

1988

Vera Morgan v. Dr. Wallace Jay Morgan : Brief of Appellant

Utah Court of Appeals

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DOCKET NO. 88-414
IN THE COURT OF APPEALS OF THE STATE OF UTAH

VERA MORGAN,)	
)	
Plaintiff/Respondent,)	
)	Case No. 88-414-CA
vs.)	
)	Priority No. 14b
DR. WALLACE JAY MORGAN,)	
)	
Defendant/Appellant.)	

APPELLANT' S BRIEF

AN APPEAL FROM THE DECISION
OF THE THIRD JUDICIAL DISTRICT COURT,
OF AND FOR SALT LAKE COUNTY, STATE OF UTAH
THE HONORABLE RICHARD H. MOFFAT, JUDGE, PRESIDING

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STATE OF UTAH
AUG 16 1990

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COURT OF APPEALS

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JURISDICTIONAL STATEMENT

This is an appeal from the property distribution set forth in the Findings of Fact, Conclusions of Law and Decree of Divorce entered on May 26, 1988, in the Third Judicial District Court of Salt Lake County, State of Utah.

The Court of Appeals has jurisdiction to hear this matter pursuant to the provisions of Utah Code Ann. §78-2a-3(g) (1987) and Rules 3(a) and 4(a) of the Rules of the Utah Court of Appeals.

ISSUES ON APPEAL

(1) May a trial court order a party to pay the expenses incurred by the other party in preparing for litigation, apart from those expenses that are taxable as costs under Utah law?

(2) Must a trial court review an attorney's bill to assure that it does not include expenses that are not taxable as costs and that the fees charged are in line with those normally charged in the community for similar services before ordering the opposing party to pay those fees?

(3) May a trial court award attorneys fees to a party who is awarded sufficient income and assets to pay the fees?

(4) Absent a finding that there has been an improper use of bank account funds, must a trial court value the accounts in accord with the evidence of value nearest to trial?

(5) Is it proper to award alimony in excess of the recipient's needs without finding that the other spouse has the ability to pay the alimony?

(6) Is it proper for a trial court to exclude existing tax debt when dividing a marital estate?

(7) In valuing marital property, may a trial court refuse to consider taxes that will occur on sale of assets if the court's property division requires sale of the assets?

(8) Is it proper for a trial court to value a minority partnership interest by determining the fair market value of the assets owed by the partnership instead of the fair market value of the partnership interest?

STATEMENT OF THE CASE

The instant case was initiated by plaintiff's Complaint for Separate Maintenance, which was filed in the Third Judicial District Court in and for Salt Lake County, State of Utah, on June, 24, 1986 (R. 2-6). On July 16, 1986, Defendant filed an Answer and Counterclaim seeking a Decree of Divorce (R. 16-19). Pursuant to stipulation of the parties, on August 26, 1986, plaintiff filed an Amended Complaint also seeking a Decree of Divorce (R. 32-34). The defendant's Answer to the Amended Complaint was filed on August 19, 1986 (R. 24-27).

The case was tried before the Honorable Richard H. Moffat, Judge, on December 14, 15, 16 and 17, 1987. After hearing the evidence and the arguments of parties' counsel, the trial court took the matter under advisement. On April 13, 1988, the trial court issued a Minute Entry granting the plaintiff a Decree of Divorce and setting forth the court's ruling on the issues of

equitable property division and alimony (R. 485-92). A copy of that Minute Entry (the "Minute Entry") is attached as Exhibit "A".

Pursuant to the Minute Entry, counsel for plaintiff drafted Findings of Fact, Conclusions of Law and a Decree of Divorce (the "Findings", "Conclusions" and "Decree"). Defendant filed objections to the Findings, Conclusions and Decree (R. 517-22). A copy of those objections and plaintiff's response to the objection (523-27) are attached as Exhibits "B" and "C" respectively. A hearing on the objections was held on May 16, 1988. By Minute Entry dated May 26, 1988, the trial court overruled defendant's objections (R. 529). The Findings, Conclusions and Decree were entered on the same day (R. 531-49). A copy of the Findings and Conclusions are attached as Exhibit "D" and the Decree is attached as Exhibit "E". Defendant's Notice of Appeal was filed on June 16, 1988 (R. 558-59).

STATEMENT OF FACTS

Defendant acknowledges that the trial court was faced with the difficult task of equitably dividing the parties' property in the face of conflicting evidence of property value. That difficulty was compounded by the fact that the marital estate lacks sufficient cash to allow the parties to preserve the going concern value of their business and investment assets, satisfy marital obligations and pay attorneys' fees and costs. Defendant recognizes that the trial court is vested with broad discretion in valuing and distributing property to equitably deal with those difficulties.

Nevertheless, in the instant case, as a result of incorrect legal rulings and misapplication of the law to the facts, the trial court went beyond the bounds of its discretion. As a consequence, the court fashioned a judgment with which it is all but impossible for the defendant to comply. The judgment requires defendant to sell a large portion of his liquid assets to satisfy the parties' matured debts.¹ Yet the trial court awarded those assets to the defendant at "going concern" value. As a result of having to sell the liquid assets, defendant will receive much less than the values assigned those assets under the court's Findings, Conclusions and Decree.

Plaintiff, meanwhile, is able to retain the parties' most valuable income producing asset, is responsible for very little debt and can rely on defendant to supplement her income with alimony.

The trial court's property valuation and division is illustrated by the court in a document called "Division of Marital Property," which was incorporated into the court's Findings, Conclusions and Decree. See "Division of Marital Property" (hereinafter the "court's schedule") attached as Exhibit "G." Each of the parties submitted a schedule to the court, illustrating their own views on the value of the assets and a proposed distribution thereof. See defendant's "Schedule of Marital

¹ In fact the plaintiff has now reduced the Divorce decree to a judgment that seeks to force the defendant to do voluntarily what the judgment asks him to do voluntarily. Defendant must sell his unencumbered property to satisfy the judgment's cash requirements. A copy of the Execution is attached hereto as Exhibit "F".

Assets" (hereinafter "defendants schedule") attached as Exhibit "H" and plaintiff's "Proposed Division of Marital Assets" (hereinafter "plaintiff's schedule") attached as Exhibit "I."

The court's schedule indicates that the plaintiff was awarded property with a net value of \$906,036.82 and the defendant was awarded property with a net value of approximately \$886,949.77. See court's schedule at page 6. Thus, considering only the bottom line it appears that the marital property was distributed almost equally between the parties, although the distribution is weighted toward the plaintiff by almost \$20,000.00.

A closer look indicates that plaintiff was awarded assets with a net worth of approximately \$940,000.00. Plaintiff is required to pay only her post-separation personal debts, approximately \$4,700.00, and \$28,000.00 toward the deficiency that will be owed when the marital residence is sold. In comparison defendant is awarded approximately \$1,160,000 in assets and is required to pay approximately \$280,000.00 in debt.

Two assets comprise ninety percent of the property awarded to the plaintiff. First the Bel-Aire Apartments, (the "Bel-Aire") which is the only real property owned by the parties in which they have equity. See court's schedule at p. 2, §III. The Bel-Aire has a net worth of over \$750,000.00²; it is the parties' most valuable asset, see court's schedule at p. 2, §III.B, and it produces approximately \$4,000.00 per month in net income., see Finding and Conclusions at p.3 paragraph 11 and R. 571 at p. 442.

² For the sake of simplicity, figures are rounded off where possible.

The income produced by the Bel-Aire coupled with the award of alimony, bring the plaintiff's total monthly net income to approximately \$6,000.00 per month. That income exceeds plaintiff's own estimate of her monthly expenses, and her estimate is in no way conservative. See Trial Exhibit 54 attached as Exhibit "J".

In addition, the plaintiff was awarded stocks including 2,850 shares of Annandale, 10,000 share of Greenwich Pharmaceutical, 625 shares of British Indemnity Group, 1,730 shares of Medical-Dental Technology, 250 shares of Valex Pete, and 1,600 shares of International Picture Show. See Decree at p.2-3, paragraph 2(b). The court valued the stock awarded plaintiff at approximately \$115,000.00 and indicated that the stock is unencumbered. See court's schedule at p.1, §I.I.

Approximately half of the assets awarded to the defendant are the parties' investments in partnerships and corporations (specifically, investments in two limited partnerships, two general partnerships and one defunct corporation). See court's schedule at §V. The parties own a minority interest in three of the four active partnerships, including: Eckman Midgley & Assoc. ("Eckman Midgley")³; Sunvest Ltd ("Sunvest")⁴; and Valley Land Partners⁵. The other partners in Eckman Midgley and Sunvest are

³ Eckman Midgley & Assoc. owns commercial real estate.

⁴ Sunvest Ltd owns a condominium in Palm Desert, California.

⁵ Valley Land Partners owns a parcel of real property in Draper, Utah that the partnership is trying to sell for subdivision. The property has been for sale for many years. As a limited partner owning 4.4% the defendant does not believe his interest has any value. The value reached by the court is the value of the partnership's capital account included on the defendant's K-1.

defendant's friends and long-time business acquaintances. The court valued the partnership interests by valuing the property owned by the partnerships (less the debt owed thereon), multiplied by the percent interest owned by the parties.⁶

The parties hold a majority interest in a partnership known as the Morgan-Johnson Partnership. That partnership owns Broadmore Apartments (the "Broadmore"). The Broadmore operates at a net cash loss; therefore, the defendant must contribute up to \$3,000.00 per month to retain and operate that asset (R. 571⁷ at pp. 394, 400, 402-03 and 407-08). The Broadmore has been for sale for some time and has been the subject of several potential sales that did not close. (R. 571 at pp. 396-99) There is an outstanding offer to purchase the Broadmore for \$408,500.00, which the defendant wishes to accept but which the plaintiff believes is too low. The interest in the Broadmore was awarded to the defendant at a value

⁶ For instance, in valuing Eckman Midgley (court's schedule § V.A, the trial court accepted the value of the commercial property contained in Jerry Webber's appraisal (Trial Exhibit 18), which values the commercial property at \$3,600,000.00. Because the parties have a 25% interest in the partnership that owns that property, the court found that the "fair market value" of the parties' interest in the property is \$900,000.00. Twenty-five percent of the debt owed on the property was then deducted from the "fair market value". The end result, the court concluded, was the net value of the interest owned by the parties. The fallacy in the court's method of valuation, as discussed in Point V *infra* is that, although it accurately reflects the fair market value of the partnership's property, that value is 35% greater than the fair market value of the parties' minority interest in the partnership.

⁷ The trial transcript consists of three volumes designated in the court record as documents 569, 570 and 571. The transcript of the hearing on the defendant's objections to the trial court's Findings, Conclusions and Decree is designated in the court record as document 572. For simplicity, each of the transcripts are cited to in the instant brief by reference to their court record numbers.

that is approximately half way between the current offer and the value that the plaintiff attributes to the property.⁸

The parties' interest in PSI Ltd was sold during the parties' separation for \$30,652.18. See Trial Exhibits 27 & 28. Plaintiff agreed to the sale only upon the condition that she eventually receive half of the proceeds (R. 572 at pp. 15-16). The proceeds were applied toward a debt owed by the parties to Capital City Bank (R. 572 at p. 66). The tax consequences of the sale will cause a loss of approximately \$23,000.00. See defendant's schedule, at "Tax Liability on Sale of Condo." The parties were each awarded half of the gross proceeds from the sale of PSI, which no longer exist except insofar as the debt owed to the bank was reduced. The court did not award the tax debt to either party; thus it will ultimately be paid by the defendant.

The only liquid assets awarded to the defendant include: (1) approximately \$34,000.00, in bank accounts, a large part of which had been used to pay operating expenses prior to trial (see Argument, Point III *infra*; and (2) the following stocks: 8,550 shares of Annandale, 30,000 shares of Greenwich Pharmaceutical, 1,875 shares of British Indemnity Group, 5,190 shares of Medical-Dental Technology, 750 shares of Valex Pete and 4,800 of International Picture Show. See Decree at paragraph 2(b).

⁸ Despite the widely different methods of valuation used by the parties, they almost agree on the net value of the parties' interest in the Morgan-Johnson partnership. The reason for the similar conclusions on value is that, because the Broadmore has lost money and value, the tax consequences of selling the Broadmore will result in tax break equal to the amount that would be realized if the Broadmore were sold at the court's value and tax consequences were not considered.

