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Short Title: Gifts by Guardians.

(Public)

Sponsors:

Referred to:

April 15, 1999

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE STATUTES REGULATING THE ABILITY OF
3 GUARDIANS TO MAKE GIFTS FROM INCOMPETENT WARDS' ESTATES
4 UNDER CERTAIN CIRCUMSTANCES.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 35A-1335 reads as rewritten:

7 "**§ 35A-1335. Gifts authorized with approval of judge of superior court.**

8 With the approval of the resident judge of the superior court of the district in which
9 the guardian he was appointed, upon a duly verified petition the guardian ~~or trustee~~ of a
10 person judicially declared to be incompetent may, from the income of the incompetent,
11 make gifts to the State of North Carolina, its agencies, counties or municipalities, or to
12 the United States or its agencies or instrumentalities, or for religious, charitable, literary,
13 scientific, historical, medical or educational ~~purposes.~~ purposes, or to individuals
14 including the guardian. References in this Article to the 'guardian' include any Trustee
15 appointed by the court under prior law as fiduciary for the incompetent ward's estate."

16 Section 2. G.S. 35A-1336 reads as rewritten:

17 "**§ 35A-1336. Prerequisites to approval by judge.** judge of gifts for governmental or
18 charitable purposes.

1 The judge shall not approve ~~such~~ gifts from income for governmental or charitable
2 purposes unless it appears to his the judge's satisfaction that all of the following apply:

- 3 (1) After ~~the making of such the~~ gifts and the payment of federal and State
4 income taxes, the remaining income of the incompetent will be
5 reasonable and adequate to provide for the support, maintenance,
6 comfort and welfare of the incompetent and those legally entitled to
7 support from the incompetent in order to maintain the incompetent and
8 ~~such those~~ dependents in the manner to which the incompetent and ~~such~~
9 those dependents are accustomed and in keeping with their station in life
10 ~~(and in no event less than twice the average, for the five calendar years~~
11 ~~preceding the calendar year of such gifts, of expenditures for the~~
12 ~~incompetent's support, maintenance, comfort and welfare); life.~~
- 13 (2) Each donee is a donee to which a competent donor could make a gift,
14 without limit as to amount, without incurring federal or State gift tax
15 ~~liability; liability.~~
- 16 (3) Each donee is a donee qualified to receive tax deductible gifts under
17 federal and State income tax ~~laws; laws.~~
- 18 (4) The aggregate of ~~such the~~ gifts does not exceed the percentage of
19 income fixed by federal law as the maximum deduction allowable for
20 ~~such the~~ gifts in computing federal income tax liability.

21 Section 3. Chapter 35A of the General Statutes is amended by adding a new
22 section to read:

23 **"§ 35A-1336.1. Prerequisites to approval by judge of gifts to individuals.**

24 The judge shall not approve gifts from income to individuals unless it appears to the
25 judge's satisfaction that both the following requirements are met:

- 26 (1) After making the gifts and paying federal and State income taxes, the
27 remaining income of the incompetent will be reasonable and adequate to
28 provide for the support, maintenance, comfort, and welfare of the
29 incompetent and those legally entitled to support from the incompetent
30 in order to maintain the incompetent and those dependents in the
31 manner to which the incompetent and those dependents are accustomed
32 and in keeping with their station in life;
- 33 (2) The judge determines that either:
- 34 a. The incompetent, prior to being declared incompetent, executed a
35 paper-writing with the formalities required by the laws of North
36 Carolina for the execution of a valid will, including a paper-
37 writing naming as beneficiary a revocable trust created by the
38 incompetent, and each donee is entitled to one or more specific
39 legacies, bequests, devises, or distributions of specific amounts
40 of money, income, or property under the paper-writing or the
41 revocable trust or both or is a residuary legatee, devisee, or
42 beneficiary designated in the paper-writing or revocable trust or
43 both; or

1 b. That so far as is known the incompetent has not, prior to being
2 declared incompetent, executed a will which could be probated
3 upon the death of the incompetent, and each donee is a person
4 who would share in the incompetent's estate, if the incompetent
5 died contemporaneously with the signing of the order of the
6 approval of the gifts; or

7 c. The donee is the spouse, parent, descendent of the incompetent,
8 or descendant of the incompetent's parent, and the amount of the
9 gift does not exceed the federal annual gift tax exclusion.

