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Jonathan G. Blattmachr

Mitchell M. Gans
Maurice A. Deane School of Law at Hofstra University

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OBRA Will Require Revision Of Some Estate Plans

By Jonathan G. Blattmachr and Mitchell M. Gans

Some of the most far-reaching tax changes made by the Omnibus Budget Reconciliation Act of 1987 (P.L. 100-203), known as "OBRA," relate to estate planning. This article will discuss those amendments and point out how they will require changes in planning.

Update on Section 2036(c)

After the article "Putting the Heat on Freezes," which appeared in the May/June issue of this magazine, had gone to press, the Technical Corrections Bill of 1988 was introduced and it would make two important changes to Section 2036(c) of the Internal Revenue Code (the "Code"), which was enacted in 1987 to stop certain estate planning stabilization of value techniques. The bill would add a gift tax counterpart to Section 2036(c) so that when the transferor makes a disposition during lifetime of the *retained* interest (which would cause the *transferred* appreciation element to be part of the transferor's estate), the transferor would be deemed to make a lifetime gift of the *transferred* interest. The bill also would grant the Treasury Department extremely broad regulatory authority in dealing with Section 2036(c). This latter change may make it very difficult for practitioners to be able to deal with the new section as its scope, in large measure, will be indeterminate.

"Freezing" Estate and Gift Tax Rates

Under Sections 2001(c) and 2502(a) of the Code, the top estate and gift tax rate (which also determines the single generation-skipping transfer tax rate) was scheduled to be reduced from 55% to 50% effective after 1987. OBRA maintains the top rate at 55% until 1993. That means that gifts which were being postponed until after 1987 in order to obtain the benefit of the reduced top rate and save up to 5% of the amount of the transfer will now have to be postponed until at least 1993 in order to obtain that rate reduction benefit.

> *". . . gifts which were being postponed until after 1987 in order to obtain the benefit of the reduced top rate and save up to 5% of the amount of the transfer will now have to be postponed until at least 1993 . . ."*

As a general rule, it may be unwise to wait five years to make a transfer in the anticipation that Congress will not extend this 55% top rate again; greater tax savings may occur by paying 55% now on today's value of an asset rather than 50% on the asset's (appreciated perhaps) value (plus the income it has generated over five years) in 1993.

For many property owners, the major effect of maintaining the top rates at 55% will be on transfers subject to the generation-skipping transfer tax under Section 2601 of the Code. Unlike the graduated rate structure (although eliminated for some, as discussed below) for estate and gift taxes, the generation-skipping transfer tax is imposed at a flat rate equal to the top estate and gift tax rate in effect at the time of the generation-skipping transfer. Hence, the generation-skipping transfer tax may not be imposed at the time the gift is made (and gift tax imposed) or upon a property owner's death (and estate tax imposed) but at some later time when the "transfer" (e.g., distribution from a trust to the grantor's grandchild) is deemed to occur for generation-skipping transfer tax purposes. In many cases, therefore, the generation-skipping transfer will occur after 1992, when the top estate and gift tax rate is again scheduled to drop to 50%, rather than at the time the trust is created. As a consequence, it may be that generation-skipping transfer tax proves to be lower (by 5%) than the gift or estate tax on a current gift or transfer at death would be. That also suggests that it might be appropriate to choose a form of generation-skipping disposition the transfer of which may be postponed until after 1992.

Recapture of Unified Credit; Lower Brackets for Larger Estates and Gifts

Under Section 2010, most estates are entitled to a unified credit of \$192,800 against the estate tax and up to \$600,000 of the decedent's estate may be transferred free of tax on account of this credit. Alternative use of the unified credit is available for gift tax purposes. In addition, rates of tax at less than the top 55% are imposed on cumulative lifetime and deathtime transfers of less than \$3 million (\$2.5 million after 1992).

For transfers and deaths after 1987, OBRA recaptures the benefit of both the unified credit and the brackets of less than 55% by raising the estate tax rate by 5% (i.e., from 55% to 60% until 1993, and then from 50% to 55%) once the estate or gift tax base exceeds \$10 million. Recapture is complete when the transfers subject to tax reach \$21.04 million (\$18.34 million after 1992). The mechanics by which this recapture occurs is similar to the phase-out or recapture of the 15% bracket and personal exemptions for income tax purposes.

