Fact Pattern

**Directions** - Please review and use the fact pattern below for the completion of your course project assignments throughout the course.

Sarah Lee and John Denim were married on July 4, 1996, in Las Vegas Nevada. It was the second marriage for Sarah and the third for John. At the time of their marriage, Sarah was 28 years old and Herman was 65. The parties have one minor child together, Lee Gene Denim. He was born on December 31, 2001.

Presently, Sarah and Lee live at 123 Cinnamon Place, in Los Angeles, California, and Herman lives at 57483 Mansion Way in your city and state. The couple separated on Christmas Day of 2011, after a holiday celebration at the Mansion Way residence, and intends to continue to live separately for the rest of their lives.

On January 2 of this year, the couple filed jointly for a no-fault divorce citing irreconcilable differences. This divorce action has been filed in your county in the appropriate court. Both parties want to remain actively involved in their son's life but agree that Sarah will be his primary caretaker, particularly during the school year. That way Lee Gene can at least remain at the home he now knows and maintain some continuity in that aspect of his life. He is presently enrolled in private school and is very active in a variety of sports. He is also an avid musician and shows considerable musical talent, but this is an expensive activity.

Sarah wants Herman to pay reasonable child support in an amount consistent with the state’s child support guidelines based on his unearned income of $400,000 a year, payable monthly. The parties have exchanged financial statements but have engaged in no additional discovery. Sarah earns approximately $125,000 a year as a celebrity personal baker and intends to continue her career. She is self-employed and has no retirement fund. John has been retired for some time but is an independently wealthy clothing mogul and his assets are valued at approximately $7.3 million.

Over the years, John has managed all of the couple's financial affairs and his accountant has prepared all the joint tax returns submitted during the marriage based on the information John provided. John was both physically and emotionally abusive to Sarah during their marriage, but she is willing to forget all that if he pays her alimony of $10,000 per month for the rest of his life and lets her have their apartment in New York City, their summer home in Cape Cod, Massachusetts, and the condo where she is presently residing in California. John owns all of the properties outright.

Sarah owns no real estate in her own name.

John has a pension from Levi Strauss, which would require preparation of a Qualified Domestic Relations Order (QDRO) to split and Sarah wants John to make her the sole beneficiary of a $500,000 Traveler’s insurance policy. Sarah wants the Dino Ferrari and is willing to let John keep his collection of vintage automobiles for understandable reasons. John is willing to waive any rights he has to claim alimony and wants the alimony provisions of any agreement the couple makes to be non-modifiable by any court under any circumstances.

John has no objection to paying his own debts but refuses to pay Sarah’s credit card debts, which she used to build her business. These bills have been a source of tension for the couple. Sarah it also a bit of a shopaholic and claims that she needed fancy new outfits for each celebrity baking party she hosted and that she couldn’t wear the same outfit twice or it would affect her reputation and business.

Sarah secretly figures John may end up paying some of her credit card bills anyway because two of her three credit cards are in joint names with John. The accounts are: a Bank of America credit card number is 1772–2 356–7 631–8976 with a balance of $9810, a diamond blue master charge card number 028–3 456–93 with a balance of $13,569, and an American Express platinum card, account number 1357–2 468–0864 with a balance of $22,567. The couple has already divided their personal property with the exception of John’s art collection, which needs to be removed from the New York and Cape Cod properties.

John says he feel sort of bad about the divorce and that he may decide to provide for Sarah in his will but she is not counting on that; however, she is happy that he is willing to pay for comprehensive medical insurance for her until his death, and for Lee until his emancipation, which is important for Sarah because she has heavy bills for hypnotic weight loss treatments and medications. Sarah figures she can clean up in this divorce and thinks she can save even more money if she doesn't waste any of the funds she is receiving on an attorney.