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Court of Appeals
Division I
State of Washington

No. 73468-7-I
(consolidated with 73860-7-I)

COURT OF APPEALS,
OF THE STATE OF WASHINGTON
DIVISION ONE

In re the Marriage of:

AMBER HANSEN

Respondent/Cross Appellant,

v.

TROY EDWARD HANSEN

Appellant/Cross Respondent.

ON APPEAL FROM KING COUNTY SUPERIOR COURT
Honorable Monica J. Benton

APPELLANT'S OPENING BRIEF

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I. INTRODUCTION

This appeal arises from the dissolution of the marriage of Troy and Amber Hansen. Appellant Troy Hansen owns and operates All City Bail Bonds, Inc. (ACBB). The trial court found that ACBB was a community asset worth \$2.89 million—part of a community estate valued at over \$9.9 million. The trial court determined that a 50/50 division of the community assets was fair and equitable and that each party should keep his or her separate property. In addition to other assets awarded to Amber, the court required Troy to pay her an “equalizing payment” of \$596,704 to achieve an exactly 50/50 division of the community assets. The trial court committed three errors in attempting to implement this clearly defined distribution and in setting child support.

First, no evidence, let alone substantial evidence, supports a finding that Troy wasted community assets when, four months before separation, the parties took advantage of a one-time opportunity to acquire another bail bond business, C.J. Johnson Bail Bonds, which was folded into the ACBB operation. Although retirement accounts were cashed out to enable this acquisition, incurring taxes and early-withdrawal penalties, Amber knew this was being done and, although she had engaged counsel, did not object at the time. Moreover, the undisputed testimony of her valuation expert at trial, Steven Kessler, was that the transaction was

“brilliant,” notwithstanding the costs, and enhanced the couple’s community assets available for distribution by the trial court. The net effect of the trial court’s unsupported finding of waste was to deprive Troy of \$60,068 in community assets that he otherwise would have been awarded to carry out the 50/50 division of community assets.

Second, the trial court erred in including in the valuation of ACBB the value of 607 Central Avenue N. as if it were a *community* asset even though the court expressly determined it was Troy’s *separate* property. The net effect of this error was to deprive Troy of \$85,000 in community assets that he otherwise would have been awarded to carry of the 50/50 division of community assets.

Third, the trial court erred in setting Troy’s child support obligation. The court set Troy’s support transfer payment at two-and-one-third times in excess of the statutory economic table yet failed to make the detailed findings of fact that are required when exceeding the economic table. In addition, the trial court then failed to adjust the support transfer payment after revising the support worksheets to find that Amber’s income was over \$5,000 more than originally found and Troy’s was \$5,374 lower.

This Court should reverse and remand to the trial court with directions to (1) amend the findings and decree to cure the effects of the

baseless finding of waste and erroneous valuation of ACBB, including for an order for Amber to reimburse Troy \$145,068 (\$60,068 plus \$85,000) plus interest and (2) recalculate the child support with full restitution of overpayments.

II. ASSIGNMENTS OF ERROR AND ISSUES ON APPEAL

A. Assignments of Error.

1. Troy Hansen assigns error to the following findings of fact: 2.7(9) (inclusion of 607 Central Avenue N. in subsection (9)(q)); 2.7(20); 2.8(2)(a) (value of \$140,000); 2.11(9); and 2.11(11).

2. In the revised order of child support, Troy assigns error to the transfer payment amount (item 3.5) and the reasons for deviation (item 3.7).

3. The trial court erred in finding that Troy wasted community assets in acquiring C.J. Johnson Bail Bonds and in penalizing him accordingly.

4. The trial court erred in including in the value of a community asset, All City Bail Bonds, the value of a parcel of real property found to be Troy's separate property, 607 Central Avenue N.

5. The trial court erred in (1) failing to make findings of fact sufficient to justify setting child support at two-and-one-third times in excess of the economic table and (2) failing to adjust the support transfer payment after revising the support worksheets to find that Amber's income was \$5,027 more than originally found and Troy's was \$5,374 lower.

B. Issues.

1. Where the record is devoid of any evidence that Troy wasted community assets in acquiring C.J. Johnson Bail Bonds, must the appellate court vacate the trial court's finding of such nonexistent waste where that baseless finding resulted in Troy being deprived of \$60,068 in community assets due to him under the 50/50 division ordered by the trial court and direct the trial court to order full restitution?

2. Where the trial court erred in including in the value of a community asset, All City Bail Bonds, the value of a parcel of real property found to be Troy's separate property, 607 Central Avenue N., and this error resulted in Troy being deprived of \$85,000 in community assets due to him under the 50/50 division of community assets ordered by the trial court, must the appellate court vacate and correct the valuation of All City Bail Bonds and direct the trial court to order full restitution?

3. Where the trial court erred in (1) failing to make findings of fact sufficient to justify setting child support at two-and-one-third times in excess of the economic table and (2) failing to adjust the support transfer payment after revising the support worksheets to find that Amber's income was over \$5,000 more than originally found and Troy's was \$5,374 lower, must the appellate court vacate the erroneous support order and direct the trial court to recalculate support and order full restitution to prevent a windfall to Amber?

III. STATEMENT OF THE CASE

A. Troy and Amber Hansen separated after a 12-year marriage.

Troy and Amber were married in 2001, having been in a committed intimate relationship since 1994. CP 34 (FOF 2.3). They separated in October 2013. CP 35 (FOF 2.4). At the time of trial in 2015, Troy was age 44, and Amber was age 39. CP 39 (FOF 2.11(1), (8)). Their two daughters, born during the marriage, were ages 12 and 7 and attended public schools. CP 40-41 (FOF 2.16); RP 791-93.

B. The Hansens' largest asset was a successful business, All City Bail Bonds.

Troy founded ACBB, before the marriage, in 1989, and continues its operation today. RP 747. As of trial, ACBB had six physical locations, in Seattle, Tacoma, Kent, Bellingham, and Mt. Vernon.¹ RP 765.

One aspect of the business operation has potential relevance in this appeal—the maintenance of a “build-up fund” (or BUF). Troy is personally liable on the bonds written by ACBB, but maintains surety insurance to cover the potential obligation in the event of forfeiture by a defendant.² RP 293, 308. Because not all bonds are 100% collateralized, and there can be costs associated with realizing the value of the collateral, the insurer requires the bail bond agent to keep cash on hand—a build-up fund—to protect the insurer in the event of a defendant’s forfeiture. RP 1291-92. The fund “builds up” over time as a percentage of the face amount of each bond is paid into the fund. RP 843, 1291-92. This is required by Troy’s surety insurer, Seneca Insurance, and is standard in the industry.³ RP 843, 1291-92.

¹ Troy is authorized to write bonds in other areas of Washington State and maintains a local phone number in several cities where ACBB has no physical location. RP 976.

² At the time of trial, the total outstanding bond liability was approximately \$36 to \$38 million. RP 189.

³ Seneca’s bail bond surety business is managed by Bail USA, Inc. RP 185-86, 1288. Bail USA receives the premium payments and build-up fund contributions from ACBB and disburses them to the proper accounts. RP 1288, 1292.

The build-up fund is held in trust by Troy for Seneca's benefit. RP 189-90, 1296. In the event of a bond forfeiture not paid by ACBB from its operating account or otherwise, Seneca has the right to direct that the obligation be paid from the build-up fund.⁴ RP 188. Troy has no right to access the funds without Seneca's authorization. RP 188-90, 875, 1305.

From time to time, Seneca has authorized Troy to borrow from the build-up fund for business and personal purposes, subject to appropriate security and repayment terms. Most recently, in 2012, Troy was allowed to borrow \$700,000 from the build-up fund toward the purchase of a vacation home on Whidbey Island. RP 856-57. Seneca required a deed of trust on the property to secure the loan. RP 857, 1301-02.

In December 2013, Troy requested to borrow around \$100,000 from the build-up fund to pay court-ordered maintenance and attorney's fees to Amber. RP 830-31, 843, 1305. In exchange, Troy offered Seneca a first-position lien on real property with sufficient equity. RP 1340-41. Seneca rejected this request. RP 843, 1305. Seneca will not allow a company to borrow against a build-up fund if the ratio between the balance in the fund and the company's total open bond liabilities is less

⁴ Seneca, as surety, is the payor of last resort and would only pay in the unlikely event that the build-up fund were fully depleted. Seneca has never had to pay a bond for ACBB. RP 187.

than 2%. RP 1323-24. Troy ended up borrowing the money to pay Amber's fees from a friend. RP 830-31.

As of September 2014, the build-up fund contained approximately \$697,000. Exh. 1 at 4. By the time of trial in 2015, the build-up fund had grown to \$878,528, which was just sufficient to restore the ratio of build-up funds to open liabilities back to 2%. CP 36-37 (findings), 46 (spreadsheet, lines 14-16); RP 1303.

C. Four months before separation, in 2013, the Hansens cashed out IRAs to enable the acquisition of another bail bond business, C.J. Johnson Bail Bonds, which Amber's valuation expert called a "brilliant transaction."

In June 2013, four months before separation, the Hansens acquired the assets of another bail bond business, called C.J. Johnson Bail Bonds, in Tacoma, Washington, including its real property (the business location) and goodwill.⁵ RP 678, 766, 851, 853. The total purchase price was \$1.2 million. RP 224, 240, 853.

Troy had wanted to buy C.J. Johnson Bail Bonds for about 20 years, to enter the Tacoma market for bail bonds and preclude a competitor from doing the same. RP 677, 702, 850. The one-time opportunity arose in 2013 because the owner, C.J. Johnson, became ill and could no longer operate the business. RP 850. Through the acquisition,

⁵ Troy did not acquire the liabilities of C.J. Johnson Bail Bonds or a build-up fund. RP 678, 854.

ACBB grew by approximately 30% in terms of annual bond liability written. RP 606.

The Hansens cashed out individual retirement accounts (IRAs) worth \$242,211 to use toward the down payment on C.J. Johnson Bail Bonds. RP 722; CP 38 (FOF 2.7(20)). As a result, they incurred \$95,915 in income taxes and \$24,221 in early-withdrawal penalties.⁶ RP 722; CP 38 (FOF 2.7(20)). Before cashing out the IRAs, Troy and Amber had discussed doing this and using the proceeds to acquire C.J. Johnson Bail Bonds. RP 421, 766, 850-53. Amber attended the closing and signed the documents to purchase the real property because it was acquired as community property. RP 851, 959-60.

Troy believed it was a “wise” move to use the IRA proceeds to enable the acquisition of C.J. Johnson Bail Bonds because acquiring the new business location was a unique opportunity and would yield a higher rate of return on investment than the IRA. RP 881-82; *see also* RP 723. Amber’s valuation expert, Steven Kessler, agreed, testifying that using the

⁶ An IRS bulletin explains early-withdrawal penalties as follows:

To discourage the use of IRAs for purposes other than retirement, the law imposes an additional 10% tax on early distributions from traditional and Roth IRAs unless an exception applies. Generally, early distributions are those you receive from an IRA before reaching age 59½. The additional 10% tax applies to the part of the distribution that you have to include in gross income. It is in addition to any regular income tax on that amount.

<https://www.irs.gov/taxtopics/tc557.html> (copy attached as Appendix D).

IRA funds to enable the purchase of C.J. Johnson Bail Bonds was “brilliant,” notwithstanding the taxes and penalties incurred:

I think the CJ Johnson acquisition was, frankly, a brilliant transaction for this company, and I think they’re going to derive significant cash flows going forward into the future. I think that’s why Mr. Hansen did it. *If you remember correctly, he liquidated a retirement account, which, I mean, anyone would say, “Why would you do that, pay the income tax and pay the 10 percent penalty? You’re talking a 45 percent tax rate. And yet it enabled him to acquire that transaction.* He’s the most knowledgeable person in this room about his business and he believed that was a good transaction. I believe it was a good transaction. ... I think he’s going to derive significant future revenue.

RP 341 (emphasis added); *see also* RP 313.⁷

Although no money from the build-up fund was used in acquiring C.J. Johnson Bail Bonds, for six months following the acquisition, Seneca allowed Troy to suspend new contributions to the build-up fund to alleviate the immediate financial pressure of the acquisition, while recognizing the substantial additional revenue it would ultimately generate. RP 841-42, 1298-99, 1320.

D. The Hansens’ other valuable investments included a 39% interest in a limited liability company, B.H. Properties I, LLC, which owned a medical building.

In 2006, the Troy and three other investors formed B.H. Properties I, LLC, and purchased a 13,000 square-foot medical building across the

⁷ Although Mr. Kessler subsequently disclaimed any intent to opine on “how [the acquisition] was funded” and whether there had been a waste of community assets, RP 341-42, his testimony on this issue speaks for itself.

street from Overlake Hospital in Bellevue, Washington. RP 82. The Hansens invested \$390,000 to acquire a 39% interest, which the trial court found was worth \$1,069,000 at the time of trial.⁸ CP 37 (FOF 2.7(14); RP 82, 699. Amber’s valuation expert, Mr. Kessler, testified that B.H. Properties was a “fantastic investment” and “generates a ton of cash flow.” RP 253. In 2014, the investment produced \$40,627 in annual *net* cash flow for the Hansens, or \$3,386 per month. Exh. 116; *see also* Exh. 58. While the existing building is leased, the property could be redeveloped with a new building of at least 100,000 square feet. RP 125.

E. The trial court divided the community assets 50/50 and awarded each party his or her separate property. The court found that Troy wasted community assets in acquiring C.J. Johnson Bail Bonds. The court included a parcel of Troy’s separate property in the valuation of ACBB, a community asset. And the court failed to award the interest in B.H. Properties, while attributing to Troy its rental income for purposes of child support.

After a bench trial, the superior court entered orders in April 2015, including (1) findings of fact and conclusions of law (CP 33-56), (2) a decree of dissolution (CP 47-53), (3) an order for child support (CP 54-68), and (4) a parenting plan.

The trial court determined that nearly all the parties’ assets were community property, amounting to \$9,902,547. CP 35-38 (FOF 2.7-2.8),

⁸ The other three investors were Darren Bloch (25.5%), Mr. Bloch’s mother (25.5%), and Lon Hayne (Amber’s stepfather, 10%). RP 83, 879.