Unfortunately, the uncontradicted evidence indicates that 20,000 shares of Greenwich Pharmaceutical and 10,000.00 shares of Annandale are pledged as security for a debt owed to Capital City Bank (R. 569 at p. 147). Thus, accepting the stock values recited in court by plaintiff's accountant (R. 571 p. 315), defendant can sell 10,000 shares of Greenwich Pharmaceutical for \$82,500.00 and the rest of the stocks awarded to him for under \$10,000.00, assuming that Capital City Bank will release the Annandale stock so that the part awarded to defendant can be sold and the rest transferred to plaintiff. Because the court's property division will require the defendant to sell the stock to pay the bulk of the matured debt owed by the parties, sales commissions and taxes will reduce the proceeds. The court failed to consider the inevitable results of its award.

The only asset awarded to the defendant that produces a reliable income is his dental practice.

The debts that defendant was ordered to pay include \$75,000.00 in "fees" owed to the plaintiff's attorneys and \$12,000.00 in fees owed to accountants and appraisers hired by the plaintiff to assist her attorneys in preparation for trial. See Decree at paragraph 2(q) and court's schedule at §§VII.I, VII.J and VII.K. Those professionals consider their fees a matured debt, as evidenced by the Execution attached as Exhibit "F". Likewise, the attorneys, accountants and appraisers that served the defendant consider their fees a matured debt, totalling approximately \$45,000.00, which defendant is ordered to pay under paragraph 2(p) of the Decree. See court's schedules at §§VII.L, VII.M and VII.N.

Thus the defendant is order to immediately pay matured debt in excess of \$130,000.00.

The other debts that the defendant is ordered to pay include: approximately \$3,500.00 in post-separation personal debts, *see* court's schedules at §VII.H; one half of the deficiency owed after the parties' residence is sold, estimated at \$28,000.00, *see* court's schedule at §III.A; a debt of \$44,000.00 owed on an unsecured line of credit owed to Capital City Bank, *see* court's schedule at §VII.B; and a loan from Capital City Bank with a balance due of \$55,000.00, *see* court's schedule at §VII.C, which is secured by 10,000 shares of Annandale stock and 20,000 shares of Greenwich Pharmaceutical. *See* R. 569 at p. 147. The court's schedule erroneously indicate that the loan is unsecured and the stock unencumbered. *See* court's schedule at §I.I.

The bottom line is that the court's property division asks the defendant to pay \$130,000.00 in matured debt although less than \$100,000.00 can be generated from sale of the unencumbered liquid assets he was awarded. He then must then produce enough income to pay the other \$100,000.00 in marital debt, supplement the Broadmore until it is sold, pay his own living expenses and pay the defendant \$2,000.00 per month in alimony.

Plaintiff, on the other hand, can retain her liquid assets and rely on the Bel-Aire and alimony to more than meet her living expenses.

That inequitable result is the product of the trial court's erroneous rulings on questions of law and its misapplication of law to the facts in the instant case.

SUMMARY OF ARGUMENTS

POINT I

In Utah costs may be awarded only if they are required to be paid under statute. Thus, the trial court erred in ordering the defendant to pay fees owed to appraisers and accountants who assisted her in preparation for trial.

POINT II

The plaintiff was awarded sufficient liquid assets and income-producing property to pay her own attorneys' fees. Moreover, the fees billed by plaintiff's counsel are not reasonable because: (1) the "fees" billed actually include expenses incurred by plaintiff in preparation for litigation that could not be awarded as costs; and (2) plaintiff's counsel bills at a rate higher than attorneys normally charge in this community for family law matters and adds to his bill for services, such as word-processing and local travel, that are usually included in an attorneys' billing rate. Therefore the trial court abused its discretion by ordering the defendant to pay those fees.

POINT III

No evidence was introduced to indicate that the defendant misused funds in the parties' business accounts and the trial court did not find that such a malfeasance occurred. Therefore, the trial court abused its discretion by valuing the bank accounts in an amount greater than the amount that the evidence indicated was in those accounts at a date nearest to the date of trial.

POINT IV

Plaintiff was awarded assets capable of producing sufficient income to meet her needs and was ordered to pay less than 10% of the parties' debt. On the other hand, the only reliable income-producing property awarded to the defendant was his dental practice and he is ordered to pay over 90% of the parties' debt (over \$250,000.00) Therefore, the trial court abused its discretion by ordering the defendant to supplement the plaintiff's income with alimony.

POINT V

The parties' interest in PSI Ltd was sold prior to trial and the funds were applied to marital debt. In addition, at the time of trial, there was a tax debt owed as a result of that sale. The trial court abused its discretion by awarding half of the sales proceeds (which no longer exist) to the plaintiff and failing to indicate which party is to be responsible for the tax debt.

POINT VI

The trial court abused its discretion in refusing to include a minority discount when valuing the parties' partnership interests. The trial court calculated the value of the parties' minority interests in partnerships by determining the fair market value of the property owned by the partnership and multiplying that figure by the percentage of the partnership owned by the parties. That valuation method does not accurately reflect the fair market value of the parties' partnership interest. The value of a minority partnership interest is less than its proportionate share of the

value of the partnership property because the interest holder has little say in the use and management or sale of the property.

ARGUMENT

POINT I

THE TRIAL COURT ABUSED ITS DISCRETION BY ORDERING THE DEFENDANT TO PAY THE LITIGATION EXPENSES INCURRED BY THE PLAINTIFF THAT ARE NOT TAXABLE AS COSTS UNDER UTAH LAW.

In Utah, there is distinction between costs that may be awarded by a trial court as part of the court's judgment and other necessary expenses of litigation. *Frampton v. Wilson*, 605 P.2d 771, 774 (Utah 1980). This Court summarized that distinction in *Stevens v. Stevens*, 754 P.2d 952 (Utah Ct.App. 1988) by affirming the principle that a trial court may only award costs of a type and in the amount allowed by statute. 754 P.2d at 959. Thus, in Utah, costs are limited to "court and witness fees which are required to be paid and for which a statute authorizes payment (citation omitted). Other expenses incurred in the preparation of litigation, even though necessary, are not chargeable as costs." *Id.*

Accordingly, in *Stevens*, this Court upheld the trial court's refusal to order one party to pay the fees owed to an appraiser that the other party had retained to assist in preparation for trial; *Id.* and in *Hatanaka v. Struhs*, 738 P.2d 1052, 1055 (Utah Ct.App. 1987), this Court reversed a trial court's award of costs that consisted of fees owed to a surveyor for an evaluation of the property in controversy. *Id.* See also *Kerr v. Kerr*, 610 P.2d 1380, 1384 (Utah 1980) and *Frampton v. Wilson*, 605 P.2d 771, 774

(Utah 1980)(holding that, apart from statutory witness fees, the fees of expert witnesses are not taxable as costs).

In the instant case, paragraph 2(q) of the Decree orders the plaintiff to pay the plaintiff's "accounting fees in amount \$10,973.41 . . . and plaintiff's appraisal fees in amount \$920.00." That order is simply contrary to the law as set forth in *Stevens* and its predecessors.⁹ However, that is not the extent of the court's error because it is not an accurate total of the costs with which the defendant was charged. Built into the \$75,000.00 in "attorneys' fees" that the defendant was ordered to pay on behalf of the plaintiff are additional costs (See trial Exhibits 62 and 76 attached as exhibit "K") including:

Appraisal costs:	\$ 4,110.00
Copying cost:	\$ 5,171.00 ¹⁰
Depositions:	\$ 938.96 ¹¹

⁹ Defendant's counsel objected to the admission of evidence regarding the fees charged by plaintiff's experts on the grounds that the testimony was irrelevant because, pursuant to *Frampton*, and *Hatanaka*, the trial court could not award plaintiff those fees. (See e.g. R. 569 pp. 106-112.) Plaintiff's counsel agreed that the fees would have to be paid by plaintiff. (R. 569 at p. 107). However, plaintiff's counsel argued that evidence on the amount of the fees should be admitted in a divorce case because the court could not make an equitable division of the parties' property without knowing the "overall, debts, and assets, and liabilities of the parties." (R. 569 at p. 107) The court allowed the evidence on that basis (R. 569 at p. 112) and then, surprisingly, ordered defendant to pay the fees.

¹⁰ That would equal 51,710 copies at 10 cents each.

¹¹ Granted, the cost of depositions may be awarded as an exception to the general rule that costs are statutorily circumscribed. Deposition expenses may be awarded if "they were reasonably necessary." *Lloyd's Unlimited v. Nature's Way*, 753 P.2d 507, 512 (Utah Ct.App. 1988) "The party claiming entitlement to the costs of depositions has the burden of demonstrating that the depositions were reasonably necessary" *Id.* However, determining whether that burden has been met is within the trial court's discretion and the court's ruling will not be overturned

Word Processing:	\$	511.23 ¹²
Courier Services:	\$	495.00 ¹³
Local travel:	\$	122.85
Service of process	\$	211.40 ¹⁴
Litigation Support		
(undefined)	\$	57.00
Business Meal	\$	23.29
Misc. Search	\$	87.00
TOTAL		\$ 11,617.44

It is the trial court's duty to guard against excesses and abuses in an award of costs. *Frampton* 605 P.2d at 773-74. In the instant case, the trial court abrogated that responsibility and ordered the defendant to pay approximately \$ 24,000.00 in expenses that simply are not taxable as costs under the law. For that reason, the property distribution of the trial court should be amended to provide that the plaintiff pay the expenses that she incurred in preparing for litigation.

absent an abuse of discretion. *Id.* In the instant case there was some testimony that the depositions of banks needed to be taken because one unlisted bank account had been discovered and that the defendant was less than free with information concerning the parties' businesses. (R. 571 p. 366 and 376). However, the cost bill submitted did not state which deponent was linked with which bank or business interest and in one case the bill states "Deposition Expense" without even stating who was deposed. See Trial Exhibit 62 at p. 3.

¹² Plaintiff's counsel testified that word processing charges are different from secretarial charges and in fact are a savings from secretarial charges since the firm does not bill for secretaries. (R. 571 at p.382) Certainly that is a savings for the law firm. However it is not for the person paying the bill.

¹³ This is "an elegant term for a runner." (R. 571 at p.381)

¹⁴ The cost of serving a subpoena is not a cost that may be awarded. *Lloyd's Unlimited*, 753 P.2d at 512.

POINT II

THE PLAINTIFF'S ATTORNEYS' FEES ARE NOT REASONABLE AND THE PLAINTIFF WAS AWARDED SUFFICIENT ASSETS TO PAY THOSE FEES, THEREFORE, THE TRIAL COURT ABUSED ITS DISCRETION BY REQUIRING THE DEFENDANT TO PAY THE PLAINTIFF'S ATTORNEYS' FEES.

An award of attorneys' fees is proper if the award is "based on evidence of both financial need and reasonableness." *Rasband v. Rasband*, 752 P.2d 1331 (Utah Ct.App. 1988). Within those parameters, the "decision to make such an award and the amount thereof rest primarily in the sound discretion of the trial court." *Id.* In this case the evidence indicates both that the amount granted by the court is unreasonable and that plaintiff has the ability to pay those fees.

A. The Fees Charged By Plaintiff's Counsel Are Unreasonable.

In setting forth guidelines against which a trial court can gauge whether fees charged by an attorney are reasonable, the Utah Supreme Court aptly noted:

What the lawyer has to offer should be determined by considering the composite of all of the factors which the parties themselves think relevant. Within the limits of reason and good conscience, and where there is no overreaching, undue influence or oppression, the parties should be at liberty to contract as they desire.

Kerr v. Kerr, 610 P.2d 1380, 1385 (1980). Those guidelines, although liberal, should not permit a trial court to rubber stamp fees charged by an attorney simply because the attorney claims the fees are reasonable.

In the instant case, the trial court found that the plaintiff's \$75,000.00 bill for attorneys' fees is reasonable. See

Findings at paragraph 8. However, as noted in Point I *supra* approximately 15% of those fees were, in fact, expenses that are not taxable as costs under Utah law. Certainly a trial court is required to look at the attorney's bill closely enough to determine whether the "fees" requested are indeed fees and, if not, whether they can otherwise be charged to the opposing party.

Moreover, included in the 15% of plaintiff's attorneys' fees that are actually expenses are a number of charges that are routinely built into an attorney's fee, such as word processing, salaries for "runners", local travel expenses, and, in one instance, lunch. Yet, the fees charged by plaintiff's counsel are not discounted as a result of their ability to charge for overhead on an itemized basis. In fact, plaintiff's lead counsel testified that his billing rate of \$160.00 is more than the fee charged by attorneys that specialize in the practice of family law (R. 571 pp. 380-81).

