

# Monterey College of Law

FINAL EXAMINATION

COMMUNITY PROPERTY

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FALL SEMESTER, 2018

This exam consists of 3 essay questions. You will have 3 hours to complete your answers. Each question is of equal weight.

Your essay should demonstrate your ability to analyze the facts in the question, to tell the difference between material and immaterial facts, and to discern and understand the points of law and fact upon which the case turns. Your answer should show that you know and understand the pertinent principles and theories of law, their qualifications and limitations, and their relationship to each other.

Your answer should demonstrate your ability to apply the law to the given facts and to reason in a logical, lawyer-like manner from the premises you adopt to a sound conclusion. Do not merely show that you remember legal principles. Instead, try to demonstrate your proficiency in using and applying them. Consider the IRAC method of formulating your answer.

If your answer contains only a statement of your conclusions, you will receive little credit. State fully the reasons that support your conclusions, and discuss all points thoroughly, but you should not volunteer information or discuss legal doctrines which are not pertinent to the solution of the problem.

Question 1

Tony and Jane were legally married in California. At the reception following the ceremony, Tony's parents gave Tony a house for him and Jane to live in, located in Monterey. Title to the house was taken as "Tony, a married man, as his sole and separate property." On the date of the parties' marriage, the Monterey residence was valued at \$1,000,000 and there was no mortgage against the house. After the parties' marriage, they used their combined earnings to pay the property tax, utilities, and homeowner's insurance for the Monterey residence, at an average amount of \$1,500 per month.

Two years after Tony and Jane married, they decided to take a \$500,000 loan against the Monterey residence in order to buy a condo in Hawaii. As part of the loan process, Tony signed a deed transferring the Monterey house to "Tony and Jane, joint tenants with right of survivorship". The appraisal obtained on the Monterey Residence during this financing valued the Monterey property at \$1,200,000.

The Hawaii condo cost \$900,000. Tony and Jane used the \$500,000 from the Monterey house loan, and obtained a \$400,000 loan in both of their names against the Hawaii condo for the remainder of the purchase price. Title to the Hawaii property was taken as "Tony, a married man, and Jane, a married woman." Over the next three years, the parties paid down \$50,000 in mortgage principal on the Hawaii condo, and \$150,000 in mortgage interest, property taxes, insurance, and homeowners association dues on the Hawaii condo.

For Tony and Jane's 5<sup>th</sup> wedding anniversary, Tony's parents gifted Tony and Jane \$350,000 to pay off the remaining mortgage balance on the Hawaii condo, which Tony and Jane did.

On the date of the parties' 7<sup>th</sup> wedding anniversary, Tony and Jane separated. The parties owed \$400,000 on the Monterey house, having paid down \$100,000 in mortgage principal from their earnings since the date of the refinance. The value of the Monterey Residence was \$1,500,000. The parties owed \$0 on the Hawaii condo. The value of the Hawaii property was \$1,100,000.

During marriage, Tony took out a \$60,000 student loan to attend an intensive six-month seminar in sculpture, a passion of his. Jane paid all the bills, \$8,000 a month, while Tony attended his seminar. Tony has never sold a sculpture. On date of separation, the balance of the loan was \$35,000, \$25,000 having been paid off with Tony's earnings as an accountant.

Tony and Jane are now divorcing. Answer the following questions:

1. Of the combined \$2,200,000 in real property equity, how much will be awarded to Tony and how much to Jane, and why?
2. Who is responsible for the \$35,000 remaining balance of the student loan, and why? Does Tony owe Jane any reimbursement for her paying the parties bills while he attended the sculpture seminar? Does Tony owe Jane any reimbursement for the portion of the educational loan that was paid during marriage?

## Question 2

Pat and Chris met in college. They graduated in 2005, and Pat immediately started a graphic design business while Chris went to work managing a restaurant. The parties married in 2006. Neither party had any assets when they married, other than Pat's business and some minor personal property.

Unbeknownst to Chris, Pat had been previously been married to Tracey in Las Vegas, and never legally terminated that marriage. Pat did not think anything of not telling Chris about the prior marriage, because Pat and Tracey had only spent that one drunken weekend together in Las Vegas, and had not spoken to each other since.

On January 1, 2018, Chris and Pat had a fight, and Pat yelled "I want a divorce". For the following three months, the parties attended marital counseling, continued to sleep together, and continued their normal roles within the house.