Effect on Generation-Skipping Tax Planning

Because no unified credit or graduated rate structure is available for generation-skipping transfer tax purposes, it would appear as though the recapture provision has no effect on generation-skipping transfer taxation. But because that tax system is a supplement and, in some cases, an alternative to estate or gift taxation, the changes may have an effect on generation-skipping transfer tax planning.

For example, one frequently discussed planning technique is to allow property which otherwise would be subject to generation-skipping transfer tax to become the subject of a gift or included as part of the estate of the person (e.g., the transferor's child) whose death would cause a generation-skipping transfer to occur. Estate or gift taxes may be lower than generation-skipping transfer tax because of the unified and other credits and because of the graduated rate structure for estate and gift tax. From a federal tax viewpoint, it has seemed that the estate or gift tax could never be greater than the generation-skipping transfer tax. But with the recapture of the lower brackets and unified credit by raising the estate tax rate from 55% to 60% (and, after 1992, from 50% to 55%), the estate and gift tax rate may well be *higher* on certain levels of property than the generation-skipping transfer tax rate would be. That should be considered by trustees or others who will make the determination as to whether to invade a trust or take other steps to expose property to estate or gift tax rather than generation-skipping transfer tax.

Generally, it will not be necessary to revise wills executed before 1988 on account of the recapture of graduated rates and the unified credit. For the very wealthy, no significant use of the unified credit is made—generally, it has been used by lifetime gifts or even if preserved until death, will have a small overall impact. In those circumstances where a wealthy property owner was preserving the unified credit to pass property on to someone (e.g., a child) at death and the size of the bequest to that person will be measured in effect by the amount of available unified credit, the estate plan should be reconsidered as the bequest, because of the OBRA recapture provision, may no longer take effect.

It should be noted that the unified credit still can (and, indeed, will) be used for lifetime gifts—although the benefit of its use may later be recaptured. But it still is available to allow a property owner to make lifetime gifts without paying any gift tax.

The unified credit is reduced by 20% of the $30,000 gift tax exemption used between September 9 and December 31, 1976. Unfortunately, the OBRA recapture provision does not readjust the amount of unified credit recapture for individuals who used the $30,000 lifetime exemption and therefore have reduced unified credits.

> *"Even when a couple has an aggregate worth in excess of $20 million, it is still possible to secure the benefit of the unified credit and the lower brackets for at least one spouse."*

Effect on Marital Deduction Planning

Since the phase-out of the unified credit and the lower brackets begins as the sum of the taxable estate and adjusted taxable gifts exceeds $10 million, the decision to use or forego the marital deduction—which of course affects the calculation of the taxable estate—will have an impact on the phase-out. In addition, the phase-out of the credit will not eliminate the need for the "credit shelter" trust, which will presumably continue to be used—even where a couple has an aggregate worth in excess of $10 million—to preserve the benefit of the unified credit of the spouse who dies first.

To illustrate, assume a woman dies with a gross estate of $20 million. If she bequeaths $19.4 million to her spouse and places the balance of $600,000 in a credit shelter trust, her unified credit will be preserved; her unified credit equivalent of $600,000 will not produce any tax in either her estate or her husband's estate. The husband's estate (assuming he does not reduce it below the $10 million phase-out threshold through consumption or poor investment), however, will be subject to the phase-out rule, which results in his forfeiting the benefit of his unified credit and the lower brackets.

It would be possible for this couple to completely avoid the new phase-out rule in both estates and thereby preserve the benefit of the unified credit and the lower brackets for both estates. To accomplish this, the wife would bequeath only $10 million to her husband. This under-utilization of the marital deduction would expose $9.4 million to tax at her death (taxable estate of $10 million less the unified-credit equivalent of $600,000) and the wife's unified credit, as well as the benefit of the lower brackets, would be preserved. At the husband's death, his estate of $10 million (assuming no fluctuation in value) would be entitled to the benefit of the unified credit and the lower brackets, the phase-out not being applicable. Thus, by deciding to under-utilize the marital deduction at the death of the wife, the couple is able to avoid the phase-out. Deciding whether or not it makes sense to under-utilize the marital deduction in order to avoid the new phase-out will require a balancing of the benefit inherent in avoiding the phase-out against the costs, if any, of foregoing the marital deduction.