46 (total community assets). The court found that it was fair and equitable to divide the community assets 50/50 (and award each party all of his or her separate property), and the court entered a decree that was intended to divide the assets in exactly that proportion. CP 42 (FOF 3.4); CP 46 (percentage to each party); *compare* CP 48-51 (decree) *with* CP 44-46 (spreadsheet). The court's award of community assets to Amber included:

- the family home in Bellevue, found to be worth \$1.6 million;
- the Whidbey Island vacation home, found to be worth \$847,000 (the court ordered Troy immediately to satisfy the \$750,000 deed of trust on this property, CP 48 (decree, item 3.2(a), which he did);
- 1825 - 112th Avenue NE in Bellevue, found to be worth \$545,000;
- 525 West James Street in Kent, found to be worth \$250,000;
- the 39% interest in B.H. Properties, found to be worth \$1,069,000;

and various other assets, all adding up to \$4,354,570. CP 44-46. In addition, the decree required Troy to pay Amber \$596,704 in cash to bring her award to \$4,951,274 and achieve an exactly 50/50 division of the community assets. CP 46 (“equalizing payment”), 49.⁹

⁹ The court also awarded Amber her separate property worth \$21,370. CP 46 (total assets).

The property at 525 West James Street, awarded to Amber, is near the King County Regional Justice Center, and Troy had intended to develop it into a business location for ACBB. RP 427-28, 573-74. This income-producing property was leased for \$700 per month in net rental income. Exh. 209 at 28. The home at 1825 - 112th Avenue NE in Bellevue, also awarded to Amber, was vacant (Troy's father, who passed away during the dissolution trial, had lived there during the marriage), had previously been rented, and could be rented again for income. RP 403, 747.

The court awarded ACBB to Troy, accepting Mr. Kessler's opinion that the business was worth \$2.89 million. CP 36 (FOF 2.7(9)); RP 192. The court included in the value of this community asset the property at 607 Central Avenue N. in Kent, worth \$170,000, which the court found was Troy's separate property.¹⁰ CP 36-37 (FOF 2.7(9)(q)), 38 (FOF 2.8(2)(a)), 44 (spreadsheet, line 10(N)); Exh. 1 at Exh. IX (Kent Building and Land). Besides ACBB, Troy received other community assets, including the build-up fund accounts and real properties that are essential to operation of ACBB, but were valued and awarded separately

¹⁰ Troy acquired this property before the marriage, and it was preserved as his separate property under a prenuptial agreement. CP 38 (FOF 2.8(2)(a)). In listing Troy's separate property, the court inconsistently stated the value of this property as \$140,000. CP 38 (FOF 2.8(2)(a)). The value determined by Amber's valuation expert and found by the court for purposes of valuing ACBB was \$170,000. CP 37 (FOF 2.7(9)(q)); Exh. 1 at Exh. IX (Kent Building and Land).

from ACBB. CP 44, 45 (spreadsheet, lines 13-16), 50. In addition, the court awarded Troy his separate property, including 607 Central Avenue N. CP 38 (FOF 2.8(2)(a)), 40 (decree, item 3.3(6)).¹¹

Notwithstanding Mr. Kessler's undisputed testimony, the trial court found that Troy "wasted community assets" in cashing out the IRAs to enable the acquisition of C.J. Johnson Bail Bonds. CP 38 (FOF 2.7(20)). The trial court penalized Troy by treating the combined \$120,136 in taxes and penalties as a "predistribution" of assets to Troy, meaning that his share of the actual assets distributed by the court in its 50/50 division of the community assets was reduced by half that amount (\$60,068). CP 38 (FOF 2.7(20)), 45.

The trial court ordered Troy to pay Amber maintenance of \$20,000 per month for five years—a total of \$1.2 million.¹² CP 51 (decree, item 3.7). The court also ordered Troy to reimburse Amber for attorney's fees. CP 52 (decree, item 3.13).

The original decree was silent as to whether the interest in B.H. Properties was awarded to Troy or Amber. *See* CP 48-51. In a

¹¹ The court omitted 607 Central Avenue N. from its net total of separate assets awarded to Troy, \$59,465. CP 46 (total assets).

¹² While Troy worked full time for ACBB, Amber was a stay-at-home mom throughout the marriage. Although she completed courses to obtain a real estate license, she never worked as a real estate agent. RP 61. Following the divorce, she planned to obtain a college degree and become a registered nurse. FOF 2.11(3).

spreadsheet attached to the findings of fact and conclusions of law, B.H. Properties was in Amber's column. CP 45 (spreadsheet, line 18). Nevertheless, the child support order and worksheets showed only Troy receiving any rental income and Amber's only income being maintenance, even though she had been awarded multiple income-producing properties. CP 55, 64 (spreadsheet, line 1(e)).

To determine the basic child support obligation, the worksheets used the figures set forth in the statutory economic table for a family with combined monthly net income of \$12,000 (\$1,440 for the older child and \$1,165 for the younger). CP 64; *see* RCW 26.19.020. The court then determined the standard calculation, based on the parties' proportionate shares of the family's combined monthly net income. CP 65. (The court did not credit either Troy or Amber for any amounts paid for goods and services for the children; the court divided these expenses 50/50. CP 58.) This resulted in a transfer payment from Troy to Amber of \$1,863. CP 66. The court increased the transfer payment to \$4,000 (\$2,000 per child) as an upward deviation under RCW 26.19.075, stating the following reasons:

1. The parents['] combined monthly income exceeds \$12,000 net per month.
2. The children's needs and the family's historical child-related expenses.
3. Tax planning.

4. Wealth.

CP 56.

F. On post-trial motions, the trial court entered (1) an amended decree that awarded the interest in B.H. Properties to Amber and (2) an amended child support order that recognized additional income to Amber and reduced income to Troy, but did not modify Troy's monthly transfer payment.

Amber filed a motion to “clarify” the decree, including to confirm that she was awarded the interest in B.H. Properties. CP 383. In response, Troy agreed that the decree should be corrected to reflect that the interest in B.H. Properties was awarded to Amber. CP 393. Troy also raised a further point for correcting, noting that the trial court had included 607 Central Avenue, which is Troy's separate property, in the value of ACBB, a community asset. CP 395-96.

Meanwhile, Troy filed a motion for reconsideration of the order for child support. CP 69-72. Troy argued that (1) the standard calculation should be modified because the underlying income figures presumed that the interest in B.H. Properties, with its attendant rental income, was awarded to Troy; (2) deviation upward was not appropriate and, in any event, was not supported by the findings; and (3) minimum wage income should be imputed to Amber. CP 69-72.

While the post-trial motions were pending, Troy carried out transfers of assets to Amber under specific deadlines as called for by the

decree, and Amber's attorney executed a full satisfaction of judgment. *See* RP 1254; CP 80. The parties presumed that the interest in B.H. Properties had been awarded to Amber. RP 1254. Meanwhile, Troy filed a notice of appeal, CP 85-121, and Amber filed a notice of cross appeal. CP 445-47.

At subsequent post-trial hearings, Judge Benton stated that she had intended to award the interest in B.H. Properties to Troy. RP 1243, 1254-57. This would have meant ordering Troy pay Amber an additional \$1,069,000—the value of the interest in B.H. Properties—to maintain a 50/50 division of the community assets. *See* CP 45 (spreadsheet, line 18), 46 (percentage to each party); RP 1245, 1257-58. Both parties opposed this resolution and asked the court instead to award the interest in B.H. Properties to Amber, which the court ultimately did by way of an amended decree. RP 1254-60, 1262; CP 466. Amber's attorney executed a second full satisfaction of judgment, relative to the amended decree. CP 376-77.

The award of the interest in B.H. Properties to Amber meant that she, not Troy, would receive the (at least) \$3,386 in monthly net rental income from B.H. Properties, requiring amendment of the child support worksheets. *See* CP 64; Exh. 116. The trial court amended the child support order and worksheets to reflect that change. CP 449, 458. The court added to Amber's income the \$3,386 from B.H. Properties *and*

imputed income of \$1,641 per month, bringing her monthly gross income to \$25,027—a total increase of \$5,027 per month. CP 449. But the court did not find that Troy’s income was reduced by just the \$3,386 from B.H. Properties; it found the reduction to be \$5,374. *Compare CP 55 with CP 449.* The result of the income adjustments was to reduce Troy’s transfer payment under the standard calculation from \$1,862.58 to \$1,708.88, because he would receive a smaller proportion of the parties’ combined monthly net income. CP 450, 460.

Notwithstanding that Amber’s income increased by \$5,027 per month and Troy’s decreased by \$5,374, the court did *not* modify its order that Troy pay \$4,000 per month as an upward deviation. *See CP 450.* When Troy’s counsel argued that the additional support was not needed given the shift in income, the court commented, “I don’t think this has ever been about need.” RP 1279. The court further stated that the shift in income was “not appreciable.” RP 1279. And the court reasoned that it was a “good thing” for Troy to pay “more than he is legally required” in case the children were ever to see the support order as adults:

You know, the children have a lot, but sort of the unspoken rule is that their dad is giving them extra is a good thing for them to think should they ever come across these documents, ***more than he is legally required to do so***, because then they know they got a fair shake too.

And I’m not talking at this age, but if they should look at this after they turn 18 and wonder, you know, what really happened, they’ll

see that, you know, the father went above and beyond what he needed to do. And that's a good thing.

RP 1280 (emphasis added).

Troy filed a second notice of appeal, CP 378-81, and the two appeals were consolidated by this Court for review.

IV. ARGUMENT

A. Standard of review.

This Court reviews the discretionary decisions reflected in a division of marital assets or a child-support order for an abuse of discretion. *Marriage of Muhammad*, 153 Wn.2d 795, 803, 108 P.3d 779 (2005); *Marriage of Booth*, 114 Wn.2d 772, 776, 791 P.2d 519 (1990). A court abuses its discretion if its decision is manifestly unreasonable or based on untenable grounds or reasons:

A court's decision is manifestly unreasonable if it is outside the range of acceptable choices, given the facts and the applicable legal standard; it is based on untenable grounds if the factual findings are unsupported by the record; it is based on untenable reasons if it is based on an incorrect standard or the facts do not meet the requirements of the correct standard.

Marriage of Littlefield, 133 Wn.2d 39, 47, 940 P.2d 1362 (1997).

Findings of fact must be supported by substantial evidence in the record. *Thorndike v. Hesperian Orchards, Inc.*, 54 Wn.2d 570, 575, 343 P.2d 183 (1959); *Marriage of Rockwell* ("*Rockwell I*"), 141 Wn. App. 235, 242, 170 P.3d 572 (2007). The appellate court will vacate a finding

of fact if it is not supported by substantial evidence. *Marriage of Rideout*, 150 Wn.2d 337, 352, 77 P.3d 1174 (2003). “Substantial evidence exists if the record contains evidence of a sufficient quantity to persuade a fair-minded, rational person of the truth of the declared premise.” *Marriage of Griswold*, 112 Wn. App. 333, 339, 48 P.3d 1018 (2002). The court’s findings of fact must in turn support its conclusions of law and decree. *Rockwell I*, 141 Wn. App. at 242.

Interpretation of a statute is a question of law, reviewed de novo by the appellate court. *Marriage of McCausland*, 159 Wn.2d 607, 615, 152 P.3d 1013 (2007).

B. No evidence, let alone substantial evidence, supports the trial court’s finding that Troy wasted community assets in the “brilliant transaction” of acquiring C.J. Johnson Bail Bonds.

In distributing a marital estate, the trial court may consider a spouse’s waste or concealment of assets. *Marriage of Wallace*, 111 Wn. App. 697, 708, 45 P.3d 1131 (2002). “Waste” has been characterized as “gross fiscal improvidence [or] the squandering of marital assets[.]” *Id.*, quoting *Marriage of Steadman*, 63 Wn. App. 523, 528, 821 P.2d 59 (1991). See, e.g., *Marriage of Griswold*, 112 Wn. App. 333, 48 P.3d 1018 (2002) (wife was responsible for lack of maintenance of home resulting in significant depreciation); *Wallace*, 111 Wn. App. at 708 (husband

transferred assets to relatives for no consideration and without wife's knowledge or consent).

Here, no evidence supports the finding that Troy wasted community assets in cashing out IRAs to enable the acquisition of C.J. Johnson Bail Bonds. Troy testified that he believed this was a "wise" move in that it allowed the IRA funds to be invested more productively. RP 881-82; *see also* RP 723. Mr. Kessler similarly testified that it was a "brilliant transaction" notwithstanding the taxes and penalties because "it enabled [Troy] to acquire that transaction [sic]." RP 341. There was no contrary testimony.¹³ Moreover, the transaction added community value to ACBB, and Amber received half that value. The undisputed testimony is that there was a transfer of value to obtain increased value, not waste.

Furthermore, a spouse's conduct is not deemed wasteful where the other spouse knew of the conduct, had access to relevant financial information, and did not object. *See Marriage of Williams*, 84 Wn. App. 263, 271, 927 P.2d 679 (1996) (holding that substantial evidence supported a finding that wife's using credit cards to gamble was not wasteful where husband "had access to the cards and knew 'approximately what was going on'"). Amber knew that Troy was cashing out the IRAs

¹³ In addition, although the court found that both the taxes and the penalties constituted waste, no evidence was presented that the funds would have been fully tax exempt even if not withdrawn early.

and using the proceeds toward the acquisition of C.J. Johnson Bail Bonds. Amber testified on direct examination that she and Troy had discussed doing exactly this. RP 421. Even if she did not know that taxes and early-withdrawal penalties would be incurred, she had access to that information. *See Williams*, 84 Wn. App. at 271. Indeed, besides asking Troy, she could easily have learned the consequences of cashing out an IRA from a financial advisor or Internet search.¹⁴ RP 421.

