

**JULY 2015 MICHIGAN BAR EXAMINATION**

**ESSAY PORTION**

**MORNING SESSION**

**QUESTION 1 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I  
OR IN SOFTEST ANSWER SCREEN 1**

Dan took his 19-year-old son Paul to the local used car lot in Main, Michigan. Paul saw a car he would like to own, but could not afford to buy. Paul whined and begged his father for the car, and eventually Dan relented, telling Paul that: "Because you love this car so much, I promise to buy it for you tomorrow." Paul, seizing upon Dan's moment of generosity, voiced his agreement and immediately wrote a notation of Dan's promise in his notebook.

The next day, Paul was eager to return to the used car lot so that his Dad could purchase the car. But Dan put the brakes on that notion. Dan said to Paul: "Not so fast. You haven't been doing your chores lately, so I decided not to buy you the car after all." The following week, Dan instead bought Paul a motor scooter, which Paul accepted and drives around town.

Paul sued his father Dan, seeking the value of the car. Dan counterclaimed for the price of the motor scooter, and Paul defended by asserting that the scooter was a gift.

**Who will prevail in Paul's suit regarding the car? With respect to Dan's counterclaim, who has the burden of proof, and who will prevail? Explain your answers..**

**\*\*\*\*\*THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I\*\*\*\*\*  
OR IN SOFTEST ANSWER SCREEN 1**

**QUESTION 2 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I  
OR IN SOFTEST ANSWER SCREEN 2**

Dennis Delong had nieces who are identical twins - Lana and Millie. For reasons that no one understands, throughout the years Dennis had always adored Lana, but despised Millie. In June 2010, the twins graduated from college and celebrated the occasion with a large graduation party. At the party, in the presence of 200 or so attendees, Dennis took the microphone from the D.J., put his arm around his niece's shoulder, and made the following statement:

I have loved this girl since the day she was born, and I'm so proud of her many accomplishments. As of today, I'm placing \$50,000 in trust, with her mother as trustee, to do with as she sees fit. Her sister can fend for herself.

That same day, Dennis transferred \$50,000 to his sister Carolyn, the mother of the twins, with a directive to manage the funds wisely. What Dennis did not realize is that he had his arm around Millie, not Lana, at the time he made the announcement at the party. Two days later, before Carolyn had an opportunity to inform Dennis of his mistake, he died in an automobile accident.

In February 2015, Lana got engaged to be married, and immediately started making wedding plans with the trust funds in mind. Millie objected, correctly observing that Uncle Dennis had his arm around her. (rather than her sister Lana) at the time of the announcement.

**Applying principles of Michigan law, discuss fully: (1) whether Dennis created a valid trust in June 2010, including the standard of proof needed to establish a valid trust under the facts presented; and (2) whether Lana or Millie is the beneficiary of the trust, assuming that a valid trust has been created, and the standard of proof needed to make that determination. For the purposes of your analysis, assume Dennis possessed sufficient capacity to create a trust.**

**\*\*\*\*\*THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I\*\*\*\*\*  
OR IN SOFTEST ANSWER SCREEN 2**

**QUESTION 3 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I  
OR IN SOFTEST ANSWER SCREEN 3**

Jenny Grande was in the market to buy her first home in Gardenview, Michigan. She called a real estate agent, Chris Grimes, who represented local property owners.

On April 23, 2015, Chris showed Jenny a house on the waterfront, owned by Randy Lake. For a couple of days, Jenny considered the prospect of owning that house, and finally asked Chris to tell Randy that she wanted to make the purchase.

Unbeknownst to Jenny, Randy had already sold the house to Freda Filmore on April 24<sup>th</sup>. Chris knew of the sale, but he and Randy saw the chance to make some easy money. In the early morning hours of April 27<sup>th</sup>, Randy agreed to sell Jenny the house with a closing set for the following week. Meanwhile, having heard rumors that Chris lacked integrity, Freda recorded her deed on May 1<sup>st</sup>. Chris agreed to check the register of deeds, but never did, and the closing with Jenny was completed on May 4<sup>th</sup>. Randy also gave Jenny a disclosure statement as required under the Seller Disclosure Act, which did not reflect any serious defects in the property. Chris told Jenny that he would record her property interest, but never did.

