

SUPREME COURT OF MINNESOTA

In re Estate of Stampka

210 N.W. 85 (Minn. 1926) · Decided July 23, 1926

SUMMARY

The court reviewed whether a probate court could authorize an executor to compound a claim against an insolvent bank without notice to the estate's beneficiary. It held that, under the applicable Minnesota statutes, notice was discretionary in cases not specifically enumerated as requiring notice, and the order was therefore not invalid for lack of notice. The order vacating the probate court's authorization was reversed.

CASE DETAILS

COURT	Supreme Court of Minnesota
WRITING FOR THE COURT	Lees
JURISDICTION	Minnesota
DECIDED	July 23, 1926
DISPOSITION	reversed
PROCEDURAL POSTURE	The probate court authorized the executor to compound a debt owed to the estate by accepting 50 percent of the claim. The district court, on certiorari, vacated the probate court's order, and the probate judge and bank appealed.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Judge Sharp, Appellant bank v. Respondent sole beneficiary of Joseph Stampka's will

TOPICS

- probate procedure
- creditor claims
- statutory interpretation
- writ of certiorari
- appellate procedure

PRACTICE AREAS

- probate
- estate administration
- appellate procedure

QUESTIONS PRESENTED

1. Whether certiorari was a proper method to review the probate court's nonappealable order authorizing the executor to compound the estate's claim against an insolvent debtor.

2. Whether an order under G.S. 1923, § 8798, consenting to the compounding of a claim against an insolvent debtor is invalid when entered without notice to interested persons.
3. Whether the district court properly vacated the probate court's order on the ground that the probate court lacked jurisdiction because the beneficiary was not given notice.

HOLDINGS

1. An order of the probate court consenting to the compounding of a claim due from an insolvent debtor to the decedent is not invalid merely because it was entered without notice to persons interested in the estate.
2. The district court's order vacating the probate court's authorization was erroneous, and the order was reversed.

KEY QUOTATIONS

"We hold that an order of the probate court consenting to the compounding of a claim due from an insolvent debtor to the decedent, made without notice to the persons interested in the estate, is not invalid because of the absence of such notice." (286)

FACTUAL BACKGROUND

Joseph Stampka died testate in January 1924, leaving deposits in two banks and naming W.S. Lee as executor. After the appellant bank failed and was reorganized, its creditors agreed to accept 50 percent of their claims; Lee sought and obtained probate-court permission to accept the reduction for the estate's deposit. The probate order was entered without notice to Stampka's sole beneficiary, who obtained certiorari and had the order vacated by the district court.

PROCEDURAL HISTORY

Joseph Stampka's executor petitioned the Clay County probate court for permission to sign a bank-creditor reduction agreement concerning deposits owed to the estate. The probate court granted permission without notice to the sole beneficiary. The beneficiary sought certiorari in the Clay County District Court, which vacated the probate order. After the bank challenged the proceeding for lack of notice and party status, the district court denied the bank's application, and the bank and probate judge appealed.

DISPOSITION

reversed

CASES CITED

- State v. Probate Court, 67 Minn. 51, 55, 69 N.W. 609, 908
- State v. Bazille, 81 Minn. 370, 84 N.W. 120