

National
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National Conference
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Conference Presentation Paper

October 22-25,
2008
Denver,
Colorado

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Court Enforcement of Restricted Gifts

October 24, 2008

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Court Enforcement of Charitable Gift Restrictions

by

Winton C. Smith, Jr.

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Introduction

This paper reviews the history of donor restricted gifts and the issue of judicial enforcement of these gift restrictions. This paper also provides a review of current cases in this area.

The Importance of Charitable Intent

Charitable Gift Planning provides enormous satisfaction to donors who wish to help their charitable interests and benefit the people they serve. This area also provides enormous satisfaction to professional advisors who help clients obtain the joy of making the maximum gift for the minimum cost. The task is complicated. It frequently involves the intersection of federal and, in some cases, state income, gift, estate and generation skipping tax laws as well as other areas of the law. Professional advisors who wish to avoid countless problems remind their clients that charitable intent is important in all charitable gifts. If charitable intent is absent, the gift plan is a bad idea. The best gift plans result from the work of a team of estate planning advisors. These same advisors may become a target if the gift plan does not accomplish the donor's objectives or provide the appropriate tax benefits.

The General Rule

The general rule in most US jurisdictions is that the donor does not have standing to sue the charitable organization. Courts often hold that the State Attorney General is the only one who has authority to bring suit on behalf of the public to protect the charitable interests of the state.¹

The Leading Case

In *Hertzog v. University of Bridgeport*, the donor made a gift to the University of Bridgeport to participate in a matching gift program for medical related education. The gift initially was used by the University to provide scholarships to students in the nursing program. The donor was informed after the fact that the University had closed its nursing school. The donor alleged injury in that the funds were no longer used for the specific purpose of the gift. The complaint sought a temporary injunction, an accounting, a reestablishment of the fund in accordance with the gift agreement, or, alternatively, a gift over to the Bridgeport Area Foundation.

The Sole Issue

The sole issue in the appeal was whether or not the Connecticut Uniform Management of Institutional Funds Act established standing for a donor to bring suit to enforce a gift restriction. The trial court held that the Act did not provide standing to a donor to enforce a gift restriction. The Appellate Court reversed. The Appellate Court concluded that the statute implicitly conferred standing to a donor to enforce a gift restriction. The Connecticut Supreme Court disagreed. The Supreme Court found that the statute did not provide standing to a donor to enforce a gift restriction.²

The Common Law

The Court concluded that the general rule at common law was that a donor had no standing to enforce the terms of a completed charitable gift unless the donor had reserved a property interest in the gift. The Court observed, however, that a donor who reserves a property interest such as a right of reverter may bring himself and his heirs within the “special interest” exception to this rule.³

The Role of the Attorney General

The Court also recognized the rationale that the Attorney General is the public official who has standing to protect the public in the case of restricted charitable gifts. The Attorney General is the official who is responsible for protecting the interests of the public and thus he or she is charged with enforcing charitable gift restrictions designed to benefit the public. This approach has the benefit of not subjecting charitable organizations to suits by members of the general public or others with a tenuous relationship to the gift.

¹ *Hertzog Foundation v. University of Bridgeport*, 243 Conn. 1, 699 A. 2d 995 (S. Ct. Conn. 1997).

² See *Hertzog* 243 Conn at 15, 669 A. 2d at 1002.

³ See *Hertzog* 243 Conn at 7, 669 A. 2d at 999.

