

SUMMARY STATEMENT

Houston v. Houston, Docket No. 49572

This appeal involved the interpretation of a trust. Robert Houston created a trust which, after amendments, created three separate subtrusts designed to become effective following Robert's death: a "Marital Trust," a "Grandchildren's Trust," and a "Residuary Trust." Within the Residuary Trust, Robert created two FBO trusts, one for each of Robert's children, Patricia and Richard. A clause in the FBO Richard Trust granted Richard a testamentary power of appointment to direct how Richard's share of the Residuary Trust would be distributed if Richard predeceased Robert's then-wife Lyn. The Marital Trust separately provided that if Richard was not alive when the Marital Trust assets were distributed, Richard's portion of the Marital Trust would be placed in the "Grandchildren's Trust" to benefit Richard's two children from his first marriage (Robert and Lyn's grandchildren) Ryan Houston and Crystal Siegler.

This matter was litigated in Richard's probate case after his death. Before the magistrate, Richard's second wife and the personal representative of his estate, Susan Marie Houston, claimed that Richard assigned his interest in Robert's trusts to her in Richard's will. Ryan and Crystal argued that because their father, Richard, had not yet inherited from their grandfather's trusts before he died, Richard could not assign those interests to Susan. The magistrate court agreed with Susan and held that Richard validly assigned his interests to her. Ryan and Crystal, as potential beneficiaries of the Grandchildren's Trust, appealed that decision to the district court, which reversed the magistrate's decision. Susan appeals, arguing that the district court erred by converting the intermediate appeal to a trial de novo and by concluding the magistrate court's interpretation of Robert's Trust was unreasonable. The Idaho Supreme Court first held that the district court did not hold a trial de novo and properly considered the case from the record before it. The Court further affirmed the district court's decision reversing the magistrate's finding that Robert's trust was ambiguous.

******This summary constitutes no part of the opinion of the Court, but has been prepared by court staff for the convenience of the public.******