10 The judge may order that the gifts be made in cash or in specific assets and may order
11 that the gifts be made outright, in trust, under the North Carolina Uniform Transfers to
12 Minors Act, under the North Carolina Uniform Custodial Trust Act, or otherwise. The
13 judge may also order that the gifts be treated as an advancement of some or all of the
14 amount the donee would otherwise receive at the incompetent's death."

15 Section 4. G.S. 35A-1340 reads as rewritten:

16 "**§ 35A-1340. Gifts authorized with approval of judge of superior court.**

17 With the approval of the resident judge of the superior court of the district in which
18 the guardian ~~or trustee~~ was appointed upon a duly verified petition, the guardian ~~or trustee~~
19 of a person judicially declared to be incompetent may, from the principal of the
20 incompetent's estate, make gifts to the State of North Carolina, its agencies, counties or
21 municipalities, or the United States or its agencies or instrumentalities, or for religious,
22 charitable, literary, scientific, historical, medical or educational ~~purposes.~~ purposes, or to
23 individuals including the guardian. The incompetent's estate shall consist of all assets
24 owned by the incompetent, including nonprobate assets. For purposes of this Article,
25 nonprobate assets are those which would not be distributable in accordance with the
26 incompetent's valid probated will or the provisions of Chapter 29 at the incompetent's
27 death. The incompetent's nonprobate estate would include nonprobate assets only.
28 References in this Article to the 'guardian' include any Trustee appointed by the court
29 under prior law as fiduciary for the incompetent ward's estate."

30 Section 5. G.S. 35A-1341 reads as rewritten:

31 "**§ 35A-1341. Prerequisites to approval by ~~judge.~~ judge of gifts for governmental or**
32 charitable purposes.

33 The judge shall not approve ~~such~~ any gifts from principal for governmental or
34 charitable purposes unless it appears to ~~his~~ the judge's satisfaction ~~that:~~ all of the
35 following requirements are met:

36 (1) The making of ~~such~~ the gifts will not leave the incompetent's remaining
37 principal estate insufficient to provide reasonable and adequate income
38 for the support, maintenance, comfort and welfare of the incompetent
39 and those legally entitled to support from the incompetent in order to
40 maintain the incompetent and ~~such~~ these dependents in the manner to
41 which the incompetent and ~~such~~ those dependents are accustomed and in
42 keeping with their station in ~~life;~~ life.

- 1 (2) Each donee is a donee to which a competent donor could make a gift,
2 without limit as to amount, without incurring federal or State gift tax
3 ~~liability; liability.~~
- 4 (3) Each donee is a donee qualified to receive tax deductible gifts under
5 federal and State income tax ~~laws; laws.~~
- 6 (4) The making of ~~such the~~ gifts will not jeopardize the rights of any
7 creditor of the ~~incompetent; and incompetent.~~
- 8 (5) It is improbable that the incompetent will recover competency during
9 his or her ~~lifetime; lifetime.~~
- 10 (6) Sufficient credible evidence is presented to the court that the proposed
11 gift is of a nature which the incompetent would have approved prior to
12 being declared incompetent.
- 13 (7) Either a. or b. applies:
- 14 a. All of the following apply:
- 15 1. The incompetent, prior to being declared incompetent,
16 executed a ~~paper-writing; paper-writing~~ with the formalities
17 required by the laws of North Carolina for the execution
18 of a valid ~~will; will,~~
19 including a paper-writing naming as beneficiary a
20 revocable trust created by the incompetent.
- 21 2. Specific legacies, ~~bequests or devises~~ bequests, devises, or
22 nondiscretionary distributions of specific amounts of
23 money, income or property included in ~~such the~~ paper-
24 writing or revocable trust or both, will not be jeopardized
25 by making ~~such gifts; the gifts.~~
- 26 3. All residuary ~~legatees and~~ legatees, devisees and
27 beneficiaries designated in ~~such the~~ paper-writing, paper-
28 writing or revocable trust or both, who would take under
29 the ~~paper-writing~~ paper-writing or revocable trust or both,
30 if the incompetent died contemporaneously with the
31 signing of the order of approval of ~~such the~~ gifts and ~~such~~
32 ~~paper-writing~~ the paper-writing was probated as the
33 incompetent's will and the spouse, if any, of ~~such the~~
34 incompetent have been given at least 10 days' written
35 notice that approval for ~~such the~~ gifts will be sought and
36 that objection may be filed with the clerk of superior court
37 of the county in which the guardian ~~or trustee~~ was
38 appointed, within the 10-day ~~period; period.~~
- 39 b. Both of the following apply:
- 40 1. That so far as is known the incompetent has not prior to
41 being declared incompetent, executed a will which could
42 be probated upon the death of the incompetent; and