Amber's attorney argued during the trial that Troy deliberately used the IRA proceeds in anticipation of divorce, in a scheme to tie up the cash in a business asset that could not be awarded to Amber, and that he "could have done something else" to obtain the capital to acquire C.J. Johnson Bail Bonds.¹⁵ RP 525, 1034. But no *evidence* was presented of any such alternate source. Any suggestion that Seneca would have authorized Troy to borrow from the build-up fund to finance the acquisition is pure speculation; there was no testimony to that effect. To the contrary, the evidence indicated a strong likelihood that such a hypothetical request would have been rejected: Troy had just borrowed \$700,000 the previous year, and when Troy asked to borrow \$100,000 six

¹⁴ *See* note 6, *supra*. Furthermore, although Amber did not have an attorney review the details of the acquisition, she was represented by counsel at the time and informed her attorney of it. RP 526-27, 555.

¹⁵ Amber was the party who filed for divorce, not Troy.

months after the C.J. Johnson Bail Bonds acquisition, Seneca outright rejected the request. RP 843, 856-57, 1305.

This Court's decision in *Steadman* cannot justify upholding the finding of waste here, as that case is readily distinguishable. In *Steadman*, the court charged the husband with tax *delinquency* penalties resulting from his deliberate and unnecessary failure to pay taxes when due. 63 Wn. App. at 528. Here, Troy did not fail to pay any taxes, nor did he incur delinquency penalties; he incurred ordinary income taxes and early-withdrawal penalties, which were the necessary and justifiably incurred price of cashing out the IRAs to enable the community to take advantage of the one-time opportunity to acquire C.J. Johnson Bail Bonds.

There is no evidence that Troy manipulated or misappropriated marital assets for his own personal financial gain. As Mr. Kessler testified, the acquisition of C.J. Johnson Bail Bonds was a "brilliant transaction" notwithstanding the taxes and penalties incurred. RP 341. Cashing out the IRAs was not negatively productive conduct, like neglecting maintenance of an asset, giving away assets for no consideration, or needlessly incurring penalties by failing to pay taxes. Rather, it enabled the funds to be used in a more productive investment. And because ACBB was characterized as a community asset, the community received the benefit of that acquisition in that the enhanced

value of ACBB significantly increased the pool of community assets of which Amber received 50%.

This Court should reverse and remand for amendment of the findings and decree, including an order for Amber to reimburse Troy \$60,068 of the equalization payment, plus interest from the date of the decree. *See* RAP 12.8; *Marriage of Rockwell (“Rockwell II”)*, 157 Wn. App. 449, 454, 238 P.3d 1184 (2010).

C. The trial court erred in including in the valuation of a community asset, All City Bail Bonds, the value of a parcel of real property found to be Troy’s separate property, 607 Central Avenue N.

The trial court found that ACBB was community property and that 607 Central Avenue N. was Troy’s separate property and awarded both to Troy. Yet, in its findings regarding the value of ACBB, the trial court included the value of 607 Central Avenue N. This treatment was inconsistent with the finding that 607 Central Avenue N. was Troy’s separate property and with the award of that asset to him independent of ACBB. The result was in effect to award Amber 50% of Troy’s separate property as if it were community and to deprive Troy of the full benefit of his separate property. The trial court’s findings of fact and conclusions of law thus are not consistent with each other and do not support the decree. *See Rockwell I*, 141 Wn. App. at 242.

The trial court determined that ACBB was worth \$2.89 million, including the \$170,000 value of 607 Central Avenue N. Excluding 607 Central Avenue N., ACBB would have been worth at least \$170,000 less. As a result of the trial court's error, Troy was deprived of half that amount (\$85,000), which should have been awarded to him to achieve the decreed 50/50 division of community assets.

Taken together, the trial court's two errors in its property division deprived Troy of \$145,068 (\$60,068 plus \$85,000) in community assets.¹⁶ To achieve the 50/50 division the court found was fair and equitable, Troy's equalization payment to Amber of \$596,704 should have been \$145,068 less, or \$424,636. *See* CP 46 ("equalizing payment"), 49. This Court should reverse and remand for correction of the findings and decree, including an order for Amber to reimburse Troy \$145,068, plus interest from the date of the decree. *See* RAP 12.8; *Rockwell II*, 157 Wn. App. at 454.

¹⁶ The reimbursement amounts are 50%, rather than 100%, of the amounts erroneously credited to Troy because those amounts were added to the overall pool of community assets, which was divided 50/50, and now must be subtracted from the pool.

D. The trial court failed to make required findings and abused its discretion in setting Troy’s child support obligation, requiring vacation of the support order.

1. Detailed findings of fact are required to exceed the economic table for child support, as the trial court did here.

The uniform child support schedule and standards in chapter 26.19 RCW apply to all proceedings in which child support is determined or modified. RCW 26.19.035(1)(c). In establishing a uniform schedule, the legislature intended “to insure that child support orders are adequate to meet a child’s basic needs and to provide additional child support commensurate with the parents’ income, resources, and standard of living.” RCW 26.19.001. It also intended to insure that the child support obligation is “equitably apportioned between the parents.” *Id.*

The first step in setting child support is to determine the “basic child support obligation,” based on the parents’ combined monthly net income and the number and ages of the children. RCW 26.19.011(1), .020; *McCausland*, 159 Wn.2d at 611. An economic table sets forth the presumptive obligation for combined monthly net incomes up to and including \$12,000. RCW 26.19.020, .065(3).

Here, the parties’ combined monthly net income exceeded \$12,000. “When combined monthly net income exceeds twelve thousand dollars, the court may exceed the presumptive amount of support set for

combined monthly net incomes of twelve thousand dollars upon written findings of fact.” RCW 26.19.065(3); RCW 26.19.020. The statute thus “gives the trial court discretion to exceed the economic table but limits the exercise of that discretion by requiring the court to support its decision to exceed the economic table with written findings of fact.” *McCausland*, 159 Wn.2d at 20.

The standard for determining support in excess of the economic table is “the necessity for and reasonableness of the amount considering all of the circumstances.” *Marriage of Daubert*, 124 Wn. App. 483, 498, 99 P.3d 401 (2004), *abrogated on other grounds by McCausland*, 159 Wn.2d 607. The court may not extrapolate from the economic table for incomes above \$12,000, even if the extrapolated amount is supported by written findings of fact. *McCausland*, 159 Wn.2d at 619. “[T]he amount of child support must be based on the correlation to the child’s or children’s needs.” *Id.* at 619 n.6. “[T]he intent of the statute is to ensure that awards of child support meet the child’s or children’s basic needs and to provide additional support ‘commensurate with the parents’ income, resources, and standard of living.’” *Id.* at 617, quoting RCW 26.19.001.

Cursory findings are not sufficient to justify setting a support amount exceeding the schedule for families whose combined monthly net income exceeds \$12,000. *McCausland*, 159 Wn.2d at 620. The findings

must “demonstrate that the trial court *properly exercised its discretion* in making the award.” *Id.* (emphasis in original). Moreover, the findings should demonstrate that the court considered, at minimum, the “*Daubert/Rusch*” factors: “(1) the parents’ standard of living, and (2) the children’s special medical, educational, or financial needs[.]” *McCausland*, 159 Wn.2d at 620, citing *Daubert*, 124 Wn. App. 483, and *Marriage of Rusch*, 124 Wn. App. 226, 98 P.3d 1216 (2004), *abrogated on other grounds by McCausland*, 159 Wn.2d 607.¹⁷ The court is not limited to consideration of those factors. *Id.*

After determining the basic support obligation, the court must determine the gross support obligation by adding any extraordinary health care, day care, or other special child-rearing expenses the court deems necessary and reasonable.¹⁸ RCW 26.19.080(2)-(4). The court must then allocate the gross support obligation and special expenses between the parents proportionally, based on each parent’s share of the combined monthly net income. RCW 26.19.080(1)-(3).

¹⁷ *McCausland* overruled both *Daubert* and *Rusch* to the extent that these decisions approved of extrapolation, but also held that the other factors considered in these cases were proper considerations for the trial court. *McCausland*, 159 Wn.2d at 620.

¹⁸ These expenses are not included in the basic support obligation set forth in the economic table. RCW 26.19.080(2), (3). The court here divided the expenses 50/50 and excluded them from the child support calculation.

This process results in the “standard calculation.” RCW 26.19.011(8). The court ordinarily may deviate upward or downward from the standard calculation upon entry of written findings of fact, subject to the limitations of RCW 26.19.075. But deviation does not apply and cannot be done where, as here, the court has set the basic support obligation in excess of the economic table. *Marriage of Scanlon*, 109 Wn. App. 167, 176, 34 P.3d 877 (2001). The standard calculation, subject to deviation where applicable, is the basis for the “support transfer payment”—the amount the court orders one parent to pay another. RCW 26.09.011(9).

2. The trial court failed to make findings of fact sufficient to justify the support obligation it imposed on Troy.

Here, the trial court set the basic support obligation in excess of the presumptive support amounts for combined monthly net incomes of \$12,000, set forth in the economic table. CP 450 (revised support order, item 3.5); RCW 26.19.020. Troy’s monthly transfer payment would have been \$1,709 for both children under the standard calculation. CP 450 (revised support order, item 3.6), 460 (revised support worksheet, line 17). The court increased this amount by more than two and one third, ordering him to pay \$4,000 per month (an even \$2,000 per child) based solely on the following reasons:

1. The parents['] combined monthly income exceeds \$12,000 net per month.
2. The children's needs and the family's historical child-related expenses.
3. Tax planning.
4. Wealth.

CP 450 (revised support order, item 3.7). These cursory findings do not meet the requirement to “demonstrate that the trial court *properly exercised its discretion* in making the award,” nor do they demonstrate that the court considered the *Daubert/Rusch* factors. *McCausland*, 159 Wn.2d at 620 (emphasis in original).

First, the finding that the Hansens' combined monthly net income exceeds \$12,000 does nothing to justify the transfer payment amount set by the court. It merely states the factual basis for the court's authority in this case to consider exceeding the economic table. *Daubert*, 124 Wn. App. at 495.¹⁹

Second, the reference to the children's needs and historical child-related expenses is vague, and the record is devoid of any indication that undertook any analysis of the children's actual needs or expenses. Indeed,

¹⁹ That the court erroneously characterized the increased support amount as a deviation rather than an exercise of discretion to exceed the economic table, *see* CP 450 (revised support order, items 3.7, 3.8); *Scanlon*, 109 Wn. App. at 176, does not avoid the requirement of detailed written findings to support the award. RCW 26.19.075(3) (requiring findings with specific reasons for deviation); *see also Marriage of Choate*, 143 Wn. App. 235, 242-43, 177 P.3d 175 (2008); *Scanlon*, 109 Wn. App. at 179.

the trial court disclaimed any intent to consider need, stating, “I don’t think this has ever been about need.” RP 1279. And because the court required each parent to contribute 50/50 to the children’s expenses not included in the transfer payment, their historical needs were fully met under the standard calculation. CP 58.

Third, “tax planning” is vague, and no evidence was presented regarding child support and tax planning.²⁰

Finally, “wealth” is also vague, and one can only presume that the court intended to refer to the wealth of *both* parents (the court evenly divided a \$9.9 million estate), and this would not justify an increased transfer payment. “The mere ability of either or both of the parents to pay more, whether based on consideration of income, resources or standard of living, is not enough to justify ordering more support.” *Daubert*, 124 Wn. App. at 498, citing *Scanlon*, 109 Wn. App. at 179-80. Although the parents’ standard of living is one of the *Daubert/Rusch* factors, and child support should “prevent[] a harmful reduction in a child’s standard of

²⁰ Mr. Kessler’s calculations all presumed that Troy would pay \$4,000 per month in child support. Exh. 58. In terms of tax planning, both parties would actually benefit by *reducing* the amount of child support relative to maintenance. *See* CP 75.

living,” *Marriage of Mattson*, 95 Wn. App. 592, 599, 976 P.2d 157 (1999), possession of wealth is not the same as a standard of living.²¹

Nor is there any indication that the children would sustain any reduction in their standard of living while at their mother’s home, absent the additional support. “Generally, when an obligor parent is ordered to pay an amount of support that exceeds the economic table, that parent enjoys substantial wealth in contrast to the oblige parent who lives in comparatively modest circumstances.” *Scanlon*, 109 Wn. App. at 179. Such is not the case here.

3. The trial court failed to account for a significant shift in the parties’ incomes after entry of the original child support order, resulting in a transfer payment amount the court candidly acknowledge was greater than could be required by law.

The arbitrariness of the transfer payment amount set by the trial court was illustrated and enhanced by the court’s refusal to adjust the amount when it amended the support order to increase Amber’s monthly income by \$5,027 and decrease Troy’s by \$5,374, reducing the income disparity by more than \$10,000 per month. (Even this adjustment did not account for the \$700 per month in rental income Amber could receive from 525 West James Street and yet more income she could receive from

²¹ Furthermore, “[c]hild support is not intended to be used to equalize the standard of living of the parents’ households. That is the function of maintenance.” *Daubert*, 124 Wn. App. at 498 n.2.

renting 1825 - 112th Avenue NE in Bellevue. *See* RP 403, 747.) With due respect to the trial court, this was an “appreciable” change that warranted reconsideration and adjustment of the transfer payment. RP 1279.

The trial court’s acknowledgment in denying reconsideration that it was ordering Troy to pay “more than he is legally required,” and justifying this on the basis that the children might one day see the support papers and see this as a “good thing,” strongly suggests that the support amount ordered is not grounded in the appropriate factors. RP 1280. What the children would learn in such hypothetical circumstances is that their father was forced to follow baseless court orders and that the courts have limitless discretion to exceed the guidelines and boundaries set by law. This does not accord with the purposes of the child support statute or precedent.

This Court should reverse and remand for a determination of child support, which should include an order for restitution under RAP 12.8, with interest. *See Marriage of Stern*, 68 Wn. App. 922, 932-33, 846 P.2d 1387 (1993).

V. CONCLUSION

This Court should reverse and remand to the trial court with directions to (1) amend the findings and decree to cure the effects of the

baseless finding of waste and the erroneous valuation of ACBB, including for an order for Amber to reimburse Troy \$145,068 (\$60,068 plus \$85,000) plus interest and (2) recalculate the child support will full restitution of overpayments.

Respectfully submitted this 19th day of February, 2016.