Even when a couple has an aggregate worth in excess of $20 million, it is still possible to secure the benefit of the unified credit and the lower brackets for at least one spouse. This would be accomplished by utilizing the marital deduction in a manner such that at least one spouse would have a taxable estate not exceeding $10 million. Again, however, the decision to forego the marital deduction can only be made after first considering the costs, if any, of under-utilizing the marital deduction.

Moreover, even where it is desirable to fully utilize the marital deduction, it will nevertheless be possible, regardless of the couple's aggregate worth, to retain the benefit of at least one unified credit. This can be effected by creating a credit-shelter trust with $600,000 and giving the balance to the spouse in a form of bequest eligible for the marital deduction.

Effective Date Rules

The phase-out applies to gifts made and decedents dying after December 31, 1987. What about a taxpayer who had utilized his or her unified credit by making a taxable gift of $600,000 or more prior to 1988? If at the death of this taxpayer the sum of adjusted taxable gifts (including the gift made prior to 1988 to utilize the credit) and taxable estate exceeds $10 million, the phase-out will apply. Thus, pre-enactment utilization of the unified credit does not prevent application of the new phase-out rule. Similarly, taxable gifts made prior to enactment are counted in applying the phase-out.

The Conference Report illustrates this by hypothesizing a taxpayer who made a taxable gift of $9 million prior to enactment and who makes a post-enactment gift of—or dies after enactment leaving an estate of—$4 million. The conclusion reached is that $3 million would be subject to the phase-out (i.e., the excess of the cumulative transfers of $13 million over $10 million, the level at which the phase-out rule commences). On the other hand, taxpayers who made taxable transfers in excess of $21.04 million prior to enactment (and in excess of $18.34 million in case of decedents dying and gifts made after 1992) will not be subject to the phase-out rule. This is somewhat surprising in that taxpayers who made very large pre-enactment gifts are taxed at a lesser rate on their post-enactment transfers than are taxpayers who made substantially lesser pre-enactment gifts.

ESOP Estate Tax Reduction Limited and Tightened

The Tax Reform Act of 1986 (P.L. 99-514) introduced new Section 2057. Under that section as originally enacted, an estate tax deduction was allowed equal to 50% of the proceeds received from the sale of certain employer securities to an Employee Stock Ownership Plan ("ESOP") or in Eligible Worker Owned Cooperative ("EWOC") by the executor of the decedent's estate. Very few restrictions were contained in the section as originally enacted or suggested in its legislative history and it contained no limits on the amount of estate tax reduction which the deduction could generate.

IRS Notice 87-13, 1987-4 I.R.B. 14 (January 5, 1987), however, stated that the estate tax deduction only applied to securities the decedent directly owned at death (not owned, for example, through a partnership or acquired by the executor after death) and only if the securities purchased by the ESOP or EWOC were allocated to plan participants or held for future allocation as set forth in certain provisions of the Code. Although no legislative history supported Notice 87-13, OBRA, in effect, confirms the notice and the changes are effective as of October 22, 1986 (the date that the Tax Reform Act of 1986 ["TRA-86"] was enacted into law).

> *"... in all events, the sale must occur prior to 1992 (which obviously means that the stockholder must have died before that time)."*

Also, under OBRA, Section 2057 applies only to employer securities issued by U.S. corporations that have no stock outstanding which is readily tradable on an established market. It appears that this requirement is determined at the time of sale. This interpretation is supported by the fact that the effective date of this requirement is for *sales* after February 26, 1987.

Although Section 2057, before OBRA, appeared to apply only to sales by the decedent's executor, as revised it applies to the sale of any other qualified employer securities included in the decedent's gross estate such as those held in a revocable trust. This change is effective as though part of the original section.

To ensure that the sale generating the Section 2057 deduction results in an increase in employer security holdings by the ESOP or EWOC, the revised section also provides that employee securities will not qualify if they are allocated or held for future allocation in substitution of other employer securities that had already been allocated or held for future allocation, except in connection with a bona fide business transaction (such as a substitution of one employer's securities for others in connection with a merger of employers). These anti-churning provisions are effective as of October 22, 1986 (the date that TRA-86 was signed into law) for sales made before February 27, 1987. On the other hand, with respect to sales made after February 26, 1987, the anti-churning rules discussed above have been supplanted by an anti-churning provision which is more objective in nature.