On January 2, 2018, Chris' employer announced Chris was receiving a \$10,000 bonus for Chris' exemplary work over the last year, and that if certain additional benchmarks were reached over the next six months, Chris would receive an additional \$10,000 bonus for achieving those goals. Chris' total bonus would be paid on July 15, 2018.

On May 1, 2018, Pat told Chris that the marriage still was not working, and Pat was no longer interested in continuing counseling. Pat moved out of their home, and into a separate rental apartment.

On July 15, 2018, Chris received the bonus of \$20,000.

The parties' assets now include Pat's graphic design business, \$600,000 in a joint investment account accumulated during the marriage, Chris' savings account containing a \$150,000 inheritance from Chris' grandmother, and Chris' bonus of \$20,000, which was paid on July 15, 2018.

Pat's graphic design business had a value of \$50,000 on date of the parties' marriage, and is now valued at \$250,000. Pat is the only graphic artist, and the only other employee of the business is an administrative assistant. The parties received \$120,000 a year in income from Pat's business during the marriage. Pat worked 60-70 hours a week during the marriage, often missing social events and holidays to meet deadlines. Pat had great people skills and was well-liked. During the marriage, three major graphic design firms in Pat's area closed, and Pat's business was one of only a few remaining graphic design companies, causing Pat to pick up several major clients due to scarcity of services available.

Chris has come to see you for legal advice regarding a divorce. Answer the following questions:

1. Does Pat's prior marriage affect resolution of this case?
2. What is the character of Chris' bonus?
3. What is the character of the investment account?
4. What is the character of the savings account?
5. Can the value of Pat's graphic design business be apportioned? If so, discuss the potential methods of apportionment that could be utilized.

### Question 3

Rick and Sue are engaged to be married, and want to get a premarital agreement. They believe they both agree as to what they want the premarital agreement to say, and Sue has come to you for advice as to how to effectuate their goals, and if there is anything they might not be thinking of that should also be included in their agreement.

Sue is a successful accountant, and owns her own practice and the building where her practice is located. Rick is an attorney with the Public Defender's office. Rick has a commercial property that was gifted to him by his grandmother; the rental income from the commercial property generally pays the expenses of the commercial property. Neither party has been married before, and neither party has children. Rick and Sue do want to have children together, and contemplate Rick will stop working outside of the home when their first child is born and be a stay-at-home parent until the youngest child is in first grade.

In their discussions with one another, the parties have agreed that if they ever divorce, they would share 50/50 custody of their children, and Sue would pay Rick \$1,000 per month per child in child support. The parties have agreed that if they divorce, Sue would pay Rick no more than \$5,000 per month in spousal support for a duration equal to one-half the length of the marriage, unless the cause of the divorce was infidelity. If Sue had an extra-marital affair causing the divorce, then she would pay Rick no more than \$10,000 per month in spousal support for a duration equal to the entire length of the marriage. If Rick had an extra-marital affair causing the divorce, then he would not be entitled to any spousal support from Sue. The parties have agreed that their respective contributions to their retirement accounts during marriage should remain their separate property, and that the buildings owned by each of them should remain their separate property.

Sue comes to see you on Monday, November 12, 2018. The parties are thinking about eloping on Saturday, November 17, 2018.

Advise Sue regarding the following:

1. Can all of the agreements the parties have discussed be effectuated?
2. Can the parties marry on November 17?
3. What happens if the parties enter into an agreement and then never marry?
4. Since they agree on what they want to do, can you prepare the agreement for Sue and Rick not hire a separate attorney?
5. Are there any additional major issues, that the parties have not agreed upon, that Sue might want in the premarital agreement?

### Question 1 Answer Outline

1. The Monterey house
  - a. Originally Tony's separate property, gifted to him after marriage by his parents. FC 770
  - b. No community interest was developed by payment of the property tax, ho insurance, utilities. FC 2640 reimbursement is limited to acquisition costs
  - c. Tony transmuted the residence to CP with the deed. FC 852
  - d. Home is CP due to joint title presumption. FC 2581
  - e. The loan proceeds obtained during marriage are presumed CP. FC 760.
  - f. Tony's overall reimbursement is \$1,200,000. FC 2640. Tony can trace \$500,000 of this into the Hawaii property. *Walrath*.
2. The Hawaii condo
  - a. Condo is CP due to joint title presumption. FC 2581
  - b. Tony's parents gifted both parties \$350,000, no 2640 reimbursement
3. Tony is entitled to FC 2640 reimbursement of \$1,200,000. Remainder of property is CP. Thus, Tony receives \$1,700,000 and Jane \$500,000.
4. The remaining loan balance is assigned to Tony. Jane does not receive a reimbursement for supporting Tony during his seminar, but the community does receive reimbursement for the \$25,000 paid down. FC 2641