CARNEY BADLEY SPELLMAN, P.S.

By 
Jason W. Anderson, WSBA 30512
Attorneys for Appellant Troy Hansen

CERTIFICATE OF SERVICE

The undersigned certifies under penalty of perjury under the laws of the State of Washington that I am an employee at Carney Badley Spellman, P.S., over the age of 18 years, not a party to nor interested in the above-entitled action, and competent to be a witness herein. On the date stated below, I caused to be served a true and correct copy of the foregoing document along with the *Verbatim Report of Proceedings on CD* on the below-listed attorneys of record by the methods noted:

Cynthia Whitaker Katharine Ann Kent Law Offices of Cynthia B. Whitaker 1200 5 th Ave., Ste. 2020 Seattle, WA 98101-3100 Cynthia@cynthiawhitaker.com Katherine@cynthiawhitaker.com	<input checked="" type="checkbox"/> U.S. Mail, postage prepaid <input type="checkbox"/> Messenger <input type="checkbox"/> Fax <input checked="" type="checkbox"/> email <input type="checkbox"/> Other
Catherine W. Smith Valerie A. Villacin SMITH GOODFRIEND, P.S. 1619 8th Ave. North Seattle, WA 98109-3007 cate@washingtonappeals.com Valerie@washingtonappeals.com	<input checked="" type="checkbox"/> U.S. Mail, postage prepaid <input type="checkbox"/> Messenger <input type="checkbox"/> Fax <input checked="" type="checkbox"/> email <input type="checkbox"/> Other
Ruth L. Edlund Wechsler Becker, LLP 701 Fifth Ave., Ste. 4550 Seattle, WA 98104 rl@wechslerbecker.com	<input checked="" type="checkbox"/> U.S. Mail, postage prepaid <input type="checkbox"/> Messenger <input type="checkbox"/> Fax <input checked="" type="checkbox"/> email <input type="checkbox"/> Other

DATED this 19th day of February, 2016.


 Patti Saidu, Legal Assistant

APPENDIX A

FILED
KING COUNTY, WASHINGTON

APR 17 2015

SUPERIOR COURT CLERK
BY Jamie Siev
DEPUTY

SUPERIOR COURT OF WASHINGTON
COUNTY OF KING

In re the Marriage of:

AMBER HANSEN,

Petitioner,

and

TROY EDWARD HANSEN,

Respondent.

NO. 13-3-11903-3 SEA

Findings of Fact and
Conclusions of Law
(Marriage)
(FNFLC)

I. Basis for Findings

The findings are based on trial before Judge Benton on 2/24/2015 through 4/16/15. The following people attended:

Petitioner Amber Hansen
Petitioner's attorney Cynthia Whitaker
Respondent Troy Hansen
Respondent's attorney Alan S. Funk and Ruth Edlund

Witnesses for petitioner:

Steve Kessler, CPA
Cloie Johnson MEd
William Porter CPA
Britta Bacon
Cathy Hayne
Darren Bloch
Kristi Eide
Lon Hayne
Melissa Ames
Rachel Davis
Amber Hansen
Troy Hansen

FINDINGS OF FACT AND
CONCLUSIONS OF LAW -PROPOSED BY WIFE

Page 1

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ORIGINAL

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1
2
3 **Witnesses for respondent**

4 Aaron Burchak
5 Alan L. Pope
6 Amber Hansen
7 Brent Hansen
8 Cheryl Burns
9 CJ Johnson
10 Darren Bloch
11 Dave Taveras
12 Hikao Hansen
13 James Johanson
14 Lacey Askew
15 Matt Bacon, MAI
16 Neil J. Beaton
17 Richard Hansen
18 Sidney J. Starr
19 Troy Hansen
20 William Porter

21
22
23 **II. Findings of Fact**

24 Upon the basis of the court records, the court *Finds*:

25 **2.1 Residency of Petitioner**

- 26 1. The Petitioner is a resident of the state of Washington.
1 2. The respondent appeared and responded.

2 **2.2 Basis of Personal Jurisdiction Over the Respondent**

- 3 1. *The respondent is currently residing in Washington.*
4 2. *The parties lived in Washington during their marriage and both parties continue to reside in*
5 *this state.*
6 3. *The parties may have conceived a child while within Washington.*

7 **2.3 Date and Place of Marriage**

- 8 1. *The parties were married on 5/12/2001 at Seattle, Washington.*
9 2. *The parties were in a Committed Intimate Relationship beginning in 1994.*

10 FINDINGS OF FACT AND
11 CONCLUSIONS OF LAW *-PROPOSED BY WIFE*
12 Page 2

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1
2 **2.4 Status of the Parties**

3 Petitioner and respondent separated on 10/11/2013, the date this action was filed.

4 **2.5 Status of Marriage**

5 The marriage is irretrievably broken and at least 90 days have elapsed since the date the
6 petition was filed and since the date the summons was served.

7 **2.6 Separation Contract or Prenuptial Agreement**

- 8 1. A written prenuptial agreement was executed on 5/3/2001.
- 9 2. On 11/21/2014, the court held that the Prenuptial Agreement is substantively fair and
10 enforceable because it provides that the investments made by ABCC since marriage and the
11 profits and appreciation from those investments, regardless of the accounts through which
12 income passed to make the investments or the name in which they are held, are community
13 property.
- 14 3. The Prenuptial Agreement makes all income of ACBB, including money from its investments
15 as well as its provision of bail bond services and all of Respondent's earnings from ACBB,
16 community property. All of Respondent's earnings from and all income of ACBB remain
17 community property. The character of the community income is not changed by Respondent
18 depositing it into accounts in his name, even if those accounts were labeled as his separate
19 property in the Agreement. The record evidence does not include tracing of separate property
20 assets by the Respondent.
- 21 4. Respondent controlled all bank accounts, both personal and business accounts from the time
22 of the prenuptial agreement through the dissolution.

23 **2.7 Community Property**

24 The parties have the following real and personal community property:

- 25 1. The real property located at 929 Sunset Way, Bellevue, WA with a value of \$1,600,000 and
26 no encumbrance. This property was purchased shortly after marriage. The acquisition of the
property is referenced in the Prenuptial Agreement which reflects that the down payment
would come from funds held in ACBB and that the property would be community property.
The quit claim deed from wife to husband nine days prior to purchase of the property was not
intended to create separate property of husband. The deed was not a "good faith" transaction,
but rather was the result of husband's dominance of wife.
2. The real property located at 1825 - 112th Ave NE, Bellevue, WA with a value of \$545,000 and
an encumbrance of \$109,000 which is husband's separate debt. This property was acquired
prior to marriage while living in a committed intimate relationship. The prenuptial agreement
confirmed that the property was jointly owned.

FINDINGS OF FACT AND
CONCLUSIONS OF LAW - PROPOSED BY WIFE

Page 3

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- 1 3. The real property located at 9650 Hilltop Rd., Bellevue, WA with a value of \$1,700,000 and
2 an encumbrance owing to Chase Bank of \$359,000. This property was acquired during
3 marriage with earnings and income from ACBB.
- 4 4. The real property located at 3694 Oceanside Dr., Whidbey Island, WA with a value of
5 \$847,000. It is encumbered by a lien held by Seneca Insurance company, which is not an
6 actual debt but rather collateral for contingent liability of ACBB. This property was acquired
7 during marriage with earnings and income from ACBB. The quit claim deed from wife to
8 husband at purchase of the property was not intended to create separate property of husband.
9 The deed was not a "good faith" transaction, but rather was the result of husband's dominance
10 of wife and his claim that the financing of the purchase required the property to be in his sole
11 name.
- 12 5. The real property located at 620 South 11th St., Tacoma, WA with a value of \$400,000. This
13 was acquired during marriage with earnings and income from ACBB and is held in both
14 parties' names. It is encumbered by a deed of trust owing to CJ Johnson, which has a balance
15 of approximately \$248,000.
- 16 6. The real property located at 3118 Broadway, Everett, WA, with a value of \$276,000 and no
17 encumbrance. This property was acquired during marriage with earnings and income from
18 ACBB. The quit claim deed from wife to husband at purchase of the property was not
19 intended to create separate property of husband. The deed was not a "good faith" transaction,
20 but rather was the result of husband's dominance of wife and his claim that the financing of
21 the purchase required the property to be in his sole name. The deed was also without
22 consideration.
- 23 7. The real property located at 3120 Broadway, Everett, WA with a value of \$171,000 and no
24 encumbrance. This property was acquired during marriage with earnings and income from
25 ACBB. The quit claim deed from wife to husband at purchase of the property was not
26 intended to create separate property of husband. The deed was not a "good faith" transaction,
but rather was the result of husband's dominance of wife and his claim that the financing of
the purchase required the property to be in his sole name. The deed was also without
consideration.
8. The real property located at 525 West James St., Kent, WA with a value of \$250,000 and no
encumbrance. This property was acquired during marriage with earnings and income from
ACBB. The quit claim deed from wife to husband at purchase of the property was not
intended to create separate property of husband. The deed was not a "good faith" transaction,
but rather was the result of husband's dominance of wife and his claim that the financing of
the purchase required the property to be in his sole name.
9. All City Bail Bond, Inc. which has a value of \$2,890,000, including the following:
 - a. d/b/a Cascade Bail Bond
 - b. d/b/a CJ Johnson Bail Bond
 - c. eight other locations in the state of Washington
 - d. Bank of America #6609 which is the business operating account
 - e. Key Bank Client Trust Account #0043 with a balance \$16,873
 - f. Key Bank Client Trust Account #0035 with balance of \$187,875
 - g. Key Bank Client Trust Account #1782

FINDINGS OF FACT AND
CONCLUSIONS OF LAW *-PROPOSED BY WIFE*

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- h. Fortune Bank #6842
- i. Fortune Bank/Homestreet #2723
- j. HomeStreet CDARS Client Trust Account #1971 with a fund balance of \$401,153 as of 9/30/2014
- k. Homestreet CD #60103 with a balance of \$109,300 as of 12/1/2014
- l. American Express Points as a result of charging on the business American Express credit card #3300
- m. 1990 Nissan Truck valued at \$3,995
- n. 1983 Toyota SR5 Truck valued at \$2,000
- o. 2004 VW Bug valued at \$3,532
- p. 2013 Ford Explorer valued at \$25,040
- q. Real property located at 607 Central Ave. No, Kent, WA valued at \$170,000 with no encumbrance, which is husband's separate property
- r. Receivables due from Wimer, Joslin, Portune, Lundberg and Hansen totaling \$184,831
- s. Amount owing to Bank of America Line of Credit #6609 of \$89,000
- t. Trust account liability in the amount of \$605,760
- u. All bond liability and all collateral securing the liability.
- v. Possible liability from *Grier v. ACBB*, lawsuit in Clark County for vicarious liability for actions of a bond agent

10. Bank accounts in the husband's name as follows:

- a. Bank of America #2244

11. Bank accounts and Certificates of Deposit which are Build Up Funds for All City Bail Bond but are the personal property of the parties

- a. First National BUF #2340 in the approximate amount of \$319,868
- b. Greenville CD BUF #3955 in the approximate amount of \$227,197
- c. Firststar CD BUF #2557 in the approximate amount of \$100,803
- d. Compass CD BUF #7528 in the approximate amount of \$230,660

12. Bank accounts in the wife's name as follows:

- a. US Bank #4447

13. An investment with Eastside Investors consisting of investments in various stocks, with a value to the parties of approximately \$39,000 as of 11/19/2014.

14. A 39% interest in BH Properties I, LLC which LLC owns a commercial building located in Bellevue. The parties interest in this investment has a value of \$1,069,000.

15. Retirement accounts as follows:

- a. Schwab IRA #4480 in the name of the wife with a value of \$3,343
- b. American Funds IRA #329/11 in the name of the wife with a value of \$3,929
- c. Schwab IRA #8930 in the name of the husband with a value of \$54
- d. Schwab IRA #6582 in the name of the husband with an approximate value of \$30,000.

FINDINGS OF FACT AND
CONCLUSIONS OF LAW - PROPOSED BY WIFE

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1 e.

2 16. Vehicles as follows:

- 3 a. 1986 Chevrolet Silverado with a value of \$3,000
4 b. 1997 Toyota 4Runner with a value of \$2,815
5 c. 2003 Harley Fat Boy motorcycle with a value of \$8,995
6 d. 2009 Mercedes Benz GL 550 with a value of \$29,198

7 17. Alaska Air Line miles: \$100.00

8 18. NY Life insurance policy #6230 on the life of the husband.

9 19. Two accounts for the benefit of the children: Washington Federal #0136 (\$9,617) and
10 Washington Federal #3542 (\$100,000).

11 20. Husband wasted community assets by cashing out IRA accounts totaling \$242,211 and
12 incurring tax penalties (\$24,221) and additional federal income tax (\$95,915) and he should be
13 charged with the penalty and additional tax in the total amount of \$120,136 as
14 predistributions of property to him.

15 **2.8 Separate Property**

16 1. The petitioner has the following real or personal separate property:

- 17 a. Valic/Fidelity #2447 with a value of \$22,000

18 2. The respondent has the following real or personal separate property:

- 19 a. The real property located at 607 Central Ave. No, Kent, WA with a value of \$140,000
20 and no encumbrance. This property was acquired prior to marriage during the
21 committed intimate relationship but was preserved to respondent as his separate
22 property by the prenuptial agreement.

- 23 b. The real property located at 5810 W. Clearwater Ave., Kennewick, WA, with a value
24 of \$165,650 and no encumbrance. This property was acquired prior to marriage
25 during the committed intimate relationship but was preserved to respondent as his
26 separate property by the prenuptial agreement.

2.9 Community Liabilities

1. The parties have incurred the following community liabilities:

- a. Chase mortgage secured by the Hilltop residence with a current balance of
approximately \$359,000.

FINDINGS OF FACT AND
CONCLUSIONS OF LAW *-PROPOSED BY WIFE*

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1 b. Federal income tax obligation for 2014 in the approximate amount of \$362,000
2 for a joint return.