The Emerging Trend

The Court observed that a donor does not have standing unless the donor has reserved a property interest in the gift such as a reverter or a gift over to another charitable organization. The Court also expressed the view that permitting a donor to bring suit to enforce a gift restriction might violate the partial interest rule in the federal tax law and result in the loss of tax benefits. However, the Court seems to acknowledge the validity of the current trend of permitting donors to bring suit to enforce gift restrictions where they have a special relationship to the gift.⁴

The Trend Setting Case

Smithers v. St. Luke's-Roosevelt Hospital Center is the leading case establishing the trend that a donor may bring suit to enforce a gift restriction if she can demonstrate a special relationship to the gift.⁵ *Smithers* held that a donor's widow had standing to challenge an alleged misuse of funds donated during her husband's life to establish an alcoholism treatment program. On the facts, the Court concluded that the donor (or his family) was often in a better position than the Attorney General to enforce the donor's intent. The Court held that the donor's widow and the Attorney General should have "co-existent standing" to bring suit.⁶

In 1971, Mr. Smithers made a ten million dollar gift commitment to St. Luke's - Roosevelt Hospital Center in New York City. The gift was a restricted gift for the establishment of an alcoholism treatment center. The gift was to be made in installments over a number of years. The Hospital agreed to expand its alcohol treatment program to include five days of detoxification in the hospital and then to provide rehabilitation in a free standing facility separate from the hospital. The separate facility was for the purpose of providing a controlled, up lifting atmosphere in a non-hospital environment.

Mr. Smithers made an initial gift of one million dollars. This gift was the first installment of his ten million dollar commitment. The Hospital used the funds to purchase a building at 56 East 93rd Street in New York City. The Smithers Alcohol Treatment Center was opened at this location.

Mr. Smithers was not happy with the Hospital's performance in the initial years but he completed his gift in 1983 after receiving assurances that the Hospital would strictly adhere to the terms of the gift. He restated his intentions regarding the gift in a letter prior to making the final contribution. The Hospital gratefully accepted the final contribution subject to the restrictions set forth in the letter.

In the early 1990's, the Hospital decided that they needed to raise additional funds to refurbish the Smithers Alcohol Treatment Center. They proposed the idea of a Silver Anniversary Gala to Mr. and Mrs. Smithers. They emphasized that the Gala would assist in raising the needed funds. The donors responded positively to the Hospital's suggestion regarding the Gala and the need for additional dollars to refurbish the mansion. They raised several million additional dollars for the refurbishment of the building.

The Gala was scheduled to occur in April 1995. In January 1995, Mr. Smithers died. In March 1995, the Hospital informed Mrs. Smithers - approximately one month before the Gala was scheduled to take place - that there would be no Gala in April 1995 because the Hospital intended to sell building. Mrs. Smithers was suspicious. She asked to

⁴ See *Hertzog* 243 Conn at 7, 669 A. 2d at 999.

⁵ *Smithers v. St. Luke's-Roosevelt Hospital Center*, 281 A.D. 2d 127, 723 NYS 2d 426, 2001 N.Y. Split Op. 02953 (App. Div. 1st Dept. 2001)

⁶ See *Smithers* 281 A.D. at 140.

review the Hospital's financial records for the treatment center. The Hospital initially refused but they later relented. She found that the Hospital had misappropriated approximately five million dollars from the restricted endowment for the Smithers Treatment Center and used these funds for the Hospital's general purposes.

Mrs. Smithers sued the Hospital and the Attorney General to enforce the gift restrictions. The Court concluded that she had standing to enforce the gift restrictions. The Court noted that the donor or his family was often in a better position than the Attorney General to enforce the donor's intent.⁷ Accordingly, the Court held that both Mrs. Smithers and the Attorney General should have "co-existent standing" to bring suit to enforce the gift restrictions.⁸

The Trend Continues

Other Courts have recognized a donor's standing to bring an action to enforce gift restrictions. Recently, the Tennessee Court of Appeals enforced a gift restriction to name a building. The Court observed that an agreement to name a building continues for the lifetime of the building in the absence of evidence to the contrary. The Court concluded that the University had breached the gift restriction. The Court also concluded that if the University insisted on renaming the building then they would be required to return the present value of the gift to the donor organization. Since the original gift was made over seventy years ago, the present value of the original gift in today's dollars would be substantial. The University did not appeal the Court of Appeals decision.⁹

The Tennessee Division of the United Daughters of the Confederacy entered into a contract in 1913 to raise \$50,000 for the construction of a dormitory on the campus of George Peabody College for Teachers ("Peabody College") in Nashville, Tennessee. Peabody College apparently believed in gift agreements. There were three separate gift agreements. The gift agreements establish that the gift was for the purpose of funding part of the cost of the dormitory. The College agreed to name the building Confederate Memorial Hall. The College merged with Vanderbilt University on April 28, 1979. Under the terms of the merger agreement, Vanderbilt succeeded to all of Peabody College's legal obligations.

