor of the surviving joint tenant and remanded.

CASE DETAILS

COURT	Supreme Court of Alabama
WRITING FOR THE COURT	Woodall, Justice; Brown; Harwood; Houston; Johnstone; Lyons; Moore; See; Stuart; Woodall
JURISDICTION	Alabama
DECIDED	March 22, 2002
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The remaindermen appealed a final judgment of the Walker Probate Court holding that proceeds from timber sold by the life tenant and placed in jointly held certificates of deposit were not part of the remainder estate.
STANDARD OF REVIEW	De novo review of the legal issue presented on stipulated facts.
PRECEDENTIAL VALUE	Published Alabama Supreme Court opinion; binding precedent in Alabama.
PARTIES	Dewey Williams, as executor of the estate of Hattie E. Williams, deceased, and the other remaindermen v. Faye W. Burgett

TOPICS

- probate procedure
- probate
- estate administration
- statutory interpretation
- plain meaning rule

PRACTICE AREAS

- Probate
- Trusts and estates
- Real property

QUESTIONS PRESENTED

1. Whether, upon the death of a life tenant who held an absolute power of disposition, the remaindermen are entitled to traceable proceeds from the life tenant's sale of estate assets when those proceeds remain under the life tenant's power and control at death.
2. Whether *Nevin v. Nevin* controls when property subject to a life estate and an absolute power of disposition is conveyed to a gratuitous grantee.

HOLDINGS

1. Under Ala. Code 1975, § 35-4-292(a), traceable proceeds from the sale of property subject to a life estate with an absolute power of disposition remain part of the estate subject to the remainder interest if they remain under the life tenant's power and control at death. The certificates of deposit therefore passed to the remaindermen rather than to Burgett as surviving joint tenant.
2. *Nevin v. Nevin* does not control because it concerned whether gratuitous grantees were purchasers under §§ 35-4-292 and 35-4-34, whereas Burgett was not a purchaser and this case concerns traceable proceeds rather than a conveyance of the property.

KEY QUOTATIONS

“The intention of the testator is clear, and it is expressed in language that is simple and intelligible. He desired that his widow should have the unrestricted enjoyment of his estate “for her support and comfort,” and to that end she was authorized to sell and convey during her lifetime as much of it as she wished. It was equally his desire that whatever was left of the estate at her death should go to his heirs at law.” (831 So. 2d at 600)

“Thus, we hold that the proceeds remaining under the power and control of Hattie Williams, as life tenant, namely, the CDs, were a part of the life estate created in Item two of Lacy Williams’s will, which passed to the remaindermen at the death of the life tenant.” (831 So. 2d at 601)

FACTUAL BACKGROUND

Lacy S. Williams's will gave his wife, Hattie E. Williams, a life estate in all of his property with an absolute power of disposition, while directing that any portion remaining at her death pass to designated descendants. Hattie sold timber from real property received under the will and used the proceeds to purchase certificates of deposit jointly with her daughter, Faye W. Burgett, with right of survivorship. Hattie died on November 20, 1998, and Burgett redeemed the certificates, prompting the remaindermen to seek a determination that the traceable proceeds belonged to the remainder estate.

PROCEDURAL HISTORY

Lacy S. Williams's will granted his wife, Hattie E. Williams, a life estate with an absolute power of disposition and provided that any part of the estate remaining at her death would pass to designated remaindermen. Hattie sold timber from estate real property and used the proceeds to purchase certificates of deposit jointly with her daughter, Faye W. Burgett, with right of survivorship. After Hattie's death, Burgett redeemed the certificates. The Walker Probate Court ruled for Burgett on stipulated facts, and the remaindermen appealed.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The cause was remanded for further proceedings consistent with the opinion, including treatment of the certificates of deposit as part of the remainder estate.

CASES CITED

- Gaylord v. Goldblatt, 423 So. 2d 203 (Ala. 1982)
- Rutledge v. Crampton, 150 Ala. 275, 43 So. 822 (1906)
- Young v. Sheldon, 139 Ala. 444, 36 So. 27 (1904)
- Reeves v. Tatum, 233 Ala. 455, 172 So. 247 (1937)
- Alford's Adm'r v. Alford's Adm'r, 56 Ala. 350 (1876)
- Smith v. Cain, 187 Ala. 174, 65 So. 367 (1914)
- Nevin v. Nevin, 366 So. 2d 266 (Ala. 1979)
- Edwards v. Williamson, 202 Ala. 483, 80 So. 867 (1919)