On May 10<sup>th</sup>, both Freda and Jenny appeared at the home to take possession. Jenny arrived first, and was already moving in when Freda pulled into the driveway. Jenny told Freda to leave and padlocked the door. Shortly afterwards, Freda filed a lawsuit against Jenny to quiet title. Jenny answered the complaint alleging that Freda had notice of Jenny's interest before recording because of the negative rumors Freda had heard about Chris.

**Applying Michigan law, discuss the following:**

**(1) Identify which party has superior title to the house, Freda or Jenny, and why.**

**(2) Assume that Jenny wins title to the house. When she moves in, she discovers a plumbing problem that frequently floods the basement when it rains. Jenny wants to consider either: (a) a lawsuit for damages and remain in the property, or (b) rescind the purchase. What is the likelihood of success for each of these options?**

**\*\*\*\*\*THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I\*\*\*\*\*  
OR IN SOFTEST ANSWER SCREEN 3**

**GO TO BLUEBOOK II**

**QUESTION 4 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II  
OR IN SOFTEST ANSWER SCREEN 4**

Henry, who owns an aquarium, entered into two service contracts with AquaCare. In the first, AquaCare agreed to provide aquarium-related plumbing services. In the second, AquaCare agreed to (1) install an aquarium heater that Henry had purchased elsewhere, and (2) feed Henry's fish while Henry traveled around the world; Henry agreed to pay AquaCare \$100 to install the heater and \$200 to feed the fish.

AquaCare contracted with Plumber for Plumber to perform the plumbing services. The Plumber--AquaCare contract contained a detailed explanation of the work Plumber would perform to enhance Henry's aquarium, and required Plumber to obtain certain specifications directly from Henry.

Henry had a string of misfortune. Plumber performed its work carelessly, resulting in the flooding of Henry's basement. Before AquaCare installed the heater, the model was recalled due to fire risk and an ordinance banned any installations. The day after Henry left on his trip, his cat ate all the fish in his aquarium. It had not occurred to either Henry or AquaCare that the cat was even capable of such mischief.

Henry brought a breach of contract action against Plumber. Plumber responded that Henry could not maintain the suit because he was not a party to the Plumber-AquaCare contract.

Henry refused to pay AquaCare under the second contract. AquaCare brought a breach of contract action against Henry, who argued that the provision regarding the heater installation was based on violation of a statute, rendering the entire contract void. Henry also argued that, in any event, he was not required to pay AquaCare under the fish-feeding provision.

**1. May Henry maintain his suit against Plumber? Explain why or why not.**

**2. How should a court rule on Henry's two defenses to AquaCare's suit? Explain your answer.**

**\*\*\*\*\*THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II\*\*\*\*\*  
OR IN SOFTEST ANSWER SCREEN 4**

**QUESTION 5 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II  
OR IN SOFTEST ANSWER SCREEN 5**

Artie and Bob are co-owners of an equipment rental business. Bob is suing Artie in a Michigan circuit court in a civil action to recover \$5 million in assets that Bob claims Artie converted to his personal use. Bob had planned to call as his star witness the company's former accountant, Charlie. According to Charlie, while he was still the company accountant, Artie said to him, "Look, Charlie, I know you know I've been stealing money from the business." Artie then presented Charlie with a proposal to pay Charlie \$500,000 in exchange for which Charlie would resign, move away, and stay silent. When Charlie declined the offer, Artie fired him. Suddenly out of work and without a paycheck, Charlie wrote to Artie, threatening to sue Artie for wrongful discharge. The two met and agreed to the terms Artie had earlier offered. Charlie took the \$500,000, moved away, and stayed silent until Bob discovered Artie's theft of assets, sued Artie, and wanted to take Charlie's deposition.