In July 2002, E. Gordon Gee became the new Chancellor of Vanderbilt University. The Chancellor and others decided that a dormitory named Confederate Memorial Hall created a marketing problem for the University. In June 2002, the Executive Committee of the Vanderbilt Board of Trustees decided that Chancellor Gee should handle the issue as an administrative matter. The Chancellor then decided to change the name of the building without notifying the donor organization.

The Chancellor's decision was made public in the fall of 2002. On October 17, 2002, the donor organization filed suit in Chancery Court. They sought an injunction to prevent Vanderbilt from removing the inscription on the front of the building, a declaratory judgment specifying Vanderbilt's rights and obligations to the donor organization, and

⁷ The Attorney General entered into an Assurance of Discontinuance with the Hospital in which the Hospital agreed to discontinue their practice of ignoring the gift agreement. The Attorney General later acknowledged that his office was not aware that the Hospital had closed its in-house detox unit shortly before they signed the Agreement of Discontinuance. The Attorney General's office approved the idea that the Hospital should return the donor's initial one million dollar gift installment if the Hospital sold the building many years later. The building was worth approximately fifteen million four hundred thousand dollars (\$15,400,000) by that time.

⁸ See *Smithers* 281 A.D. at 140.

⁹ *Tennessee Division of the United Daughters of the Confederacy v. Vanderbilt University* 174 S. W. 3d 98, 203 Ed. Law Rep. 396 Ct.App., 2005.

compensatory damages in an amount to be shown at trial. Vanderbilt answered on August 1, 2003 and filed a motion for summary judgment.

Vanderbilt's primary argument in the trial court was that the name of the building evokes racial animosity from an unfortunate period of American History. The University also argued that the three gift contracts did not specify how the name was to be placed on the building and therefore the University suggested that a plaque inside the building describing the building's history should be sufficient. The University also argued that the donor organization had received full value for their gift in that the name had remained on the building for over seventy years. The University further argued that the name might violate Federal and state anti-discrimination laws and interfere with academic freedom.

The donor organization argued that a plaque would not constitute substantial compliance with Vanderbilt's contractual naming obligation and that full compliance would require Vanderbilt honoring its contractual obligations for the life of the building.

The trial court granted Vanderbilt's motion for summary judgment and denied the donor organization's motion for partial summary judgment. The donor organization appealed.

The Tennessee Court of Appeals found Vanderbilt's argument that a plaque should constitute substantial compliance with the University's agreement to name the building could not be taken seriously. The Court observed, "no reasonable fact-finder could conclude that replacing a name written in stone in large letters on the pediment of a building with a plaque by the entrance constitutes substantial performance of an agreement to do the former."¹⁰

The Court concludes its opinion with an excellent explanation of the case:

"In summary, we have determined that the undisputed facts establish that the Tennessee U.D.C. gave a monetary gift to Vanderbilt's predecessor-in-interest subject to conditions and that Vanderbilt's predecessor-in-interest accepted the gift as well as the conditions that accompanied it. It is further undisputed that Vanderbilt now declines to abide by the conditions attached to the gift. Thus, because Vanderbilt has presented no legal basis for permitting it to keep the gift while refusing to honor the conditions attached to it, Vanderbilt must now either return the present value of the gift to the Tennessee U.D.C. or reverse its present course and agree to abide by the conditions originally placed on the gift. Accordingly, we reverse the summary judgment in favor of Vanderbilt not because the record reveals disputed issues of material fact but rather because Vanderbilt failed to demonstrate that it is entitled to judgment as a matter of law. We have also determined that, if Vanderbilt insists on changing the name of Confederate Memorial Hall, the Tennessee U.D.C. has demonstrated that it is entitled to judgment as a matter of law on its motion for partial summary judgment. We remand the case with directions to calculate the present value of the Tennessee U.D.C.'s gift to Peabody College, to enter a judgment in favor of the Tennessee U.D.C. in that amount, and to make whatever further orders may be required."¹¹

