**Case Study 1**

For the purposes of this case study, assume that the husband and the wife have mutually agreed to dissolve their marriage due to irreconcilable differences. Read the facts below and determine who should get each piece of property listed after the fact pattern.

Adam and Beth have been married for 15 years and they have two children – age 14 and age 12. Adam works at Washington Mutual Bank where he is paid an annual salary of $75,000. Washington Mutual has a pension program that will pay Adam $25,000 a year upon retirement.

Ten years ago he and Beth bought a house in the suburbs for $150,000. They used a $5000 bonus that Adam received as a down payment and have been making monthly payments on the mortgage ever since. The house is currently worth $300,000 and Adam and Beth still owe $75,000 on the mortgage. The house is completely furnished with items purchased during Adam and Beth’s marriage. An appraiser has estimated the value of the furnishings at $50,000.

Just after buying the house, Adam started allocating a portion of his monthly salary to savings and a portion to investments. The couple’s savings account is now worth $30,000 and their investments are worth about $75,000.

Last year, Adam surprised Beth at Christmas with a new station wagon that he had titled in her name. The year before, Adam surprised Beth with a $5000 diamond ring for her birthday. Adam drives an old VW bug that he has had since he was in high school. He loves the car because it seldom requires any work besides an oil change.

Beth quit her job just before the couple married and intends to go back to work when the kids leave home.

**Who should get which piece of property? Be prepared to explain your answers.**

Adam’s Pension: ­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The House: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Furnishings: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Savings Account: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Investments: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Wagon: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The VW Bug: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Diamond Ring: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Case Study 2**

For the purposes of this case study, assume that the husband and the wife have mutually agreed to dissolve their marriage due to irreconcilable differences. Read the facts below and determine who should get each piece of property listed after the fact pattern.

Chris and Dianna have been married for five years. Before they got married, Dianna developed a software program for organizing MP3 files on a computer. She founded a software company to sell her program. The company was purchased by Microsoft and Dianna took a job as a programmer there. She now earns $100,000 a year.

Dianna used half the proceeds from the sale of her company as a down payment on a large house in Seattle. Now that she is married, she uses her salary to make the monthly mortgage payments. She used the other half to invest in a chain of coffee shops.

Chris is an aspiring video game designer who works from home. He has yet to earn any money from his game designs. However, just after they got married, Chris inherited $500,000 from his Great Aunt Maude. He used the money to purchase a cabin on a lake and put the remainder in a savings account.

Chris is a bit of handyman and he has made a number of improvements to the house. An appraiser estimated that his work has caused the value of the house to increase by $50,000 over the last five years.

Last year, Dianna sold some of her investments in the coffee chain and purchased a small boat for her and Chris to enjoy on the weekends at the cabin.

**Who should get which piece of property? Be prepared to explain your answers.**

The House: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Coffee Shop Investments: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Lake Cabin: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Savings Account: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Boat: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Case Study 3**

For the purposes of this case study, assume that the husband and the wife have mutually agreed to dissolve their marriage due to irreconcilable differences. Read the facts below and determine who should get each piece of property or asset listed after the fact pattern.

Ed and Fiona have been married for seven years and they have a five year old daughter. Ed works as an electrician for a local electrical contractor. In a good year, he makes about $40,000.

Four years ago Ed received a severe electrical shock while he was working on a job at a local department store that caused him to miss a year of work. One of the department store employees removed his warning sign and turned the power back on to an area of the building where Ed was installing new ceiling lights. Regretfully, his hand was on a live wire when the power was restored. Ed sued the business and won a $200,000 settlement - $40,000 compensated him for a year of lost work, $60,000 covered his medical expenses, and $100,000 was awarded for pain and suffering. Ed and Fiona used the $40,000 to live during the year Ed was out of work. Ed invested the $100,000 for pain and suffering in Amazon.com stock. The investment is now worth $250,000.

Since just after their daughter was born, Fiona has been going to medical school. She received a substantial scholarship and Ed’s salary paid for her living expenses. She has now graduated and is in her second year of residency. She recently learned that she has received a prestigious position as a heart surgeon intern. Once her internship is finished, she anticipates that she will earn $250,000 a year.

Last year Fiona and some of her coworkers went to the Tulalip Casino for an evening out. It was Fiona’s lucky night and she won a $1000 jackpot in the slot machines. She took her $1000 to the black jack tables and before the night was out, she had turned it into $10,000. She has not yet spent the money.

Two years ago, Ed’s father gave him a 1967 Ford Mustang that is in perfect condition. The car has been appraised at $25,000. Ed keeps it garaged and drives the family’s mini van purchased just after the couple married. The mini-van is in Fiona’s name. Fiona buses to school.