Charlie appeared for his deposition. While Charlie testified to the above-stated facts in response to questions from Bob's counsel, Artie's counsel objected to the deposition and walked out halfway through, without asking a single question. In response to subsequent physical threats by Artie, Charlie left the country and now, with the trial beginning, cannot be found despite diligent efforts by Bob to locate and serve him.

Artie's counsel is objecting to Charlie's testimony coming into evidence at trial through his deposition, arguing that the deposition cannot be used because it is not within the former testimony hearsay exception, and, in any event, Artie's underlying statements to Charlie are inadmissible because they (1) are hearsay not within any exception; and (2) were made in the context of an MRE 408 offer to compromise.

Should the court allow Charlie's deposition to be read into evidence at trial? Explain why or why not. Should any of Artie's three communications (underlined above) be excluded as either hearsay or statements protected by MRE 408? Analyze the reason for exclusion or admissibility of each underlined statement.

**\*\*\*\*\*THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II\*\*\*\*\*  
OR IN SOFTEST ANSWER SCREEN 5**

**QUESTION 6 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II OR  
IN SOFTEST ANSWER SCREEN 6**

You are an associate at a plaintiffs' personal injury law firm that has a new website allowing prospective clients to send to the firm the details of what they claim happened to them. Smith, who was seriously injured in an automobile accident, accesses the website and sends your firm information about the accident from his perspective. After reviewing Smith's email, your firm's managing partner accepts Smith's case and assigns the file to you. You file suit against the other driver, Jones. Jones' attorney moves to disqualify your law firm because Jones, too, had initially accessed your firm's website and shared some information about the accident before deciding to hire a different lawyer. You never saw Jones' submission, but you agree that it was received by the firm and reviewed by one of your colleagues.

1. Was Jones' communication with the law firm a confidential communication? Why or why not?
2. If Jones' communication was a confidential communication, is your colleague who reviewed the information disqualified from representing Smith? What additional information, if any, do you need in order to answer this question fully?
3. Even if your colleague is presumptively disqualified from representing Smith, are there circumstances in which you could ethically continue to represent Smith in the matter? If so, what are those circumstances?
4. What measures can a law firm take to protect itself against disqualifying conflicts arising from its website's invitation to prospective clients to share information?

\*\*\*\*\*THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II\*\*\*\*\*  
OR IN SOFTEST ANSWER SCREEN 6



GO TO BLUEBOOK III

**QUESTION 7 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III  
OR IN SOFTEST ANSWER SCREEN 7**

Around midnight, Henry Homeowner was asleep on his recliner, when he was awoken by the sound of breaking glass. He looked toward the front door of his home. Two men were pushing through the door they had unlocked after breaking the door window. They wore masks. One had a gun. By the time Henry scrambled to his feet, the men were three or four steps into the house. The man with the gun grabbed Henry's wallet from the coffee table close to the door.

Henry pulled his legally registered revolver from his waistband. Staying stationary, Henry then shot and killed the armed intruder with three shots to the chest and head, causing him to drop the wallet near the coffee table. The other unarmed intruder ran back out the door. Angry, Henry went to the door and saw the man running in full sprint away from the house. Henry took aim and shot three times. The second intruder died from the gunshots, all of which entered his back.

Henry is charged with two counts of murder. He contends both killings are justified by the legitimate use of self-defense.

**Discuss Henry's chances for success under Michigan's statutory principles of self-defense regarding the shooting of the armed intruder, and his chances for success regarding the unarmed intruder under both the Michigan statutes and the common law.**

**\*\*\*\*\*THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III\*\*\*\*\*  
OR IN SOFTEST ANSWER SCREEN 7**

**QUESTION 8 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III  
OR IN SOFTEST ANSWER SCREEN 8**

Nathan Malcop is an internal affairs investigator for the City of Belleview Police Department (BPD). After conducting an investigation into the conduct of several undercover police officers, Nathan wrote a confidential report critical of the conduct of the officers. Specifically, his report indicated that the officers made misrepresentations in affidavits used to obtain search warrants, and removed items from the evidence room without authorization. He recommended that the officers be fired. After Nathan submitted the report, no disciplinary action was taken by the BPD.

