

CASE STUDY MATERIALS

June 2021
Level 6
PROBATE PRACTICE
Subject Code L6-21



THE CHARTERED INSTITUTE OF LEGAL EXECUTIVES

UNIT 21 – PROBATE PRACTICE*

CASE STUDY MATERIALS

Information for Candidates on Using the Case Study Materials

- This document contains the case study materials for your examination.
- In the examination, you will be presented with a set of questions which will relate to these case study materials. You will be required to answer **all** the questions on the examination paper.
- You should familiarise yourself with these case study materials prior to the examination, taking time to consider the themes raised in the materials.
- You should take the opportunity to discuss these materials with your tutor/s either face-to-face or electronically.
- It is recommended that you consider the way in which your knowledge and understanding relate to these case study materials.

Instructions to Candidates Before the Examination

- A clean/unannotated copy of the case study materials is attached to this examination.
- You are permitted to take your own clean/unannotated copy of the case study materials and a statute book, where permitted, into the examination. You are **NOT** permitted to take any other materials including notes or textbooks.
- In the examination, candidates must comply with the CILEx Examination Regulations – Online Examinations or with the CILEx Examination Regulations – Online Examinations with Remote Invigilation.

Turn over

* This unit is a component of the following CILEx qualifications: **LEVEL 6 CERTIFICATE IN LAW, LEVEL 6 PROFESSIONAL HIGHER DIPLOMA IN LAW AND PRACTICE and the LEVEL 6 DIPLOMA IN LEGAL PRACTICE**

CASE STUDY MATERIALS

ADVANCE INSTRUCTIONS TO CANDIDATES

You are a trainee lawyer, and you work in the Private Client Department of Kempstons, The Manor House, Bedford, MK42 7AB (DX: BD345987).

Your supervising Chartered Legal Executive and head of department is Marcus Wu.

You arrive at work to find the following awaiting your attention:

- DOCUMENT 1** Email from Marcus Wu dated 2 June 2021 re: Olga King
- DOCUMENT 2** List of Assets of Olga King
- DOCUMENT 3** Email from Marcus Wu dated 3 June 2021 re: Bill Grey deceased
- DOCUMENT 4** Will of Bill Grey dated 1 May 2020
- DOCUMENT 5** Email from Marcus Wu dated 28 May 2021 re: Sam Wilkes deceased
- DOCUMENT 6** Will of Sam Wilkes dated 10 September 2017
- DOCUMENT 7** Email from Marcus Wu dated 3 June 2021 re: Fatima Jet and Henry Jet deceased

DOCUMENT 1

Email

From: Marcus Wu (marcus.wu@kempstons.co.uk)
To: Trainee lawyer
Date: 2 June 2021
Subject: Olga King

I have been consulted by Olga King, a long-standing client of the firm.

Olga is 68 years old and is starting to worry that she has not thought about any inheritance tax planning. When her brother Ben died, his estate paid a very large amount of inheritance tax and she is keen to reduce her own potential inheritance tax bill. She is considering the use of a trust, but is worried about all the tax implications.

Olga has never married or had children. She is very close to Ben's only child, Jessica, and Jessica's son, Luke (aged 9). Jessica is a recovering gambling addict. She has not gambled for six months, but Olga would not want to make large outright gifts to her now, because she thinks it is too soon to say that she has overcome her addiction. Luke is extremely intelligent and wants to be a vet.

Olga provided a list of her assets (**Document 2**). She told me that in relation to the holiday home, she stopped using it six months ago after breaking her hip, as she finds it impossible to use the stairs. Her physiotherapy is going well but she thinks that, in the future, she will only use it for one week every year, if at all. She does not want to sell it, as Jessica and Luke love it and spend most school holidays at the property. Olga has started to think about renting it out.

Ben needed long-term care, so Olga is nervous about giving too much money away too soon. She has never made any gifts.

The only people she wants to give money to (both in her Will and during her lifetime) are Jessica and Luke.

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DOCUMENT 2

List of Assets of Olga King

Holiday Home in Brighton	£290,000–£340,000 (this is a rough estimate, as she does not know the exact value)
Savings	£100,000
Home	£840,000 (inherited 12 years ago, when her mother died)
Whole of Life insurance policy (payable to estate)	£50,000 (premiums of £3,000 per annum)

In addition to her assets, Olga has a total income of £33,000 per annum. Her outgoings are approximately £25,000 per annum.

DOCUMENT 3

Email

From: Marcus Wu (marcus.wu@kempstons.co.uk)
To: Trainee lawyer
Date: 3 June 2021
Subject: Bill Grey deceased

I have been consulted by Karl Zhang in relation to the estate of his friend, Bill Grey, who died three weeks ago. Bill left a valid Will appointing Karl as his executor (**Document 4**).

Karl knows that all of the beneficiaries survived Bill. Karl has spent the last three weeks gathering details of the estate and is satisfied that the estate can pay its liabilities and expenses. Bill's house, 'Whiteacre', has been valued at £435,000 and is subject to a mortgage of £280,000. The holiday home has been valued at £180,000.