1 2. All persons who would share in the incompetent's intestate
2 estate, if the incompetent died contemporaneously with
3 the signing of the order of approval, have been given at
4 least 10 days' written notice that approval for ~~such~~the gifts
5 will be sought and that objection may be filed with the
6 clerk of the superior court, of the county in which the
7 guardian ~~or trustee~~ was appointed, within the 10-day
8 period.

9 (8) If the gift for which approval is sought is of a nonprobate asset, all
10 persons who would share in that nonprobate asset if the incompetent
11 died contemporaneously with the signing of the order of approval have
12 been given at least 10 days' written notice that approval for the gifts will
13 be sought and that objection may be filed with the clerk of superior
14 court of the county in which the guardian was appointed within the 10-
15 day period. This notice requirement shall be in addition to the notice
16 requirements contained in G.S. 35A-1341(6)a.3. and (6)b.2."

17 Section 6. Chapter 35A of the General Statutes is amended by adding a new
18 section to read:

19 **"§ 35A-1341.1. Prerequisites to approval by judge of gifts to individuals.**

20 The judge shall not approve gifts from principal to individuals unless it appears to the
21 judge's satisfaction that all of the following requirements have been met:

22 (1) Making the gifts will not leave the incompetent's remaining principal
23 estate insufficient to provide reasonable and adequate income for the
24 support, maintenance, comfort, and welfare of the incompetent in order
25 to maintain the incompetent and any dependents legally entitled to
26 support from the incompetent in the manner to which the incompetent
27 and those dependents are accustomed and in keeping with their station
28 in life.

29 (2) The making of the gifts will not jeopardize the rights of any existing
30 creditor of the incompetent.

31 (3) It is improbable that the incompetent will recover competency during
32 his or her lifetime.

33 (4) The judge determines that either a., b., c., or d. applies.

34 a. All of the following apply:

35 1. The incompetent, prior to being declared incompetent,
36 executed a paper-writing with the formalities required by
37 the laws of North Carolina for the execution of a valid
38 will, including a paper-writing naming as beneficiary a
39 revocable trust created by the incompetent.

40 2. Each donee is entitled to one or more specific legacies,
41 bequests, devises, or distributions of specific amounts of
42 money, income, or property under either the paper-writing
43 or revocable trust or both or is a residuary legatee,

- 1 devisee, or beneficiary designated in the paper-writing or
2 revocable trust or both.
- 3 3. The making of the gifts will not jeopardize any specific
4 legacy, bequest, devise, or distribution of specific amounts
5 of money, income, or property.
- 6 b. That so far as is known the incompetent has not, prior to being
7 declared incompetent, executed a will which could be probated
8 upon the death of the incompetent, and each donee is a person
9 who would share in the incompetent's intestate estate, if the
10 incompetent died contemporaneously with the signing of the
11 order of approval of the gifts.
- 12 c. The donee is a person who would share in the incompetent's
13 nonprobate estate, if the incompetent died contemporaneously
14 with the signing of the order of approval.
- 15 d. The donee is the spouse, parent, descendant of the incompetent,
16 or descendant of the incompetent's parent, and the amount of the
17 gift does not exceed the federal annual gift tax exclusion.
- 18 (5) If the incompetent, prior to being declared incompetent, executed a
19 paper-writing with the formalities required by the laws of North
20 Carolina for the execution of a valid will, including a paper-writing
21 naming as beneficiary a revocable trust created by the incompetent; then
22 all residuary legatees, devisees, and beneficiaries designated in the
23 paper-writing or revocable trust or both, who would take under the
24 paper-writing or revocable trust or both if the incompetent died
25 contemporaneously with the signing of the order of approval of the gifts
26 and the paper-writing was probated as the incompetent's will, the
27 spouse, if any, of the incompetent and all persons identified in G.S.
28 35A-1341.1(7) have been given at least 10 days' written notice that
29 approval for the gifts will be sought and that objection may be filed with
30 the clerk of superior court of the county in which the guardian was
31 appointed, within the 10-day period.
- 32 (6) If so far as is known, the incompetent has not, prior to being declared
33 incompetent, executed a will which could be probated upon the death of
34 the incompetent, all persons who would share in the incompetent's
35 estate, if the incompetent died contemporaneously with the signing of
36 the order of approval, have been given at least 10 days' written notice
37 that approval for the gifts will be sought and that objection may be filed
38 with the clerk of the superior court of the county in which the guardian
39 was appointed, within the 10-day period.
- 40 (7) If the gift for which approval is sought is of a nonprobate asset, all
41 persons who would share in that nonprobate asset if the incompetent
42 died contemporaneously with the signing of the order of approval have
43 been given at least 10 days' written notice that approval for the gifts will