Plaintiff's lead counsel is, beyond dispute, a talented, well respected litigator and is likely well worth his fee under almost any set of criteria. However, even given the broad freedom to contract to which a party is entitled, that freedom must be tempered by reason. A party who wishes to retain counsel that charge fees above those normally charged in the community for similar services and who fails to monitor the bills submitted by that counsel should not be permitted to ask the other party to pay the excess.

Accordingly, in the instant case the trial court erred in finding that the plaintiff's attorneys' fees were reasonable

because those fees include expenses that cannot be charged as costs and are in excess of those normally charged by attorneys that practice family law in this community.

B. The Plaintiff Is Not In Need Of Assistance in Paying Her Attorneys' Fees.

The evidence in this case indicates that the plaintiff has been awarded property with equity of well over three quarters of a million dollars. The greatest part of that award is the Bel-Aire Apartments, which is the only one of the parties' investments that generates a reliable income. In fact, it has a positive cash flow of over \$4,000.00 per month and that amount will likely increase. In addition, the plaintiff was awarded over \$115,000.00 worth of unencumbered stock and receives \$2,000.00 per month in alimony.

Plaintiff's own exhibit indicates her monthly expenses equal \$5,541.00. See Trial Exhibit 54. Thus, without selling or using the income from her stock, defendant is more than able to meet her expenses.

Conversely, the defendant was awarded the parties' speculative investments - their interests in closely held partnerships and corporations. The court valued those interests at over \$500,000.00, approximately \$133,000.00 dollars over their fair market value. See Point VI *infra*. Yet, none of the investments produce a regular income. One investment, (the Broadmore Apartments) operates at a net cash loss, and another (Eckman Midgley) has a significant element of risk.

The defendant was awarded more stock than the plaintiff. However, he was also awarded the debt thereon; therefore, the

stock he has available for liquidation is roughly equivalent to that awarded the plaintiff.

The defendant was awarded only one income producing asset, his dental practice.

In short, under the court's order, the defendant is required to generate sufficient income to service the marital debts, pay \$2,000.00 per month in alimony, pay his living expenses, his attorneys' fees and litigation costs and to pay plaintiff's attorneys fees and cost. That is simply impossible. To comply with the order, realistically, Defendant must sell enough of his estate to cover at least the attorney's fees and costs, unless plaintiff's counsel, through execution, sell it first. Plaintiff on the other hand can hold securely to her property and her stock and receive an income that exceeds her needs.

Plaintiff is at least as able to pay her attorneys' fees as is defendant and is probably more able because her income is virtually free from the obligation to service pre-existing debt. Consequently, the evidence does not support the conclusion that the plaintiff's financial needs justify an award of attorneys' fees.

POINT III

THE PARTIES' BANK ACCOUNTS SHOULD HAVE BEEN VALUED ON A DATE AS NEAR AS POSSIBLE TO THE DATE OF THE TRIAL.

The marital estate included six bank accounts, all working accounts for the parties' business interests. Plaintiff submitted six exhibits, which include the November statement for each bank account. Those exhibits indicate the following balances for the dates noted:

<u>Exhibit No.</u>	<u>Account</u>	<u>Date</u>	<u>Balance</u>
1	Dental	11/13/87	\$16,642.25
2	Tax	11/20/87	\$ 7,821.69
3	Farm	11/13/87	\$ 1,046.82
4	Bel-Aire	11/30/87	\$ 8,667.38
5	Broadmore	11/30/87	\$ 6,559.21
7	Willowbrook	11/30/87	\$ 134.72

Those values were categorically adopted by the court in its schedule, which was apparently drafted on February 18, 1988 and effectuated by entry of the Decree of May 26, 1988. See court's schedule §§I.A - I.F.

However, the money was not there when the accounts were divided. In fact, the defendant testified that as of December 8, 1987, the balances in those accounts were:

Dental: (\$1,641.99); Tax: 3,173.81; Farm: (314.68); Bel-Aire: (\$966.38) (R. 569 at pp. 28-35).

Consequently, the defendant was awarded over \$20,000.00 in checking account funds that was not there a week prior to trial and the defendant is required to obtain over \$8,000.00, to place into the Bel-Aire account when the account is transferred to the plaintiff.

In *Berger v. Berger*, the Utah Supreme court reversed a trial court's decision to value stock in accord with testimony of the stock' value a year prior to trial, despite the fact that the early valuation was the only evidence available to the trial court. 713 P.2d 695, 699 (1985). The Court held that "the marital estate should be valued as of the time of the divorce decree." *Id.* at 697

The case was remanded and the court suggested that the trial court order a recent balance sheet indicating the stock's value. *Id.*

In fairness to the trial court in this case, as the trial exhibits indicate, the balances in the parties' bank accounts fluctuated, as can be expected of any working account. However, a trial court should be cautious in valuing bank accounts as of a date a month prior to trial. The result of that valuation in the instant case is to give the appearance that the defendant was awarded \$20,000.00 more than he will actually receive and to force the defendant to produce an additional \$8,669.51 to fund an account he must transfer to the plaintiff. Thus, instead of an award of \$20,000.00 in cash, the defendant is awarded a net equal to approximately (\$8,000.00).

In her Response To Objections To Proposed Findings of Fact and Conclusions of Fact and Conclusion of Law and Decree of Divorce, plaintiff asserts that the court properly valued the accounts at a date prior to trial because there was evidence that the accounts were drained immediately prior to trial. The trial court made no such finding. In fact, at the hearing on the defendant's objections, the plaintiff's counsel admitted that defendant testified that the money drawn out of the bank accounts was used to pay operating expenses. Plaintiff's counsel argued that there is a presumption that those funds were misused because the defendant did not account for each expenditure. Plaintiff's counsel claimed that, if defendant had accounted for the money, plaintiff *would* have brought in evidence to establish that the accounting was false (R. 572 at p. 9). The fact is that no such evidence was

introduced. The trial court acknowledged that it may be appropriate to reopen the case to obtain evidence of the balances in the accounts on the day of trial and a full record of the activity in the accounts so that a determination could be made as to whether the accounts deliberately drained (R. 572 at p. 9). Thus, apparently the trial court believed that it had not made a determination that bank funds were misused.

Absent a court determination that the defendant misused funds in the parties' bank accounts, the trial court erred in not valuing the bank accounts in accord with evidence of their value on the date nearest to the date of trial.

POINT IV

PLAINTIFF WAS AWARDED INCOME-PRODUCING ASSETS CAPABLE OF MEETING HER NEEDS. MOREOVER, DEFENDANT'S INCOME/DEBT STRUCTURE PRECLUDES HIM FROM PAYING ALIMONY. CONSEQUENTLY, THE COURT ABUSED ITS DISCRETION IN AWARDING ALIMONY.

As noted in Point II *supra*, Plaintiff's own outline of monthly expenses indicates that her monthly expenses are approximately \$5,500.00, including almost \$800.00 per month for travel and \$200.00 for housecleaning. See Trial Exhibit 52. Defendant testified that the Bel-Aire produced a net monthly income of approximately \$4,000.00, after paying a resident manager and providing apartments for two sons; all three expenses have been eliminated since plaintiff took over management of the apartment. She is also awarded approximately \$115,000.00 in stock.

Plaintiff's exhibit illustrating defendant's income indicates that he has \$12,596.00 per month in disposable income. (Trial Exhibit 52 attached as exhibit "L") However, approximately

\$4,000.00 per month is attributed to the Bel-Aire, which plaintiff now has. Over 7,000.00 per month is attributed to the sale of investments, which is, of course a one-time gain; in other words, if the defendant intends to continue this income it will not be long before he is without assets. See R. 571 at p. 322. Moreover, the exhibit excludes the payment defendant must make toward the \$100,000.00 the parties owe to Capital City Bank. The exhibit indicates that over half of the defendant's income is generated from his dental practice, which unlike the Bel-Aire, will produce income only as long as the defendant works. It is true the Defendant's alimony obligation decreases to \$1,700.00 in two years; that is approximately the amount of income that his \$120,000.00 pension will generate, if it is well invested.

Defendant is not adopting the numbers reflected in plaintiff's illustration of his income. That illustration simply demonstrates that it is difficult to construct a model that fairly shows that the defendant is capable of paying the plaintiff \$2,000.00 per month in alimony.

In *English v. English*, 565 P.2d 409, 411 (Utah 1977) the Supreme Court noted:

The purpose of alimony is to provide support for the wife and not to inflict punitive damages on the husband. Alimony is not intended as a penalty against the husband nor a reward to the wife.

In determining an award of alimony, the court should consider both the "wife's needs . . . and the husband's ability to pay. *Id.* at 412. Consequently, the *English* Court held that the trial court abused its discretion by awarding alimony in excess of the

recipient's needs, when the other spouse could not reasonably be expected to generate sufficient income to pay the alimony. *Id.*

In this case, there is no indication that the trial court determined that the plaintiff needs \$2,000.00 per month in alimony or that the trial court concluded that the defendant is able to pay that amount. The trial court's only relevant findings indicate:

(1) it is reasonable that the defendant be ordered to pay \$2,000.00 per month alimony for two years and \$1,700.00 thereafter see Findings at paragraph 9;

(2) the defendant's income is likely to decline as he approaches retirement age and that decline is the basis for the automatic decrease in alimony of \$300.00 per month see Findings at paragraph 10;

(3) in awarding alimony the court considered the fact that it awarded plaintiff cash and income producing assets see Findings at paragraph 11.

Those findings are nothing more than conclusory statements that do nothing to clarify upon what facts the court relied in calculating the award of alimony. In *Stevens v. Stevens*, 754 P.2d 952, 958 (1988) this Court held that a trial court is bound to make finding of fact that illustrate both the recipient's need and the ability of the other spouse to pay when awarding alimony. Those findings must be "sufficiently detailed and include

enough subsidiary facts to disclose the steps by which the ultimate conclusion on each factual issue was reached." *Id.* (citation omitted)¹⁵

In this case the trial court's unsupported conclusion that its award of alimony is "reasonable" and that it considered the income generated by the assets awarded the plaintiff completely fail to meet the specificity requirement of *Stevens*. That lack of specificity leaves the defendant and this Court to wonder: (1) whether the trial court considered the plaintiff's needs before awarding income; (2) whether the court determined that the defendant could pay the amount ordered; and (3) what led the court to conclude that, although over half of the defendant's income is generated from his dental practice, the decrease income associated with the approach of retirement justifies a decrease in alimony of only \$300.00 per month.

As in *English*, the trial court in this case awarded alimony that results in income exceeding the plaintiff's needs. The trial court did so without making a specific finding that the defendant is able to pay the alimony and the \$260,000.00 in debt he is ordered to assume although the only reliable income producing asset that he was awarded is his dental practice. Thus, the trial court abused its discretion by awarding alimony.

¹⁵ An exception to that rule may exist when the record clearly demonstrates need and ability to pay. See ¹⁵*Paffel v. Paffel*, 732 P.2d 96 (Utah 1986).

POINT V

TAX CONSEQUENCES SHOULD BE CONSIDERED IN VALUING ASSETS IF THOSE TAXES ARE A MATURED OBLIGATION OR IF THE PROPERTY DISTRIBUTION MAKES SALE OF ASSETS NECESSARY.

When valuing property for distribution in a divorce proceeding, a trial court may disregard the tax consequences that would result from a transfer or sale of the property if there is no indication that a sale, transfer, or other taxable event is imminent. *Alexander v. Alexander*, 737 P.2d 221, 224 (Utah 1987)("the trial court's refusal to speculate about hypothetical future [tax] consequences is not an abuse of discretion."); *Yelderman v. Yelderman*, 669 P.2d 406, 409-10 (Utah 1983). The question remains, must the court consider existing tax debts and taxes that will be incurred by virtue of an award that *requires* the sale of assets.

At least one court has answered that question affirmatively, holding that "if the future maturity date were close to the trial date, . . . the trial court should consider the effects of taxation on the valuation." *Koelsch v. Koelsch*, 148 Ariz 176, 713 P.2d 1234, 1244 (1986)(citation omitted) Likewise, in *Dice v. Dice*, 742 P.2d 205, 208 (Wyo. 1987) the court acknowledged that, where a decree of divorce requires an immediate cash out of assets, it is error to fail to consider the tax consequences of the when valuing the assets. At the very least, the decision on whether to consider tax consequences should be based on the circumstances present in each case. See *In re the Marriage of Grubb*, 721 P.2d 1194, 1197 (Colo. 1986).

