

**QUESTION 15 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK V
OR IN SOFTEST ANSWER SCREEN 15**

William met Margaret in 2008. Devoted to their careers, neither had time for significant relationships, but the devotion to work paid off financially as each had accumulated assets. By 2009, William and Margaret were living together in a luxurious rented condominium. In 2010, they married, but separated in 2013 when Margaret filed for divorce. The parties are nearing entry of a divorce judgment.

The parties are possessed of a number of items of property listed below. **Using your knowledge of Michigan law, classify each item as either marital or separate property and explain your classification. You are not being asked to distribute the property, but simply to classify it.**

Item 1: Two months after marrying, the parties purchased the home in which they both lived until separation. The house was purchased for \$400,000. Each contributed \$200,000 in cash. They maintained it equally. At the time entry of judgment was to take place, the house was worth \$415,000 due to appreciation. **Are the home and its appreciation marital assets? Explain your answer.**

Item 2: William bought 3,000 shares of a publicly traded corporation five years before the marriage. He did not work for the corporation. He paid \$50 per share or \$150,000. Between the time of the parties moving in together and the marriage, the stock shares rose to \$60 per share, an appreciation of \$30,000, and then to \$70 a share between the date of the marriage and the time the judgment was to be entered. **Are the shares of stock and/or their appreciation a marital asset? Explain your answer**

Item 3: Margaret bought and fully paid for a \$200,000 Ferrari automobile five years before the marriage. It was titled in her name, driven solely by her, and maintained by her. A shrewd investment, the car was worth \$200,000 at the time of entry of the judgment, having not depreciated at all. William, not much for exotic cars, drove moderately priced leased vehicles. **Is the Ferrari a marital asset? Explain your answer.**

Item 4: William's Uncle Charlie gave a \$100,000 check as a wedding gift in both names and kept in an account in both names. A note on the check said, "To the happy couple." William and Margaret did not touch this money and it was worth \$109,000 at

the time the divorce judgment was to be entered. **Is the check and/or its appreciation a marital asset? Explain your answer.**

Item 5: An inheritance from Margaret's Aunt Nelly of a fully paid-for beach house deeded just to Margaret. A proviso in the will stated that it was "to Margaret." Margaret received the deed after the parties separated but before the judgment was entered. **Is the beach house a marital asset? Explain your answer.**