Within one month, Nathan was denied a promotion, reassigned to patrol officer duty, and reassigned to the midnight shift. He claims that the BPD violated his First Amendment constitutional rights of free speech, by retaliating against him for revealing police misconduct and recommending that the officers be fired.

**Applying principles of First Amendment constitutional law, analyze whether the BPD violated Nathan's rights in retaliating against him for the contents of his report. Explain your answer.**

**\*\*\*\*\*THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III\*\*\*\*\*  
OR IN SOFTEST ANSWER SCREEN 8**

**QUESTION 9 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III  
OR IN SOFTEST ANSWER SCREEN 9**

On routine foot patrol in a residential neighborhood, Officer Jenkins heard loud screams through a window at 123 Adams Street. Officer Jenkins paused directly in front of the house. He heard glass breaking and a woman scream, "Stop it. Stop it." A male voice shouted, "Shut up or take a bullet!" The woman screamed "Johnny! Johnny! Help mommy!" More tussling was heard and the woman screamed again. Officer Jenkins hustled to the door and he yelled "police."

Officer Jenkins then heard the woman yell "help" again. By this time, backup had arrived and Officer Jenkins and Officer Simm, who had also heard the screaming, ran through the door to find Barry Brown standing over the woman. Brown was immediately subdued, cuffed and arrested, and turned over to other police arriving on the scene. Brown was removed from the home.

While in the room where Brown was arrested, Officer Simm saw a significant amount of a substance he recognized from his training as cocaine, as well as items he recognized as packaging materials and a scale. Officer Simm seized these items from atop the coffee table.

Paramedics attended to the woman and Officer Jenkins ran down the basement stairs. At the bottom of the stairs was a closed door. Officer Jenkins opened the door, which was a bedroom, and found many illegal automatic firearms. He, along with other officers, took possession of the firearms. While in the room, Officer Jenkins began opening drawers to a nightstand where he found scores of pictures he believed amounted to child pornography, and seized these pictures. At that time, a child came out from under the bed and ran into Officer Jenkins' arms.

Brown was charged with possession with intent to deliver cocaine, possession of illegal firearms, and possession of child pornography. No assault charge was brought because the victim refused to cooperate.

Brown moved to suppress the seized evidence - the cocaine, the guns, and the pictures - contending that police entry into his home without a warrant violated his 4<sup>th</sup> Amendment rights against unreasonable searches and seizures. Brown's counsel added, "and it wouldn't have mattered if they had got a warrant before seizure, because the information they gained illegally

would make the issuance of the warrant defective." The court, stated that, because no warrant was issued, the salient question was whether justification existed--in the absence of a warrant--for the entry into the home, the seizure of the cocaine, the entry of the basement bedroom, the seizure of the guns, and the seizure of the pornographic pictures - in the absence of a warrant.

How should the prosecutor respond to these various arguments? Evaluate the chances of success for each item of evidence.

\*\*\*\*\*THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III\*\*\*\*\*  
OR IN SOFTEST ANSWER SCREEN 9

**JULY 2015 MICHIGAN BAR EXAMINATION**

**ESSAY PORTION**

**AFTERNOON SESSION**

**QUESTION 10 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV  
OR IN SOFTEST ANSWER SCREEN 10**

Pauline Plaintiff worked in a cubicle at her place of employment. Because she was surrounded on three sides by the cubicle, Pauline could not see people approaching her from behind. One day, Pauline had made lunch plans with her husband and was expecting him around noon. At just about that time, as she was reading some paperwork at her desk, Pauline felt two large and strong hands grab hold of each shoulder and start to massage her shoulders. Thinking it was her husband who had arrived for lunch, she smiled and turned around. To her astonishment, however, it was not her husband, but it was Dan Defendant, a co-worker. Pauline immediately jumped up from her chair, told Dan that she did not appreciate him placing his hands on her shoulders, and that she had warned him about doing this before. In response, Dan stated that he was simply trying to give her a quick friendly rub, because he knew she had been tense at work.