3 2. A lien exists on the parties Whidbey Island property in the face amount of \$750,000.
4 This amount is part of the Build Up Funds required by ACBB surety to collateralize
5 contingent liabilities of ACBB.

6 **2.10 Separate Liabilities**

7 1. The petitioner has incurred the following separate liabilities:

- 8 a. The following credit cards in her name: none
9 b. Attorney fees and costs incurred in this proceeding in the approximate outstanding
10 amount of \$132,000.00.

11 2. The respondent has incurred the following separate liabilities:

- 12 a. Bank of America Visa #2244
13 b. Obligation owing to Darren Bloch in the amount of \$109,000, which obligation is
14 secured by a Deed of Trust on the parties' real property at 1825 - 112th Ave NE,
15 Bellevue
16 c. Attorney fees and costs incurred in this proceeding in the approximate outstanding
17 amount of \$ 222,575,10.

18 **2.11 Maintenance**

- 19 1. Wife is 39 years old and in reasonable health. She obtained her GED and has a few
20 community college credits. She has no work experience except as a barista for four months
21 and a receptionist at a hair salon for two months, ending when she was 20 years old.
22 2. Wife is not currently employable except possibly in unskilled service positions. She has no
23 source of income other than support paid by husband.
24 3. Wife has demonstrated some interest and ability in training to become a Registered Nurse.
25 Due to wife's ADD and family responsibilities, it is anticipated that she could only attend
26 school part time. Wife would be required to complete 44 credits of pre requisites before
 entering the nursing program and the program itself is 10 quarters in length. This training
 would take her at least six years.
 4. This is a 20 year relationship which began when wife was 17 years old. She has been totally
 financially dependent upon husband throughout their relationship.
 5. The parties have two children, ages twelve and seven.
 6. The standard of living during the marriage was high.
 7. Wife's reasonable monthly expenses are anticipated to be \$24,000.
 8. Husband is 44 years old and in good health.

FINDINGS OF FACT AND
CONCLUSIONS OF LAW -PROPOSED BY WIFE

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9. Husband is anticipated to have income of approximately \$79,000 gross per month from wages, business income, and rental income.
10. Husband's reasonable monthly expenses are anticipated to be \$33,000.00 .
11. Due to husband's actions in contemplation of divorce, the parties' estate has minimal liquid assets.
12. It is reasonable for the husband to pay wife maintenance for 60 months as follows: Beginning May 1, 2015 the sum of \$20,000 per month for 60 months.

2.12 Continuing Restraining Order

Does not apply.

2.13 Protection Order

Does not apply.

2.14 Fees and Costs

1. The wife should be awarded attorney fees based on the husband's intransigence. The husband needlessly increased wife's attorney fees and costs as a result of his behavior and litigation tactics throughout this proceeding. The husband refused to meet court ordered deadlines; defied court orders; and was held in contempt. The husband refused to timely and completely respond to discovery requests. The husband strategically engaged multiple lawyers throughout the litigation, resulting in delay and increased work for wife's attorneys.
2. The wife should be awarded \$75,000 for attorney fees. The amount of the award of fees is reasonable as it represents the amount the wife's attorney fees were needlessly increased as a result of the husband's intransigence, and is also based on her financial need to have her attorney fees paid and the husband's ability to pay those fees.
3. Husband owes wife \$2,000 per 12/29/2014 order. The amount remains unpaid. A judgment should enter against husband for that amount.
4. Husband owes wife \$99,383 in sanctions and interest pursuant to the 10/6/2014 order and a judgment should enter against husband in that amount.

2.15 Pregnancy

Neither spouse is pregnant.

2.16 Dependent Children

The children listed below are dependent upon either or both spouses.

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<u>Name of Child</u>	<u>Age</u>	<u>Parent's Name</u>	<u>Parent's Name</u>
Madison	12	Amber	Troy
Hailey	07	Amber	Troy

2.17 Jurisdiction Over the Children

This court has jurisdiction over the children for the reasons set forth below.

1. This court has exclusive continuing jurisdiction. The court has previously made a child custody, parenting plan, residential schedule or visitation determination in this matter and retains jurisdiction under RCW 26.27.211.
2. This state is the home state of the children because: the children lived in Washington with a parent or a person acting as a parent for at least six consecutive months immediately preceding the commencement of this proceeding.

2.18 Parenting Plan

The parenting plan signed by the court on this date or dated April 17, 2015, is approved and incorporated as part of these findings.

2.19 Child Support

1. There are children in need of support and child support should be set pursuant to the Washington State Child Support Schedule. The Order of Child Support signed by the court on this date or dated April 17, 2015, and the child support worksheet, which has been approved by the court, are incorporated by reference in these findings.
2. The findings from 2.11 above are incorporated herein.

2.20 Other

1. ACBB is community property. Under the parties' agreement, as under general community property principles, the investments made by ABCC since marriage, and the profits and appreciation from those investments, regardless of the accounts through which income passed to make the investments or the name in which they are held, are community property. The character of the community income is not changed by Respondent depositing it into accounts in his name, even if those accounts were labeled as his separate property in the Agreement.

FINDINGS OF FACT AND
CONCLUSIONS OF LAW -PROPOSED BY WIFE

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1 The husband has failed to meet his burden of proving the separate character of any interest in
2 ACBB.

3 2. Given the nature and extent of the community and separate property, the duration of the
4 marriage and the parties' relationship, and the parties' economic circumstances and prospects,
5 a 50/50 disproportionate division in favor of the wife is fair and equitable. The property
6 should be divided as set out in attached Exhibit A.

7 3. Even if the husband had met his burden of proving the continued existence of a separate
8 property interest in ACBB, the overall division of the separate and community property as set
9 forth above would still be fair, just and equitable in light of the fledgling character of the
10 business when the committed intimate relationship began, the tremendous growth of the
11 business as a result of community efforts, the length of the relationship and marriage, the gross
12 disparity in the parties earning capacities and their respective future economic prospects.

13 III. Conclusions of Law

14 The court makes the following conclusions of law from the foregoing findings of fact:

15 3.1 Jurisdiction

16 The court has jurisdiction to enter a decree in this matter.

17 3.2 Granting a Decree

18 The parties should be granted a decree.

19 3.3 Pregnancy

20 Does not apply.

21 3.4 Disposition

22 The court has determined the marital status of the parties, made provision for a parenting plan
23 for any minor children of the marriage, made provision for the support of any minor child of
24 the marriage entitled to support, provided for maintenance of the wife, made provision for the
25 disposition of property and liabilities of the parties, and made provision for the allocation of
26 the children as federal tax exemptions. With due consideration of the criteria set out in RCW
26.09.080, the distribution of property and liabilities as set forth in the decree is fair and
equitable regardless of the character of the property before the court and the husband's
separate property claims.

3.5 Continuing Restraining Order

Does not apply.

FINDINGS OF FACT AND
CONCLUSIONS OF LAW *-PROPOSED BY WIFE*

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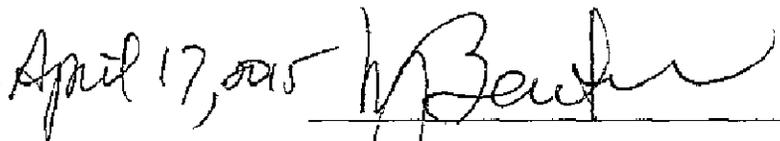
3.6 Protection Order

Does not apply.

3.7 Attorney Fees and Costs

Attorney fees should be awarded to wife based on husband's intransigence. The court concludes that wife's fees were needlessly increased by not less than \$75,000 as a result of husband's contemptuous and intransigent behavior throughout this case. The court concludes that an additional award of attorney fees to wife on the basis of husband's intransigence in the amount of \$75,000 is appropriate.

3.8 Other

Dated: *April 17, 2015* 

Judge Monica J. Benton

PETITIONER/WIFE'S ASSET LIST
 AMBER HANSEN V. TROY HANSEN
 CAUSE NO. 13-3-11903-3 SEA
 DOR: 1993, 1996 DOM: 5/12/2001 DOS: 10/11/2013

#	Description	Statement Date	Gross Value	Debt, LOC, Mortgage	Net Value	To Husband		To Wife	
						Community	Separate	Community	Separate
REAL PROPERTY:									
1	929 Sunset Way, Bellevue		\$1,600,000		\$1,600,000			\$1,600,000	
2	1825 - 112th Ave. NE, Bellevue	7/25/2014	\$545,000	(\$109,000)	\$436,000		(\$109,000)	\$545,000	
	Darren Bloch Debt (Due 9/24/2014) (H)								
3	9650 Hilltop Road, Bellevue		\$1,700,000	(\$359,000)	\$1,341,000	\$1,341,000			
	Chase Mortgage								
4	3694 Oceanside Drive, Whidbey Island (COS)	8/10/2014	\$847,000		\$847,000			\$847,000	
	Accrued BUF Receivable (\$409,000)	12/31/2014	\$409,000			\$409,000			
	Accrued BUF Payable (\$409,000)	12/31/2014		(\$409,000)		(\$409,000)			
	Seneca Lien (\$750,000)								
5	620 South 11th Street, Tacoma	11/1/2014	\$400,000	(\$248,000)	\$152,000	\$152,000			
	Johnson Lien								
6	3118 Broadway, Everett		\$276,000		\$276,000	\$276,000			
7	3120 Broadway, Everett		\$171,000		\$171,000	\$171,000			
8	525 West James Street, Kent		\$250,000		\$257,000			\$257,000	
	Back Rent (Per Appraiser)		\$7,000						
9	5810 West Clearwater Ave., Kennewick (H)		\$165,650		\$165,650		\$165,650		
	Total Real Property:		\$6,370,650	(\$1,125,000)	\$5,245,650	\$1,940,000	\$56,650	\$3,249,000	\$0
BUSINESS INTERESTS:									
10	All City Bail Bond, Including:	6/30/2014	\$2,890,000		\$2,890,000	\$2,890,000			
A	Cascade Bail Bond								
B	CJ Johnson Bail Bond								
C	American Express Business #3300								
D	American Express Points (472,541)								
E	Bank of America #6609								
F	Bank of America LOC #6099								
G	Fortune Bank/Homestreet #1971 (\$401,153)								
H	Fortune Bank/Homestreet #2723								
I	Fortune Bank/Homestreet #6842								
J	Fortune Bank/Homestreet CD #80103 (\$109,293)								
K	Key Bank Client Trust #0035								
L	Key Bank Client Trust #1782								
M	Key Bank Trust #0043								
N	607 Central Ave. North, Kent								
O	2013 Ford Explorer (\$25,040)								
P	2004 VW Bug (\$3,532)								
Q	1990 Nissan Truck (\$3,995)								
R	1983 Toyota SR5 Truck (\$2,000)								
S	Grier v. All City Bail Bond								
T	Bonds Written and Collateral Securing								
	Total Business Interests:		\$2,890,000	\$0	\$2,890,000	\$2,890,000	\$0	\$0	\$0

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PETITIONER/WIFE'S ASSET LIST
 AMBER HANSEN V. TROY HANSEN
 CAUSE NO. 13-3-11903-3 SEA
 DOR: 1993, 1998 DOM: 5/12/2001 DOS: 10/11/2013

#	Description	Statement Date	Gross Value	Debt, LOC, Mortgage	Net Value	To Husband		To Wife	
						Community	Separate	Community	Separate
CASH & BANK ACCOUNTS:									
11	Bank of America #2244 (H)		X		X	X			
12	US Bank #4447 (W)		X		X				X
13	First National BUF #2349	12/31/2014	\$319,868		\$319,868	\$319,868			
14	Greenville CD BUF #3955	12/31/2014	\$227,197		\$227,197	\$227,197			
15	Firstar CD BUF #3076	12/31/2014	\$100,803		\$100,803	\$100,803			
16	Compass CD BUF #7528	12/31/2014	\$230,660		\$230,660	\$230,660			
	Total Cash & Bank Accounts:		\$878,528	\$0	\$878,528	\$878,528	\$0	\$0	\$0
SECURITIES & INVESTMENT ACCOUNTS:									
17	Eastside Investors	11/19/2014	\$39,000		\$39,000	\$39,000			
18	BH Properties I, LLC (39% Interest)	KESSLER	\$1,069,000		\$1,069,000			\$1,069,000	
19	Schwab #3826 (JT)	9/30/2014	\$1		\$1	\$1			
20	Fidelity/Valic #2447 (W)	9/30/2014	\$21,370		\$21,370				\$21,370
	Total Securities & Investment Accounts:		\$1,129,371	\$0	\$1,129,371	\$39,001	\$0	\$1,069,000	\$21,370
RETIREMENT ACCOUNTS:									
21	Schwab IRA #4480 (W)		\$3,343		\$3,343			\$3,343	
22	American Funds IRA #329/11 (W)		\$3,929		\$3,929			\$3,929	
23	Schwab IRA #8930 (H)	9/30/2014	\$54		\$54	\$54			
24	Schwab #6582 IRA (H) (Estimated)	2/1/2015	\$30,000		\$30,000	\$30,000			
	Total Retirement Accounts:		\$37,326	\$0	\$37,326	\$30,054	\$0	\$7,272	\$0
VEHICLES:									
25	1971 Datsun pickup truck (Sold)		X		X	X			
26	1988 Chevrolet Silverado (H)		\$3,000		\$3,000	\$3,000			
27	1997 Toyota 4Runner (H)		\$2,815		\$2,815		\$2,815		
28	2003 Harley Fat Boy (H)		\$8,995		\$8,995	\$8,995			
29	2009 Mercedes Benz GL 550 (W)		\$29,198		\$29,198			\$29,198	
30	2013 Porsche (Sold)		\$260		\$260	\$260			
31	Grady White boat/trailer (Sold)		X		X	X			
	Total Vehicles:		\$44,268	\$0	\$44,268	\$12,255	\$2,815	\$29,198	\$0
PERSONAL PROPERTY & OTHER ASSETS:									
32	Alaska Airline Miles (500,000+)		\$ 100		\$100			\$ 100	
33	Receivable Greer (H)		X		X	X			
34	Personal Property (H)		X		X	X			
35	Personal Property (W)		X		X				X
36	Jewelry In Each Party's Possession		X		X	X	X	X	X
37	2013 Tax on IRA Cashout (Waste)		\$95,915		\$95,915	\$95,915			
38	2013 Penalty on IRA Cashout (Waste)		\$24,224		\$24,224	\$24,224			
	Total Personal Property & Other Assets:		\$120,239	\$0	\$120,239	\$120,139	\$0	\$100	\$0