The instant case presents the most compelling circumstances imaginable because there is an *existing* tax debt that the trial court disregarded. The parties interest in PSI Ltd was sold before trial. The property was sold, with plaintiff's permission, so long as she eventually received one half of the proceeds (R. 572 at pp. 15-16). The proceeds totaling \$30,652.18 were used to pay toward the line of credit owed to Capital City Bank (R. 569 at p. 66). The Plaintiff did not agree that paying the marital debt was equivalent to receiving half of the proceeds.¹⁶ The court apparently agreed, awarding plaintiff \$15,326.09 and the same amount to defendant which means that defendant will have to obtain \$15,326.09, although he does not have any part of the \$30,652.00 (Of course, if the plaintiff had paid the \$15,326.18 to plaintiff when he received it he would owe that much more to Capital City; consequently this was a no win situation since he is required to pay all of the presently existing marital debt.)

Adding insult to injury, the court did not consider the *presently* existing tax liability of approximately \$23,000.00 that is a result of the sale of PSI. See defendant's schedule at "Personal Liabilities, Tax liability on Sale of Condo." As a result, defendant realizes a net loss of almost \$40,000.00 from the sale. Plaintiff realizes a gain of \$15,326.09.

Additionally, the property division requires the defendant to obtain approximately \$130,000.00, immediately, to pay matured debts owed to both his and plaintiff's attorneys and other expert

¹⁶ This is consistent with her belief that she should receive half of the property - without the associated debt; See R. 570 at p 216.

witnesses. Plaintiff's counsel argued that the award is equitable because defendant's award includes more liquid assets than does the plaintiff's (R. 572 at p. 16). That argument is specious, however, as the liquid asset to which counsel must be referring, the stock, was awarded to the defendant at its "going concern" value. Therefore, no adjustment is made for sales commission or taxes that will become due when the stock is sold to pay the matured debt.

Defendant's schedule illustrates that sales costs and taxes will consume nearly half of the value of the stock upon sale. Thus, while the court's schedule indicates that the defendant is awarded stock worth over \$300,000.00, he must sell that to pay \$130,000.00 in matured debt and the \$55,000.00 loan to Capital City that is secured by a majority of the stock (the bank will likely release the stock unless it is paid.) Consequently, after payment of the matured debt, defendant will have essentially no liquid assets. Plaintiff will retain \$115,000.00 in unencumbered stock.¹⁷

As a result, the court's failure to consider tax consequences that are presently existing or are necessitated by the property division constitutes an abuse of discretion.

¹⁷ Had the trial court wished to have the matured debts paid from the parties' stock, without being forced to calculate costs of sale, it could have ordered the stock sold to pay the debts, with excess proceeds to be divided between the parties. At least that way the parties would share the tax burden and costs of sale equally as well as sharing the benefits.

POINT VI

THE TRIAL COURT ERRED BY BASING THE VALUE OF THE PARTIES' MINORITY PARTNERSHIP INTERESTS ON THE FAIR MARKET VALUE OF THE PROPERTY OWNED BY THE PARTNERSHIPS INSTEAD OF THE FAIR MARKET VALUE OF THE PARTNERSHIP INTERESTS.

The issue of whether a discount should be considered in valuing minority interests in closely held corporations and partnership in a marriage dissolution has not been squarely decided in this jurisdiction. The nearest a Utah appellate court has come to addressing the issue is the decision rendered *Argyle v. Argyle*, 688 P.2d 468 (Utah 1984). In *Argyle*, the trial court valued a spouse's interest in a family owned corporation solely on the basis of the value of the property owned by the corporation (the same method of valuation adopted by the court in the instant case). Unfortunately, the stockholder in that case offered no evidence of any other appropriate method of valuation. *Id.* at 470. Thus, the appellate court declined to determine whether another method of valuation is more appropriate.

Oregon courts, faced with the problem of valuing a minority interest in a closely held corporation, maintain that it is error to fail to include a minority discount. *In re the Marriage of Reiling*, 66 Or.App. 284, 673 P.2d 1360, 1365 (1984); *In the Matter of the Marriage of Belt*, 65 Or.App. 606, 672 P.2d 1205, 1207-08 (1983). That holding acknowledges the fact that the value of a minority interest in a closely held enterprise is negatively impacted because the holder is "at the so-to-speak mercy of other stockholders. . . ." 673 P.2d at 1365. That position was

recently adopted in Alaska see *Hayes v. Hayes*, 756 P.2d 298 (1988). The *Hayes* court rejected, as a matter of law, the theory that a minority discount is inappropriate unless a sale of the interest is contemplated. *Id.* at 300. The court held that the method of valuation for a minority interest is the amount that a prospective buyer would pay for the interest, which includes a minority discount. *Id.*

The holdings of the Alaska and Oregon courts are anything but aberrant¹⁸. Those courts simply hold that, as with many if not most types of property, a minority interest in a partnership should be valued at its fair market value.

In the instant case, fair market value was used to value the real property that was awarded to plaintiff and it was used to value the parties' stock. It is unreasonable to value partnership interests at more than their fair market value. In fact, plaintiff's counsel has acknowledged the difficulties inherent in the interests, such as the fact that the partnership agreements restrict sale of the interests and, in the event of liquidation of the partnership assets, all partners will have a say in the price (R. 484).¹⁹ Plaintiff's counsel argues that the defendant should receive the interest at its "going concern" value (R. 484) but does

¹⁸ In fact the *Hayes* court cites cases from number of courts that "have recognized that a minority discount is frequently appropriate in divorce proceedings.

¹⁹ Plaintiff's counsel argues that the partnership interests should be awarded to the defendant because he had a say in the investments made. (R. 484) Under that rationale the defendant would also receive the Bel-Aire because defendant handled *all* of the parties' financial affairs and thus also made the decision to make that investment.

not explain why that is greater than the fair market value. Liquidation value would very likely be less, as, unlike fair market value, it does not pre-suppose the existence of a buyer willing to pay market value for the interest.

Defendant's accountant testified that the fair market value of a minority interest in a partnership that owns real property is not the same as the value of the underlying property (R. 571 at p. 492). He testified common discounts applied to value the partnership interest range from 20 - 50% and that 35%, the most common discount, is the one he applied in discounting the value of the parties' partnership interests.

Eckman Midgley and Sunvest, the parties' two large minority interests, are valued in the court's schedules at \$ 309,214.75 and \$ 70,959.00 respectively, a figure reached by multiplying the fair market value of the partnerships' property by the percent of the partnership owned by the parties. However, the parties do not own the partnership property; they own an interest in the entity that owns the property. If, instead, the court had applied a discount to arrive at the fair market value of the minority interest at issue the value of those interests decrease by a total of approximately \$133,000.00. The resulting value would then more accurately reflect the value of the asset to the parties.

CONCLUSION

The instant case presented a difficult problem for the trial court and presents an equally difficult problem for this Court. The trial court has broad discretion in valuing and distributing assets and awarding alimony and this Court has stated,

convincingly, that it will accord the trial court's decision great deference. If this were a case where the property was valued properly and/ or the debt distributed fairly, there would likely be no grounds for disputing the award of alimony. However, this is a case where some fundamental errors in law burden the defendant with a substantial matured debt and the property award does not allow him to meet that debt and still pay the plaintiff the alimony. Considering all the circumstances, the defendant has been treated most unfairly.

Thus, the defendant respectfully requests that this court rule that the Plaintiff is to pay the expenses that she incurred in preparation for trial and remand the case to the trial court with instructions that the trial court:

- (1) Review the plaintiff's attorneys' fees to determine if they are reasonable and enter a finding as to whether the plaintiff is able to pay the fees;


- (2) Appropriately value the parties' partnership interests to reflect the value of the partnership interests not the value of the property owned by the partnerships;

- (3) Provide for payment of the parties' debts in such a manner that the defendant is not forced to sell his liquid assets while plaintiff is allowed to retain hers; and finally, in view of the adjustments made;

- (4) Consider the parties respective needs and their ability to produce income to determine whether an award of alimony is proper.

DATED this 24th day of October, 1988.

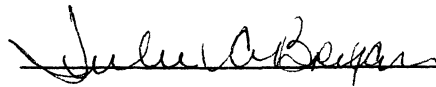
COHNE, RAPPAPORT & SEGAL


JULIE A. BRYAN
Attorney for appellant

CERTIFICATE OF HAND DELIVERY

I hereby certify that on the 24th day of October, 1988, I caused to be hand delivered 5 true and correct copies of the foregoing to:

DENNIS C. FERGESON
RODNEY R. PARKER
SNOW, CHRISTENSEN & MARTINEAU
10 Exchange Place, 11th Floor
Salt Lake City, Utah 84111



E X H I B I T "A"

FILED IN CLERK'S OFFICE
Salt Lake County, Utah

APR 13 1988

H. Dixon
By K. [Signature]

IN THE DISTRICT COURT OF THE THIRD JUDICIAL DISTRICT
IN AND FOR SALT LAKE COUNTY, STATE OF UTAH

VERA MORGAN,	:	
Plaintiff,	:	MINUTE ENTRY
v.	:	
WALLACE JAY MORGAN,	:	CASE NO. D86-2560
Defendant.	:	

The above entitled matter was tried to the Court on December 14, 15, 16, and 17, 1987. Thereafter, the Court had a conference with counsel to indicate its preliminary ruling in the matter. Thereafter, counsel responded giving the Court additional and different positions. The Court then held another conference discussing those responses to the Court's initial proposal. Having now considered same, the Court makes the following decision.

The plaintiff is entitled to be awarded a Decree of Divorce from the defendant based on the grounds of mental cruelty. The Court is of the opinion that the division of marital property as set forth in the attached listing which reflects the Court's initial and now its final finding is fair and equitable and should be adopted. The Court is further of the opinion that the values as reflected on said attachment are either agreed values by

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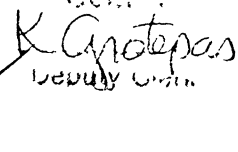
the parties or are accurate as close as can be ascertained based upon the evidence submitted at the time of trial. The Court finds that the home of the parties should be sold and the indebtedness thereon charged equally to each of the parties. That sale and division is reflected on the attached schedule. The Court also finds that as reflected on enclosed schedule, the plaintiff should be charged with her own current, outstanding expenses or bills. The defendant should be charged with his own current, outstanding expenses or bills. The plaintiff's attorneys' accounting and appraisal, as well as the defendant's legal accounting and appraisal fees as set forth in the attached schedule, are to be paid by the defendant as set forth therein and are hereby approved. The plaintiff is awarded alimony in the sum of \$2000 for two years from date of entry of the decree. Thereafter, alimony will reduce to \$1700. It is the Court's specific intention that the alimony fixed at this time and as reduced is based upon Dr. Morgan's current and anticipated income from his dental practice. Clearly, if there is a substantial change in that income, there will be grounds for a hearing as to a change in alimony. The Court also is cognizant of the fact that the division of assets here awards to the plaintiff a substantial amount of money which should produce income for her.

The plaintiff's attorneys will prepare Findings of Fact, Conclusions of Law and a decree.

Dated this 13 day of April, 1988.