Vanderbilt elected not to appeal the decision. This case illustrates the importance of gift agreements. The attorneys for the Tennessee Chapter of the United Daughters of the Confederacy argued this case as a matter of contract law.

¹⁰ See U.D.C. 174 S.W. 3d at 118.

¹¹ See U.D.C. 174 S.W. 3d at 120.

Their client entered into a contract. The University failed to honor the terms of the agreement. The Court enforced the gift agreement.¹²

Another recent case recognizing a donor's standing to enforce a gift restriction is *L. B. Research and Education Foundation v. The UCLA Foundation, et.al.*¹³

The Role of a Gift Over to an Alternative Charitable Beneficiary

L. B. Research and Education Foundation gave one million dollars to endow the Julien I. E. Hoffman, M. D. Chair in Cardiothoracic Surgery at the UCLA School of Medicine. The gift agreement specifically provides a gift over to alternative charitable beneficiaries if the original recipient of the gift fails to comply with the gift restrictions.

The gift agreement specifically provides:

“It is (L.B. Research’s wish) that the Hoffman Chair exist in perpetuity. (L. B. Research) understands, however, that unforeseen circumstances may alter the academic plan of the University or remove the subject area from the campus academic plan. In such circumstances, if the Cardiothoracic Surgery program shall cease to exist at UCLA, or, in the event that UCLA does not meet the terms and conditions of this agreement, any and all funds shall be transferred to support an endowed chair in Cardiothoracic Surgery, on the same terms and conditions as herein set forth, in the Division of Cardiothoracic Surgery in the Department of Surgery at the University of California, San Francisco, School of Medicine. In the event that the Cardiothoracic Surgery program shall cease to exist in the Department of Surgery at the University of California, San Francisco, School of Medicine, any and all funds shall be transferred by the President of the University of California to another University within the University of California system to support an endowed chair in Cardiothoracic Surgery on the same terms and conditions as herein set forth. In the event that the Cardiothoracic Surgery program ceases to exist in the University of California system, the President of the University of California is authorized to redesignate the purpose of the Chair Fund taking into account (L. B. Research’s) expressed wishes regarding the designated purpose described in this document.”¹⁴

In October 2003, L. B. Research sued the UCLA Foundation and the Regents of the University of California for specific performance of the gift agreement, declaratory relief and breach of contract. The UCLA Foundation and the Regents answered alleging that the gift created a charitable trust which only the California Attorney General has standing to enforce. The defendant moved for judgment on the pleadings on the ground that the donor lacked standing to bring the action. Over L. B. Research’s objection, the motion was granted.

The Court of Appeals reversed. The Court concluded that the gift created a conditional contract and that L. B. Research had standing to bring the action against UCLA and the Board of Regents. The Court observed that it would have reached the same result if it had found that the gift agreement created a charitable trust.¹⁵

The Court of Appeal’s decision recognizes a donor’s right to bring a cause of action to enforce a gift restriction. It demonstrates the usefulness of the concept of a gift over to an alternative charitable organization.

¹² See U.D.C. 174 S.W. 3d at 120.

¹³ 130 Cal. App. 4th 171; 29 Cal. Rptr. 3d 710 Ct.App. 2005.

¹⁴ See L. B. Research 130 Cal. App. 4th at 171.

¹⁵ See L. B. Research 130 Cal. App. 4th 171, Footnotes 7 and 8 in the opinion.

