STATE OF MINNESOTA
IN COURT OF APPEALS
A13-0162

In re the Estate of: Ottie J. Beito, Deceased

Filed September 16, 2013
Affirmed
Smith, Judge

St. Louis County District Court
File No. 69VI-PR-11-30

Kevin L. Holden, Holden Law Offices, St. Cloud, Minnesota (for appellant Alice M. Wirth)

Bryan M. Lindsay, Trenti Law Firm, Virginia, Minnesota (for respondent Adrienne L. Maki)

Considered and decided by Worke, Presiding Judge; Rodenberg, Judge; and Smith, Judge.

U N P U B L I S H E D O P I N I O N

SMITH, Judge

We affirm the district court's grant of summary judgment in favor of respondent that the funds held in decedent's joint account belonged to the surviving accountholder under the Minnesota Multiparty Accounts Act (MPAA) because no genuine issues of material fact exist regarding decedent's intent.

FACTS

Decedent Ottie Beito executed her last will and testament on October 20, 2006. The instrument indicated that (1) Beito had created a personal-property distribution list;

(2) any remaining personal property should be divided "in equal shares" among her surviving children; and (3) that the "remainder and residue" of her estate should be distributed "in equal shares to [her surviving] children." Prior to executing her will, Beito added respondent Adrienne Maki as a joint owner of her Wells Fargo checking accounts and as the primary beneficiary of her Thrivent Financial life insurance policy. The proper distribution of these assets forms the basis of this appeal.

On October 23, 2006, the attorney who drafted Beito's will created a "Memo to File" that purported to further delineate Beito's intentions regarding her assets. The memorandum related that "[w]ith regard to other assets, such as savings, checking accounts, etc., [Beito] has directed that after the payment of last bills, expenses of last illness, and/or funeral are paid, that each [of her children] get an equal share." Beito never signed or initialed the memorandum.

Beito died on September 3, 2010. Appellant Alice Wirth petitioned for formal probate, contending that "the proceeds of a life insurance policy held by the Decedent naming [Maki] as sole beneficiary and the sums from a bank account that Decedent held as a joint owner with [Maki]" should be equally divided among Beito's surviving children. Maki moved for summary judgment. The district court granted Maki's motion. Regarding the "Memo to File," the district court determined that "[t]he mere existence of this file memorandum . . . is refuted by the Decedent's actions of specific designation with regard to her bank account and life insurance policy." The district court noted that "[t]he memorandum simply is counsel's understanding of intent at that time and was never formalized." The district court concluded that Maki was entitled to summary

judgment because no clear and convincing evidence existed that referred specifically to the challenged assets, demonstrated that Beito desired a distribution other than those outlined on the assets themselves.

D E C I S I O N

On appeal from summary judgment, this court reviews the district court's order de novo to determine whether "the district court properly applied the law and whether there are genuine issues of material fact that preclude summary judgment." *Riverview Muir Doran, LLC v. JADT Dev. Grp.*, 790 N.W.2d 167, 170 (Minn. 2010). No genuine issue for trial exists "[w]here the record taken as a whole could not lead a rational trier of fact to find for the nonmoving party." *DLH, Inc. v. Russ*, 566 N.W.2d 60, 69 (Minn. 1997) (quotation omitted). Where the nonmoving party bears the burden of proof on an essential element of their claim, the nonmoving party must make a showing sufficient to establish that essential element. *Id.* at 71. On appeal, this court must view the evidence in the light most favorable to the party against whom judgment was granted. *Fabio v. Bellomo*, 504 N.W.2d 758, 761 (Minn. 1993).

The parties do not dispute the law that governs this case. The MPAA provides, in relevant part:

> Sums remaining on deposit at the death of a party to a joint account belong to the surviving party or parties as against the estate of the decedent unless there is clear and convincing evidence of a different intention, or there is a different disposition made by a valid will as herein provided, specifically referring to such account.