In addition, proceeds will not qualify for the deduction with respect to a sale which occurs after the date on which the estate tax return (Form 706) is required to be filed (including any extension of time granted for such filing), or with respect to securities which were received by the decedent in the distribution from certain qualified plans or acquired pursuant to stock options or similar rights to which Sections 83, 422, 422A, 423 or 424 of the Code apply. In addition to such securities received by the decedent, also excluded are those securities the basis of which is determined by reference to any other employer securities where the basis of those other employer securities is determined by reference to the employer securities received from the exempt plan or received pursuant to such stock options or other rights.

As originally enacted and as preserved by OBRA, the Section 2057 deduction does not apply with respect to any sale after 1991. Section 2057(g). OBRA puts in an additional requirement which, in effect, means that the new deduction will be available only with respect to securities which were owned prior to 1987, although in the case of the estate of a decedent who died before October 22, 1986, the holding period requirement is satisfied if the decedent held the securities on the date of death. Under Section 2057 as revised by OBRA, the deduction is available only with respect to a sale of stock which would have been includable in the decedent's estate if the decedent had died any time during the shorter of the five-year period ending on the date of his death or the period beginning October 22, 1986 (the date that the 1986 Tax Reform Act was signed into law) and ending on the decedent's date of death. Securities which would have been includable in the gross estate of the spouse of the decedent if the spouse had died during

that time also are eligible if the other requirements are met. In effect, this means that the securities must have been owned by the decedent prior to 1987.

Although the stock must have been owned before 1987 and the company whose stock is sold must be closely-held, it appears that the ESOP could be formed after 1986. Indeed, it appears possible that the ESOP could be formed after death. But in all events, the sale must occur prior to 1992 (which obviously means that the stockholder must have died before that time). Nonetheless, it seems that estates of owners of closely-held business who die before 1992 may have a new and extremely potent post-mortem estate planning option for shares owned before 1987: form an ESOP and sell the shares to it, generating an extra deduction which may cut the taxable estate in half or reduce taxes by as much as $750,000. Even for the married business owner who otherwise would use an unlimited marital deduction, it may be appropriate to arm the executor with the post-death Section 2057 option by having the owner's will structured so that the surviving spouse can qualifiedly disclaim property under Section 2518, thereby generating a taxable estate tax against which Section 2057 may be used. Even with the spouse's disclaimer, there still may be no estate tax paid because of the unified or other estate tax credits.

In any event, it may be appropriate to expressly authorize the personal representative of the decedent's will or will substitute to cause an ESOP to be formed and make sales to it.

Effective for sales after February 26, 1987, the sale cannot result in a deduction greater than 50% of the taxable estate (determined without regard to Section 2057) or reduce estate tax imposed by Section 2001 (determined without regard to any credits) by more than $750,000.

Unless held by the ESOP before February 27, 1987, to the extent that securities are purchased by the ESOP with assets (called "transferred assets") which are attributable to assets held by another qualified plan maintained by the employer (other than another ESOP), or attributable to a time when the plan was not an ESOP, the securities are ineligible for Section 2057 treatment.

Subject to certain exceptions, an excise tax equal to 30% is imposed by Section 4978A on: (1) the amount paid by the ESOP on a loan (whether interest or principal) paid using transferred assets; or (2) the disposition within three years of their purchase by the ESOP of the securities, except for distributions made on account of death, disability, retirement after age 59½ or separation from service, resulting in a one year "break in service" by an employee, certain exchanges for other employer securities in a corporate reorganization or pursuant to a liquidation under Section 332 (described in Section 4978(d)(3)), or dispositions required to meet diversification requirements under Section 401(a)(28).

> ***"The estate planning changes made by OBRA primarily will affect well-to-do individuals and owners of closely-held businesses."***

There is an "order of disposition" rule for purposes of determining if and how much of the 30% excise tax is imposed under Section 4978A. Employer securities are treated as being disposed of in the following order: (1) those acquired during the years ending on the date of disposition; (2) those securities not allocated to accounts of participants or their beneficiaries acquired more than three years before the date of disposition; (3) those qualified securities (within the meaning of Section 4978(e)(2)) acquired during the three years ending on the date of disposition in certain Section 1042 transactions; and (4) other employer securities. In the case of a disposition to which Section 4978(d) or (e) applies, the disposition of employer securities is treated as made in the exact opposite order.