The defendants asked the California Supreme Court to review the Court of Appeals decision. The California Supreme Court denied the petition for review.¹⁶

The Emerging Rule of Law

Smithers, *United Daughters of the Confederacy* and *L.B. Research* represent a basic shift in the law from the prevailing view that donors are powerless to challenge the charitable recipient's use of a restricted gift. In most states, the courts still recognize the general rule, but courts increasingly find the traditional rule inapplicable to bar a donor's suit where special considerations make it appropriate to allow a donor's case to be heard.

The Importance of Charitable Gift Agreements

These decisions illustrate the importance of charitable gift agreements. Gift Agreements are essential. They are necessary to clarify donor intent and to provide for its enforcement. Gift Agreements explicitly should state how the contributed funds are to be used if the donors intend to make a restricted gift. They should give the donors the right to judicial relief if the gift agreement is breached. They should also include the concept of a gift over to a competing qualified charitable organization if the agreement is breached. The fallback charitable organization or organizations can also be given the right to sue if the gift agreement is breached. Finally, the Gift Agreement should include standard contractual provisions.

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¹⁶ 205 Cal. LEXIS 9658 (Cal 2005).

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DONOR RESTRICTED GIFTS

THE GENERAL RULE

The Restricted Gift

- **Carl Herzog made a gift for medical related education to the University of Bridgeport.**
- **The gift was used to provide scholarships to students in the nursing program.**
- **The donor was informed later that the University had closed its nursing school.**

Donor Restricted Gifts

THE GENERAL RULE

- **Herzog Foundation v. University of Bridgeport, 243 Conn. 1, 699 A. 2d 995 (S. Ct. Conn. 1997)**
- **The Donor made a gift that was not subject to a right of reverter or a right to redirect the gift.**

Donor Restricted Gifts

THE GENERAL RULE

- **The Donor does not have standing to bring the suit.**
- **The State Attorney General has standing to protect the public.**

The HERZOG CASE 1997

The Trend Predicted

- In Footnote 4 of the majority opinion, the Court notes that a suit can be brought where the donor has a special interest in the enforcement of the charitable gift restriction.

THE SMITHERS CASE 2001

The TREND 2001

- **Smithers v. St. Luke's-Roosevelt Hospital Center, 281 AD2d, 723 NYS 2d 426 (1st Dept. 2001)**
- **Mr. and Mrs. Smithers made a 10M gift for an alcoholism treatment center.**

THE SMITHERS CASE 2001

The TREND 2001

- **The alcohol treatment center should be a free standing facility separate from the hospital.**
- **The free standing facility should be in a non hospital environment.**

THE SMITHERS CASE

2001

Smithers v St Luke's Roosevelt Hospital Center

- The Hospital in 1971 purchased a mansion at 56 E. 93rd Street in New York City for one million dollars.

THE SMITHERS CASE

2001

Smithers v St Luke's Roosevelt Hospital Center

- The Hospital told Mrs. Smithers in 1998 that they intended to sell the building.

The building's value at this point was approximately 15.4 million dollars.

THE SMITHERS CASE 2001

Smithers v St Luke's Roosevelt Hospital Center

- The New York Attorney General's performance throughout this case was erratic and ineffective.
- In 1998, the AG suggested a Settlement Agreement.

THE SMITHERS CASE

2001

Smithers v St Luke's Roosevelt Hospital Center

- The Agreement would return the 1971 one million purchase price of the building to the Smithers.
- The Building's value in 1998 was approximately 15.4 million.

THE SMITHERS CASE

2001

Smithers v. St Luke's-Roosevelt Hospital

- **The Court concluded that the donor or his family was in a better position than the AG to enforce the donor's intent.**
- **The Court held that the donor's widow and the AG should have “co-existent standing.”**

UDC v. VANDERBILT 2005

The Trend

- **Tennessee Division of the United Daughters of the Confederacy v. Vanderbilt University**

THE TENNESSEE DIVISION OF THE UDC V. VANDERBILT

Erode the General Rule

- The Donors challenged the University's decision to rename "Confederate Memorial Hall."
- The name was part of several gift agreements that were now 70 years old.