1 be sought and that objection may be filed with the clerk of the superior
2 court of the county in which the guardian was appointed within the 10-
3 day period. This notice requirement shall be in addition to the notice
4 requirements contained in G.S. 35A-1341.1(5) and (6) above.

5 The judge may order that the gifts be made in cash or in specific assets and may order
6 that the gifts be made outright, in trust, under the North Carolina Uniform Transfers to
7 Minors Act, under the North Carolina Uniform Custodial Trust Act, or otherwise. The
8 judge may also order that the gifts be treated as an advancement of some or all of the
9 amount the donee would otherwise receive at the incompetent's death."

10 Section 7. G.S. 35A-1342 reads as rewritten:

11 "**§ 35A-1342. Who deemed specific and residuary legatees and devisees of**
12 **incompetent under § 35A-1341.**

13 For purposes of G.S. 35A-1341(6)a and G.S. 35A-1341.1(4) and (5), ~~of this Article, if~~
14 ~~such paper-writing the paper-writing~~ provides for the residuary estate to be placed in trust
15 for a term of years, or if the paper-writing names as beneficiary a revocable trust created
16 by the incompetent, and the trust or trusts include dispositive provisions which provide
17 that assets continue in trust for a term of years with stated amounts of income payable to
18 designated beneficiaries during the term and stated amounts payable to designated
19 beneficiaries upon termination of the trust, such trust or trusts, the designated beneficiaries
20 shall be deemed to be specific legatees and devisees-legatees, devisees, and beneficiaries
21 and those taking the remaining income of the trust or trusts and, at the end of the term,
22 the remaining principal shall be deemed to be residuary legatees and devisees-legatees,
23 devisees, and beneficiaries who would take under the paper-writing paper-writing or
24 revocable trust or both if the incompetent died contemporaneously with the signing of the
25 order of approval of such the gifts. In no case shall any prospective executor or trustee be
26 considered either a specific or residuary legatee and devisee-legatee, devisee, or
27 beneficiary on the sole basis of prospective service as executor or trustee."

28 Section 8. G.S. 35A-1343 reads as rewritten:

29 "**§ 35A-1343. Notice to minors and incompetents under § 35A-1341 and §**
30 **35A-1341.1.**

31 If any person, to whom notice must be given under the provisions of G.S. ~~35A-1341(6)~~
32 35A-1341 and G.S. 35A-1341.1 of this Article, is a minor or is incompetent, or
33 is an unborn or unascertained beneficiary, then the notice shall be given to his duly
34 appointed guardian or other duly appointed representative: Provided, that if a ~~minor or~~
35 ~~incompetent~~ minor, incompetent, unborn, or unascertained beneficiary has no ~~such~~
36 guardian or ~~representative~~ representative, then a guardian ad litem shall be appointed by
37 the judge and ~~such the~~ guardian ad litem shall be given the notice herein required."