The excise tax is payable by the employer or the EWOC which made the written statement which under Section 2057(e) must be filed by the executor to obtain the deduction.

As just indicated, in order to obtain the deduction, the executor must file with the IRS a verified written statement made by the employer whose employees are covered by the ESOP or any authorized officer of the EWOC, which: (1) acknowledges that the sale is one to which Sections 4978A and 4979A of the Code apply; (2) certifies the net amount of the sale; and (3) certifies the amount of which is not "transferred assets." This rule applies to sales after February 26, 1987.

Summary and Conclusions

The estate planning changes made by OBRA primarily will affect well-to-do individuals and owners of closely-held businesses. The maintenance of the top estate and gift tax rate through 1992 may "disturb" transfers intended to be taken after 1987 in order to benefit from a 5% tax rate deduction. On account of the flat rate used for generation-skipping transfer tax purposes equal to the top estate/gift tax rate, the freezing of rates at 55% may have its greatest impact upon this newest wealth transfer tax system.

The recapture of the unified credit and lower brackets for estate and gift tax purposes begins when cumulative transfers reach $10 million and is complete at $21.04 million. Although this recapture has no impact on generation-skipping transfer taxation, it will affect planning with respect to such taxation, especially when deciding if property should be exposed to that type of taxation or to estate or gift taxation.

On account of the holding period requirements and the 1991 "sunset" provision, the revised estate tax deduction rule under Section 2057 for sales to ESOPs will apply only to owners of closely-held corporations who held their shares before 1987. Even though new restrictions apply and new limitations are imposed, the possible estate tax reduction of $750,000 means Section 2057 should be considered for many such owners—and it seems that it may be possible to form the ESOP after the owner's death.

Jonathan G. Blattmachr is a partner in Milbank, Tweed, Hadley & McCloy, Los Angeles, California. Mitchell Gans is a professor at Hofstra Law School, Hempstead, New York.

SECTION NEWS

SECTION CALENDAR

ABA Annual Meeting
August 4-11, 1988
Toronto, Canada

Fall Council Meeting
October 27-30, 1988
Houston, Texas

ABA Midyear Meeting
February 1-8, 1989
Denver, Colorado

Spring Council Meeting
April 26-30, 1989
Laguna Niguel, California

ABA Annual Meeting
August 3-10, 1989
Honolulu, Hawaii

Guardianship Information

In September 1987, the Associated Press released the results of a year-long inquiry into the nation's guardianship system, involving 67 reporters and examination of 2,200 probate court files. The study described "an ailing system" and cited deficiencies in every aspect of the process. In response to this study, the American Bar Association Commission on Legal Problems of the Elderly and the Commission on the Mentally Disabled are sponsoring a National Guardianship Symposium in July. The aim of the interdisciplinary symposium will be to develop recommendations addressing concerns about guardianship law and practice.

In preparation for the symposium, John J. Lombard Jr., Probate and Trust Division Director, is seeking information on specific experiences with guardianship law and practice in participating states, legislative efforts, cases and suggested reforms. Please send information as soon as possible to Mr. Lombard at Morgan, Lewis & Bockius, 2000 One Logan Center, Philadelphia, PA 19103, ABA NET 1666 as soon as possible.

Scottsdale Report

The Council of the Section met on Sunday, May 1, 1988 in Scottsdale, Arizona. Among other matters, the following **resolution regarding tax stability** was adopted (with the caveat that the Executive Committee might make minor changes as it deemed necessary) and will be presented to the House of Delegates at the annual meeting in Toronto:

Whereas, the federal transfer tax system (encompassing estate, gift and generation-skipping transfer taxes) affects a broad range of Americans, including owners of farms, ranches and other closely-held businesses, and is an important consideration affecting distribution of family assets accumulated over a lifetime; and

Whereas, unlike amendments to the income tax system, where each year taxpayers are accustomed to new rules and each new transaction judged in terms of the law applicable at that time, changes in the federal transfer tax system are frequently the only circumstance requiring changes in existing estate transfer tax plans for the disposition of property; and

Whereas, significant and complex changes made in 23 tax bills enacted in the 19 years since 1969 have been in many cases unproductive and costly and have resulted in great instability in planning for the federal transfer tax; and