THE TENNESSEE DIVISION OF THE UDC V. VANDERBILT

Erode the General Rule

- The Court held that if Vanderbilt wished to rename “Confederate Memorial Hall.”
- The University would be required to return to the UDC the present value of the \$50,000 contributed in the 1930’s.

L.B. EDUCATION AND RESEARCH FOUNDATION V UCLA

The Trend

- L. B. Research and Education
Foundation v. The UCLA
Foundation et al

L.B. RESEARCH AND EDUCATION FOUNDATION V UCLA

2005 CASE

- The donor gave 1 million to endow Chair at UCLA Medical School.
- The Chair is in Cardiothoracic Surgery

L.B. RESEARCH AND EDUCATION FOUNDATION V UCLA

2005 CASE

- **The Gift Agreement provides a gift over to UC San Francisco.**
- **The gift agreement also provides for gifts over to any University in the University of California system.**

Town of New Canaan v Attorney General of Connecticut

2006 CASE

- **Township of New Canaan v.
Attorney General of State of
Connecticut**
- **Unreported Case**

The New Canaan Case

2006 CASE

- Mrs. Clark make a gift of land for a restricted environmental purpose.
- Developer wanted to remove the gift restriction for real estate development

The New Canaan Case

2006 CASE

- Superior Court held that the gift restriction could be moved to a parcel closer to town.
- Court's decision removed the gift restriction on the gifted real estate.

The New Canaan Case

2006 CASE

- **The Township Council voted to impose the gift restriction on another parcel of land closer to town.**
- **Mrs. Clark's descendants protested both the Court's and the Township's decision.**

The New Canaan Case

2006 CASE

- The Township rescinded its decision to relocate the gift restriction.
- The Court vacated its prior decision which had permitted the removal of the gift restriction on the original gift of land.

Robertson v Princeton University

2006 CASE

- Marie Robertson gave 35 million shares of A & P stock to Princeton.
- The gift was a restricted gift for the Woodrow Wilson School of Public Affairs.

Robertson v Princeton University

2006 CASE

- **Mrs. Robertson's children allege Princeton violated the gift restriction.**
- **The largest restricted gift lawsuit in U. S. History.**

Robertson v Princeton University

2006 CASE

- **The Trial Date is October 1,2008**
- **Stay Tuned**

Howard v Tulane University

2006 CASE

- **Josephine Louise Newcomb made a major gift to Tulane University to establish Newcomb College.**
- **Newcomb College was established to provide single sex education for women.**

Howard v Tulane University

2006 CASE

- **Tulane University dissolved Newcomb College as part of its post Katrina Recovery Plan.**
- **Newcomb College was established to provide single sex educational opportunity for women.**

Jena Dodge **v** **Trustees of Randolph- Macon**

2006 CASE

- **The Board of Trustees ended 115 years of single sex education.**
- **The plaintiffs challenge the Board's right to make this decision.**

Jena Dodge
v
Trustees of Randolph- Macon

2006 CASE

- The Plaintiffs include donors who made gifts over many years.
- The case goes to the Virginia Supreme Court this month.

Fisk University **v** **Georgia O'Keeffe Foundation**

2008 CASE

- Georgia O'Keeffe made a restricted gift of the Alfred Stieglitz Collection to Fisk University in 1949.
- 101 Paintings and Photographs.

Fisk University **v** **Georgia O'Keeffe Foundation**

2008 CASE

- Mrs. O'Keeffe's gift restriction was that the Collection was remain together.
- No sales.

Fisk University **v** **Georgia O'Keeffe Foundation**

2008 CASE

- The gift restriction was that the Collection was remain together.
- No sales.