Minn. Stat. § 524.6-204(a) (2012).[1] The Minnesota Supreme Court, specifically interpreting this language, explained that the statute "establishes a statutory presumption that 'sums remaining on deposit' at the time of death of a joint owner 'belong to the surviving party or parties as against the estate of the decedent.'" *In re Estate of Butler*, 803 N.W.2d 393, 397 (Minn. 2011). This presumption is overcome only when clear and convincing evidence demonstrates that the decedent had a different intention or made a different distribution by will. *Id.* Clear and convincing evidence is "unequivocal, intrinsically probable and credible, and free from frailties." *Gassler v. State*, 787 N.W.2d 575, 583 (Minn. 2010). Clear and convincing evidence exists when the evidence "specifically refer[s] to the joint account." *Butler*, 803 N.W.2d at 398.

Although not addressed by either party, nor by the district court, Beito's life insurance proceeds are not subject to the MPAA. The statute is unambiguous that "sums remaining on deposit" belong to the joint account holder unless clear and convincing evidence establishes a different intent. Minn. Stat. § 524.6-204(a) (2012). Life insurance is not a sums-on-deposit account; rather, it is governed by beneficiary designations. *See* Minn. Stat. § 61A.12, subd. 1 (2012) (outlining who is entitled to proceeds of a life insurance policy or annuity). Although the district court's rationale for granting Maki's summary-judgment motion was in error as it pertained to the life-insurance proceeds, the result is correct and consistent with Beito's beneficiary designation. *See Schweich v. Ziegler, Inc.*, 463 N.W.2d 722, 728 (Minn. 1990) (stating that an appellate court will not

[1] During the 2013 legislative session, the legislature amended this section of the MPAA. *See* 2013 Minn. Laws ch. 36, § 5. However, we apply the section of the MPAA that was in effect at the time of this dispute and render no opinion on the effect of the amended legislation.

reverse a district court's decision when the result, though based on incorrect reasons, was correct).

Only the Wells Fargo checking accounts remain. Wirth maintains that the district court erred because she presented clear and convincing evidence that specifically referred to the challenged checking account. Wirth relies on the "Memo to File" purportedly expressing Beito's intent, statements that Beito allegedly made to Wirth, and Maki's statement that "[the surviving children] could expect $5,000.00 to $10,000.00 each after payment of last expenses." Specific to Maki's statement, Wirth argues that such a sum would not have been possible "without inclusion of the bank account" as part of the estate.

Wirth's evidence fails to overcome the MPAA presumption that the sums left on deposit in the challenged Wells Fargo accounts belong to Maki as the account's joint owner. First, the "Memo to File" was authored by Beito's drafting attorney, was not formalized by Beito, and has not been corroborated. *See Butler*, 803 N.W.2d at 399 (explaining that evidence of another's characterization of a decedent's intention does not consist of evidence of the decedent's actual intention). From the time Beito drafted her will to the time of her death, she had ample opportunity to change the joint-ownership status of the Wells Fargo account. Second, Beito's alleged statements to Wirth are vague and uncorroborated beyond Wirth, who is an interested party. Finally, Maki's statements reveal nothing of Beito's intent regarding her assets, but only highlight Maki's estimation of the remaining assets for distribution.

Even if we accepted Wirth's evidence as clear and convincing, nothing in the record specifically refers to Beito's Wells Fargo assets. *Butler* aids our analysis because it supports that Beito's references to other assets, or catch-all provisions to the residuary estate in general, do not constitute a reference to a specific asset. 803 N.W.2d at 399. Wirth's assertion that "[Beito] also talked about her life insurance (Thrivent) and bank account (Wells Fargo) and stated that it was to be used for her funeral and last expenses and that any funds left over would be divided equally between all of the siblings" causes more uncertainty about Beito's intentions. This is because life insurance is not subject to the MPAA and because there was more than one Wells Fargo bank account. Wirth's revelation, for the first time on appeal, that Maki may have deliberately omitted a Wells Fargo bank account in her submission to the district court is troubling. The revelation, however, does not benefit Wirth's argument because it emphasizes the vague nature of the references to Beito's assets. That a second Wells Fargo account existed, without a specific reference to it, supports Maki's argument that under Minnesota law there is not sufficient evidence to create a material issue of fact that can overcome the statutory presumption. There is no reference that differentiates between the two Wells Fargo accounts, thereby bolstering the argument that no specific reference occurred. As a result, the accounts belong to Maki as joint owner.

The district court did not err by determining that Maki was entitled to summary judgment.

Affirmed.