### Question 2 Answer Outline

1. Chris has the right to claim putative spouse status, Pat does not. If Chris claims putative spouse status, all standard disso rules will apply.
2. The first \$10k of Chris' bonus is CP – although received after any arguable DOS, it was based on community labor. The second \$10k of Chris' bonus was earned 1/2/18 – 7/1/18. If date of separation was January 1, then the second 10k is Chris' separate property. If date of separation was May 1, then the second 10k is 4/6 community property, and 2/6 separate property. The date of receipt is irrelevant. Discuss DOS. FC 70
3. The investment account was earned during marriage and is presumed CP. FC 760
4. The savings account contains Chris' inheritance, which is SP. FC 770
5. Discuss Pereira/Van Camp re apportionment, there are facts supporting each theory.

### Question 3 Answer Outline

1. The parties cannot effectuate all of their desired agreements:
  - a. Child custody and child support provisions in a premarital agreement are void. Such agreements are violative of public policy and not allowed per the FC.
  - b. Penalty provisions, such as changing spousal support in the event of infidelity, are invalid. CA has no fault divorce and fault cannot be revived by agreement.
  - c. Note that the unconscionability of a spousal support limitation is determined at the time of enforcement.
2. If the parties marry on November 17, they will do so without a valid premarital agreement. The parties must have a premarital agreement at least 7 days prior to signing it in order for it to be enforceable.
3. A premarital agreement is only effective upon marriage. If the parties never marry, it will never be effective.
4. In order for the spousal support limitation of \$5k per month for ½ the length of the marriage to be enforceable, Rick must be represented by independent counsel. In order for any of the agreement to be enforceable, Rick must either enter into a separate waiver of independent counsel, or be represented by independent counsel.
5. Sue should be advised of the possibility that Rick could acquire an interest in the increase of her business during marriage, and may want Rick to waive that potential interest.

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1)

QUESTION 1

1. of the combined 2,200,000, in real prop equity, how much will be awarded to Tony and how much to Jane and why?

**I: MONTEREY HOUSE- 1,000,000- 1,200,000 - 1.5 mil.**

R: C.P. General presumption 760. 770 S.P. - 853 Transmutation

A: the monterey house was given to Tony for him and Jane to live in by Tony's parents. <sup>4<sup>th</sup></sup>  
Title was taken as "Tony, a married man as his sole and sep. property. The house was worth 1,000,000 at the time. In order to get the loan for the Hawaii condo, Tony had to transfer the title of the Monterey house to joint title, S 2581, and did so in the deed in writing with transformative words that changed the nature of ownership of the property. The house was then valued at 1,200,000.

Tony will argue that he is entitled for the 1,000,000 reimbursement that can be directly traced from the Monterey house. *NO, 1.2 b/c of appreciation prior to transmutation*

R: 2640 - if separate property is used for the acquisition of a community property or asset, the s.p. may be reimbursed if it can be traced.

A: Here, Tony will argue that the value of the property can be traced back to the gift his parents gave Tony. The fact that they gave it to him and had him as the sole name on the title indicates that it was a gift to him, and not the community. In order for the community to acquire the hawaii condo, Tony had to take out the loan on the residence. Tony can trace the property back to his S.P. that he is entitled to, which is 1,000,000, the value of the monterey house when his parents gave it to him. ~~Not the current value with appreciation.~~ 1.2

Jane should argue that Tony transmuted the monterey property when he signed a deed transferring the monterey house to joint tenants with right of survivorship. That would mean that 600,000 of the 1.2 million would be Jane's portion if indeed there was a transfer of ownership from Tony to Tony and Jane.

C: The court may trace the \$1,000,000 from Monterey house back to Tony, but divide the value of appreciation, which is \$500,000 b/t the community.

### **commingling**

A: if the court determines there was commingling of S.p. & C.P., and the funds can be traced, the party may be entitled to reimbursement.

*Walvat*

**HAWAII HOUSE - bought for \$900,000 - now \$1,100,000-**

I: 500,000 loan

R: 2641: S.P contributions towards C.P. assets are reimbursable.

