

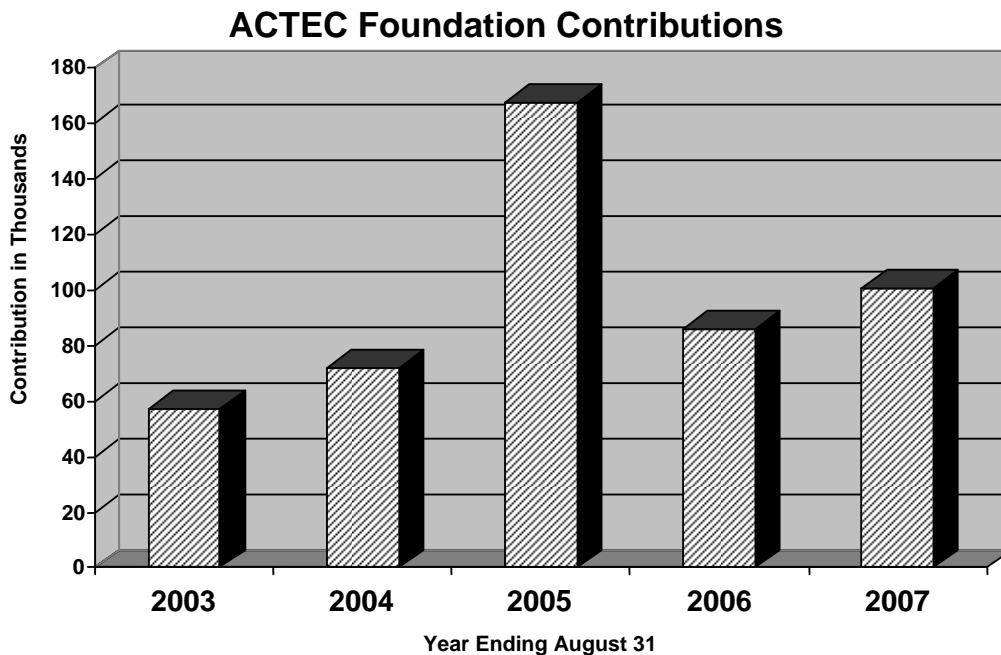
A REPORT OF ACTEC FOUNDATION ACTIVITY OVER THE LAST FIVE YEARS

The following is a composite report of the ACTEC Foundation's activities for the last five years beginning September 1, 2002, and extending through August 31, 2007.

I. Financial Reports

A. Contributions

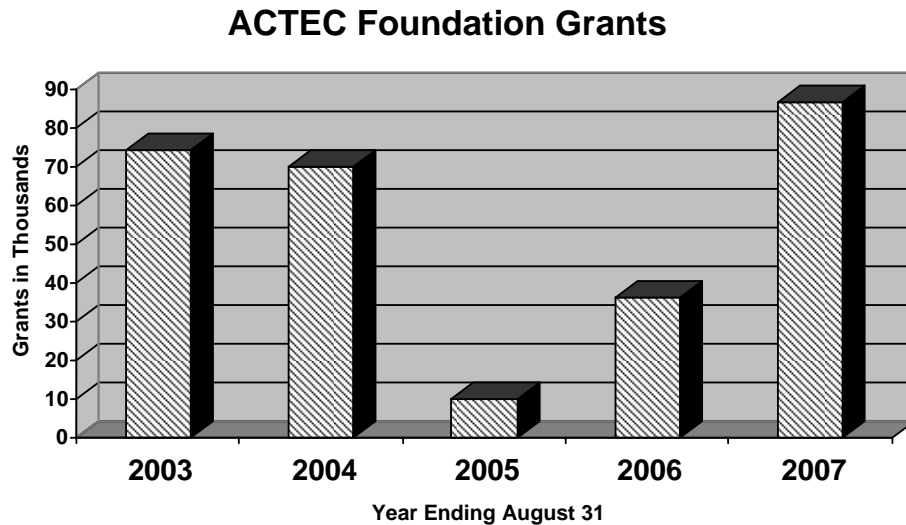
In the five-year period, the Foundation received contributions of \$429,206. As the following bar graph indicates, the typical contributions ranged from \$57,000 to \$100,000 per year, except in 2005 when the successful auction provided additional revenue boosting the 2005 results to almost \$168,000.



The Foundation has limited earnings from its endowment and is largely dependent on contributions to support its projects.

B. Foundation Grants

Over the five-year period, grants approved and paid totaled \$276,848. Overall, the grants have averaged more than \$55,000 each year.



II. Current Approach to Grant Making

The Foundation will continue to review and consider requests for grants. This will include ongoing support for the annual and increasingly successful Mary Moers Wenig Writing Competition.

However, the Foundation is now focusing on seeking out projects where the Foundation's support can make a significant difference in legal scholarship and improvement in the practice of law for trusts and estates lawyers. This may include partnering with other foundations such as a recent grant to the Tulane University Law School to assist in restoration of its library collection and access to research needs resulting from damage incurred during Hurricane Katrina. Another example is the collaboration with Harvard Law School in the creation of a pilot Estate Planning Clinic program within the Harvard's Legal Services Center. Fall 2007 will be the first semester in the two year Foundation Estate Planning Clinic project that serves as a model for law schools throughout the country on conducting estate planning clinics, and identifying emerging estate planning issues within the community, while inspiring both future legal professionals and Law School Administrators on the merits of tax and estate planning programs.

