IN THE COURT OF APPEALS OF IOWA

No. 6-532 / 95-1819

0002559

FILED
JAN 29 1997
CLERK SUPREME COURT

IN THE MATTER OF THE ESTATE OF ARNOLD RANDERIS, Deceased,

DENNIS RANDERIS and PATRICIA RANDERIS,

Appellants.

Appeal from the Iowa District Court for Audubon County, Keith E. Burgett, Judge.

Dennis and Patricia Randeris appeal a district court ruling adopting the settlement agreement reached by Gary Randeris, Jane Patten, and the successor executor, Arthur Neu. **AFFIRMED.**

Daniel R. Marvin of Handley & Block, Ankeny, for appellants.

Ronald W. Feilmeyer of Cambridge, Feilmeyer, Landsness, Chase & Jones, Atlantic, for appellee Gary Randeris.

Anthony J. Hruban of Bradford, Coener & Welsh, Omaha, Neb. and Michael P. Childs, Harlan for appellee Jane Patten.

Heard by Sackett, P.J., Cady, and Huitink, JJ.

CADY, J.

This is an appeal by one of three principal beneficiaries of a will from an order by the district court resolving numerous issues presented by the substitute executor. We affirm the district court on our de novo review.

This case is before us for a second time. *See Estate of Randeris v. Randeris*, 523 N.W.2d 600 (Iowa App. 1994). The essential facts were summarized in the first appeal. In that instance, the district court refused to approve the final report of the executor. The court removed the executor for conduct which compromised his duties and obligations to the estate. We affirmed the core issues resolved by the district court and remanded the case for further proceedings.

Following remand a substitute executor, Arthur Neu, was appointed to perform those duties necessary to close the estate. The new executor identified the unresolved issues and filed a report with the district court. The court scheduled a hearing.

Prior to the hearing, the substitute executor attempted to settle the unresolved issues with the principal beneficiaries; Gary Randeris, Jane Patten, and Dennis Randeris. Gary was the former executor. A settlement was reached between Gary, Jane, and the executor, but Dennis refused to join in the agreement. The settlement, among other things, limited Gary's executor fees, required Gary to pay money into the estate, and reduced Gary's share of the estate.

The district court was informed of the settlement between the executor, Gary, and Jane just before the hearing and the case proceeded to hearing to allow the

parties, including Dennis, to present evidence on the issues identified in the report of the executor. The district court adopted the terms of the settlement following the hearing and incorporated them into an order. It also directed the executor to proceed to close the estate.

Dennis appeals. He claims the district court erred in adopting the terms of the settlement agreement without his consent. He claims the executor and court had a duty to resolve the disputed issues without compromise.

Our review is de novo. Iowa R. App. P. 14(f)(7). We begin by recognizing executors or administrators occupy a position of trust and represent all interests in the estate. *Goodman v. Bauer*, 225 Iowa 1086, 1090, 281 N.W. 448, 451 (Iowa 1938). They have broad powers, conferred by statute, to perform their duties and responsibilities, including the power to compromise or settle claims due to an estate, subject to court approval. *See* Iowa Code § 633.114 (1995); 31 Am. Jur. 2d *Executors & Administrators* § 650 (1989). They are bound by their duties as a fiduciary in resolving claims and disputes, and courts will generally not withhold their approval if the representative has acted in good faith and in the best interests of the estate. *See* 31 Am. Jur. 2d *Executors & Administrators* § 650 (1989).

Beneficiaries and interested persons are not required to accept a settlement proposed by an executor or representative, and should be given an opportunity to voice their objections to the court. Dennis was given such an opportunity in this case. The district court accepted the settlement only after permitting all interested parties,

including Dennis, to present their evidence. Thus, we must decide if the settlement terms were in the best interest of the estate.

The district court utilized a cost-benefit analysis as a factor in deciding to accept the executor's settlement, finding any benefit gained by pursuing the various claims and disputes would be offset by the added expense. We believe this is an appropriate consideration. *See Smith v. Snodgrass*, 747 S.W.2d 743 (Mo. App. 1988) (delay and expense are proper considerations in accepting settlement). There is also a risk in litigating claims that recovery will be denied. Gary raised defenses and claims in response to the various disputes, and it was appropriate to consider these defenses in reaching a compromise.

We conclude from our review of the issues and the evidence the settlement was proposed in good faith and was in the best interest of the estate. We have considered all the issues raised by Dennis and affirm the district court.

AFFIRMED.