The residuary real estate includes a separate plot of land in Kent. This is the subject of a mortgage of £160,000, which is also secured against the holiday home.

Karl knows that Bill had £28,000 in his savings account with Diamond Bank, and other personal and cash assets valued at approximately £1,000.

Karl states that there is no mention in Bill's Will of the funeral and administration expenses. Karl has paid the funeral account from the savings account that Bill had with Diamond Bank.

Bill had credit card liabilities of around £4,500 and a number of other unsecured debts amounting to about £8,000. Karl is not yet clear whether there are any further debts, but he is satisfied that the estate can pay them if there are.

Turn over

DOCUMENT 4

Will of Bill Grey

This is the last Will and testament of me Bill Grey of Whiteacre, London Road, Bedford. I revoke all my previous Wills.

1. I appoint Karl Zhang of 57 London Road, Bedford as the executor of my estate
2. I give my house 'Whiteacre', London Road, Bedford to my cousin George
3. I give my holiday home 3 Tulip Lane, Margate, Kent to my cousin Robert
4. I give legacies of £12,000 to my friend Helen Cooper and £5,000 to my friend Adrian Yell
5. I give the monies in my savings account with Diamond Bank to my friend Clara Brown subject to payment therefrom of any credit card and store card liabilities
6. I give my residuary personal estate to my friend Tess Ute
7. I give my residuary real estate to my friend Donna Fox

Signed this 1st day of May 2020)
By the testator in our joint presence)
and then by us in his

Bill Grey

Carolyn Davies
6 Castle Road Cardiff

Paul Davies
6 Castle Road Cardiff

DOCUMENT 5

Email

From: Marcus Wu (marcus.wu@kempstons.co.uk)
To: Trainee lawyer
Date: 28 May 2021
Subject: Sam Wilkes deceased

I met with Patricia Smith last week. She is the sole executrix of the estate of her friend Sam Wilkes. Sam was a widower.

Patricia arranged the meeting because she has several queries in relation to the Will, which Sam signed in 2017.

There are various amendments to the Will and she is not sure how they affect the gifts that have been amended. Sam made these amendments in 2019.

Patricia does not know who XB is, but Xavier Mills has told her that XB is Donald Hoffman and that Donald and Sam always referred to each other in code because they both loved puzzles.

Sam had a beautiful antique red vase that was his pride and joy. Last year, he dropped it and Patricia bought him a similar vase as a replacement.

All but two of the beneficiaries are alive. Patricia's only child, Rachel, died last year and Quinn died 18 months ago. Quinn's widow, Elizabeth, is still alive. So too are his two adult children, Greta and Ian, and Greta's child, Hannah (aged five).

The estate is not subject to inheritance tax and is an excepted estate for probate purposes.

Turn over

DOCUMENT 6

Will of Sam Wilkes

This is the last Will and testament of me Sam Wilkes of 3 Wood Lane, Bedford.
I revoke all my previous Wills.

10th September 2016

1. I appoint my friend Patricia Smith of 8 Acacia Avenue Manchester as the executrix of my estate
2. I give inheritance tax free the following gifts:
 - a. my red vase to my daughter Yvonne Copper
 - b. to the said Patricia Smith ~~£15000~~ £50,000
 - c. to my neighbour Xavier Mills of 5 Wood Lane, Bedford [REDACTED] £200
 - d. to my friend XB £9,000
 - e. £50,000 to the children of the said Patricia Smith
3. I give everything else upon trust for such of them my daughter Yvonne and my sons Zak and Quinn as shall survive me and if more than one in equal shares absolutely

Signed this 10th day of September 2017) *Sam Wilkes*

By the testator in our joint presence and then by us in his)

Eric Lea

55 York Avenue
Bedford

Norman Torr

55 York Avenue
Bedford

DOCUMENT 7

Email

From: Marcus Wu (marcus.wu@kempstons.co.uk)
To: Trainee lawyer
Date: 3 June 2021
Subject: Fatima and Henry Jet deceased

I met with Amy Poole last week. She is the sister of Fatima Jet and sister-in-law of Henry Jet.

In 2013, Fatima married David Smith and there were two children of the marriage, Sarah Smith and Craig Smith (born in 2016 and 2017 respectively). In 2018, David and Fatima were divorced.

Later in the same year, Fatima met Henry Jet, who was six years senior to her and was also recently divorced. Henry had previously been married to Zoe, but there were no children of that marriage.

Fatima and Henry lived together and in 2019 had a daughter, Emily, and the couple subsequently married two months ago. When returning from their two-week honeymoon, Fatima and Henry were killed in an air crash. The order of deaths could not be established. Both Fatima and Henry made new Wills prior to their divorces, disinheriting David and Zoe respectively. Fatima left her estate to Sarah and Craig; and Henry left his estate to charity.

I shall require your assistance to administer the two estates.

End of Case Study Materials