38 Section 9. G.S. 35A-1251 reads as rewritten:

39 "**§ 35A-1251. Guardian's powers in administering incompetent ward's estate.**

40 In the case of an incompetent ward, a general guardian or guardian of the estate has
41 the power to perform in a reasonable and prudent manner every act that a reasonable and
42 prudent person would perform incident to the collection, preservation, management, and
43 use of the ward's estate to accomplish the desired result of administering the ward's estate

1 legally and in the ward's best interest, including but not limited to the following specific
2 powers:

- 3 (1) To take possession, for the ward's use, of all the ward's estate, as defined
4 in G.S. 35A-1202(5).
- 5 (2) To receive assets due the ward from any source.
- 6 (3) To maintain any appropriate action or proceeding to recover possession
7 of any of the ward's property, to determine the title thereto, or to recover
8 damages for any injury done to any of the ward's property; also, to
9 compromise, adjust, arbitrate, sue on or defend, abandon, or otherwise
10 deal with and settle any other claims in favor of or against the ward.
- 11 (4) To complete performance of contracts entered into by the ward that
12 continue as obligations of the ward or his estate, or to refuse to complete
13 ~~such~~the contracts, as the guardian determines to be in the ward's best
14 interests, taking into account any cause of action that might be
15 maintained against the ward for failure to complete ~~such~~the contract.
- 16 (5) To abandon or relinquish all rights in any property when, in the
17 guardian's opinion, acting reasonably and in good faith, it is valueless,
18 or is so encumbered or is otherwise in ~~such~~a condition that it is of no
19 benefit or value to the ward or his estate.
- 20 (5a) To renounce any interest in property as provided in Chapter 31B of the
21 General Statutes, or as otherwise allowed by law.
- 22 (6) To vote shares of stock or other securities in person or by general or
23 limited proxy, and to pay sums chargeable or accruing against or on
24 account of securities owned by the ward.
- 25 (7) To insure the ward's assets against damage or loss, at the expense of the
26 ward's estate.
- 27 (8) To pay the ward's debts and obligations that were incurred prior to the
28 date of adjudication of incompetence or appointment of a guardian
29 when the debt or obligation was incurred for necessary living expenses
30 or taxes; or when the debt or obligation involves a specific lien on real
31 or personal property, if the ward has an equity in the property on which
32 there is a specific lien; or when the guardian is convinced that payment
33 of the debt or obligation is in the best interest of the ward or his estate.
- 34 (9) To renew the ward's obligations for the payment of money. The
35 guardian's execution of any obligation for the payment of money
36 pursuant to this subsection shall not be held or construed to be binding
37 on the guardian personally.
- 38 (10) To pay taxes, assessments, and other expenses incident to the collection,
39 care, administration, and protection of the ward's estate.
- 40 (11) To sell or exercise stock subscription or conversion rights; consent,
41 directly or through a committee or other agent, to the reorganization,
42 consolidation, merger, dissolution, or liquidation of a corporation or
43 other business enterprise.

- 1 (12) To expend estate income on the ward's behalf and to petition the court
2 for prior approval of expenditures from estate principal.
- 3 (13) To pay from the ward's estate necessary expenses of administering the
4 ward's estate.
- 5 (14) To employ persons, including attorneys, auditors, investment advisors,
6 appraisers, or agents to advise or assist him in the performance of his
7 duties as guardian.
- 8 (15) To continue any business or venture or farming operation in which the
9 ward was engaged, where ~~such~~that continuation is reasonably necessary
10 or desirable to preserve the value, including goodwill, of the ward's
11 interest in ~~such~~the business.
- 12 (16) To acquire and retain every kind of property and every kind of
13 investment, including specifically, but without in any way limiting the
14 generality of the foregoing, bonds, debentures, and other corporate or
15 governmental obligations; stocks, preferred or common; real estate
16 mortgages; shares in building and loan associations or savings and loan
17 associations; annual premium or single premium life, endowment, or
18 annuity contracts; and securities of any management type investment
19 company or investment trust registered under the Federal Investment
20 Company Act of 1940, as from time to time amended.
- 21 (17) a. Without a court order to lease any of the ward's real estate for a term
22 of not more than three years, or to sell, lease or exchange any of the
23 ward's personal property including securities, provided that the
24 aggregate value of all items of the ward's tangible personal property
25 sold without court order over the duration of the estate shall not exceed
26 one thousand five hundred dollars (\$1,500). When any item of the
27 ward's tangible personal property has a value which when increased by
28 the value of all other tangible personal property previously sold in the
29 estate without a court order would exceed one thousand five hundred
30 dollars (\$1,500), a guardian may sell the item only as provided in
31 subdivision (17)b.
- 32 b. A guardian who is required by subdivision (17)a to do so shall,
33 and any other guardian who so desires may, by motion in the
34 cause, request the court to issue him an order to lease any of the
35 ward's real estate or to sell any item or items of the ward's
36 personal property. Notice of the motion and of the date, time and
37 place of a hearing thereon shall be served, as provided in G.S.
38 1A-1, Rule 5, Rules of Civil Procedure, upon all parties of record
39 and upon ~~such~~any other persons ~~as~~ the clerk may direct, and the
40 court may issue the order after conducting a hearing and upon
41 ~~such~~any conditions ~~as~~that the court may require; provided that:

- 1 1. A sale, lease, or exchange under this subdivision may not
- 2 be subject to Article 29A of Chapter 1 of the General
- 3 Statutes unless the order so requires; and
- 4 2. The power granted in this subdivision shall not affect the
- 5 power of the guardian to petition the court for prior
- 6 approval of expenditures from estate principal under
- 7 subdivision (12) of this section.
- 8 (18) To foreclose, as an incident to the collection of any bond, note or other
- 9 obligation, any mortgage, deed or trust, or other lien securing ~~such~~the
- 10 bond, note or other obligation, and to bid in the property at ~~such~~a
- 11 foreclosure sale, or to acquire the property deed from the mortgagor or
- 12 obligor without foreclosure; and to retain the property so bid in or taken
- 13 over without foreclosure.
- 14 (19) To borrow money for ~~such~~any periods of time and upon ~~such~~the terms
- 15 and conditions as to rates, maturities, renewals, and security as the
- 16 guardian shall deem advisable, including the power of a corporate
- 17 guardian to borrow from its own banking department, for the purpose of
- 18 paying debts, taxes, and other claims against the ward, and to mortgage,
- 19 pledge, or otherwise encumber ~~such~~that portion of the ward's estate as
- 20 may be required to secure ~~such~~the loan or loans; provided, in respect to
- 21 the borrowing of money on the security of the ward's real property,
- 22 Subchapter III of this Chapter is controlling.
- 23 (20) To execute and deliver all instruments that will accomplish or facilitate
- 24 the exercise of the powers vested in the guardian.
- 25 (21) To expend estate income for the support, maintenance, and education of
- 26 the ward's minor children, spouse, and dependents, and to petition the
- 27 court for prior approval of expenditures from estate principal for these
- 28 purposes; provided, the clerk, in the original order appointing the
- 29 guardian or a subsequent order, may require that the expenditures from
- 30 estate income also be approved in advance. In determining whether and
- 31 in what amount to make or approve these expenditures, the guardian or
- 32 clerk shall take into account the ward's legal obligations to his minor
- 33 children, spouse, and dependents; the sufficiency of the ward's estate to
- 34 meet the ward's needs; the needs and resources of the ward's minor
- 35 children, spouse, and dependents; and the ward's conduct or expressed
- 36 wishes, prior to becoming incompetent, in regard to the support of these
- 37 persons.
- 38 (22) To transfer to the spouse of the ward those amounts authorized for
- 39 transfer to the spouse pursuant to 42 United States Code § 1396r-5.
- 40 (23) To create a trust for the benefit of the ward pursuant to 42 United States
- 41 Code § 1396p(d)(4), provided that all amounts remaining in the trust
- 42 upon the death of the ward, other than those amounts which must be
- 43 paid to a state government, are to be paid to the estate of the ward.

1 (24) To petition the court for prior approval of transfers of assets of the ward
2 to a revocable trust executed by the ward prior to the ward being
3 declared incompetent, provided that the ward executed a paper-writing
4 with all the formalities required by the laws of North Carolina for the
5 execution of a valid will prior to the ward being declared incompetent
6 and that will directs that the assets that are being transferred to the trust
7 are to be distributed to the trust at the ward's death or the revocable trust
8 has the same dispositive provisions as the ward's will or provides that
9 the assets in the trust are to be distributed to the ward's estate upon the
10 death of the ward. The guardian may at any time withdraw any assets
11 (or the proceeds of the sale of any assets) transferred by the guardian to
12 the trust upon 30 days' written notice to the trustee of the trust;
13 provided, however, no assets which have been distributed or otherwise
14 disposed of by the trustee (before the notice is received by the trustee) in
15 accordance with the terms of the trust can be so withdrawn."

16 Section 10. This act becomes effective October 1, 1999.