ATTEST
H. DIXON HINDLEY
CLERK


Richard H. Moffat


K. Grotas
Deputy Clerk

000185

MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION =====	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET ===	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====
** I. CASH AND SECURITIES					
I.A Tracy Collins Bank, checking account no. 72-23195-4 (dental practice account)	16642.25	0.00	16642.25	0.00	16642.25
I.B Tracy Collins Bank, checking account no. 72-20100-7 (tax reserve account)	7821.69	0.00	7821.69	0.00	7821.69
I.C Tracy Collins Bank, checking account no. 72-60442-4 (horse farm account)	1046.82	0.00	1046.82	0.00	1046.82
I.D Capital City Bank, checking account no. 11022688 (Bel-Aire Apartments account in the name of KMJ Investment)	8667.51	0.00	8667.51	8667.51	0.00
I.E Capital City Bank, checking account no. 0011023926 in the name of Broadmoor Management Co.	6559.21	0.00	6559.21	6559.21	0.00
I.F Capital City Bank, checking account no. 0031003478 in the name of Willowbrook Co.	134.72	0.00	134.72	0.00	134.72
I.G Merrill-Lynch Government Fund Account No. 2247689-0	450.40	0.00	450.40	450.00	0.00
I.H Kidder-Peabody Premium Account No. 815-00435-041	253.27	0.00	253.27	0.00	253.27
I.I Stocks	429710.00	0.00	429710.00	114855.00	314855.00
I.J National Service Life Insurance-Cash Value of Life Insurance Policy	3100.00	0.00	3100.00	0.00	3100.00

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MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION =====	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET ---	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====
I.K Beneficial Life Insurance-Cash Value of Life Insurance Policy	475.00	0.00	475.00	0.00	475.00
** Subtotal **	474860.87	0.00	474860.87	130531.72	344328.75
** II. RETIREMENT ACCOUNTS					
II.A Self Employment Retirement Plan, Wasatch Advisors Account No. 10057 (94% of total plan value)	121841.10	0.00	121841.10	0.00	121841.10
II.B Twentieth Century IRA, account no. 20000525 in the name of Vera Morgan	248.00	0.00	248.00	248.00	0.00
II.C Twentieth Century IRA, account no. 200004207 in the name of Wallace J. Morgan	10501.76	0.00	10501.76	0.00	10501.76
** Subtotal **	132590.86	0.00	132590.86	248.00	132342.86
** III. REAL PROPERTY					
III.A Personal Residence	230000.00	286004.00	-56004.00	-28002.00	-28002.00
III.B Bel-Aire Apartment Building and Land	1100000.00	345387.00	754613.00	754613.00	0.00
** Subtotal **	1330000.00	631391.00	698609.00	726611.00	-28002.00
** IV. PERSONAL PROPERTY					
IV.A Horse trailer and horses	10000.00	0.00	10000.00	0.00	10000.00

000488

MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION	FAIR MARKET VALUE	LIEN AMOUNT	NET	AWARD TO PLAINTIFF	AWARD TO DEFENDANT
IV.B Household Furnishings (not including personal effects) - she keeps china hutch/Wilson painting	8950.00	0.00	8950.00	1450.00	7500.00
IV.C Vera Morgan's personal belongings and jewelry.	0.00	0.00	0.00	0.00	0.00
IV.D Wallace Morgan's personal belongings	0.00	0.00	0.00	0.00	0.00
IV.E 1985 Mercedes	29000.00	0.00	29000.00	29000.00	0.00
IV.F 1980 Porsche	16675.00	0.00	16675.00	0.00	16675.00
IV.G 1970 Chevrolet Pickup	800.00	0.00	800.00	0.00	800.00
IV.H Boat and Trailer	7500.00	0.00	7500.00	0.00	7500.00
IV.I Flat Bed Trailer	600.00	0.00	600.00	0.00	600.00
IV.J 1975 Ford Van	1100.00	0.00	1100.00	0.00	1100.00
IV.K Garden Tractor (Bolen)	600.00	0.00	600.00	0.00	600.00
IV.L Coin Collection	7604.00	0.00	7604.00	7604.00	0.00
IV.M 1987 Van	26000.00	26000.00	0.00	0.00	1.00
IV.N Willow Creek Country Club Membership	4500.00	0.00	4500.00	0.00	4500.00
IV.O Cubato Tractor	5500.00	0.00	5500.00	0.00	5500.00

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MORGAN V MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION =====	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET =====	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====
** Subtotal **	118829 00	26000 00	92829 00	38054 00	54776 00
** V INVESTMENTS IN PARTNERSHIPS/CORPORATIONS					
V A Eckman Midgley & Associates - 25% partnership interest	900000 00	590785 25	309214 75	0 00	309214 75
V B PSI, Ltd - Sales Proceeds	30652 18	0 00	30652 18	15326 09	15326 09
V C Sunvest Ltd 25% partnership interest	92500 00	21541 00	70959 00	0 00	70959 00
V D Valley Land Partners #3 Limited (4.44% interest)	7360 00	0 00	7360 00	0 00	7360 00
V E MM & S Development (One-third interest)	0 00	0 00	0 00	0 00	0 00
V F Morgan-Johnson Partnership (95% interest)	520000 00	338000 00	182000 00	0 00	182000 00
** Subtotal **	1550512 18	950326 25	600185 93	15326 09	584859 84
** VI DENTAL PRACTICE					
VI A Wallace J Morgan, DDS	32300 00	0 00	32300 00	0 00	32300 00
** Subtotal **	32300 00	0 00	32300 00	0 00	32300 00
< VII MISC LIABILITIES					
VII A Tracy Mortgage	0 00	0 00	0 00	0 00	0 00

MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION =====	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET =====	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====
VII.B Capital City Bank Line of Credit	0.00	44047.82	-44047.82	0.00	-44047.82
VII.C Capital City Bank Loan	0.00	55484.45	-55484.45	0.00	-55484.45
VII.D Capital City Bank Guarantee (Kevin Morgan)	0.00	0.00	0.00	0.00	0.00
VII.E Capital City Bank Guarantee (Morris Morgan)	0.00	0.00	0.00	0.00	0.00
VII.F Capital City Bank Line of Credit Guarantee (Dave Johnson)	0.00	0.00	0.00	0.00	0.00
VII.G Outstanding Bills of Vera Morgan	0.00	4733.99	-4733.99	-4733.99	0.00
VII.H Outstanding Bills of Wallace Morgan	0.00	3500.00	-3500.00	0.00	-3500.00
VII.I Plaintiff's Legal Fees	0.00	75000.00	-75000.00	0.00	-75000.00
VII.J Plaintiff's Accounting Fees	0.00	10973.41	-10973.41	0.00	-10973.41
VII.K Plaintiff's Appraisal Fees	0.00	920.00	-920.00	0.00	-920.00
VII.L Defendant's Legal Fees	0.00	27000.00	-27000.00	0.00	-27000.00
VII.M Defendant's Accounting Fees	0.00	12000.00	-12000.00	0.00	-12000.00
VII.N Defendant's Appraisal Fees	0.00	4730.00	-4730.00	0.00	-4730.00

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MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION =====	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET ===	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====
** Subtotal **	0.00	238389.67	-238389.67	-4733.99	-233655.68
*** Total ***	3639092.91	1846106.92	1792985.99	906036.82	886949.77

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HAROLD G. CHRISTENSEN
RODNEY R. PARKER
SNOW, CHRISTENSEN & MARTINEAU
Attorneys for Plaintiff
10 Exchange Place, Eleventh Floor
Post Office Box 45000
Salt Lake City, Utah 84145
Telephone: (801) 521-9000

IN THE THIRD JUDICIAL DISTRICT COURT OF SALT LAKE COUNTY
STATE OF UTAH

VERA MORGAN,

Plaintiff,

vs.

WALLACE JAY MORGAN,

Defendant.

OBJECTION TO PROPOSED
FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND
DECREE OF DIVORCE

Case No. D86-2560

Judge Richard H. Moffat

Plaintiff objects to the findings of fact and conclusions of law proposed by defendant on the following grounds:

1. Paragraph 4 of the findings of fact purports to base the divorce on a finding of mutual irreconcilable differences. This ground is not pleaded and the court has previously ordered that plaintiff is to be granted a divorce from defendant on the grounds of mental cruelty.

2. Paragraph 5 of the findings, which contains findings with respect to the Broadmoor Apartments, is unsupported by the evidence at trial and does not reflect rulings made by this court; and on the further ground that the proposed disposition would be inequitable.

3. Paragraph 6 of the findings is inconsistent with the court's preliminary ruling in this case.

4. Paragraph 2 of the proposed conclusions of law does not reflect any ruling of the court.

5. Paragraph 3 of the proposed conclusions does not reflect any order of this court, and it would be unjust and inequitable to award the Broadmoor Apartments to defendant and permit him to sell the apartments. Further, the proposed order apparently contemplates that defendant would be charged only with the actual amount of any sales he might make, which would involve the improper consideration of post-trial evidence. If the court permits defendant to reopen his case to establish a new value for the Broadmoor, then plaintiff is entitled to rebut that proof.

Plaintiff objects to the proposed decree of divorce on the following grounds:

1. Paragraph 2 of the proposed decree of divorce does not reflect any ruling of the court.

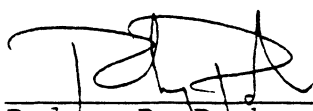
2. Paragraph 3 of the proposed decree of divorce does not reflect any order of this court, and it would be unjust and inequitable to award the Broadmoor Apartments to defendant and permit him to sell the apartments. Further, the proposed order apparently contemplates that defendant would be charged only with the actual amount of any sales he might make, which would involve the improper consideration of post-trial evidence. If

the court permits defendant to reopen his case to establish a new value for the Broadmoor, then plaintiff is entitled to rebut that proof.

Plaintiff requests that the court defer entry of orders on the matter set forth in the proposals until the court is prepared to finally rule on all issues before it in this case.

DATED this 31 day of March, 1988.

SNOW, CHRISTENSEN & MARTINEAU

By 
Rodney R. Parker
Attorneys for Plaintiff

AFFIDAVIT OF SERVICE

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

GLORIANN EGAN, being first duly sworn deposes and says:

That she is employed in the law offices of SNOW, CHRISTENSEN
& MARTINEAU, attorneys for plaintiff

herein; that she served the attached OBJECTION TO PROPOSED FINDINGS
OF FACT AND CONCLUSIONS OF LAW AND DECREE OF DIVORCE
(Case No. D86-2560 , Third District Court, Salt Lake Co.) upon
the parties listed below by placing a true and correct copy thereof
in an envelope addressed to:

David S. Dolowitz
COHNE, RAPPAPORT & SEGAL
525 East 100 South, Suite 500
Salt Lake City, Utah 84102

and causing the same to be mailed first class, postage prepaid on
the 3rd day of March , 1988.

Gloriann Egan

SUBSCRIBED AND SWORN to before me this 3rd day of
March , 1988.

Marie B. Van Kenesee
NOTARY PUBLIC

My Commission Expires:
5/29/91

Residing In Salt Lake County, Utah

E X H I B I T "C"

HAROLD G. CHRISTENSEN
RODNEY R. PARKER
SNOW, CHRISTENSEN & MARTINEAU
Attorneys for Plaintiff
10 Exchange Place, Eleventh Floor
Post Office Box 45000
Salt Lake City, Utah 84145
Telephone: (801) 521-9000

Richard H. Moffat

IN THE THIRD JUDICIAL DISTRICT COURT OF SALT LAKE COUNTY
STATE OF UTAH

VERA MORGAN,

Plaintiff,

vs.

WALLACE JAY MORGAN,

Defendant.

RESPONSE TO OBJECTIONS TO
PROPOSED FINDINGS OF FACT
AND CONCLUSIONS OF LAW
AND DECREE OF DIVORCE

Case No. D86-2560

Judge Richard H. Moffat

Plaintiff responds to defendant's objections to the proposed Findings of Fact and Conclusions of Law and the Decree of Divorce as follows. Paragraph numbering corresponds to defendant's objection.

1. a. The court's finding with respect to the value of the bank accounts was correct. There was evidence that defendant had deliberately drawn down the balances in the accounts immediately prior to trial, and it was appropriate to charge defendant with the amount shown on the most recent monthly statement for those accounts, which was consistent with the amount customarily maintained in the accounts. The cases cited by defendant do not involve bank account balances and do not involve facts similar to this case.

000522

b. The value placed on the stocks was based on the testimony of Bruce Wisan, who obtained the market value on the stocks as of December 14, 1987.

c. The values placed on the limited partnership interests were each supported by appraisals and purchase offers, with the exception of Valley Land Partners No. 3, the value of which was based on the 1986 capital account balance and was not disputed. The court correctly rejected defendant's argument that values should be adjusted to liquidation value because defendant is receiving the going concern value of such assets. The award with regard to the PSI partnership proceeds was consistent with the evidence and with the defendant's agreement at the time of the sale that the sale proceeds could be divided when the case was completed.

2. Harold Christensen and Shaunna D. Wixom both testified to the extraordinary effort necessary in this case and that the amount charged was reasonable under the circumstances.

3. See paragraph 1.

4. These guarantees were personal decisions of Dr. Morgan, and the provision is consistent with equity and with the plaintiff's proposed division.

5. See paragraph 6g.

6. a. See paragraph 1a.

b. There is no basis for defendant's contention that the stocks must be sold in order to be divided. It is reasonable

to divide the stocks in kind, and the proposed decree insures that the parties receive their proportionate shares of the values of the stocks.

c. The court's minute entry provided that each of the parties should be responsible for one-half of the mortgage.

d. Transfer of ownership of the Bel-Aire, like the rest of the property, occurs when the decree of divorce is entered. There is no basis for the objection that transfer should not occur "until this matter is resolved," because the decree of divorce is the document resolving the case.

e. See paragraph 1c. Defendant received this money, and even if he has comingled it with other funds, he is nevertheless chargeable with it.

f. See paragraph 4.

g. There was evidence that the fees were reasonable. In addition, Dr. Morgan is awarded the bulk of the liquid assets of the parties, and it is therefore reasonable that he be ordered to pay these fees from those assets. The related objection to accounting and appraisal fees is without merit, as those fees are not treated as costs. The decree charges the fees to the plaintiff, and the defendant receives credit under the decree for assuming responsibility for payment.