Fisk University **v** **Georgia O'Keeffe Foundation**

2008 CASE

- **Fisk filed a cy pres suit seeking permission to sell two paintings.**
- **Radiator Building – Night New York and Marsden Hartley's Painting No. 3.**

Fisk University **v** **Georgia O'Keeffe Foundation**

2008 CASE

- **The Georgia O'Keeffe Museum intervened to prevent the sale.**
- **The Attorney General of Tennessee was involved to protect the public.**

Fisk University **v** **Georgia O'Keeffe Foundation**

2008 CASE

- **Fisk sought judicial approval of two settlement offers.**
- **Georgia O'Keeffe Museum and the Crystal Bridges American Art Museum**

Fisk University **v** **Georgia O’Keeffe Foundation**

2008 CASE

- **The Court’s March 6, 2008 Decision.**
- **Fisk violated the gift restriction.**

Fisk University

v

Georgia O'Keeffe Foundation

2008 CASE

- **The Court's remedy is not a reversion of the collection to the Georgia O'Keeffe Museum in Santa Fe.**
- **The Court remedy is an injunction on the University..**

Fisk University

v

Georgia O'Keeffe Foundation

2008 CASE

- **The Injunction requires that Fisk immediately display the collection.**
- **The Injunction requires Fisk to notify the Court if it is unable to display and protect the collection.**

Fisk University **v** **Georgia O'Keeffe Foundation**

2008 CASE

- **The Injunction provides the Georgia O'Keeffe Museum the possibility of a Contempt Hearing if a violation occurs .**
- **The Court notes that a Contempt Hearing is simpler than a Cy Pres case**

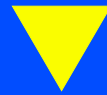
Fisk University **v** **Georgia O'Keeffe Foundation**

2008 CASE

- **The Court implies that the Collection is going to Santa Fe if the University violates the injunction.**
- **There was no explicit gift over in the gift correspondence.**

LINCOLN CENTER

Avery Fisher Hall



10.5 Million Gift in 1973
Permanent Gift Restriction
Name Concert Hall
The Family of Avery Fisher
Dispute

CHARITABLE GIFT AGREEMENTS

The Provisions

- **Restricted Gifts**
- **Name of the Fund**
- **The Charitable Gift**
- **The Charitable Organization**

CHARITABLE GIFT AGREEMENTS

The Provisions

- Gift Property
- Value of Gift Property
- Additional Gifts
- Future Needs

CHARITABLE GIFT AGREEMENTS

The Provisions

- **Donor's Intent**
- **Purpose of the Gift**
- **The Gift Restriction**
- **Endowment or Current Gift**

CHARITABLE GIFT AGREEMENTS

The Provisions

- **Endowment**
- **Income**
- **Growth**
- **Investment**

CHARITABLE GIFT AGREEMENTS

The Provisions

- **Investment Decision**
- **Invest in Charity's Endowment**
- **Charity's Investment Company**
- **Accounting and Reporting**

CHARITABLE GIFT AGREEMENTS

The Provisions

- Plan for Future
- Impossible or Impracticable
- Non Judicial Resolution

CHARITABLE GIFT AGREEMENTS

The Provisions

- Institutional Flexibility
- Advisory Committee
- Nearest Similar Purpose

CHARITABLE GIFT AGREEMENTS

The Provisions

- **Recognition**
- **Name of Endowed Fund**
- **Name on Building or Concert Hall**
- **Future Needs – Time Parameter**

CHARITABLE GIFT AGREEMENTS

The Provisions

- **Provide for Arbitration.**
- **Give the Donor the Right to Judicial Relief if the gift agreement is breached.**
- **Give the Donor's heirs or designated successors standing to enforce the gift agreement if the agreement is breached.**

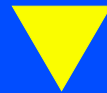
CHARITABLE GIFT AGREEMENTS

The Provisions

- Provide Gift Over to another charity.
- Give the alternate charity a right to judicial relief.
- Include standard contractual provisions.

MORE INFORMATION

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