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A: If the \$500k loan can be traced back to the house that Tony's parents gave him as a gift, then it is S.P. and can also be reimbursed.

C: The 500k may get reimbursed.

*→ Note, Tony can only get a total 1.2 of 2640 reimbursed from both properties*

I: 400,000 loan

R: Lender intent rule/ . -loans taken out during marriage belong to the community property.

A: Here, the 400,000 loan belong to both the parties so they have an equal interest.

C: The 400,000 loan that was C.P. was paid off with a gift to the community from Tony's parents and \$50k of community prop.

I: payment of \$350,000 from Tony's Parents

R: A gift given to both spouses is community property and should be divided with equity.

A: Unlike the Monterey house, the \$350,000 given by Tony's parents to pay off the rest of the Hawaii condo's mortgage balance was a gift to both Tony and Jane.

**C: THEY ARE EACH ENTITLED TO HALF OF THE \$400,000 THAT WENT IN TO THE HAWAII HOME + THE PERCENTAGE OF INCREASE OF FMV, MINUS TONY'S CONTRIBUTIONS.**

I: 50,000 mortgage principle

R: S.P. may be reimbursed if it goes towards paying mortgage principle.

A: Here, the 50,000 paid on the mortgage principle was paid over three years with community property because it was done while married.

The 150,000 in mortgage interest, property taxes and homeowners association dues on the Hawaii condo are *not* reimbursable. **Only payments towards principle** are reimbursable.

C:

### **2581 - Joint title presumption**

**R:** when married couples acquire property, it is assumed to be joint property.

A: Tony and Jane jointly owned the Hawaii condo.

C: They both have an interest in the condo.

### **Moore/Marsden**

R: C.P. contributions to S.P. can be reimbursable

A: Here, there are no clear C.P. contributions to S.P. that can be reimbursable

C: Does not apply

**2. a) who is responsible for student loan?**

R: After the Date of separation, the student loan belongs to the student who will benefit from the education.

A: Here, Tony's student loan belongs to Tony after the date of separation. During marriage, the loan was community property, but after family code section 70- D.O.S., the loan belongs to Tony.

C: Tony is responsible for the student loan after separation.

b)

**I: does tony owe jane any reimbursement for her paying parties bills while he attended sculpture seminar?**

R: C.P. funds spent on daily living expenses for the community are not reimbursable.

A: Although Jane was working and spending her earnings on the bills and living expenses for the community while he attended the seminar, money earned during a marriage is C.P. under rule 760, and daily living expenses cannot be reimbursed. Had she paid her S.P. towards his education, then she might have been entitled to some reimbursement, but under the circumstances she is not entitled to any thing for the bills of \$8000/mo.

C: Jane will not likely get reimbursed for the bills she paid while he attended the seminar.

c)

**I: Does tony owe jane any reimbursment for the portion of the educational loan that was paid during marriage?**

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R: According to family code section 2641, a party may be entitled to reimbursement for community funds that were spent on educational costs. If the education is one that will substantially increase the potential earning capacity of a spouse, <sup>from no work</sup> and that there has not ~~been ten years~~ since the completion of the education. If there has been more than ten years, it is presumed that the community has benefited from the education, but that presumption is rebuttable.

A: Here, the education that the loans were for was for a six month seminar in sculpture, which is not a field where the seminar will typically substantially increase the potential earning capacity. Unlike becoming a doctor or a lawyer, it is unlikely that sculptures will earn substantially higher wages. In addition, Tony has never sold a sculpture. It is only a passion of his, not a career.

C: Therefore, the court will not likely determine that the community or Jane is entitled to reimbursement for the portion of the educational loan paid during marriage.

**END OF EXAM**

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2)

Question 2

**Putative Spouse**

1) The issue is whether Pat's prior marriage affects the resolution of this case.

Since Pat (P) and Tracey (T) never legally divorced, Chris can claim putative spouse status. A putative spouse is a spouse who has a good faith believe that a marriage was valid. If the court determines the spouse to have putative spouse status, ~~the marriage can be void or voidable~~ and the court will treat all property acquired during marriage and Quasi-Marital Property (QMP). QMP is treated the same way as CP would be treated, had the marriage been valid.