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PETITIONER/WIFE'S ASSET LIST
 AMBER HANSEN V. TROY HANSEN
 CAUSE NO. 13-3-11903-3 SEA
 DOR: 1993, 1996 DOM: 5/12/2001 DOS: 10/11/2013

#	Description	Statement Date	Gross Value	Debt, LOC, Mortgage	Net Value	To Husband		To Wife	
						Community	Separate	Community	Separate
LIABILITIES:									
1	2014 Federal Income Tax			(\$362,000)	(\$362,000)	(\$362,000)			
2	Bank of America #1012		X		X				
3	Bank of America #2244 (H)		X		X	X			
4	Bank of America #853B		X		X				
5	Bank of America #7651 (H)		X		X	X			
6	Bank of America #4781 A/A Visa (H)		X		X	X			
7	Chase #6107		X		X				
8	Nordstrom #1070 (W)		X		X				X
9	Nordstrom #3364 (W)		X		X				X
10	Nordstrom #5102 (W)		X		X				X
11	US Bank #6082 Visa (W)		X		X				X
	Total Liabilities:			\$0	(\$362,000)	(\$362,000)	(\$362,000)	\$0	\$0
TOTAL ASSETS:			\$11,470,382	(\$1,487,000)	\$8,983,382	\$8,547,977	\$69,465	\$4,354,570	\$21,370
TOTAL COMMUNITY ASSETS:					\$9,902,547				
PERCENTAGE TO EACH PARTY:						50%		50%	
EQUALIZING PAYMENT*:						(\$596,704)		\$596,704	
TOTAL COMMUNITY ASSETS TO EACH PARTY:						\$4,951,274		\$4,951,274	

LITIGATION DEBT:				
12	Litigation Debt Owed to W per 10/6/2014 Order		(\$99,383)	(\$99,383)
13	Attorney Fees Owed to W per 12/29/2014 Order		(\$2,000)	(\$2,000)
	Total Litigation Debt:		(\$101,383)	\$0

*Husband shall pay wife \$596,704 on the following terms: Payment shall be made in full within 45 days of date of entry of the Decree of Dissolution. No interest shall accrue if payment is timely made. If payment is not timely made, then simple interest shall thereafter accrue at the rate of 12% per annum until all sums owed, including principal, interest and attorney fees incurred in collecting said sums, are paid in full. A judgment shall immediately enter against husband for the whole amount. Wife shall promptly satisfy the judgment, including partial satisfactions, after each instalment is paid.

CHILDREN'S PROPERTY:				
	Washington Federal #0136	6/30/2014	\$9,617	\$9,617
	Washington Federal #3542		\$100,000	\$100,000
	NY Life Insurance #6230		\$4,571	\$4,571
	\$12,120 Annual Premium			
	Total Children's Property:		\$114,188	\$0

APPENDIX B

FILED
KING COUNTY, WASHINGTON

JUN - 4 2015

SUPERIOR COURT CLERK
BY Jamie Stev
DEPUTY

SUPERIOR COURT OF WASHINGTON
COUNTY OF KING

In re the Marriage of:

AMBER HANSEN,

Petitioner,

and

TROY HANSEN,

Respondent.

NO. 13-3-11903-3 SEA

ORDER OF CHILD SUPPORT
Final Order (ORS)

Revised

Clerk's Action Required

PROPOSED BY WIFE

I. Judgment Summary

1.1 Judgment Summary for Non-Medical Expenses

Does not apply.

1.2 Judgment Summary for Medical Support

Does not apply.

II. Basis

2.1 Type of Proceeding

This order is entered under a petition for dissolution of marriage.

2.2 Child Support Worksheet

The child support worksheet which has been approved by the court is attached to this order and is incorporated by reference or has been initialed and filed separately and is incorporated by reference.

2.3 Other

Order of Child Support ~~PROPOSED BY WIFE~~

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Revised

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III. Findings and Order

It is Ordered:

3.1 Child for Whom Support is Required

Madison age 12
Hailey age 7

3.2 Person Paying Support (Obligor)

Name: Troy Hansen
Birth date: 10/26/70
Service Address: 9650 Hilltop Rd., Bellevue, WA

The obligor parent must immediately file with the court and the Washington State Child Support Registry, and update as necessary, the Confidential Information Form required by RCW 26.23.050.

The obligor parent shall update the information required by paragraph 3.2 promptly after any change in the information. The duty to update the information continues as long as any monthly support remains due or any unpaid support debt remains due under this order.

For purposes of this Order of Child Support, the support obligation is based upon the following income and paying maintenance of \$20,000 per month:

Wages and Salary of	\$12,955 gross
Business Income of	\$56,879 gross (after expenses but before tax)
Rental Income of 3564	\$8,938 gross (after expenses but before tax)
TOTAL	\$78,772 gross

\$73,398 gross

3.3 Person Receiving Support (Obligee)

Name: Amber Hansen
Birth date: 9/25/75
Service Address: 929 Sunset Way, Bellevue, WA

The obligee must immediately file with the court and the Washington State Child Support Registry and update as necessary the Confidential Information Form required by RCW 26.23.050.

The obligee shall update the information required by paragraph 3.2 promptly after any change in the information. The duty to update the information continues as long as any monthly support remains due or any unpaid support debt remains due under this order.

For purposes of this Order of Child Support, the support obligation is based upon the following income: \$20,000 per month maintenance plus \$1,647 in protected

income plus \$2,386 Rental income from

Order of Child Support - PROPOSED BY WIFE BH Properties
Page 2

TOTAL 25,828 gross

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2
3 3.4 Service of Process

4 *Service of process on the obligor at the address required by paragraph 3.2 or*
5 *any updated address, or on the obligee at the address required by paragraph*
6 *3.3 or any updated address, may be allowed or accepted as adequate in any*
7 *proceeding to establish, enforce or modify a child support order between the*
8 *parties by delivery of written notice to the obligor or obligee at the last address*
9 *provided.*

10 3.5 Transfer Payment

11 The obligor parent shall pay the following amounts per month for the following children:

12 Madison	\$2,000
13 Hailey	\$2,000
14 Total Monthly Transfer Amount	\$4,000

15 *The obligor parent's privileges to obtain or maintain a license, certificate,*
16 *registration, permit, approval, or other similar document issued by a licensing*
17 *entity evidencing admission to or granting authority to engage in a profession,*
18 *occupation, business, industry, recreational pursuit, or the operation of a motor*
19 *vehicle may be denied or may be suspended if the obligor parent is not in*
20 *compliance with this support order as provided in Chapter 74.20A Revised*
21 *Code of Washington.*

22 3.6 Standard Calculation

23 ~~\$1,709~~
24 \$1,862.58 per month. (See Worksheet line 17.)

25 3.7 Reasons for Deviation From Standard Calculation

26 The child support amount ordered in paragraph 3.5 deviates from the standard calculation for the following reasons:

- 27 1. The parents combined monthly income exceeds \$12,000 net per month.
- 28 2. The children's needs and the family's historical child-related expenses.
- 29 3. Tax planning
- 30 4. Wealth

31 3.8 Reasons why Request for Deviation Was Denied

32 Does not apply. A deviation was ordered.

33 Order of Child Support - PROPOSED BY WIFE
34 Page 3

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1
2 **3.9 Starting Date and Day to Be Paid**

3 Starting Date: April 17, 2015
4 Support is due: first of the month

5 **3.10 Incremental Payments**

6 Does not apply.

7 **3.11 Making Support Payments**

8 ~~Select Enforcement and Collection, Payment Services Only, or Direct Payment:~~

9 Direct Payment: Support payments shall be made directly to:

10 Name: Amber Hansen, via direct deposit into an account of her choosing.

11 A party required to make payments to the Washington State Support Registry will not receive
12 credit for a payment made to any other party or entity. The obligor parent shall keep the
13 registry informed whether he or she has access to health insurance coverage at reasonable cost
14 and, if so, to provide the health insurance policy information.

15 Any time the Division of Child Support is providing support enforcement services under
16 RCW 26.23.045, or if a party is applying for support enforcement services by signing the
17 application form on the bottom of the support order, the receiving parent might be required to
18 submit an accounting of how the support, including any cash medical support, is being spent
19 to benefit the children.

20 **3.12 Wage Withholding Action**

21 Withholding action may be taken against wages, earnings, assets, or benefits, and liens
22 enforced against real and personal property under the child support statutes of this or any other
23 state, without further notice to the obligor parent at any time after entry of this order unless an
24 alternative provision is made below.

25 **3.13 Termination of Support**

26 Support shall be paid until a child reaches the age of 18 or as long as the child remains
enrolled in high school, whichever occurs last, except as otherwise provided below in
Paragraph 3.14.

3.14 Post Secondary Educational Support

1. The respondent shall pay for 50% of the post secondary educational expenses of the
children which shall include but not be limited to the following expenses:

2. College prep courses, tutor for SAT/ACT, if needed, test fees (IB, SAT,
ACT), College application fees, College visits to up to 8 colleges for each child

Order of Child Support - PROPOSED BY WIFE
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1 limited to airfare and meals for child. Each parent may attend up to four visits
2 with the child (if disputes over which trips, that shall be resolved by binding
3 arbitration with an agreed upon arbitrator, or one appointed by the court) and
4 father shall pay for mother's expenses for the trip limited to airfare and meals.

5 b. Tuition, room and board and fees, meal card, books, Pan-Hellenic membership and
6 costs (sorority) and reasonable living allowance.

7 c. Round trip Airfare to fly home during school breaks and vacations while at college
8 (summer, spring break and Christmas).

9 d. Health insurance and uninsured medical expenses of the children.

10 e. Vehicle, license and insurance for the vehicle.

11 **3.15 Payment for Expenses not Included in the Transfer Payment**

12 1. The Father shall pay 50% and the following expenses incurred on behalf of the children.

13 a. All activities which currently include dance classes, music lessons, skiing, ski bus program
14 including registration fee for the program and lift ticket on days they are in the ski bus
15 program, rowing, drama, Girl Scouts, including equipment, transportation and necessary
16 attire/shoes for any activity, agreed summer camp, agreed costs of special events in high
17 school such as prom and homecoming, driver's education, vehicle, vehicle maintenance, costs
18 of licensing and insurance, and other activities for which she wants to participate.

19 b. All dental and orthodontia needs of all children.

20 c. All counseling and therapy costs of all children.

21 d. All work related daycare costs of either party and daycare costs incurred by mother as a result
22 of attending school or vocational training.

23 e. A lap top computer, tablet and cell phone for each child and the most current version of
24 Microsoft Office software for all children until age 22. Electronics shall be replaced every
25 three years.

26 f. Costs of cell phone plan including texting, and all charges and service fees for each child until
age 22.

2. Payments shall be made to the provider of the service or to the parent receiving the transfer
payment if that parent advances payment. Payment shall be made within 10 days of presentment of the
bill and proof of payment.

1
2 **3.16 Periodic Adjustment**

3 Does not apply.

4 **3.17 Income Tax Exemptions**

5 Wife may claim both children as exemptions for federal income tax purposes.

6 The parents shall sign the federal income tax dependency exemption waiver.

7 **3.18 Medical Support – Health Insurance**

8 Each parent shall provide health insurance coverage for the children listed in paragraph 3.1, as follows:

9
10 **3.18.1 Health Insurance (either check box A(1), or check box A(2), and complete sections B and C. Section D applies in all cases.)**

11 **A. Evidence**

12 (2) There is sufficient evidence for the court to determine which parent must
13 provide coverage and which parent must contribute a sum certain. Fill in B
14 and C below.

14 **B. Findings about insurance:**

15 The court makes the following findings:

Father	Mother	Check at least one of the following findings for each parent.
[X]		Insurance coverage for the child(ren) is available and accessible to this parent at \$ _____ cost (child(ren)'s portion of the premium, only).
	[]	Insurance coverage for the child(ren) is available and accessible to this parent at \$ _____ cost (child(ren)'s portion of the premium, only).
[]		Insurance coverage for the child(ren) is available but not accessible to this parent at \$ _____ cost (child(ren)'s portion of the premium, only).
	[]	Insurance coverage for the child(ren) is available but not accessible to this parent at \$ _____ cost (child(ren)'s portion of the premium, only).
[]		Neither parent has available or accessible insurance through an employer or union; but this parent is able to provide private coverage at a cost not to exceed 25% of this parent's basic support obligation.
	[]	Neither parent has available or accessible insurance through an employer or union; but this parent is able to

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Order of Child Support – PROPOSED BY WIFE
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1			provide private coverage at a cost not to exceed 25% of this parent's basic support obligation.
2	<input type="checkbox"/>	<input type="checkbox"/>	(Check only one parent) Both parties have available and accessible coverage for the child(ren). The court finds that this parent has better coverage considering the needs of the child(ren), the cost and extent of each parent's coverage, and the accessibility of the coverage.
3			
4	<input type="checkbox"/>	<input type="checkbox"/>	Other:
5			
6			
7			

C. Parties' obligations:

The court makes the following orders:

	Father	Mother	Check at least one of the following options for each parent.
11	<input type="checkbox"/>	<input type="checkbox"/>	This parent shall provide health insurance coverage for the child(ren) that is available through employment or is union-related as long as the cost of such coverage does not exceed 25% of this parent's basic support obligation.
12	<input type="checkbox"/>	<input type="checkbox"/>	This parent shall provide health insurance coverage for the child(ren) that is available through employment or is union-related even though the cost of such coverage exceeds 25% of this parent's basic support obligation. It is in the best interests of the child(ren) to provide such coverage despite the cost <i>because:</i>
13			
14	<input type="checkbox"/>	<input type="checkbox"/>	This parent shall provide private health insurance coverage for the child(ren) as long as the cost of such coverage does not exceed 25% of this parent's basic support obligation.
15			
16	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This parent shall provide private health insurance coverage for the child(ren) even though the cost of such coverage exceeds 25% of this parent's basic support obligation. It is in the best interests of the child(ren) to provide such coverage despite the cost <i>because:</i>
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23			

1	<input type="checkbox"/>	<input type="checkbox"/>	This parent shall pay \$ _____ towards the health insurance premium being paid by the other parent. This amount is this parent's proportionate share of the premium or 25% of this parent's basic support obligation, whichever is less. This payment is only required if this parent is not providing insurance as described above.
2	<input type="checkbox"/>	<input type="checkbox"/>	This parent's contribution to the health insurance premium is calculated in the Worksheet and included in the transfer payment.
3	<input type="checkbox"/>	<input checked="" type="checkbox"/>	This parent shall be excused from the responsibility to provide health insurance coverage and from the responsibility to provide monthly payment towards the premium <i>because</i> : the other parent provides insurance.
4			(Only one parent may be excused.)