**Who should get which piece of property or asset? Be prepared to explain your answers.**

The Amazon Investment: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Fiona’s Medical Degree: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Casino Winnings: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Mustang: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The mini-van: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Case Study 4**

For the purposes of this case study, assume that the husband and the wife have mutually agreed to dissolve their marriage due to irreconcilable differences. Read the facts below and determine who should get each piece of property or asset listed after the fact pattern.

Gary and Hanna have been married for just over three years. When they met, Hanna was a waitress and an aspiring actress and Gary was a firefighter. Hanna had appeared in a number of plays and several local commercials. Two years ago she auditioned for and received the starring role in an independent film. She was paid $25,000 at the time the film was made. She used part of the money to buy Gary an expensive watch, a new tuxedo to wear to the movie’s premier, and several thousand dollars of casual clothing. She used the rest of the money to buy a certificate of deposit.

At around the same time, Gary sold all the baseball cards he got as a kid on eBay. He made $2500 from the sales.

Nine months ago Gary and Hanna had a huge fight and Gary moved back to his father’s house. The two agreed to go to counseling in the hopes of resurrecting their marriage and both anticipated at the time that their separation was temporary.

Two months after Gary moved out, he purchased a Power Ball ticket along with the rest of the members of his station. The firefighters won the big jackpot and took home $10 million dollars each.

A month later, Gary and Hanna had another huge fight resulting in their decision to permanently separate and file for a divorce. Just before they filed for divorce, Hanna found out from her agent that her movie had won a major award at an independent film festival. Shortly thereafter, she found out that her movie had been picked up by a major studio. Hanna received a check for $250,000 the next week. She will also get 2% of the box office take. Industry experts predict that the movie will be a big success and could gross as much as $50 million in domestic distribution alone.

**Who should get which piece of property or asset? Be prepared to explain your answers.**

The Watch, Tux, & Clothing: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Certificate of Deposit: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

$2500 from the Cards: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Lottery Winnings: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The $200,000: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The 2% from the movie: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Assignment**

For the purposes of this assignment, assume that the husband and the wife have mutually agreed to dissolve their marriage due to irreconcilable differences. Read the facts below and determine whether each piece of property is community property, separate property, or a mixture of the two. For any property that you believe is a mixture, provide and explanation for how a court *might* divide it..

Isaac and Jennifer have been married for ten years. They have no children. Prior to getting married, Isaac invented a device that assists doctors performing laser eye surgery. He sold his invention to Johnson and Johnson for $500,000. He invested the money in Starbucks stock.

Just after the couple married, Jennifer’s father passed away and she inherited the family business – a gas station in Puyallup. She also inherited $250,000 in cash. The gas station is run by a manager and Jennifer makes about $1000 a month from it. She has invested all of this money in a mutual fund and it is now worth about $150,000.

Seven years ago, Isaac and Jennifer bought a new house in Seattle for $300,000. They elected to not take any mortgage and each paid $150,000 of the cost of the house. Isaac sold $150,000 worth of his Starbucks shares and Jennifer used part of the $250,000 she inherited from her father. The house is now worth $500,000.

Jennifer works as a pharmacist for Bartell Drugs. She and Isaac use her salary to cover living expenses and to purchase household items and furnishings. Since they married, they have filled their home with furniture and electronics.

Prior to the collapse of their marriage, Isaac loved to buy Jennifer presents that he bought both with money from her job and money he received from his investments. He has purchased her clothes, a diamond ring, and an expensive necklace. Two years ago, he sold a chunk of his Starbucks stock and used the proceeds to buy Jennifer a new sports car for her 40th birthday. In the accompanying birthday card, he wrote that it gave him great joy to think of Jennifer jetting around town in her new car and that it was a “gift from his heart.”

In order to fill his days, Isaac took up painting eight years ago. He proved to have a natural talent for painting Northwest landscapes and he has sold a large number of paintings at local art galleries. He has made enough money to purchase a small gallery where he paints and displays his art. The money for the gallery came entirely from the proceeds from selling his paintings. In addition, Isaac has decorated his and Jennifer’s house with numerous paintings.

Indicate whether the property is community property, Isaac’s separate property, Jennifer’s separate property, or a mixture by placing an X in the appropriate box. If the property is a mixture, indicate how a court *might* divide it in the space below or on the back of this sheet.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Community Property** | **Isaac’s Separate Property** | **Jennifer’s Separate Property** | **Mixture of Community and Separate Property** |
| Starbucks Stock |  |  |  |  |
| Gas Station |  |  |  |  |
| Mutual Fund |  |  |  |  |
| House |  |  |  |  |
| Furniture  |  |  |  |  |
| Electronics |  |  |  |  |
| Clothes  |  |  |  |  |
| Jewelry  |  |  |  |  |
| Sports car |  |  |  |  |
| Gallery |  |  |  |  |
| Paintings |  |  |  |  |