Here, the facts state that Chris (C) never knew about P's marriage to T. P did not think of *telling* C about his prior marriage but since P decided not to tell, we can infer that he actually knew he was still married - no matter if it was one "drunken night in Vegas." What happens in Vegas, stays in Vegas, minus a valid marriage. The way that P's prior marriage will affect the resolution of this case is only as to void C's and P's marriage but all other CP rules will apply to their QMP.

**Character of C's Bonus**

2) The issue is whether C's bonus is SP, CP, and whether it should be apportioned *and* whether P's attempt to separate from C was effective 1/1/2018.

*Good*

Under FC section 70, DOS is determined when a spouse communicates their intent to leave the marriage and their conduct is consistent with their words. The parties do not have to consent.

Here, P clearly stated he wanted a divorce on 1/1/2018, however, the parties continued to attend marital counseling, slept together and continued their normal married roles *for 3 months*. Attending marital counseling typically means that parties want to seek services to fix problems in their marriage. Thus, P and C were not completely calling it quits on 1/1/2018. Moreover, the parties continued their normal activities as a married couple. People who separate, although who might still be living or sleeping together would certainly not continue their daily marriage activities such as spouse's normal roles of cooking, cleaning, or doing laundry. Here, it seems like the parties maintained their role and so did not separate on 1/1/2018.

However, on 5/1/2018 P met both FC70 requirements by telling C that the marriage was "not working," no longer interested in counseling sessions, and packed up and left. The court will find that 5/1/2018 was the DOS. ✓

As for the character of C's bonus, \$10k as expressed by her boss on 1/2/2018, the bonus was due to C's exemplary work at work, but during the time she was married. FC760 general presumption applies and thus, thanks to C's efforts, the \$10k announced on 1/2/2018 will be CP.

The issue with the second \$10k bonus due to be received in July is whether C acquired the right to the bonus on 1/2/2018 or on July 15, 2018 since the extra 10k was conditioned on whether C met her benchmarks. The facts are unclear about when C completed her benchmarks and since the full \$20k was received in July, we can assume that she completed her benchmarks during the spouse's marriage, at least up until the

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DOS. The \$10k bonus should be apportioned to reflect an equal acquisition of it during marriage and post separation. ✓ *good*

### Investment Accounts

3) The issue is whether the investment accounts are CP or SP. ✓

FC 760 general presumption applies (see above for rule).

The facts state that the investment accounts were accumulated during marriage. The accounts are presumably in both C and P's names since they are joint, and thus, they will be considered CP.

*Questions are individual.  
Be careful not to do this  
in future testing*

*irrelevant.*

### C's Inheritance Account

4) The issue is whether C's savings account will be divided as CP or will she keep it as SP.

FC770 states that inheritances are considered SP.

The facts state that \$150k was inherited from C's grandmother, thus, the inheritance will be considered C's SP. ✓

### P's Business

5) The issue is whether P's graphic design business can be apportioned.

Under CA's family law, the court will analyze the apportionment of a business with two ✓ non-exclusive tests. The first is a *Pereira* formula and the other is a *Van Camp* approach. Both approaches are considered as book ends and the court may use one formula, or the other, or a mix of both. Under a *Pereira* formula the <sup>business</sup> growth is considered to be directly related to the efforts, goodwill, and reputation of the business-owning spouse instead of other factors like market forces. Under a *Van Camp* approach, the question will be whether the working spouse was readily replaceable and whether their work efforts adequately contributed to the community. A *Van Camp* approach is used when a business growth is due to something other than the business owning spouse's good will, such as market forces, the economy, or quasi-monopoly. A *Van Camp* approach is typically used for industries that are highly equipped with machines.

Here, P's graphic design business was valued at \$50k at the date of marriage (DOM) in 2006 and now valued at \$250k in 2018. This is a growth of \$200k in 12 years. The facts that point to a *Pereira* approach are: P being the only artist of his business, worked 60-70 hours per week during marriage, had great people skills and was well-liked. However, there are also facts that point to a *Van Camp* approach: graphic design firms closed in the area and P's business was one of the last ones standing. These are considered market <sup>good</sup> forces. <sub>analysis.</sub>

P earned \$120k/yr income from P's business from working 60-70 work weeks and skipping holidays. C's best argument is to have this analyzed under a *Pereira* approach. That P's efforts and labors were the reasons for his customer base and the extra clients he attained were

P will argue that his business is more like *Van Camp* in order to avoid paying out more from his own business. P will also argue that his earnings were at or below how much graphic designers in the area get paid. However, C can argue that P's business is not equipped with high end machines but instead a computer(s) with special software

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programs that have minimal asset value. The money is what P does with the tools in his trade.