D. Both parties' obligation:

If the child(ren) are receiving state financed medical coverage, the Division of Child Support may enforce the responsible parent's monthly premium.

The parent(s) shall maintain health insurance coverage, if available for the child(ren) listed in paragraph 3.1, until further order of the court or until health insurance is no longer available through the parents' employer or union and no conversion privileges exist to continue coverage following termination of employment.

A parent who is required under this order to provide health insurance coverage is liable for any covered health care costs for which that parent receives direct payment from an insurer.

A parent who is required under this order to provide health insurance coverage shall provide proof that such coverage is available or not available within 20 days of the entry of this order to the other parent or the Washington State Support Registry if the parent has been notified or ordered to make payments to the Washington State Support Registry.

If proof that health insurance coverage is available or not available is not provided within 20 days, the parent seeking enforcement or the Department of Social and Health Services may seek direct enforcement of the coverage through the other parent's employer or union without further notice to the other parent as provided under Chapter 26.18 RCW.

You may have separate obligations to provide health insurance coverage for the child(ren) under federal law.

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3.18.2 Change of Circumstances and Enforcement

A parent required to provide health insurance coverage must notify both the Division of Child Support and the other parent when coverage terminates.

If the parents' circumstances change, or if the court has not specified how medical support shall be provided, the parents' medical support obligations will be enforced as provided in RCW 26.18.170. If a parent does not provide proof of accessible coverage for the child(ren) through private insurance, a parent may be required to satisfy his or her medical support obligation by doing one of the following, listed in order of priority:

- 1) Providing or maintaining health insurance coverage through the parent's employment or union at a cost not to exceed 25% of that parent's basic support obligation;
- 2) Contributing the parent's proportionate share of a monthly premium being paid by the other parent for health insurance coverage for the child(ren) listed in paragraph 3.1 of this order, not to exceed 25% of the obligated parent's basic support obligation; or
- 3) Contributing the parent's proportionate share of a monthly premium paid by the state if the child(ren) receives state-financed medical coverage through DSHS or HCA (Health Care Authority) under RCW 74.09 for which there is an assignment.

A parent seeking to enforce the obligation to provide health insurance coverage may apply for support enforcement services from the Division of Child Support; file a motion for contempt (use form WPP DRPSCU 05.0) 00, Motion/Declaration for an Order to Show Cause re Contempt; or file a petition.

3.19 Uninsured Medical Expenses

Both parents have an obligation to pay their share of uninsured medical expenses. The respondent shall pay 100% of uninsured medical expenses (unless stated otherwise, the respondent's proportional share of income from the Worksheet, line 6).

3.20 Back Child Support

Does not apply

3.21 Past Due Unpaid Medical Support

Does not apply

3.22 Other Unpaid Obligations

Does not apply.

3.23 Other

1. Child support obligation survives death. It is the intent of the parties that each and every obligation of support and provision therefore shall continue in full force and effect throughout the period of support provided herein, and the support obligation and all

Order of Child Support - PROPOSED BY WIFE

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1 attendant duties thereof shall expressly continue to survive the death of each parent and
2 shall remain and be a charge against a deceased parent's estate to be fully performed by
the estate, heirs and devisees, less any life insurance proceeds applied to the obligation.

3 2. **Life insurance.** Father shall maintain the New York Life Insurance Policy #6230 on
4 his life to insure his support obligation imposed herein. He shall bring all premiums
5 current by June 1, 2015 and shall timely pay all premiums in the future. Father shall name
6 mother as beneficiary. Father shall provide mother with proof of the existence of the
7 policy, the beneficiary designation and that the premiums have been paid every year by
June 1 each year. Husband shall sign release authorizing wife to speak to insurance
company to verify compliance. Any outstanding support obligation not covered by life
insurance shall be a priority claim against father's estate.

8
9 Dated: June 4, 2015

M. Benton
Judge/Commissioner

Monica J. Benton

10 Presented by: _____

Approved for entry: _____

11
12 Cynthia Whitaker WSBA #7292
13 Attorney for Petitioner

Alan S. Funk, WSBA #
Attorney for Respondent

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Order of Child Support -- PROPOSED BY WIFE
Page 10

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Washington State Child Support Schedule Worksheets

Proposed by State of WA Other (CSWP)
 Or, Signed by the Judicial/Reviewing Officer. (CSW)

Mother Amber Hansen
County KING

Father Troy Hansen
Case No. 13-3-11903-3 SEA

Child(ren) and Age(s): Madison Marie Hansen, 12; Hailey Marie Hansen, 7		
Part I: Income (see Instructions, page 6)		
	Father	Mother
1. Gross Monthly Income		
a. Wages and Salaries (Imputed for Mother)	\$12955.00	-
b. Interest and Dividend Income	-	-
c. Business Income	\$56879.00	\$3,386.00
d. Maintenance Received	-	\$20000.00
e. Other Income	\$3,564.00	-
f. Imputed Income	-	\$1,641.50
g. Total Gross Monthly Income (add lines 1a through 1f)	\$73398.00	\$25027.50
2. Monthly Deductions from Gross Income		
a. Income Taxes (Federal and State) Tax Year: Manual	\$17,497.00	\$6,865.00
b. FICA (Soc. Sec. + Medicare)/Self-Employment Taxes	\$792.00	-
c. State Industrial Insurance Deductions	-	-
d. Mandatory Union/Professional Dues	-	-
e. Mandatory Pension Plan Payments	-	-
f. Voluntary Retirement Contributions	\$416.70	-
g. Maintenance Paid	\$20,000.00	-
h. Normal Business Expenses	-	-
i. Total Deductions from Gross Income (add lines 2a through 2h)	\$38,705.70	\$6,865.00
3. Monthly Net Income (line 1g minus 2i)	\$34,692.30	\$18,162.50
4. Combined Monthly Net Income (line 3 amounts combined)	\$52,854.80	
5. Basic Child Support Obligation (Combined amounts →)		
Madison Marie Hansen \$1440.00		
Hailey Marie Hansen \$1165.00		
-		
-		
-		
-		
Total		\$2,605.00
6. Proportional Share of Income (each parent's net income from line 3 divided by line 4)	.656	.344

Part II: Basic Child Support Obligation (see Instructions, page 7)		
7. Each Parent's Basic Child Support Obligation without consideration of low income limitations (Each parent's Line 6 times Line 5.)	\$1,708.88	\$896.12
8. Calculating low income limitations: Fill in only those that apply.		
Self-Support Reserve: (125% of the Federal Poverty Guideline.)	\$1,226.00	
a. Is combined Net Income Less Than \$1,000? If yes, for each parent enter the presumptive \$50 per child.	-	-
b. Is Monthly Net Income Less Than Self-Support Reserve? If yes, for that parent enter the presumptive \$50 per child.	-	-
c. Is Monthly Net Income equal to or more than Self-Support Reserve? If yes, for each parent subtract the self-support reserve from line 3. If that amount is less than line 7, enter that amount or the presumptive \$50 per child, whichever is greater.	-	-
9. Each parent's basic child support obligation after calculating applicable limitations. For each parent, enter the lowest amount from line 7, 8a - 8c, but not less than the presumptive \$50 per child.	\$1,708.88	\$896.12
Part III: Health Care, Day Care, and Special Child Rearing Expenses (see Instructions, page 8)		
10. Health Care Expenses	Father	Mother
a. Monthly Health Insurance Paid for Child(ren)	-	-
b. Uninsured Monthly Health Care Expenses Paid for Child(ren)	-	-
c. Total Monthly Health Care Expenses (line 10a plus line 10b)	-	-
d. Combined Monthly Health Care Expenses (line 10c amounts combined)		
11. Day Care and Special Expenses		
a. Day Care Expenses	-	-
b. Education Expenses	-	-
c. Long Distance Transportation Expenses	-	-
d. Other Special Expenses (describe)		
	-	-
	-	-
	-	-
e. Total Day Care and Special Expenses (Add lines 11a through 11d)	-	-
12. Combined Monthly Total Day Care and Special Expenses (line 11e amounts Combined)		
13. Total Health Care, Day Care, and Special Expenses (line 10d plus line 12)		
14. Each Parent's Obligation for Health Care, Day Care, and Special Expenses (multiply each number on line 6 by line 13)	-	-
Part IV: Gross Child Support Obligation		
15. Gross Child Support Obligation (line 9 plus line 14)	\$1,708.88	\$896.12
Part V: Child Support Credits (see Instructions, page 9)		
16. Child Support Credits		
a. Monthly Health Care Expenses Credit	-	-
b. Day Care and Special Expenses Credit	-	-

c. Other Ordinary Expenses Credit (describe)	-	-
d. Total Support Credits (add lines 16a through 16c)	-	-
Part VI: Standard Calculation/Presumptive Transfer Payment (see Instructions, page 9)		
17. Standard Calculation (line 15 minus line 16d or \$50 per child whichever is greater)	\$1,708.88	\$896.12
Part VII: Additional Informational Calculations		
18. 45% of each parent's net income from line 3 (.45 x amount from line 3 for each parent)	\$15,611.54	\$8,173.13
19. 25% of each parent's basic support obligation from line 9 (.25 x amount from line 9 for each parent)	\$427.22	\$224.03
Part VIII: Additional Factors for Consideration (see Instructions, page 9)		
20. Household Assets (List the estimated value of all major household assets.)	Father's Household	Mother's Household
a. Real Estate	-	-
b. Investments	-	-
c. Vehicles and Boats	-	-
d. Bank Accounts and Cash	-	-
e. Retirement Accounts	-	-
f. Other: (describe)	-	-
	-	-
	-	-
	-	-
21. Household Debt (List liens against household assets, extraordinary debt.)		
a.	-	-
b.	-	-
c.	-	-
d.	-	-
e.	-	-
f.	-	-
22. Other Household Income		
a. Income Of Current Spouse or Domestic Partner (if not the other parent of this action)		
Name	-	-
Name	-	-
b. Income Of Other Adults in Household		
Name	-	-
Name	-	-
c. Gross Income from overtime or from second jobs the party is asking the court to exclude per Instructions, page 8	-	-
d. Income Of Child(ren) (if considered extraordinary)		
Name	-	-
Name	-	-

e. Income From Child Support			
Name		-	-
Name		-	-
f. Income From Assistance Programs			
Program		-	-
Program		-	-
g. Other Income (describe)			
		-	-
		-	-
23. Non-Recurring Income (describe)			
		-	-
		-	-
24. Child Support Owed, Monthly, for Biological or Legal Child(ren)		Father's Household	Mother's Household
Name/age:	Paid <input type="checkbox"/> Yes <input type="checkbox"/> No	-	-
Name/age:	Paid <input type="checkbox"/> Yes <input type="checkbox"/> No	-	-
Name/age:	Paid <input type="checkbox"/> Yes <input type="checkbox"/> No	-	-
25. Other Child(ren) Living In Each Household (First name(s) and age(s))			
26. Other Factors For Consideration			

Other Factors For Consideration (continued) (attach additional pages as necessary)

Signature and Dates

I declare, under penalty of perjury under the laws of the State of Washington, the information contained in these Worksheets is complete, true, and correct.

Andie M. Hansen
Mother's Signature

Don Hansen
Father's Signature

June 4th 2015 Seattle
Date City

6/4/15 Seattle
Date City

J. Beister
Judicial/Reviewing Officer

June 4, 2015
Date

Worksheet certified by the State of Washington Administrative Office of the Courts.
Photocopying of the worksheet is permitted.

APPENDIX C

FILED
KING COUNTY, WASHINGTON

JUN - 4 2015

SUPERIOR COURT CLERK
BY Jamie Siev
DEPUTY

Hon. Monica Benton

SUPERIOR COURT OF WASHINGTON
COUNTY OF KING

In re the Marriage of:

AMBER HANSEN,

Petitioner,

and

TROY EDWARD HANSEN,

Respondent.

