

**QUESTION 8 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK
III OR IN EXAMPLIFY ANSWER SCREEN 8**

Millionaire Kia Knight, age 25, is a well-known and popular beauty influencer. Every year for the past five years, Kia and her two childhood best-friends, Jane Johnson and Sara Sampson, take a two-week spa trip in northern Michigan. The trip is spent relaxing, doing yoga, getting massages and facials, enjoying a special spa treatment called the "Magic Dragon," and drinking plenty of wine. Kia looks forward to the trip every year, but she realizes that the cost of the trip may be financially burdensome on her friends.

On March 18, 2018, while having breakfast at the spa resort, Kia stood up and made the following statement to all of the other patrons and employees at the restaurant:

"I love these girls with all of my heart. I have been so lucky and fortunate to have such a successful career in the beauty industry. I own 1,000 shares in ABC Beauty Company. Starting today, I am going to hold and manage that stock in trust, with me as the trustee, and use it to pay for our annual spa trip - and I mean pay for everything - transportation, lodging, food, yoga, massages, facials, our favorite spa treatments (hello Magic Dragon), wine - everything! This way, Jane, Sara and I will be able to continue our trips with no financial stress and enjoy each other until the last one of us dies."

The following year in March 2019, Kia funded the entire spa trip for herself and her friends, paying for all of the related expenses with the ABC Beauty Company stock dividends. Later in the year, the "Magic Dragon" spa treatment became illegal, but the girls decided that they would continue the treatments if they are able. Unfortunately, Kia died in a car accident two months before the 2020 trip.

Jane and Sara sought to take the trip in 2020, but Kia's mother refused to turn over either the stock or the dividends, claiming that she owned the stock as the sole beneficiary of Kia's will.

Applying Michigan law, fully discuss:

- 1. Whether Kia created a valid trust in March 2018;**
- 2. The standard of proof needed to establish whether a valid trust had been created and whether such standard was met; and**
- 3. Assuming that a valid trust had been created, whether the trust proceeds may be used to fund all costs of the spa trip,**

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including the transportation, lodging, food, yoga, massages, facials, the Magic Dragon spa treatments, and wine.

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