Similarly, the support of the Social Science Research Network (SSRN) in its creation of the online wills, trusts and estate abstracting journal edited by Professor Robert H. Sitkoff is an example where the Foundation's support has made this new journal possible.

The SSRN Journal is an electronic archive and full text reproduction of scholarly papers in the social sciences, including the study of law. The Foundation grant enabled the addition of scholarly articles on wills, estates and trusts to the SSRN. The use of this new research tool has, in a short time, reached unexpected usage levels to the point where it ultimately may be self-sustaining.

Another example of this proactive support of projects is the ongoing academic review of the law of succession. The Foundation supported the highly acclaimed "Trust Law in the 21st Century" academic conference at the Benjamin N. Cardozo School of Law on legal issues in the probate and trust field. The success of the Cardozo program made it clear that these sophisticated academic programs can have a meaningful impact on emerging legal issues in our field.

Realizing the importance of new scientific developments in the law of succession, the Foundation will be the primary sponsor of a symposium at the UCLA Law School in honor of the late Professor Jesse Dukeminier, a leader in the probate and trust field. While an initial commitment of \$25,000 has been made, the Foundation is prepared, within reason, to underwrite the significant cost of this program in view of its anticipated importance and the potential impact these emerging issues will have in the probate and trust field. This symposium will take place on February 8, 2008.

During the last five-year period, the Foundation underwrote the cost of publication and distribution of the ACTEC *Commentaries on the Model Rules of Professional Conduct*, Fourth Edition, 2006. The Foundation has authorized a grant to fund publication of new and expanded Engagement Letters for practitioners in the trusts and estates field. Another project underway will be a similar publication of Shareholders Agreements which will also be underwritten by the Foundation.

III. The Organizational Structure of the Foundation

The Officers of the Foundation are presently:

President:	Joseph J. Hanna, Jr. Portland Oregon
Vice President:	Edward Jay Beckwith Washington, District of Columbia
Treasurer:	Karen M. Moore Columbus, Ohio
Secretary:	Mary F. Radford Atlanta, Georgia

The Foundation Directors are:

Mark L. Ascher
Austin, Texas:

Donna G. Barwick
Atlanta, Georgia

Dennis I. Belcher
Richmond, Virginia

Turney P. Berry
Louisville, Kentucky

Steve A. Brand
Minneapolis, Minnesota

Carol A. Harrington
Chicago, Illinois

Daniel W. Holbrook
Knoxville, Tennessee

Michel Kaplan
Nashville, Tennessee

Susan T. House
Pasadena, California

W. Bjarne Johnson
Great Falls, Montana

Ray D. Madoff
Newton, Massachusetts

Daniel H. Markstein, III
Birmingham, Alabama

Neill G. McBryde
Charlotte, North Carolina

Howard M. McCue
Chicago, Illinois

Carolyn M. Osteen
Boston, Massachusetts

Cynda C. Ottaway
Oklahoma City, Oklahoma

Leonard J. Prekel
Troy, Michigan

Frank P. Reiche
Princeton, New Jersey

Bruce S. Ross
Los Angeles, California

Pam H. Schneider
Radnor, Pennsylvania

Susan Kimsey Smith
Phoenix, Arizona

Clare H. Springs
San Francisco, California

Rees M. Sumerford
Brunswick, Georgia

Robert D. Taisey
New York, New York

Jay A. Travis, III
Jackson, Mississippi

Importantly, new committees and committee chairs have been established:

Finance and Governance Committee

W. Bjarne Johnson, Chair
Great Falls, Montana

Audit Committee

W. Bjarne Johnson, Chair
Great Falls, Montana

Fundraising Committee

Neill G. McBryde, Chair
Charlotte, North Carolina

Auction Committee

Neill G. McBryde, Co-Chair
Charlotte, North Carolina

Rees M. Sumerford, Co-Chair
Brunswick, Georgia

Grant Committee

Howard M. "Scott" McCue, Chair
Chicago, Illinois

Long Range Planning Committee

Rodney Houghton (deceased)
New appointment pending

Marketing and Communications Committee

Edward Jay Beckwith, Co-Chair
Washington, District of Columbia

Cynda C. Ottaway, Co-Chair
Oklahoma City, Oklahoma

Deferred Giving Committee

Clare H. Springs, Chair
San Francisco, California

My hope is that this Report will give the general membership of the College a better understanding of what the Foundation is doing as well as the new projects it has under consideration in expanding the Foundation's leadership role in promoting the highest caliber scholarship in the probate and trust field.

It is also important for you to share with the leadership of the Foundation your thoughts and insights with respect to the projects being considered or undertaken. Of equal

importance, if you are aware of a new project which you believe the Foundation should consider, the Foundation would like to hear from you.

IV. A Final Thought

On average, 300 Fellows annually support the Foundation. The average gift over the past five years has been \$317.27, that is the good news. However; that is less than 10% of our Fellows which means that too few are carrying the water. We can do better.

As 2007 is coming to a close, we wish to say thanks to our regular contributors. For those of you who have yet to join the ranks of Foundation contributors, we will appreciate your serious consideration and thank you, in advance, for your anticipated generosity. The giving to others that you will be responsible for will have a direct benefit on our profession, our clients, and the communities that we continue to enjoy

As children it comes naturally for us to share and give to others, a quality that is admired; the key is as we get older and journey through life not to lose that which we all admire most in our "little people."

/s/ Joseph J. Hanna, Jr.

Joseph J. Hanna, Jr.
Portland, Oregon