Once Pauline's husband arrived, they went to lunch. During lunch, Pauline told her husband how upset she was about Dan again placing his hands on her shoulders. As a result, after lunch they met with a local attorney, who filed a civil action against Dan setting forth two claims, (1) assault and (2) battery. Dan eventually filed a motion to dismiss, arguing that Pauline Plaintiff cannot establish the elements of either claim.

**Explain whether his motion should be granted.**

**QUESTION 11 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV  
OR IN SOFTEST ANSWER SCREEN 11**

Muma Corp (MC), a Michigan corporation founded in 2000, has among its shareholders three individuals named Arnold, Dutton and Ping. The articles of incorporation indicated that Muma Corp "elects to have preemptive rights." Muma Corp announced that shareholders could exercise their preemptive rights from April 1 to April 30.

- On April 1, Dutton wrote to MC, indicating that he was waiving his preemptive rights because he was planning to sink his spare capital into another venture.
- On April 7, Dutton wrote to MC, indicating that he changed his mind about waiving his preemptive rights and would like to exercise his preemptive rights.
- On April 15, MC paid compensation in the form of shares of MC stock to the Directors of MC.
- On April 21, Arnold demanded to purchase the MC stock paid to the Directors.
- On April 27, Ping, who owned 5% of Muma Corp's stock, tendered money to purchase 10% of the newly issued shares.
- On May 1, MC properly amended its articles of incorporation to abolish its shareholders' preemptive rights.

Muma Corp refused to sell any shares to Dutton, refused Arnold's demand to purchase the Director's shares, and refused to sell Ping more than 5% of the stock. Dutton, Arnold and Ping sought legal advice, claiming that Muma Corp violated their preemptive rights.

Dutton claimed that he validly revoked his waiver, and that his initial waiver was invalid in any event, because it was not supported by any form of consideration.

Arnold claimed that his preemptive rights included the right to acquire the stock issued to the Directors as compensation.

Ping claimed that, so long as he tendered sufficient money, Muma Corp was required to sell him the requisite number of shares of Muma Corp. Moreover, Ping claimed that his preemptive



right to acquire MC stock was precisely that - a RIGHT - and that MC could not abolish Ping's shareholder's preemptive rights.

Applying principles of Michigan corporation law, discuss whether the claims of Dutton, Arnold and Ping are likely to prevail. Except to the degree indicated in the facts, assume that the corporate bylaws and articles of incorporation are silent.

\*\*\*\*\*THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV\*\*\*\*\*  
OR IN SOFTEST ANSWER SCREEN 11

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

In March 2010, Parker was catastrophically injured in an auto accident when Donovan broadsided Parker's vehicle. Parker's injuries prevented her from going back to work, and in July 2012, Parker filed a petition for bankruptcy under Chapter 7 of the United States Bankruptcy Code, 11 USC 701, et seq. As a result of the filing, as a matter of bankruptcy law, the bankruptcy trustee owns Parker's claim for injuries as it became an asset of the estate.

In February 2013, Parker filed a complaint in circuit court against Donovan alleging that, due to Donovan's negligence, Parker suffered serious injuries. In lieu of filing an answer, Donovan filed a motion for summary disposition, arguing that Parker lacked standing to sue. In response, Parker argued that she was the one injured so she had every right to sue. The circuit court granted the motion in March 2013. Thereafter, in April 2013, Parker filed a motion for leave to file an amended complaint in order to substitute Carol Workout, the trustee for Parker's bankruptcy estate, as plaintiff in the action against Donovan. The motion alleged that Parker's legal counsel mistakenly misnamed Parker rather than Workout as the plaintiff, through no fault of Parker or Workout, and that substitution of Workout as the plaintiff would correct a scrivener's error. Donovan opposed the motion for leave to file an amended complaint, arguing that the claim was now barred by the three-year statute of limitations, and requested the circuit court to deny Parker's motion to amend the complaint.

