

FAMILY LAW EXAM

QUESTION #1

Rob and Laura met at work. Rob was a computer programmer and Laura was a systems analyst. Both Rob and Laura had good jobs, but neither of them had accumulated many material possessions. After dating for six months, they decided to marry. They set a wedding date of June 1, 1986. At the time of the engagement (and up until the wedding day), Rob owned the following property:

- 1) Various household goods with a value of \$4,300
- 2) One 1983 Volvo with a value of \$15,500
- 3) No business interests of any sort.

Before the marriage, Laura owned the following property:

- 1) Household goods with a value of \$3,200
- 2) A savings account with a value of \$2,300
- 3) A checking account with a value of \$3,500
- 4) Joint ownership of a farm, Greenacres. At the time of the wedding, Greenacres had a fair market value of \$300,000. Laura owned Greenacres with her sister, Ava. The farm was rented to the Ziffels, who paid rent. After taxes, expenses, etc., the two sisters netted \$2,000 per year from the farm. Laura received one-half this amount (\$1,000), which was directly deposited into her checking account. Surprisingly, this amount remained constant throughout the marriage.

The couple married as planned on June 1, 1986. Although they enjoyed a beautiful ceremony, the marriage, as part of a law school exam, was probably doomed from the start.

During the course of the marriage, Laura's checking and savings accounts were utilized by the couple on a regular basis. Rob's check was deposited into Laura's checking account, and all of the couple's expenses were paid from that checking account. The couple did not set up a joint checking account.

On June 1, 1999, Ava died. Full ownership of Greenacres vested in Laura. At the time of Ava's death, Greenacres was worth \$400,000.

On June 1, 2000, the couple finally got around to putting Laura's checking account into both of their names. On that date, the account had a balance of \$50,000. This money

came from earnings, farm income, and monetary gifts that the couple had received over the years.

On June 1, 2001, Rob and Laura separated and decided to divorce. They have no children, and they have been able to agree on the distribution of all assets except the following:

- 1) Greenacre, which had a fair market value of \$500,000 on the day that the couple separated, and has a present value of \$600,000
- 2) The checking account, which still has a balance of \$50,000 and had a balance of \$50,000 at all times since June 1, 2000.

To what extent (if any) is Greenacre marital property? To what extent (if any) is the checking account marital property? Please do not propose an equitable distribution scheme; simply identify the property that is subject to distribution.

QUESTION #2

In 1995, Richard and Anne met at work and soon began dating. Richard was a laborer in a chocolate factory earning \$18,000 per year. Anne was vice president of the chocolate company and earned \$250,000 per year. Within a few weeks, Richard and Anne began having a sexual relationship. On November 1, 1995, Richard told Anna that his family was very religious and believed that he would go to hell if he engaged in sexual relations outside of marriage. Although it was true that Richard's family was quite religious, the remainder of the statement was untrue. Richard suggested that, in order to gain his family's acceptance, he and Anna should go through "fake" ceremony. He convinced Anne that because there would be no actual marriage, there would be no need for an antenuptial agreement. Although she was initially reluctant, Anne eventually agreed to this scheme. On December 22, 1995, Anne and Richard had a ceremony solemnized by a minister, and attended by members of their families. However, they failed to file the marriage license with the county clerk within 60 days of issuance as required by statute. Instead, Anne burned the license with Richard's knowledge and consent.

Anne and Richard lived together for almost five years. Although they had some sweet times together, their relationship eventually soured and Richard decided to strike out on his own. Richard then filed for divorce and requested alimony and equitable distribution of marital property. Anne moved to dismiss Richard's divorce complaint, denying the existence of the marriage. Anne also filed a complaint seeking to have the marriage annulled on the basis of fraud.

- 1) Are Anne and Richard married?
- 2) Are there any economic reasons why Anne would prefer an annulment over a divorce?