

**QUESTION 2 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I
OR IN SOFTEST ANSWER SCREEN 2**

Dennis Delong had nieces who are identical twins - Lana and Millie. For reasons that no one understands, throughout the years Dennis had always adored Lana, but despised Millie. In June 2010, the twins graduated from college and celebrated the occasion with a large graduation party. At the party, in the presence of 200 or so attendees, Dennis took the microphone from the D.J., put his arm around his niece's shoulder, and made the following statement:

I have loved this girl since the day she was born, and I'm so proud of her many accomplishments. As of today, I'm placing \$50,000 in trust, with her mother as trustee, to do with as she sees fit. Her sister can fend for herself.

That same day, Dennis transferred \$50,000 to his sister Carolyn, the mother of the twins, with a directive to manage the funds wisely. What Dennis did not realize is that he had his arm around Millie, not Lana, at the time he made the announcement at the party. Two days later, before Carolyn had an opportunity to inform Dennis of his mistake, he died in an automobile accident.

In February 2015, Lana got engaged to be married, and immediately started making wedding plans with the trust funds in mind. Millie objected, correctly observing that Uncle Dennis had his arm around her. (rather than her sister Lana) at the time of the announcement.

Applying principles of Michigan law, discuss fully: (1) whether Dennis created a valid trust in June 2010, including the standard of proof needed to establish a valid trust under the facts presented; and (2) whether Lana or Millie is the beneficiary of the trust, assuming that a valid trust has been created, and the standard of proof needed to make that determination. For the purposes of your analysis, assume Dennis possessed sufficient capacity to create a trust.