

QUESTION 12 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK
IV OR IN SOFTEST ANSWER SCREEN 12

Thomas was 47 and Connie 34 when they married. Thomas had taken over his father's company, TT and Son, five years before he met Connie, who was previously married. A first marriage for Thomas, he wanted a family and Connie gave birth to twins shortly after their marriage.

Nine years after marriage and learning of Thomas's repeated affairs, Connie filed for divorce. Only property distribution is contested. During a settlement conference, a joint statement of assets was created for the assets they could not agree upon and lists the following:

1. The business, TT and Son, valued at \$4 million at settlement conference.

2. Relatedly, the increase in value of the company from \$2.5 million when the parties married to \$4 million at the time of the settlement conference, which is \$1.5 million.

3. The marital home, purchased right after the marriage for \$200,000 with no money down during the mortgage melt-down crisis. Now worth \$400,000, both parties remain in the mortgage-free residence.

Livid about the affairs, Connie's anger impacted her position on property distribution. She wants half of the business's value of \$4 million and the house, free and clear from any claim by Thomas. As she puts it: "He cheated on me and that is all that matters."

Unrepentant, Thomas blames the affairs on Connie, adding for good measure, "While you were at home doing nothing, I was working, nearly doubling the size of my company!" Thomas claims the business is "all his" because "he built that business" without her help. Regarding the house, Thomas maintains Connie should only get some of the increased value because, he says, "I paid for it with my salary, she didn't." As to the affairs, he contends, "this is business; affairs have nothing to do with business!"

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Connie responds, "If creating and maintaining a home and raising our children is nothing, someone other than you will have to tell me that."

Applying Michigan law, discuss the relevant property distribution principles that apply to the parties' positions and determine the validity of each of the parties' positions. Also explain what bearing, if any, Thomas's affairs have on property distribution.

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