7. There was evidence that the tax refunds were properly offset against debts owed by the defendant to the plaintiff under the court's temporary order. In any event, there are

several other minor issues, including contempt, which are not addressed but which are insubstantial to the property division in the case.

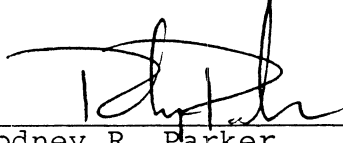
8. There is nothing erroneous in awarding plaintiff slightly more than defendant. The Utah case of Kerr v. Kerr, 610 P.2d 1380 (Utah 1980), upheld a 55/45 split in a divorce case where the wife had worked while the husband attended school, thus enabling the husband to increase his earning capacity to a greater degree than the wife's. 610 P.2d at 1382-83.

9. The awards of household goods and coins are consistent with the proposal made by the defendant at the time of trial.

DATED this 12 day of May, 1988.

SNOW, CHRISTENSEN & MARTINEAU

By


Rodney R. Parker
Attorneys for Plaintiff

AFFIDAVIT OF SERVICE

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

GLORIANN EGAN, being duly sworn, says that she is employed in the law offices of SNOW, CHRISTENSEN & MARTINEAU, attorneys for plaintiff herein; that she served the attached RESPONSE TO OBJECTIONS TO PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW AND DECREE OF DIVORCE (Case No. D86-2560, Third District Court, Salt Lake CoCourt) upon the parties listed below by placing a true and correct copy thereof in an envelope addressed to:

David S. Dolowitz
COHNE, RAPPAPORT & SEGAL
525 East 100 South, #500
Salt Lake City, Utah 84102

and causing the same to be delivered on the 12th day of May, 1988.

Gloriann Egan

SUBSCRIBED AND SWORN to before me this 12th day of May, 1988.

Mari L. Van Kenneren
NOTARY PUBLIC

Residing In Salt Lake City, Utah

My Commission Expires:

5/29/90

000527

E X H I B I T " D "

FILED IN CLERK'S OFFICE
Salt Lake County, Utah

MAY 23 1988

HAROLD G. CHRISTENSEN (A0638)
RODNEY R. PARKER (A4110)
SNOW, CHRISTENSEN & MARTINEAU
Attorneys for Plaintiff
10 Exchange Place, Eleventh Floor
Post Office Box 45000
Salt Lake City, Utah 84145
Telephone: (801) 521-9000

H. Dixon, Clerk of Court, Salt Lake County
By R. G. Peters

IN THE THIRD JUDICIAL DISTRICT COURT OF SALT LAKE COUNTY
STATE OF UTAH

VERA MORGAN,

Plaintiff,

vs.

WALLACE JAY MORGAN,

Defendant.

FINDINGS OF FACT AND
CONCLUSIONS OF LAW

Case No. D86-2560

Judge Richard H. Moffat

This case was tried to the court on December 14 through 17, 1987 before the Honorable Richard H. Moffat. The plaintiff was represented by her counsel, Harold G. Christensen and Rodney R. Parker; the defendant was represented by his counsel, David S. Dolowitz and Julie A. Bryan. The court, having heard and considered the evidence and the arguments of counsel, and being fully advised in the premises, now makes the following:

FINDINGS OF FACT

1. Plaintiff and defendant are and were for more than three months immediately prior to the commencement of this

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action, bona fide and actual residents of Salt Lake County, Utah.

2. Plaintiff and defendant are husband and wife, having been married on June 29, 1950 in Salt Lake City, Utah.

3. The parties have no minor children.

4. During the course of the marriage, the defendant has treated the plaintiff cruelly, causing her great emotional and mental distress.

5. The marital assets and liabilities of the parties are set forth in Exhibit A attached hereto and incorporated herein by reference. The court finds the fair market values of said assets and the amount of said liabilities to be as listed in Exhibit A.

6. Defendant has guaranteed loans to Kevin Morgan, Morris Morgan and David Johnson.

7. It is in the best interest of the parties that the home on Marilyn Drive be sold and the indebtedness thereon satisfied from the proceeds of the sale. Any shortfall or equity should be divided equally between the plaintiff and the defendant.

8. The plaintiff's attorneys, accounting and appraisal fees, as well as the defendant's legal, accounting and appraisal fees as set forth on Exhibit A are reasonable.

9. A reasonable amount to be awarded to the plaintiff as alimony is \$2,000 per month for two years from the date of entry of the decree. Thereafter, alimony should be reduced to \$1,700 per month.

10. Dr. Morgan's current income from his dental practice is likely to decline as he nears retirement age. The reduction in alimony provided herein is based upon the court's consideration of that decline, but if there is substantial change in that income, the court finds that there will be grounds for a hearing for a change in alimony.

11. The assets awarded to plaintiff include cash and income-producing assets, and the court's finding with regard to alimony is based on the court's opinion that said assets should produce income for the plaintiff.

From the foregoing Findings of Fact, the court now makes and adopts its:

CONCLUSIONS OF LAW

1. Plaintiff is entitled to a decree of divorce from defendant on the grounds of mental cruelty.

2. The attached Exhibit A concerning division of the property of the parties and payment of debts and obligations of the parties, as more specifically set forth above, is fair and equitable and should be made a part of the decree of divorce to be entered herein.

3. The house on Marilyn Drive should be sold and the indebtedness thereon satisfied from the proceeds of the sale. Any shortfall or equity should be divided equally between the plaintiff and the defendant.

4. As reflected on Exhibit A, the plaintiff should be charged with her own current, outstanding expenses or bills in amount \$4,733.99.

5. The defendant should be charged with his own current, outstanding expenses or bills as reflected on Exhibit A.

6. Defendant should hold plaintiff harmless from the guarantees of loans to Kevin Morgan, Morris Morgan and David Johnson.

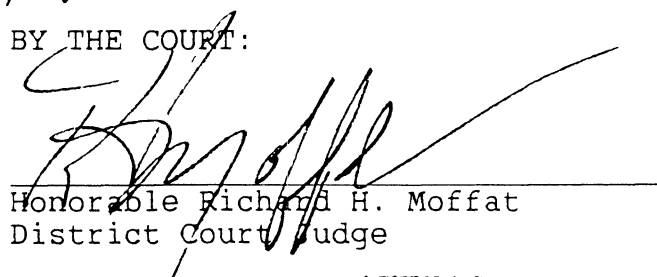
7. The plaintiff's attorneys accounting and appraisal fees, as well as the defendant's legal accounting and appraisal fees as set forth on Exhibit A should be paid by the defendant.

8. The plaintiff should be awarded alimony of \$2,000 per month for two years from the date of entry of the decree.

Thereafter, alimony should be reduced to \$1,700 per month.

DATED this 26 day of May 1988.

BY THE COURT:


Honorable Richard H. Moffat
District Court Judge

ATTEST
H. DIXON HINDLEY
CLERK

By K. Grotexas
Deputy Clerk

SCMRRP351

AFFIDAVIT OF SERVICE

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

GLORIANN EGAN, being duly sworn, says that she is employed
in the law offices of SNOW, CHRISTENSEN & MARTINEAU, attorneys for
plaintiff

herein; that she served the attached FINDINGS OF FACT AND
CONCLUSIONS OF LAW

(Case No. D86-2560 , Third District, Salt Lake County Court)
upon the parties listed below by placing a true and correct copy
thereof in an envelope addressed to:

David S. Dolowitz
COHNE, RAPPAPORT & SEGAL
525 East 100 South, Suite 500
Salt Lake City, Utah 84102

and causing the same to be delivered on the 19th day of
April , 1988.

SUBSCRIBED AND SWORN to before me this 18th day of
April , 1988.

Gloriann Egan

Mavis B. Van Kerssneen

NOTARY PUBLIC

Residing In Salt Lake City, Utah

My Commission Expires:

5/29/90

000535

MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION =====	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET =====	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====
** I. CASH AND SECURITIES					
I.A Tracy Collins Bank, checking account no. 72-23195-4 (dental practice account)	16642.25	0.00	16642.25	0.00	16642.25
I.B Tracy Collins Bank, checking account no. 72-20100-7 (tax reserve account)	7821.69	0.00	7821.69	0.00	7821.69
I.C Tracy Collins Bank, checking account no. 72-60442-4 (horse farm account)	1046.82	0.00	1046.82	0.00	1046.82
I.D Capital City Bank, checking account no. 11022688 (Bel-Aire Apartments account in the name of KMJ Investment)	8667.51	0.00	8667.51	8667.51	0.00
I.E Capital City Bank, checking account no 0011023926 in the name of Broadmoor Management Co.	6559.21	0.00	6559.21	6559.21	0.00
I.F Capital City Bank, checking account no 0031003478 in the name of Willowbrook Co.	134.72	0.00	134.72	0.00	134.72
I.G Merrill-Lynch Government Fund Account No. 2247689-0	450.40	0.00	450.40	450.00	0.00
I.H Kidder-Peabody Premium Account No. 815-00435-041	253.27	0.00	253.27	0.00	253.27
I.I Stocks	429710.00	0.00	429710.00	114855.00	314855.00
I.J National Service Life Insurance-Cash Value of Life Insurance Policy	3100.00	0.00	3100.00	0.00	3100.00

000537

MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION -----	FAIR MARKET VALUE -----	LIEN AMOUNT -----	NET ---	AWARD TO PLAINTIFF -----	AWARD TO DEFENDANT -----
I.K Beneficial Life Insurance-Cash Value of Life Insurance Policy	475.00	0.00	475.00	0.00	475.00
** Subtotal **	474860.87	0.00	474860.87	130531.72	344328.75
** II. RETIREMENT ACCOUNTS					
II.A Self Employment Retirement Plan, Wasatch Advisors Account No. 10057 (94% of total plan value)	121841.10	0.00	121841.10	0.00	121841.10
II.B Twentieth Century IRA, account no. 20000525 in the name of Vera Morgan	248.00	0.00	248.00	248.00	0.00
II.C Twentieth Century IRA, account no. 200004207 in the name of Wallace J. Morgan	10501.76	0.00	10501.76	0.00	10501.76
** Subtotal **	132590.86	0.00	132590.86	248.00	132342.86
** III. REAL PROPERTY					
III.A Personal Residence	230000.00	286004.00	-56004.00	-28002.00	-28002.00
III.B Bel-Aire Apartment Building and Land	1100000.00	345387.00	754613.00	754613.00	0.00
** Subtotal **	1330000.00	631391.00	698609.00	726611.00	-28002.00
** IV. PERSONAL PROPERTY					
IV.A Horse trailer and horses	10000.00	0.00	10000.00	0.00	10000.00

000528

MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION -----	FAIR MARKET VALUE -----	LIEN AMOUNT -----	NET ---	AWARD TO PLAINTIFF -----	AWARD TO DEFENDANT -----
IV.B Household Furnishings (not including personal effects) - she keeps china hutch/Wilson painting	8950.00	0.00	8950.00	1450.00	7500.00
IV.C Vera Morgan's personal belongings and jewelry.	0.00	0.00	0.00	0.00	0.00
IV.D Wallace Morgan's personal belongings	0.00	0.00	0.00	0.00	0.00
IV.E 1985 Mercedes	29000.00	0.00	29000.00	29000.00	0.00
IV.F 1980 Porsche	16675.00	0.00	16675.00	0.00	16675.00
IV.G 1970 Chevrolet Pickup	800.00	0.00	800.00	0.00	800.00
IV.H Boat and Trailer	7500.00	0.00	7500.00	0.00	7500.00
IV.I Flat Bed Trailer	600.00	0.00	600.00	0.00	600.00
IV.J 1975 Ford Van	1100.00	0.00	1100.00	0.00	1100.00
IV.K Garden Tractor (Bolen)	600.00	0.00	600.00	0.00	600.00
IV.L Coin Collection	7604.00	0.00	7604.00	7604.00	0.00
IV.M 1987 Van	26000.00	26000.00	0.00	0.00	1.00
IV.N Willow Creek Country Club Membership	4500.00	0.00	4500.00	0.00	4500.00
IV.O Cubato Tractor	5500.00	0.00	5500.00	0.00	5500.00