Whereas, this instability which has been imposed in most cases without securing significant revenues for the federal government has made it extraordinarily difficult for many individuals subject to the transfer tax system to plan for the orderly disposition of their assets, while requiring them to constantly reconsider and revise at great personal sacrifice and considerable expense their estate plans; and

Whereas, in the case of owners of interests in closely-held businesses such planning is often essential to the survival of such enterprises; and

Whereas, given the importance to this country of the orderly transmission of private property, the federal transfer tax system should be understandable, have stability and be reasonably administrable; and

Whereas, the American system of voluntary compliance with the system of taxation requires taxpayer confidence in the fairness and stability of the law and taxpayers will not have that confidence if they cannot rely and plan on a constant set of assumptions; and.

Whereas, the repeated recent piecemeal changes in the federal transfer tax system are undermining the confidence in the system and the rule of law by subjecting taxpayers to unreasonable and inconsistent application of new laws which taxpayers, practitioners and those administering the laws are not given sufficient time to fully understand.

Now, therefore, the American Bar Association urges that:

1. There be a presumption in favor of stability in the federal transfer tax system with any proposed change required to carry a heavy burden of persuasion that the inequity or inefficiency of the current system is so great that further changes and the resultant disruption are justified.
2. If any changes are to be made in the fedral transfer tax system, they should be made through an orderly legislative process with participation of practitioners, including:
   a. Hearings with adequate notice and an opportunity to participate.
   b. Bills circulated and reviewed in a thoughtful, deliberate fashion before initial

passage by the House.

c. Bills circulated and reviewed in a thoughtful, deliberate fashion before passage by the Senate.

3. If any changes are made, they should be prospective only with a reasonable lead time (at least one year) for instruments to be amended to reflect such changes.
4. Constant small changes should be avoided.

The Section also resolved to seek adoption, in the House of Delegates, of a resolution calling for the **repeal of Section 2036(c)** of the Internal Revenue Code.

The Section also endorsed in principle the adoption of the current draft of the proposed **Uniform Statutory Power of Attorney Act** by the National Conference of Commissioners on Uniform State Laws, subject to such amendments and modifications during the approval process as may be acceptable to the Drafting Commission and the ABA and Section Advisors.

The Council also created a new committee on **Guardianships, Conservatorships and Other Protective Proceedings,** to focus entirely on those proceedings rather than tangentially as is currently done by several other committees.

The Section agreed to co-sponsor, with the ABA Commission for the Elderly, a seminar on Sunday afternoon of the ABA annual meeting in Toronto on **Canadian Guardianships.**

The Council approved the appointment of a **Liaison** from the Task Force on Legal Financial Planning to the **Financial Planning Committee of the AICPA,** and to accept a liaison from that committee to the Task Force.

Two requests for **blanket authority to deal with Section 2032A** were approved:

- The first involves seeking a technical correction to Section 2032A to allow for a post-death cash lease to a family member of a qualified heir, and
- The second involves participating with the Section of Taxation in discussing and presenting draft proposals for regulations dealing with certain specific Section 2032A issues, including the application of special valuation to real property devised in successive interests, such as gifts in trust.

It was announced that the Section has a new staff member, **Karen S. Lewis.** Karen received her B.A. and Master's of Public Health at the University of California at Berkeley and Los Angeles respectively, and comes to the ABA from the Academy of General Dentistry in Chicago, where she served as Special Projects Manager. Her organizational skills in planning meetings, editing newsletters, preparing budgets, speeches and the like should prove very valuable to the Section. Prior to joining the Academy of Dentistry, Karen was employed as Program Coordinator for the International College of Surgeons and as Corporate Translator for American Motors. She studied French at the Sorbonne. So, *bien venue* Karen!

In connection with the **fall Council meeting in Houston,** on October 28, 1988, the Probate and Trust Division will sponsor a seminar on **Post-Mortem Planning** for the Estate after TRA-86. Under the leadership of Philip J. Hirsch, the program will feature a number of notable speakers including: Mildred Kalik, Ellen Harrison, Robert Stuart, Lynn Hart, Donald Etheridge, Richard S. Kinyon and Carol Calhoun. The topics to be addressed will include: disclaimers, QTIP elections, income tax planning, estate tax elections, generation-skipping considerations, plan distributions, timing of estate distributions, and planning and drafting for flexibility in making post mortem elections.