**1. Analyze whether the circuit court properly granted Donovan's motion for summary disposition.**

**2. The circuit court, having granted the motion for summary disposition, is considering Parker's motion for leave to file an amended complaint, explain whether it should be granted.**

**GO TO BLUEBOOK V**

**QUESTION 13 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK  
V OR IN SOFTEST ANSWER SCREEN 13**

Bob works as an employee of ABC Real Estate (ABC), an online mortgage lender. He is a middle manager with the firm earning a salary that pays \$1,000.00 per week.

With the recovery in the real estate market in 2014, ABC's business increased, as did Bob's responsibilities and number of hours worked. After several months of stressful work, Bob began having anxiety attacks and visited his doctor. The doctor told Bob he should not return to his middle management position given the anxiety it causes him. But, the doctor said Bob remains capable of working at less stressful positions at ABC or elsewhere. ABC has available less stressful positions suitable to Bob's qualifications and training, but they only pay \$500.00 per week, one-half of what Bob had earned as a middle manager.

Bob did not return to work at ABC and has not sought work elsewhere. ABC did not offer Bob any of its less stressful, lesser paying positions. ABC did voluntarily begin paying Bob weekly workers' compensation benefits at a partial rate based on Bob's ability to still earn \$500 per week. After a couple months of such payments, ABC terminated payment of future weekly benefits suspecting that Bob was malingering.

Bob objected to ABC's actions on three bases.

**Answer the following three questions posed by Bob with reference only to Michigan workers' compensation law:**

1. Can ABC terminate payment of weekly workers' compensation benefits without first receiving permission from the appropriate state agency? Explain your answer.

2. Was ABC's payment of only a partial rate appropriate given Bob was not earning any wages? Explain your answer.

3. Was ABC obligated to offer Bob one of its less stressful, lesser paying jobs? Explain your answer.

**\*\*\*\*\*THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK V\*\*\*\*\*  
OR IN SOFTEST ANSWER SCREEN 13**

**QUESTION 14 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK V  
OR IN SOFTEST ANSWER SCREEN 14**

Cottage Gardens is a company in the business of growing and selling plants. On January 2, 2015, Cottage Gardens sent a written offer to sell Beverly Florist, Inc. 1,000 white roses at \$3.00 each plus delivery. Beverly Florist, Inc. is a florist that sells flower arrangements. The roses were to be used in a flower show that Beverly Florist, Inc. was hosting on March 15, 2015. The next day, Beverly Florist, Inc. sent a written confirmation that stated, "I accept. Price is \$3.10 each including delivery to the Lansing Convention Center by March 11, 2015." The confirmation was signed by the president of Beverly Florist, Inc.

On March 10, 2015, Cottage Gardens arranged for the delivery of the roses to the Lansing Convention Center. The president of Beverly Florist was present to receive delivery. When the roses were brought inside, it was discovered that 250 of the roses were red. The president accepted the 750 white roses and rejected the 250 red roses. Upon receipt of the rejection, Cottage Gardens immediately faxed a notice to Beverly Florist, Inc. indicating that it intended to supply the 250 remaining white roses by March 11, 2015. The remaining white roses were delivered to the Lansing Convention Center by 9:00 a.m. on March 11, 2015.

1. Assume there is a contract. What are the terms and why?
2. Must Beverly Florist accept tender of the white roses that were delivered on March 11, 2015? Explain your answer.

**\*\*\*\*\*THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK V\*\*\*\*\*  
OR IN SOFTEST ANSWER SCREEN 14**

**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.**

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