000523

MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION -----	FAIR MARKET VALUE -----	LIEN AMOUNT -----	NET ---	AWARD TO PLAINTIFF -----	AWARD TO DEFENDANT -----
** Subtotal **	118829.00	26000.00	92829.00	38054.00	54776.00
** V. INVESTMENTS IN PARTNERSHIPS/CORPORATIONS					
V.A Eckman Midgley & Associates - 25% partnership interest	900000.00	590785.25	309214.75	0.00	309214.75
V.B PSI, Ltd. - Sales Proceeds	30652.18	0.00	30652.18	15326.09	15326.09
V.C Sunvest Ltd. 25% partnership interest	92500.00	21541.00	70959.00	0.00	70959.00
V.D Valley Land Partners #3 Limited (4.44% interest)	7360.00	0.00	7360.00	0.00	7360.00
V.E MM & S Development (One-third interest)	0.00	0.00	0.00	0.00	0.00
V.F Morgan-Johnson Partnership (95% interest)	520000.00	338000.00	182000.00	0.00	182000.00
** Subtotal **	1550512.18	950326.25	600185.93	15326.09	584859.84
** VI. DENTAL PRACTICE					
VI.A Wallace J. Morgan, DDS	32300.00	0.00	32300.00	0.00	32300.00
** Subtotal **	32300.00	0.00	32300.00	0.00	32300.00
** VII. MISC. LIABILITIES					
VII.A Tracy Mortgage	0.00	0.00	0.00	0.00	0.00

00500

MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION	FAIR MARKET VALUE	LIEN AMOUNT	NET	AWARD TO PLAINTIFF	AWARD TO DEFENDANT
VII.B Capital City Bank Line of Credit	0.00	44047.82	-44047.82	0.00	-44047.82
VII.C Capital City Bank Loan	0.00	55484.45	-55484.45	0.00	-55484.45
VII.D Capital City Bank Guarantee (Kevin Morgan)	0.00	0.00	0.00	0.00	0.00
VII.E Capital City Bank Guarantee (Morris Morgan)	0.00	0.00	0.00	0.00	0.00
VII.F Capital City Bank Line of Credit Guarantee (Dave Johnson)	0.00	0.00	0.00	0.00	0.00
VII.G Outstanding Bills of Vera Morgan	0.00	4733.99	-4733.99	-4733.99	0.00
VII.H Outstanding Bills of Wallace Morgan	0.00	3500.00	-3500.00	0.00	-3500.00
VII.I Plaintiff's Legal Fees	0.00	75000.00	-75000.00	0.00	-75000.00
VII.J Plaintiff's Accounting Fees	0.00	10973.41	-10973.41	0.00	-10973.41
VII.K Plaintiff's Appraisal Fees	0.00	920.00	-920.00	0.00	-920.00
VII.L Defendant's Legal Fees	0.00	27000.00	-27000.00	0.00	-27000.00
VII.M Defendant's Accounting Fees	0.00	12000.00	-12000.00	0.00	-12000.00
VII.N Defendant's Appraisal Fees	0.00	4730.00	-4730.00	0.00	-4730.00

000551

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02/18/88

MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION -----	FAIR MARKET VALUE -----	LIEN AMOUNT -----	NET ---	AWARD TO PLAINTIFF -----	AWARD TO DEFENDANT -----
** Subtotal **	0.00	238389.67	-238389.67	-4733.99	-233655.68
*** Total ***	3639092.91	1846106.92	1792985.99	906036.82	886949.77

000542

E X H I B I T "E"

FILED IN CLERK'S OFFICE
Salt Lake County Utah

MAY 23 1988

H. Dixon Hindley, Clerk 3rd Dist. Court
By R. G. Christensen

HAROLD G. CHRISTENSEN (A0638)
RODNEY R. PARKER (A4110)
SNOW, CHRISTENSEN & MARTINEAU
Attorneys for Plaintiff
10 Exchange Place, Eleventh Floor
Post Office Box 45000
Salt Lake City, Utah 84145
Telephone: (801) 521-9000

IN THE THIRD JUDICIAL DISTRICT COURT OF SALT LAKE COUNTY

STATE OF UTAH

Bk 214 NO. 400

VERA MORGAN,

6-1-88-829am.

Plaintiff,

DECREE OF DIVORCE

vs.

Case No. D86-2560

WALLACE JAY MORGAN,

Judge Richard H. Moffat

Defendant.

This case was tried to the court on December 14 through 17, 1987 before the Honorable Richard H. Moffat. The plaintiff was represented by her counsel, Harold G. Christensen and Rodney R. Parker; the defendant was represented by his counsel, David S. Dolowitz and Julie A. Bryan. The court, having heard and considered the evidence and the arguments of counsel, having made and entered herein its written Findings of Fact and Conclusions of Law, and being fully advised in the premises, now makes this Decree of Divorce:

000543

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. The plaintiff be and hereby is awarded a decree of divorce from the defendant and the marriage between plaintiff and defendant be and the same hereby is dissolved, effective upon entry, and the parties are free and absolutely released from the bonds of matrimony and all obligations thereof.

2. Division of property:

(a) Plaintiff is awarded Capital City Bank checking accounts No. 11022688, in amount \$8,667.51; and No. 0011023926, in amount \$6,559.21. Defendant is the signator on such accounts, and is therefore ordered to deliver checks in the amounts set forth herein to plaintiff either from the accounts named or from other funds. Defendant is awarded the Tracy Collins Bank checking accounts, No. 72-23195-4, No. 72-20100-7, and No. 72-60442-4; Capital City Bank checking account No. 0031003478; Merrill Lynch government fund account No. 2247689-0; Kidder-Peabody premium account No. 815-00435-041; National Service Life Insurance - cash value of life insurance policy; Beneficial Life Insurance - cash value of life insurance policy.

(b) The parties' stocks are divided as follows: plaintiff is awarded 2,850 shares of Annandale, 10,000 shares of Greenwich Pharmaceuticals, 625 shares of British Indemnity Group, 1,730 shares of Medical-Dental Technology, 250 shares of

Valex Pete, and 1,600 shares of International Picture Show. Defendant is awarded 8,550 shares of Annandale, 30,000 shares of Greenwich Pharmaceuticals, 1,875 shares of British Indemnity Group, 5,190 shares of Medical-Dental Technology, 750 shares of Valex Pete, and 4,800 shares of International Picture Show.

(c) Plaintiff is awarded her IRA. Defendant is awarded his self-employment retirement plan and his IRA.

(d) The residence of the parties on Marilyn Drive shall be listed for sale and sold. The proceeds of the sale shall be divided equally between the parties, and each party shall be responsible for payment of one-half of the mortgage on the residence to GMAC.

(e) Plaintiff is awarded the Bel-Aire Apartments and land, and shall assume the debt thereon in approximate amount \$345,000. Defendant is ordered to deliver the books and records of the Bel-Aire to plaintiff and to pay the mortgage payment and other expenses on the Bel-Aire accrued through April, 1988. Plaintiff is awarded any rent collected from and after May 1, 1988.

(f) The household furnishings are awarded to the defendant, except that the china hutch and Wilson painting are awarded to the plaintiff.

(g) Each of the parties is awarded his or her personal belongings and jewelry.

(h) Plaintiff is awarded the 1985 Mercedes and the coin collection.

(i) Defendant is awarded the horse trailer and horses, 1980 Porsche, 1970 Chevrolet pickup, boat and trailer, flat-bed trailer, 1975 Ford van, garden tractor (Bolen), 1987 van, Willow Creek Country Club membership, and Cubato tractor.

(j) Plaintiff is awarded one-half of the sales proceeds of PSI, Ltd., in amount \$15,326.09. Said funds are in the possession of defendant, and defendant is ordered pay said amount to plaintiff.

(k) Defendant is awarded the Eckman Midgley & Associates Partnership interest; one-half of the proceeds of PSI, Ltd.; the partnership interest in Sunvest, Ltd.; the partnership interest in Valley Land Partners, No. 3, Ltd.; the interest in MM&S Development; and the interest in Morgan-Johnson Partnership.

(l) Defendant is awarded the dental practice.

(m) The plaintiff is ordered to assume and pay her outstanding bills in amount \$4,733.99.

(n) Defendant is order to assume and pay all remaining liabilities of the parties, as follows:

1. Capital City Bank line of credit;
2. Capital City Bank loan;
3. Outstanding bills of Wallace Morgan;

4. 1987 Van;
5. Debt on Eckman Midgley & Associates;
6. Debt on Sunvest, Ltd.; and
7. Debt on Morgan-Johnson Partnership.

(o) Defendant is ordered to indemnify plaintiff and hold her harmless from the following liabilities: Tracy Mortgage Co.; Capital City Bank guaranty (Kevin Morgan); Capital City Bank guaranty (Morris Morgan); and Capital City Bank line of credit guaranty (David Johnson).

(p) Defendant is ordered to pay his legal, accounting and appraisal fees.

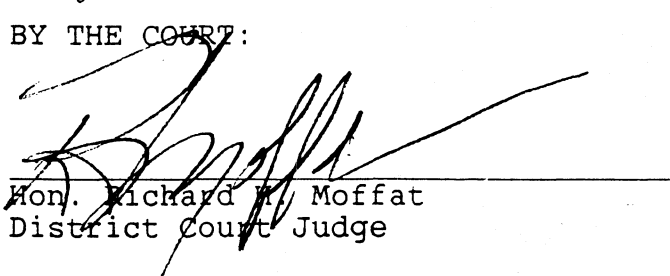
(q) Defendant is also ordered to pay plaintiff's legal fees in amount \$75,000.00 owed to Snow, Christensen & Martineau, plaintiff's accounting fees in amount \$10,973.41 owed to Wisan & Smith and plaintiff's appraisal fees in amount \$920.00.

3. The plaintiff be, and hereby is, awarded alimony of \$2,000.00 per month payable on the 25th of each month and beginning May 25, 1988. Said alimony shall continue for two years (24 months) and shall then be reduced to \$1,700.00 per month. Said alimony shall continue until such time as

plaintiff dies, remarries, or cohabitates in a marriage-like relationship.

DATED this 26 day of May, 1987.

BY THE COURT:


Hon. Richard H. Moffat
District Court Judge

SCMRRP353

ATTEST

H. DIXON HINDLEY

CLERK

By R. Crotegas
Deputy Clerk

AFFIDAVIT OF SERVICE

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

GLORIANN EGAN, being duly sworn, says that she is employed
in the law offices of SNOW, CHRISTENSEN & MARTINEAU, attorneys for
Plaintiff
herein; that she served the attached DECREE OF DIVORCE

(Case No. D86-2560, Third District, Salt Lake County Court)
upon the parties listed below by placing a true and correct copy
thereof in an envelope addressed to:

David S. Dolowitz
COHNE, RAPPAPORT & SEGAL
525 East 100 South, #500
Salt Lake City, Utah 84102

and causing the same to be delivered on the 18th day of
April, 1988.

SUBSCRIBED AND SWORN to before me this 18th day of
April, 1988.

Gloriann Egan

Marie B. Van Kenanen
NOTARY PUBLIC
Residing In Salt Lake City, Utah

My Commission Expires:

5/29/90

000548

E X H I B I T "F"

WM R. WILSON, A3512
DENNIS C. FERGUSON, A1061)
SNOW, CHRISTENSEN & MARTINEAU
Attorneys for Plaintiff
P. O. Box 45000
Salt Lake City, UT 84145
Telephone: (801) 521-9000

**In the District Court, of the Third Judicial District
In and for Salt Lake County, State of Utah**

HON. JUDGES OF SAID COUNTY _____ Term, 19 _____

VERA MORGAN,

Plaintiff

vs.

WALLACE JAY MORGAN,

Defendant

Execution

No. D86-2560
Judge Richard H. Moffat

THE STATE OF UTAH

To the Sheriff or Constable of Salt Lake County, State of Utah, Greetings:

WHEREAS, Judgement was rendered by this Court in said County, wherein is the judgment roll, on the 19th
day of September 19 88 for the sum of \$ 117,445.81 and \$ -0-
cost of suit and \$ -0- attorney's fees and the amount actually due thereon is \$ 117,445.81
and interest at the rate of ^{12%} ~~eight~~ percent per annum from the
19th day of September A.D. 19 88, until paid against said
Wallace Jay Morgan
and in favor of said Vera Morgan

THESE ARE, THEREFORE, to command you to collect the aforesaid judgment and costs, together with the cost
of this execution, and that you levy on and sell enough of the unexempted personal property, or if enough unexempted
personal property cannot be found, then of the unexempted real property of the said Wallace Jay Morgan
to satisfy the same with all legal costs accruing hereon, and this shall be your sufficient warrant for so doing. And within
sixty (60) days make due returns for this writ with your doings in the premises hereon endorsed. WHEREOF FAIL NOT.