The Section will also be sponsoring a program on fiduciary responsibility in conjunction with the **Conference of Lawyers and Corporate Fiduciaries** to be held in late winter or spring of 1989. More information on this program will be forthcoming.

1988 Annual Meeting Toronto, Canada

Registration materials for the Annual Meeting in Toronto were sent to all Section members. If you have not done so, you are encouraged to sign up for the **Dinner Dance** to be held on Monday, August 8, 1988 at Casa Loma, which is a 98 room medieval style castle in the heart of Toronto.

Many excellent programs have been planned by the Section for the Annual Meeting:

Saturday, August 6, 1988

1:30 p.m.-5:30 p.m.
"Hocus Pocus, Now You See Him, Now You Don't, The Residential Real Estate Practitioner"
Cosponsored with Lawyers Title Guaranty Funds Committee and the Young Lawyers Division

Sunday, August 7, 1988

9:00 a.m.-12:00 noon
"Financing: Real Estate Financing Forum"

9:30 a.m.-11:00 a.m.
Condemnation Law Committee Meeting

9:30 am.-10:00 a.m.
Title Insurance Committee Meeting

10:00 a.m.-11:30 a.m.
"Title Insurance" Workshop

9:30 a.m.-12:00 noon
"The Case for Impact Fees"

10:00 a.m.-12:00 noon
"Land Use Workshop: Land Use Guidelines after Nolan"

1:00 p.m.-5:00 p.m.
Employee Benefits Program
Cosponsored with the Business Law Section, Labor Law Section and Taxation Section

1:30 p.m.-4:30 p.m.
"Financing Workshop: Sale/ Leaseback Financings"

1:30 p.m.-5:00 p.m.
"Residential Symposium: Educating the Public re: Lawyer Services, Paralegals, Arbitration in Title Insurance, Housing Tax Credits, Brokers and Lawyers"

2:00 p.m.-5:00 p.m.
"Condemnation/Commercial Lease: Condemnation Clauses"

2:00 p.m.-5:00 p.m.
"Attorneys Acting in Other Fiduciary Roles"

2:00 p.m.-5:00 p.m.
"Generation-Skipping Tax Program"
Cosponsored with the Tax Section

Monday, August 8, 1988

9:00 a.m.-12:00 noon
"Environmental Workshops"

9:00 a.m.-10:30 a.m.
"Litigation Workshop: Liability for Breach of Loan Commitments"

9:00 a.m.-12:00 noon
"Condominiums Workshop"

9:00 a.m.-12:00 noon
"Open Forum Workshop" on Tax Legislation and Regulations and Estate Planning and Drafting.

10:30 a.m.-12:00 noon
"Brokers & Brokerage, Litigation Workshop: Broker Liability and Damages"

10:30 a.m.-12:00 noon
"Computerized Planning and Probate"
Cosponsored with the Economics Section
Booth Set-up

1:30 p.m.-4:30 p.m.
"Environmental Program: Use of Environmental Audits"

1:30 p.m.-5:30 p.m.
Session I: "Retirement Planning Without the Use of Code Sections"
Session II: "Planning for Forced Retirement"
Cosponsored with the Senior Lawyers Division

2:00 p.m.-5:00 p.m.
"Computerized Planning and Probate" continued

2:00 p.m.-5:00 p.m.
"New Section 2036(c)"

2:00 p.m.-5:00 p.m.
Session I: "Fiduciary Litigation"
Session II: "Malpractice Questions"

2:00 p.m.-5:00 p.m.
"Construction Law and Practice Potpourri"

Tuesday, August 9, 1988

8:00 a.m.-12:00 noon
"ERISA Fiduciary Responsibility"
Cosponsored with Business Law Section, Labor Law Section and Taxation Section

8:00 a.m.-12:00 noon
"Commercial Leasing" (Breakfast, Workshop, Program)

9:00 a.m.-12:00 noon
"What Every Lawyer Ought to Know About Partnership Issues Involved in Real Estate Workouts"

9:00 a.m.-12:00 noon
"Ten Years After Penn Central"
Cosponsored with the State and Urban Government Section

9:00 a.m.-12:00 noon and 2:00 p.m.-4:00 p.m.
"Potpourri of Financial Planning Issues"