NO. 13-3-11903-3 SEA

DECREE OF DISSOLUTION (DCD)
AMENDED PURSUANT TO MOTION FOR
CLARIFICATION (AWARDING BH
PROPERTIES TO WIFE)

Clerk's action required

[] Law Enforcement Notification, 3.8

I. Judgment Summaries

1.1 Real Property Judgment Summary:

Real Property Judgment Summary is set forth below:

Name of Grantor: Troy Hansen	Name of Grantee: Amber Hansen
King County #8964800900	
King County #3391500120	
King County #755740-0050	
Island County # S7310-02-00008-0	
Name of Grantor: Amber Hansen	Name of Grantee: Troy Hansen
King County: #8964800040	
Pierce County #2011130010	
Snohomish County #00439074101800	
Snohomish County #00439074101700	
King County #184970-0225	
Benton County #133993050002002	

Decree of Dissolution
AMENDED PURSUANT TO
MOTION FOR CLARIFICATION
AWARDING BH PROPERTIES TO WIFE

Page 1

1 **1.2 Money Judgment Summary:**

2 Judgment Summary is set forth below.

3	A. Judgment creditor	<u>Amber Hansen</u>	
	B. Judgment debtor	<u>Troy Hansen</u>	
4	C. Principal judgment amount		\$596,704
	D. Interest to date of judgment		\$ _____
5	E. Attorney fees		\$77,000.00
	F. Costs		\$ _____
6	G. Other recovery amount		\$ 99,383.00
7	H. Principal judgment shall be made in full within 45 days of date of entry of the Decree of Dissolution. No interest shall accrue if payment is timely made. If payment is not timely made, then simple interest shall thereafter accrue at the rate of 12% per annum until all sums owed, including principal, interest and attorney fees incurred in collection said sums, are paid in full.		
8	I. Attorney fees, costs and other recovery amounts shall bear interest at 12 % per annum		
9	J. Attorney for judgment creditor	<u>Cynthia Whitaker</u>	
	K. Attorney for judgment debtor	<u>Alan S. Funk</u>	
10	L. Other:		

11 **End of Summaries**

12 **II. Basis**

13 Findings of Fact and Conclusions of Law have been entered in this case.

14 **III. Decree**

15 **It is ORDERED ADJUDGED AND DECREED** that:

16 **3.1 Status of the Marriage**

17 The marriage of the parties is dissolved.

18 **3.2 Property to be Awarded the Petitioner**

19 The petitioner is awarded as separate property the following property:

- 20 1. Real property located at 929 Sunset Way, Bellevue, WA. Husband shall sign a Quit Claim deed to wife for this property within 10 days of the date of the Decree.
- 21 2. Real property located at 3694 Oceanside Drive, Whidbey Island, WA
 - 22 a. The husband shall insure that the Deed of Trust to Seneca Insurance, in the amount of \$750,000 is removed from this property by June 1, 2015. If husband fails to remove the Deed of Trust from this property, then a judgment shall enter against the husband, in favor of the wife in the amount of \$750,000.

- 1 b. The husband shall sign a Quit Claim deed to wife for this property within 10 days of the date
2 of the Decree.
- 3 c. Husband shall immediately turn over all keys to the home and he shall not remove any
4 personal property from the home.
- 5 3. Real property located at 525 West James St., Kent, WA. Husband shall sign a Quit Claim deed
6 to wife for this property and insure that she is provided all documentation regarding the rental
7 and management of the property including records of rental deposits. Husband shall also
8 transfer to wife all rental deposits and keys to the property.
- 9 4. Real property located at 1825 - 112th Ave. NE, Bellevue, WA
- 10 a. The husband shall insure that the Deed of Trust to Darren Bloch in the amount of \$109,000
11 is removed from this property by June 1, 2015. If husband fails to remove the Deed of Trust
12 from this property, then \$1000.00 accrues daily, as a sanction.
- 13 b. The husband shall sign a Quit Claim deed to wife for this property within 10 days of the date
14 of the Decree.
- 15 c. Husband shall insure that the property is left in clean and good condition and that he
16 removes any personal property owned by he or is father, no later than June 1, 2015.
- 17 5. Fidelity Valic Account #2447
- 18 6. Schwab IRA #4480
- 19 7. American Funds IRA #329/11
- 20 8. 2009 Mercedes automobile. Husband shall sign over title to wife within 10 days of the date of
21 this Decree.
- 22 9. All Alaska Airline miles accrued in the name of the wife.. Transfer shall be accomplished no
23 later than June 1, 2015.
- 24 10. All personal property in her possession.
- 25 11. All personal property located in the Whidbey Island home.
- 26 12. All personal property located in the Bellevue home that was occupied by husband's father,
 except for husband's father's personal possessions.
13. All bank accounts in her name.
14. The children's birth certificates and social security cards, and the mementos of the children
 which were taken by husband from the parties' safety deposit box. Husband shall return these
 items to wife within 10 days of the date of this Decree.
15. One-half of family photos and videos in husband's possession or under his control shall be given
 to the wife within 10 days of the date of this Decree. The parties shall divide or duplicate the
 material.

1
2 16. The sum of \$597,704.00

3 Payment shall be made in full within 45 days of date of entry of the Decree of Dissolution. No
4 interest shall accrue if payment is timely made. If payment is not timely paid, simple interest
5 shall thereafter accrue at the rate of 12% per annum until all sums are owed, including principal,
6 interest and attorney fees incurred in collecting said sums, are paid in full.

7 A judgment shall immediately enter against husband for the whole amount. Wife shall promptly
8 satisfy the judgment, including partial satisfactions, after each installment is paid.

9 a. This award shall be secured by a first position equitable lien impressed specifically against
10 the following real property awarded to husband: Real property located at 9650 Hilltop Rd,
11 Bellevue, WA; Real property located at 620 South 11th St. Tacoma, WA.

12 **Husband shall not increase the amounts currently due on the first position liens
13 against these properties until all sums due to wife are paid in full.**

14 b. In addition to the equitable liens impressed on said properties, husband shall within ten days
15 of date execute Deeds of Trust for the benefit of wife to a reputable title company as Trustee
16 against each of said properties listed above to further secure the monetary award to wife.
17 The Deeds of Trust shall conform to those used in normal bank financing transactions.

18 c. Husband is restrained from creating any security interest, mortgage, or other lien against
19 said properties pending husband's execution and delivery to wife of all of said Deeds of
20 Trust and for 14 days thereafter to allow wife sufficient time to properly record the
21 instruments.

22 17. BH Properties, LLC.

23 **3.3 Property to be Awarded to the Respondent**

24 The respondent is awarded as separate property the following property:

- 25 1. Real property located at 9650 Hilltop Rd, Bellevue, WA.
26 2. Real property located at 620 South 11th St, Tacoma, WA
1. Real property located at 3118 Broadway, Everett, WA
2. Real property located at 3120 Broadway, Everett, WA
3. Real property located at 5810 W. Clearwater Ave., Kennewick, WA
4. Real property located at 607 Central Ave No, Kent, WA
5. All interest in All City Bail Bond including all tangible and intangible assets and d/b/a Cascade
Bail Bond and CJ Johnson Bail Bond, Band of America #6609, Fortune Bank/Homestreet
#1971, #2723, #6842, #60103, Key Bank #0035, #1782, #0043, 2013 Ford Explorer, 2004 VW
Bug, 1990 Nissan Truck, and 1983 Toyota SR5 Truck.
6. Bank of America #2244
7. BUF accounts as follows:
a. First National #2349
b. Greenville CD #3955
c. Firstar CD #3076
d. Compass CD #7528
8. All interest in Eastside Investors

- 1 11. Schwab #3826
- 2 12. Schwab IRA #8930
- 3 13. Schwab IRA #6582
- 4 14. 1986 Chevrolet Silverado
- 5 15. 1997 Toyota 4Runner
- 6 16. 2003 Harley Fat Boy
- 7 17. Receivable from Greer
- 8 18. All personal property in his possession.
- 9 19. All personal property located in the real property awarded to him.

6 3.4 Liabilities to be Paid by the Petitioner

7 The petitioner shall pay the following community or separate liabilities:

- 8 1. Any credit card in her name.
- 9 2. Any obligation incurred by her subsequent to 10/11/2013 that is as yet unpaid.

10 3.5 Liabilities to be Paid by the Respondent

11 The respondent shall pay the following community or separate liabilities:

- 12 1. Any credit card in his name.
- 13 2. Any obligation incurred by him subsequent to 10/11/2013 that is as yet unpaid.
- 14 3. Any and all obligations associated with All City Bail Bond, Cascade Bail Bond, and CJ Johnson Bail Bond, including but not limited to any obligation owing to Seneca Insurance and Bail USA.
- 15 4. Obligation owing to Darren Bloch in the amount of \$109,000.
- 16 5. Balance of obligation owing to CJ Johnson.
- 17 6. Any obligation associated with the real property awarded to him.
- 18 7. Obligation owing on joint federal income tax return of the parties for 2014 (estimated at \$362,000).
- 19 8. Obligation owing to wife in the amount of \$99,383 for sanctions pursuant to 10/6/2014 order.
- 20 9. Obligation owing to wife for attorney fees pursuant to 12/29/2014 order (\$2,000).
- 21 10. Obligation owing to wife in the amount of \$596,704 for an equalizing payment for the property division ordered herein.

22 3.6 Hold Harmless Provision

23 Each party shall hold the other party harmless from any collection action relating to separate or community liabilities set forth above, including reasonable attorney's fees and costs incurred in defending against any attempts to collect an obligation of the other party.

24 3.7 Maintenance

- 25 1. Husband shall pay maintenance to petitioner for 60 months as follows: Beginning May 1, 2015 the sum of \$20,000 per month for 60 months .
- 26 2. The obligation to pay future maintenance is terminated upon the death of the wife but shall survive the death of the husband and be a claim against his estate.
3. The obligation to pay future maintenance is terminated upon the remarriage of the wife.

1 4. Maintenance is due on the first of the month. Husband shall not include wife's social security
2 number or any portion thereof on any check. Maintenance shall be paid by direct deposit into an
account designated by wife.

3 5. Maintenance is taxable to the wife as income and deductible to the husband on his federal
4 income tax return.

5 **3.8 Restraining Order**

6 No temporary personal restraining orders have been entered under this cause number.

7 **3.9 Protection Order**

8 Does not apply.

9 **3.10 Jurisdiction Over the Children**

10 The court has jurisdiction over the children as set forth in the Findings of Fact and Conclusions
of Law.

11 **3.11 Parenting Plan**

12 The parties shall comply with the Parenting Plan signed by the court on this date
13 or dated April 17, 2015. The Parenting Plan signed by the court is approved and incorporated
as part of this decree.

14 **3.12 Child Support**

15 Child support shall be paid in accordance with the Order of Child Support signed by the court on
16 this date or dated April 17, 2015. This order is incorporated as part of this decree.

17 **3.13 Attorney Fees, Other Professional Fees and Costs**

- 18 1. Husband owes wife \$99,383 in unpaid reimbursements and sanctions, pursuant to court order
dated 10/6/2014 and a judgment shall enter against husband for that amount.
- 19 2. Husband owes wife \$2,000 in attorney fees awarded pursuant to Order on Motion to Compel
20 dated 12/29/2014 and a judgment shall enter against husband in that amount.
- 21 3. Wife is awarded attorney fees in the amount of \$75,000 for husband's intransigence in this
litigation that has increased wife's attorney fees and costs needlessly by at least that amount.

22 **3.14 Name Changes**

23 Does not apply.

24 **3.15 Other**

- 25 1. The Court finds that it is most advantageous to the parties to file a joint federal income tax return
26 for 2014. Husband shall pay all tax, penalties and interest due under the joint return for 2014. If
husband fails to cooperate in the preparation and timely filing of a joint tax return for 2014, he

1 shall pay 100% of wife's federal income tax and any penalties or interest incurred by wife in the
2 filing of her separate federal income tax return for 2014, together with any accountant and/or
preparation fees.

3 2. Washington Federal Accounts #0136 and #3542 shall be held for the benefit of the parties'
4 children. Wife shall be custodian/owner of the accounts and husband shall execute the
documents necessary within 10 days of the date of this decree.

5 3. Husband shall pay all premiums that were due on NY Life Insurance #6230 in 2013, 2014 and
6 2015 within 10 days of the date of the Decree and shall maintain this life insurance with wife as
7 beneficiary to secure his child support and maintenance obligations. Husband shall sign a
8 release within 10 days of the date of this decree, authorizing wife to communicate with the
9 insurance company to verify ongoing compliance until all maintenance and child support have
been paid in full. If the husband cannot retain the existing life insurance policy, then he must
replace it with a policy of equal or higher value naming the wife and beneficiary to secure his
child support and maintenance obligations.

10 4. The Court shall retain jurisdiction of this case for six months.

11 Dated: June 4, 2015

12 
13 Judge Monica J. Benton

14 Presented by:

15 Cynthia Whitaker, WSBA #7292
16 Attorney for petitioner/wife
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APPENDIX D



Topic 557 - Additional Tax on Early Distributions from Traditional and Roth IRAs

To discourage the use of IRAs for purposes other than retirement, the law imposes an additional 10% tax on early distributions from traditional and Roth IRAs unless an exception applies. Generally, early distributions are those you receive from an IRA before reaching age 59½. The additional 10% tax applies to the part of the distribution that you have to include in gross income. It is in addition to any regular income tax on that amount.

No Additional 10% Tax

Distributions that you roll over or transfer to another IRA or qualified retirement plan are not subject to this additional 10% tax. This is true as long as the distributions for a rollover fall within the guidelines of the one year rollover provision. For more information on rollovers, refer to [Topic 413](#).

There are exceptions to this additional 10% tax for early distributions that are:

- Made to a beneficiary or estate on account of the IRA owner's death
- Made on account of disability
- Made as part of a series of substantially equal periodic payments for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your designated beneficiary
- Qualified first-time homebuyer distributions
- Not in excess of your qualified higher education expenses
- Not in excess of certain medical insurance premiums paid while unemployed
- Not in excess of your unreimbursed medical expenses that are more than a certain percentage of your adjusted gross income
- Due to an IRS levy, or
- A qualified reservist distribution

Refer to [Publication 590-B](#) (PDF), *Distributions from Individual Retirement Arrangements (IRAs)*, for more information on these exceptions.

Other exceptions apply to distributions from other qualified employee retirement plans. For information on these exceptions, refer to [Topic 558](#) or [Publication 575](#), *Pension and Annuity Income*. For more information on IRA distributions, refer to [Publication 590-B](#) (PDF).

Reporting the Additional 10% Tax

The additional 10% tax is reported on [Form 5329](#) (PDF), *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*. However, you do not have to file Form 5329 if your [Form 1099-R](#) (PDF), *Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.*, shows distribution code 1 in Box 7. In this instance, you need only enter the additional 10% tax directly on the appropriate line of your [Form 1040](#) (PDF), *U.S. Individual Income Tax Return*. If you meet one of the exceptions to the tax, and your Form 1099-R does not have a distribution code 2, 3, or 4 in the box labeled distribution code(s), or if the code shown is incorrect, you must file Form 5329 to claim the exception.

Tax Withholding and Estimated Tax

Federal income tax withholding is required for distributions from IRAs unless you elect out of withholding on the distribution. If you elect out of withholding, you may have to make estimated tax payments. For more information on withholding and estimated tax payments, refer to [Publication 505](#), *Tax Withholding and Estimated Tax*.

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