Empire College School of Law Professor Peter Rubin Community Property – Summer 2014 Issue Outline – Final Exam

1. Mary and Larry (25)

Failure of Marriage & RDP

Heterosexual

Not 65

No attempt to qualify so no putative spouse

House & Bank Account

Confidential relationship

"Marry would get her fair share"

Prenup invalid

No property disclosure

No lawyer or separate explanation for Mary

Not seven days

House

Marvin agreement, no details so likely 50/50

No details on what money went where,

Claim by Larry house his because of title

-likely to fail

No cp before second "marriage"

Bank account

No data on use of inheritance

Account acquired jointly during marriage so presumptively cp

2. Bill and Pat (Options 15)

Options Grant I

Purpose of grant

Recruit employ and to replace Apple grant (Date of Hire)

Options exercisable 2012-17

-separated 2014

Use time rule back to date of hire, 2006

Sep for work post separation

Can divide in kind

Can cash out options since recognized market

Need to consider taxes as will be incurred on exercise

Grant II

All for post separation work so all s/p

Art school tuition loans (10pts)

Existing cp debt buy may be assigned w/out offset to Bill

No repayment

No presumption of community benefit (less 10 year no profit)

No offset for training to Pat

No indication of profitable result from training

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3. Carlos and Lola (15 & 10 points)

Pension division:

In kind when received (actually divide)

In kind easy, avoids dispute over value, shares the risk

Income to each spouse

Control of own asset

Does not put all risk on one spouse

Reduces need for spousal support

Cash out, Trade off (pension vs. house)

Does not link spouses

Provide cash to nonemployee spouse

(all orders have mirror image and reverse can be argued as a benefit)

If no house

Need to divide in kind

Eligible to retire, asks, filing motion or order

Bright line is filing of motion

Employee spouse must pay if continues to work

4. David and Carol

First house (10 points)

Moore Marsden allocation

Split marital appreciation proportionally to marital principal paydown (MPD/principal cost *marital appreciation)+MPD

SP is balance subtracting above figure from equity

CP figures

Marital appreciation is 10% or \$7,000

Paydown is \$30,000

CP share is \$37,000 DIVIDED BY 2 - \$18,500

SP share \$163,000 (200-163)

Second House (5pts)

Entirely cp but subject to \$2,640 reimbursement

\$1,100,000 - \$400,000 mortgage -\$200,000 reimbursement

\$500,000 cp

To D 150k +\$163,000 + \$18,500 \$331,500 To C 150k + \$18,500 \$168,500