**END OF EXAM**

3)

Dear Sue,

This letter is in regards to our conversation at my office on Monday November 12 regarding a possible premarital agreement.

A premarital agreement is a contract between prospective spouses entered into in anticipation of marriage and effective upon marriage. The parties can agree to almost anything that is not against public policy or illegal.

During our conversation you asked if all of the agreements you have discussed with Rick can be effectuated.

As to the Child custody and child support provisions the answer is no. ✓ Child support and Child custody are not subject to premarital agreements. Therefore your proposition to share the custody 50/50 and pay R \$1000 per month per child would not be enforceable in fact it would be a void provision.

As to the Spousal support you have discussed with Rick (R) you can agree to that, ~~however it may be modifiable~~. Also it may not be enforceable if it is unconscionable at the time of enforcement. *good*. Additionally If R is not represented by independent counsel then the spousal support clause in the agreement will be void. *good*.

As to the arrangements for spousal support if either you or R should have an extra marital affair, California is a no fault divorce state. Assigning such penalty for an extra marital affair would be a punishment, thus assignment of fault and would be against public

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policy. ~~Also Premarital agreements cannot contain conditions which will encourage a spouse to do or refrain from doing something.~~ *Not accurate*

As to maintaining your retirement accounts and real property interests as separate property that is something that you can do with a premarital agreement.

To sum up, you can accomplish some of the goals you discussed with R through a premarital agreement and some you cannot as they would be void, almost illegal or against public policy.

We discussed Whether you and R can marry on November 17.

As I told you you can marry on that date. A valid marriage requires a state issued license and a solemnization. However if you marry on that date you will not have a valid *✓* *WFO* premarital agreement. A valid premarital agreement must be in possession of the parties no less than seven days from the date of marriage. As November 17, is only six days from now and we still do not have an agreement in writing, there is no way to have a valid premarital agreement for you by that date. Yes you can get married but you will not have a premarital agreement.

If after you are married you want to create a contract with R regarding maintaining your separate retirement accounts and real property interest as separate property you can do that through a post marital agreement. Post marital agreements are subject to a higher *Good* level of scrutiny because once you are married you and R have a fiduciary duty to each other, just like non marital business partners.

So you can get married on the 17th of this month, but it will be impossible to have a valid premarital agreement. If you get married without a premarital agreement you may be able to affectuate the separate property goals by post marital agreement.

We discussed what would happen if you entered into an agreement and never married.

As I mentioned a premarital agreement is made in contemplation of marriage and effective upon marriage. Therefore if you have the agreement signed and witnessed but never marry then it will never have any effect. It only becomes effective upon your valid marriage. ✓

Since You and R agree on what you want I can draw up a premarital agreement for you as to the valid provisions mentioned above. However I strongly <sup>strongly</sup> recomend that R be represented by independent counsel. Even though R is an attorney, he is a criminal law practitioner not a family law attorney. Also he is an interested party and therefore is not independent counsel. I could prepare waivers for R to sign, so that he understands all the documents and that he has received a full disclosure of all the information, a complete accounting of all assets. However without independent counsel there would be a presumption of undue influence on the party whose interests are adversely influenced. As to any spousal suppor provisions they would absolutely be void if R was not represented by independent counsel. *Good*

So to answer your question, yes I could prepare an agreement without R hiring a separate attorney, but I will not.

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Additionally there are a few major issues that you have not agreed upon which you may want to consider in a premarital agreement.

First is your business. Although the business is separate property, yours and yours alone, once you are married, all of the effort you put into your business is community labor. Upon dissolution your business will be valued based on its worth at the date of marriage and at a date closest possible to trial. Any increase in the value of your business <sup>cost</sup> ~~would~~ be considered community property and would be apportioned as such. You should consider putting the business in the agreement. that it should maintain its character as your separate property even after marriage.

Also your earnings and your bank accounts. You should include in the agreement that you and R will maintain separate accounts and keep your earnings as separate property. You and Ra can still pay for community expenses together, however in the event of a dissolution it will make any proceeding easier for both of you. Also as you are a successful accountant and R is a Public Defender, your income is probably disproportionately larger than his.

I hope I have answered your questions, and you understand what we have discussed. If you have any further questions please do not hesitate to contact me.

Good Luck.

Exam Name: ComPropMCL-F18

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**END OF EXAM**