9:00 a.m.-12:00 noon
"Nuts and Bolts of the Marital Deduction"

10:00 a.m.-5:30 p.m.
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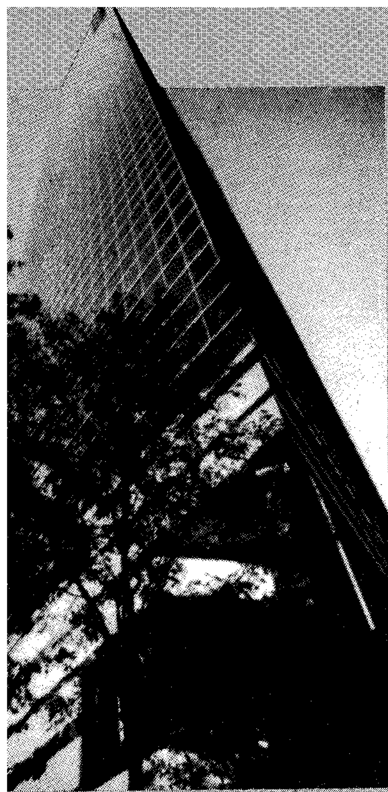

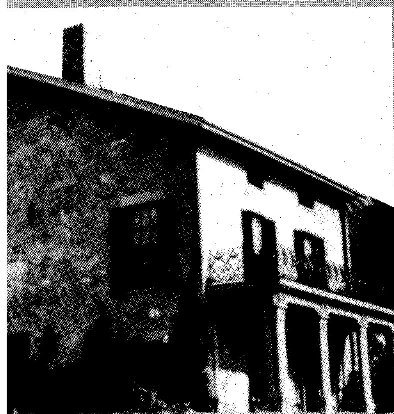

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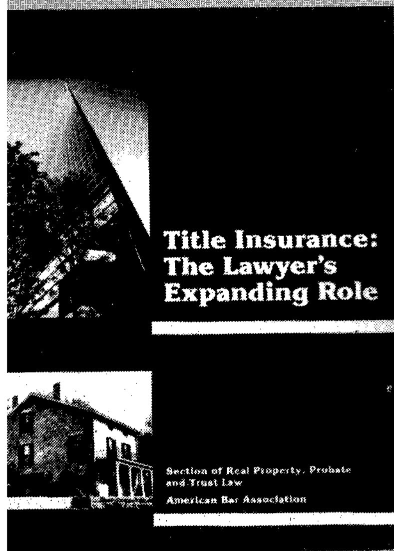

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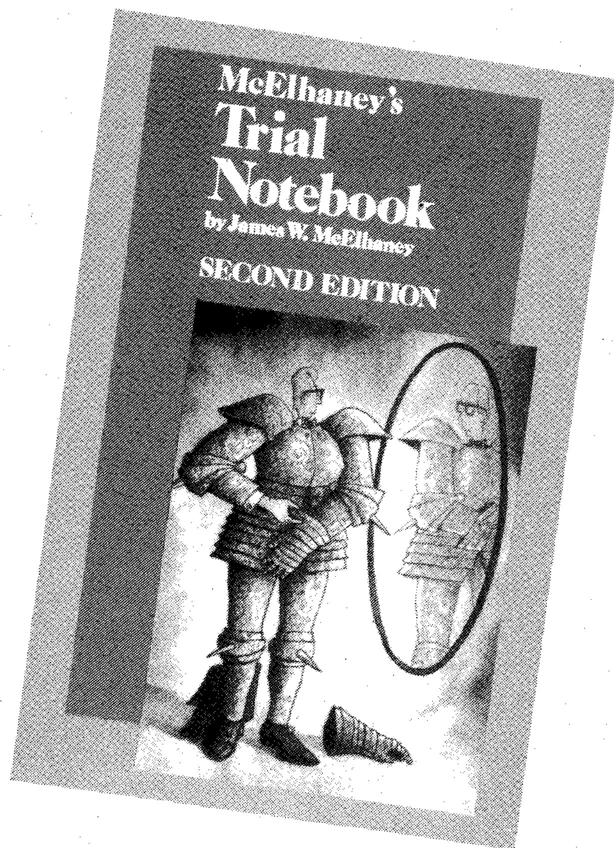

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