

## Bob and Mary Divorce Settlement General Information

Bob and Mary, high-school sweethearts, have been married for 25 years. Their relationship throughout the last 5 years however, has been tumultuous. Mary is a highly touted plastic surgeon in Beverly Hills. Mary feels her success was a direct result of Bob's support. Bob did not attend college. Rather, with only a high-school diploma, Bob worked odd jobs while Mary was attending UCLA Medical School. Using his unusual business savvy, Bob provided Mary with living expenses and paid her tuition with—  
—tuition.—

Upon graduation, Mary formed a Professional Corporation, at which point she hired Bob to conduct the business functions of her plastic surgery operation. Mary's medical practice has been highly successful, due in part to Mary's superior skill with a scalpel, and Bob's aggressive business strategies. Bob is not paid salary; rather income earned from the Professional Corporation is transferred into Bob and Mary's joint account (current holdings approximately \$3 million).

One year after Bob and Mary married, Bob's mother gifted a house to Bob. The gift was intended solely for Bob. Expecting their 1<sup>st</sup> child, Bob and Mary decided to hold joint title in the house. The house is now paid in full and owned in fee. Currently, Bob and Mary have 2 children: Adrian and Sam. Adrian is attending her 2<sup>nd</sup> year at UCLA, while Sam goes to a private *high* school. Bob, Mary, and Sam still live in the same Beverly Hills home along with their dog Scruffy. Unlike many Beverly Hills families, Bob and Mary do not have many material possessions. The two do however have a rare Porsche collection.

What was seemingly a model of family success has become tainted. Bob has recently learned that Mary has been having an affair with actor and client, Mr. Hollywood. As a result, Bob has filed for divorce. Publicizing Mary's affair would have adverse effects on both her and Mr. Hollywood's careers. Accordingly, Mary has entrusted her attorney to "fix the problem." Embarrassed, Bob has likewise agreed to negotiate in good faith with Mary in hopes of keeping Mary's affair quite.

Attorneys for Bob and Mary have agreed to meet, in an attempt to effectuate a settlement agreement and bypass California's Community Property Scheme.

### Note:

- As a general rule, any property belonging to an individual before marriage would remain their property upon divorce; whereas property acquired after marriage is considered community property, and divided equally.
- Both attorneys have authority to conclude this matter.

### Confidential Facts: Bob

Bob's main interest lies in full ownership of the house. He would prefer full custody of Sam and is willing to stay in the area so Sam can continue to attend the same school. Because of bad memories, Bob does not want any stake in or continued employment w/ his wife's medical practice. Bob feels as though Mary has used his business savvy over the years and now wants to be compensated for his services.

Unknown to Mary, the Porsche collection is valued at \$1.5 million (4 cars). Also unknown to Mary, Bob has been seeing Candy, the office receptionist. There is no proof of the affair, as Bob has been very careful, but Bob is beginning to feel as if Mary suspects something. To make matters worse, Bob has racked up some pretty substantial debt to Bruno the neighborhood bookie. As of yesterday, Bob owes Bruno \$75,000 – knee breaking time in two weeks. Bob should attempt to get some quick cash out of the deal to rectify the "Bruno" situation.

The problem is Bob has no cash, he was maintained by use of marital credit cards, etc. Although Bob is no 'husband of the year,' he would like a formal apology from Mary for the humiliation he's suffered as a result of her affair.