

By Herbert E. Nass

Oh Leona!

Could it be that the final wishes of legendary misanthrope Leona Helmsley will be humanized by her executors?

It could've gotten ugly. There certainly were enough high-powered lawyers on the case and enough money at stake. But apparently, everybody involved decided that Trouble wasn't worth it. Trouble the dog, that is.

Soon after the last will and testament of the multibillion heiress Leona Helmsley was filed in New York County Surrogate's Court on Aug. 27, 2007, the two grandchildren she'd disinherited had experienced and respected estate litigator Peter C. Valente, of Blank Rome LLP, appear on their behalf. Their claim: that Leona had lacked testamentary capacity to execute this will. Leona died on Aug. 20, 2007, at the age of 87, and her will had been signed two years earlier.

As much of a legal heavyweight as Valente is, so too are the lawyers who faced him in the matter: Gerald A. Rosenberg—former head of the charities bureau of the New York Attorney General's office who's now with Patterson Belknap Webb & Tyler LLP—appeared as special counsel on behalf of the trustees of The Leona M. and Harry B. Helmsley Charitable Trust. Appearing as co-counsel on behalf of Sandor Frankel as a preliminary executor, there was Ralph E. Lerner, of Withers Bergman LLP. And let's not forget Jonathan L. Koslow, of Skadden, Arps, Meagher, Slate & Flom LLP, appearing on behalf of preliminary executor John Cody.

As all lawyers involved in estate litigation know too well, lawsuits in surrogate's court, particularly when a decedent is claimed to have lacked testamentary capacity, are often time-consuming and generally result in assets being drained from the estate and distributions to beneficiaries being greatly reduced.

But who was really on the other side of this contest with Leona's two unhappy grandchildren? A dog. And not even a big dog at that. A Maltese.

With the assistance of Manhattan Surrogate Renee R. Roth, Valente was able to negotiate a settlement with the attorneys for the preliminary executors before Surrogate Court Procedure Act Section 1404 depositions even got started. And it's quite a deal Valente cut:

The grandchildren, Craig Panziner and Meegan Panziner Wesolko, had been expressly left out of Leona's will under Paragraph G of Article First for, the will stated, "reasons which are known to them." Now, they're going to get a total of \$6 million, under the settlement dated March 21, 2008.

It seems Trouble is the big loser. The dog got a \$10 million haircut in the deal. Leona had left the pooch \$12 million in her will. Now Trouble will have to survive on a \$2 million trust for the rest of her life. Trouble is eight years old. The life expectancy of a Maltese is about 15 years. Sometimes they live to 18. That leaves her a mere \$200,000 a year. Already, her lifestyle may have been crimped: Trouble recently relo-



PUPPY LOVE: Leona Helmsley and her dog, Trouble, photographed Jan. 31, 2003, during happier times in Helmsley's apartment at the Park Lane Hotel in New York.

Photograph: AP Photos/Jennifer Graylock



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cated to Florida, perhaps to avoid the high cost of living in Manhattan. In other words, while Trouble is still in paradise, she is no longer in Hudson River City.

Joking aside, most people would agree that a \$2 million trust for a pet is generous, and that the settlement was prudent, considering the potential for bitter, time-consuming litigation.

The decedent's will was admitted to probate by a decree of the New York County Surrogate's Court dated April 3, 2008, and entered on April 8, 2008. Letters testamentary were issued at that time to the named executors of the decedent's will. The executors, on behalf of the estate, quickly filed a petition under New York's Estates, Powers & Trusts Laws Section 7.8-1(d) to reduce, from \$12 million to \$2 million, the amount to be transferred to the trustees of the trust for the benefit of Trouble. This petition was made pursuant to Section 2101 of the Surrogate's Court Procedure Act. A decree was signed by Surrogate Roth, granting the reduction requested on April 30, 2008.

But lest you think that Leona, the woman dubbed

"Queen of Mean" by the New York press, might now be turning over in her grave, thwarted at the very last—think again. Twelve million dollars is a pittance in the estate of the infamous widow of New York real estate mogul Harry B. Helmsley. As for the rest of her wealth—*The International Herald Tribune* reported on July 2, 2008, that virtually all of her estate, valued somewhere between \$5 billion and \$8 billion, still could go to the dogs. Apparently, in 2003 Leona signed a two-page mission statement documenting her intentions for the trust that holds the assets. The statement reportedly says that the whole of this trust is to be used for the care and welfare of dogs.

Of course, we'll have to see if that's what actually happens in the long run. Howard Rubenstein, a spokesman for the executors of Helmsley's estate, said the executors don't want to comment on the mission statement—because they're still working to determine the trust's direction. **TE**

—Edward J. Romanello, an associate in Herbert E. Nass & Associates, assisted in the preparation of this article.

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