SUPREME COURT OF THE UNITED STATES

Mullane v. Central Hanover Bank & Trust Co.

339 U.S. 306 (1950) · No. No. 378 · Decided June 5, 1950

SUMMARY

The Supreme Court considered whether publication-only notice to beneficiaries in a judicial settlement of a common trust fund account satisfied the Due Process Clause of the Fourteenth Amendment. It held that publication was inadequate for known beneficiaries whose names and addresses were known, while recognizing publication as sufficient for beneficiaries whose interests or whereabouts were unknown, and reversed the judgment.

CASE DETAILS

COURT	Supreme Court of the United States
WRITING FOR THE COURT	Justice Jackson; Justice Burton; Justice Douglas
JURISDICTION	Federal
DECIDED	June 5, 1950
DOCKET	No. 378
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Appeal from a New York Court of Appeals judgment affirming a decree approving the trustee's first accounting for a common trust fund. The appellant challenged the statutory notice procedure under the Fourteenth Amendment.
STANDARD OF REVIEW	De novo review of the constitutional adequacy of notice under the Fourteenth Amendment.
PRECEDENTIAL VALUE	binding
PARTIES	Mullane, Special Guardian v. Central Hanover Bank & Trust Co., Trustee, Vaughan

TOPICS

procedural due process · service of process · trust administration · trusts · appellate jurisdiction

PRACTICE AREAS

Civil procedure · Constitutional law · Trusts and estates

QUESTIONS PRESENTED

1. Whether New York's statutory publication notice for judicial settlement of a common trust fund account satisfied the Fourteenth Amendment's due process requirements.
2. Whether publication alone was constitutionally sufficient for beneficiaries whose names and addresses were known to the trustee.
3. Whether the State could use publication notice for beneficiaries whose identities or addresses were unknown, or whose interests were conjectural or future.

HOLDINGS

1. Before a proceeding that may finally deprive a person of life, liberty, or property, due process requires notice reasonably calculated under all the circumstances to apprise interested parties of the proceeding and afford them an opportunity to present objections.
2. Publication notice alone was constitutionally inadequate for known present beneficiaries whose names and post-office addresses were known to the trustee; notice by ordinary mail to those record addresses was required.
3. Publication notice was sufficient for beneficiaries whose interests or whereabouts were unknown to the trustee, including beneficiaries with conjectural or future interests when more certain notice was impracticable.

KEY QUOTATIONS

> *"An elementary and fundamental requirement of due process in any proceeding which is to be accorded finality is notice reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections."* (339 U.S. at 314)

> *"But when notice is a person's due, process which is a mere gesture is not due process."* (339 U.S. at 315)

> *"We hold that the notice of judicial settlement of accounts required by the New York Banking Law § 100-c (12) is incompatible with the requirements of the Fourteenth Amendment as a basis for adjudication depriving known persons whose whereabouts are also known of substantial property rights."* (339 U.S. at 320)

FACTUAL BACKGROUND

Central Hanover Bank and Trust Company established a common trust fund containing 113 participating trusts with approximately three million dollars in capital. It petitioned for judicial settlement of its first accounting, and New York law required notice to beneficiaries by publication in a local newspaper without naming them or providing their residences. The trustee possessed the names and addresses of known present income beneficiaries, but those beneficiaries were not mailed notice of the accounting proceeding.

PROCEDURAL HISTORY

Central Hanover Bank and Trust Company petitioned the New York Surrogate's Court for settlement of its first account as trustee of a common trust fund. The Surrogate's Court approved the statutory publication notice and entered a final decree accepting the accounts; the Appellate Division and the New York Court of Appeals affirmed. The Supreme Court granted review by appeal under 28 U.S.C. § 1257.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Further proceedings not inconsistent with the opinion, including proceedings using constitutionally adequate notice for known beneficiaries whose names and addresses were available.

CASES CITED

- Pennoyer v. Neff, 95 U.S. 714 (1878)
- Grannis v. Ordean, 234 U.S. 385 (1914)
- Milliken v. Meyer, 311 U.S. 457 (1940)
- Roller v. Holly, 176 U.S. 398 (1900)
- Goodrich v. Ferris, 214 U.S. 71 (1909)
- American Land Co. v. Zeiss, 219 U.S. 47, 67 (1911)
- Blinn v. Nelson, 222 U.S. 1 (1911)
- Hess v. Pawloski, 274 U.S. 352 (1927)
- Wuchter v. Pizzutti, 276 U.S. 13 (1928)
- Anderson National Bank v. Luckett, 321 U.S. 233 (1944)
- Security Savings Bank v. California, 263 U.S. 282 (1923)
- Ballard v. Hunter, 204 U.S. 241 (1907)
- Huling v. Kaw Valley R. Co., 130 U.S. 559 (1889)
- The Mary, 9 Cranch 126 (1815)
- Cunnius v. Reading School District, 198 U.S. 458 (1905)
- Jacob v. Roberts, 223 U.S. 261 (1912)
- McDonald v. Mabee, 243 U.S. 90, 91 (1917)