***17 T.C. 92 (1951)***

A restrictive agreement requiring an estate to offer stock to a company at a fixed price limits the stock's value for estate tax purposes, and discretionary death benefits paid to a beneficiary are not includible in the gross estate if the decedent had no vested interest.

**Summary**

The Tax Court addressed two issues: the valuation of Graybar stock subject to a restrictive agreement and the includibility of a death benefit paid to the decedent's widow in the gross estate. The decedent's estate was required to offer his Graybar stock to the company at $20 per share. The court held that the stock's value for estate tax purposes was limited to $20 per share due to the restriction. Additionally, a $40,000 death benefit paid to the widow was deemed not includible in the gross estate because the decedent had no vested right to the benefit, and its payment was discretionary.

**Facts**

Albert L. Salt died on September 29, 1945. At the time of his death, he held a voting trust certificate representing 4,000 shares of Graybar Electric Company stock, which he had purchased for $80,000. A restrictive agreement required Salt or his estate to offer the stock to Graybar at $20 per share, at which price Graybar would either purchase the stock or designate a purchaser. Salt was also receiving a pension from Graybar. Graybar's pension plan allowed a committee to authorize discretionary payments, termed