Given under my hand and the Seal of said Court this 28 day of September A.D. 19 88

H. DIXON HINDLEY

Clerk

By

Deputy Clerk

KIM R. WILSON (A3512)
DENNIS C. FERGUSON (A1061)
SNOW, CHRISTENSEN & MARTINEAU
Attorneys for Plaintiff
10 Exchange Place, Eleventh Floor
Post Office Box 45000
Salt Lake City, Utah 84145
Telephone: (801) 521-9000

IN THE THIRD JUDICIAL DISTRICT COURT OF SALT LAKE COUNTY
STATE OF UTAH

VERA MORGAN,

Plaintiff,

vs.

WALLACE JAY MORGAN,

Defendant.

PRAECIPE

Case No. D86-2560

Judge Richard Moffat

TO THE SHERIFF OF SALT LAKE COUNTY, STATE OF UTAH:

Please take and sell in accordance with law and pursuant to the execution issued herein the following personal property of Wallace Jay Morgan:

A. Property located at 4967 Marilyn Drive, Salt Lake City, Utah.

- (1) One horse trailer
- (2) One Bolen garden tractor
- (3) One baby grand piano
- (4) One 9x12 foot Oriental rug
- (5) One 3x5 foot Oriental rug
- (6) One 5x5 foot Dhurrie rug
- (7) One leather chair and ottoman

- B. Property located at the dental office of Dr. Wallace J. Morgan, 7321 South State Street, Midvale, Utah:
- (1) All dental office equipment and supplies
 - (2) Computer and software
 - (3) Doctor's desk
 - (4) Receptionist furniture
 - (5) Reception area furniture
 - (6) All accounts receivable of Dr. Wallace J. Morgan, DDS.
 - (7) One Kubota tractor (Alternate location: residence of Karen Butterfield, 5962 Holliday Blvd., Salt Lake City, Utah)
- C. Property located in the basement of Dr. Wallace J. Morgan's dental office, 7321 South State Street, Midvale, Utah:
- (1) Saddles and tack
 - (2) Guns and firearms
 - (3) Safe and contents
 - (4) Any and all cash on premises
- D. Property located at 11158 South Redwood Rd., South Jordan, Utah, c/o of Ed Giles:
- (1) Horse "Counterpoint"
 - (2) Horse "Lay-A-Patch", stallion
 - (3) Horse "Rumbolero", sorrel gelding
 - (4) Horse "Counter Move Jr.", chestnut gelding
 - (5) Horse "Thermoplane", gelding
 - (6) Horse "Mitos Beauty", mare
 - (7) Horse "Grey Connection", gelding
 - (8) Horse "Stone Washed", gelding
- E. Property located at the residence of Wallace J. Morgan, 6905 South 725 East #C, Midvale, Utah:
- (1) 1980 Fiberfoam boat with in-board motor, registration or License Plate No. BT082465, VIN FBF05953M80B, and boat trailer
 - (2) Leather sofa
 - (3) Large screen TV
 - (4) VCR
 - (5) Bedroom furniture
 - (6) Dining room furniture
 - (7) Washer and dryer
 - (8) One 1980 Porsche-911, License Plate No. SRF170, VIN 91A0141112
 - (9) One 1970 Chevrolet Pickup, License Plate No. LT8294, VIN CE2402173914
 - (10) One 1975 trailer, License Plate No. A49598, VIN WT2624

- (11) One 1987 Chevrolet Custom Van, License Plate No. 382BKR, VIN 1GBEG25K5H7156744
- F. The Willow Creek Country Club Membership of Wallace J. Morgan, at 8300 South 2700 East, Sandy, Utah.
- G. Titanium shaft golf clubs, located in the locker of Wallace J. Moran at the Willowcreek Country Club, 8300 South 2700 East, Sandy, Utah.
- H. Wallace J. Morgan's 25% partnership interest in Eckman Midgley & Associates, a Utah partnership, 7644 South State Street, Midvale, Utah
- I. Wallace J. Morgan's 25% partnership interest in Sunvest Ltd., a Utah partnership, 7644 South State Street, Midvale, Utah
- J. Wallace J. Morgan's 44.44% partnership interest in Valley Land Partners III, Ltd.
- K. Wallace J. Morgan's 95% partnership interest in Morgan/Johnson Partnership, a Utah general partnership, 7321 South State Street, Midvale, Utah.
- L. Contents of the safe deposit box of Wallace J. Morgan at Tracy Collins Bank & Trust, Cottonwood Branch, 4900 Highland Drive, Holliday, Utah.

DATED this 28 day of September, 1988.

SNOW, CHRISTENSEN & MARTINEAU

By


Kim R. Wilson

Attorneys for Plaintiff

SCMKHP456

E X H I B I T " G "

MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION =====	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET =====	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====
** I. CASH AND SECURITIES					
I.A Tracy Collins Bank, checking account no. 72-23195-4 (dental practice account)	16642.25	0.00	16642.25	0.00	16642.25
I.B Tracy Collins Bank, checking account no. 72-20100-7 (tax reserve account)	7821.69	0.00	7821.69	0.00	7821.69
I.C Tracy Collins Bank, checking account no. 72-60442-4 (horse farm account)	1046.82	0.00	1046.82	0.00	1046.82
I.D Capital City Bank, checking account no. 11022688 (Bel-Aire Apartments account in the name of KMJ Investment)	8667.51	0.00	8667.51	8667.51	0.00
I.E Capital City Bank, checking account no. 0011023926 in the name of Broadmoor Management Co.	6559.21	0.00	6559.21	6559.21	0.00
I.F Capital City Bank, checking account no. 0031003478 in the name of Willowbrook Co.	134.72	0.00	134.72	0.00	134.72
I.G Merrill-Lynch Government Fund Account No. 2247689-0	450.40	0.00	450.40	450.00	0.00
I.H Kidder-Peabody Premium Account No. 815-00435-041	253.27	0.00	253.27	0.00	253.27
I.I Stocks	429710.00	0.00	429710.00	114855.00	314855.00
I.J National Service Life Insurance-Cash Value of Life Insurance Policy	3100.00	0.00	3100.00	0.00	3100.00

MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION *****	FAIR MARKET VALUE *****	LIEN AMOUNT *****	NET ---	AWARD TO PLAINTIFF *****	AWARD TO DEFENDANT *****
I.K Beneficial Life Insurance-Cash Value of Life Insurance Policy	475.00	0.00	475.00	0.00	475.00
** Subtotal **	474860.87	0.00	474860.87	130531.72	344328.75
** II. RETIREMENT ACCOUNTS					
II.A Self Employment Retirement Plan, Wasatch Advisors Account No. 10057 (94% of total plan value)	121841.10	0.00	121841.10	0.00	121841.10
II.B Twentieth Century IRA, account no. 20000525 in the name of Vera Morgan	248.00	0.00	248.00	248.00	0.00
II.C Twentieth Century IRA, account no. 200004207 in the name of Wallace J. Morgan	10501.76	0.00	10501.76	0.00	10501.76
** Subtotal **	132590.86	0.00	132590.86	248.00	132342.86
** III. REAL PROPERTY					
III.A Personal Residence	230000.00	286004.00	-56004.00	-28002.00	-28002.00
III.B Bel-Aire Apartment Building and Land	1100000.00	345387.00	754613.00	754613.00	0.00
** Subtotal **	1330000.00	631391.00	698609.00	726611.00	-28002.00
** IV. PERSONAL PROPERTY					
IV.A Horse trailer and horses	10000.00	0.00	10000.00	0.00	10000.00

MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION	FAIR MARKET VALUE	LIEN AMOUNT	NET	AWARD TO PLAINTIFF	AWARD TO DEFENDANT
IV.B Household Furnishings (not including personal effects) - she keeps china hutch/Wilson painting	8950.00	0.00	8950.00	1450.00	7500.00
IV.C Vera Morgan's personal belongings and jewelry.	0.00	0.00	0.00	0.00	0.00
IV.D Wallace Morgan's personal belongings	0.00	0.00	0.00	0.00	0.00
IV.E 1985 Mercedes	29000.00	0.00	29000.00	29000.00	0.00
IV.F 1980 Porsche	16675.00	0.00	16675.00	0.00	16675.00
IV.G 1970 Chevrolet Pickup	800.00	0.00	800.00	0.00	800.00
IV.H Boat and Trailer	7500.00	0.00	7500.00	0.00	7500.00
IV.I Flat Bed Trailer	600.00	0.00	600.00	0.00	600.00
IV.J 1975 Ford Van	1100.00	0.00	1100.00	0.00	1100.00
IV.K Garden Tractor (Bolen)	600.00	0.00	600.00	0.00	600.00
IV.L Coin Collection	7604.00	0.00	7604.00	7604.00	0.00
IV.M 1987 Van	26000.00	26000.00	0.00	0.00	1.00
IV.N Willow Creek Country Club Membership	4500.00	0.00	4500.00	0.00	4500.00
IV.O Cubato Tractor	5500.00	0.00	5500.00	0.00	5500.00

MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION =====	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET =====	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====
** Subtotal **	118829.00	26000.00	92829.00	38054.00	54776.00
** V. INVESTMENTS IN PARTNERSHIPS/CORPORATIONS					
V.A Eckman Midgley & Associates - 25% partnership interest	900000.00	590785.25	309214.75	0.00	309214.75
V.B PSI, Ltd. - Sales Proceeds	30652.18	0.00	30652.18	15326.09	15326.09
V.C Sunvest Ltd. 25% partnership interest	92500.00	21541.00	70959.00	0.00	70959.00
V.D Valley Land Partners #3 Limited (4.44% interest)	7360.00	0.00	7360.00	0.00	7360.00
V.E MM & S Development (One-third interest)	0.00	0.00	0.00	0.00	0.00
V.F Morgan-Johnson Partnership (95% interest)	520000.00	338000.00	182000.00	0.00	182000.00
** Subtotal **	1550512.18	950326.25	600185.93	15326.09	584859.84
** VI. DENTAL PRACTICE					
VI.A Wallace J. Morgan, DDS	32300.00	0.00	32300.00	0.00	32300.00
** Subtotal **	32300.00	0.00	32300.00	0.00	32300.00
** VII. MISC. LIABILITIES					
VII.A Tracy Mortgage	0.00	0.00	0.00	0.00	0.00

MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION -----	FAIR MARKET VALUE -----	LIEN AMOUNT -----	NET ---	AWARD TO PLAINTIFF -----	AWARD TO DEFENDANT -----
VII.B Capital City Bank Line of Credit	0.00	44047.82	-44047.82	0.00	-44047.82
VII.C Capital City Bank Loan	0.00	55484.45	-55484.45	0.00	-55484.45
VII.D Capital City Bank Guarantee (Kevin Morgan)	0.00	0.00	0.00	0.00	0.00
VII.E Capital City Bank Guarantee (Morris Morgan)	0.00	0.00	0.00	0.00	0.00
VII.F Capital City Bank Line of Credit Guarantee (Dave Johnson)	0.00	0.00	0.00	0.00	0.00
VII.G Outstanding Bills of Vera Morgan	0.00	4733.99	-4733.99	-4733.99	0.00
VII.H Outstanding Bills of Wallace Morgan	0.00	3500.00	-3500.00	0.00	-3500.00
VII.I Plaintiff's Legal Fees	0.00	75000.00	-75000.00	0.00	-75000.00
VII.J Plaintiff's Accounting Fees	0.00	10973.41	-10973.41	0.00	-10973.41
VII.K Plaintiff's Appraisal Fees	0.00	920.00	-920.00	0.00	-920.00
VII.L Defendant's Legal Fees	0.00	27000.00	-27000.00	0.00	-27000.00
VII.M Defendant's Accounting Fees	0.00	12000.00	-12000.00	0.00	-12000.00
VII.N Defendant's Appraisal Fees	0.00	4730.00	-4730.00	0.00	-4730.00

MORGAN V. MORGAN
DIVISION OF MARITAL PROPERTY

DESCRIPTION -----	FAIR MARKET VALUE -----	LIEN AMOUNT -----	NET ---	AWARD TO PLAINTIFF -----	AWARD TO DEFENDANT -----
** Subtotal **	0.00	238389.67	-238389.67	-4733.99	-233655.68
*** Total ***	3639092.91	1846106.92	1792985.99	906036.82	886949.77

E X H I B I T "H"

DESCRIPTION	EFFECTIVE DATE	F.M.V. EST.	LESS DEBT (*)	LESS SALES COMMISSION	ADD CAPITAL ACCOUNT	EST. EQUITY (C-D-E+F)	LESS MINORITY DISCOUNT	EQUITY INT. ADJUSTED FOR MINORITY INT. (G-H)	TAX BASIS	TAX LIABILITY (**) (C-E-J) *33.58% (K)	AFTER TAX EQUITY (I-K) (L)	PROPOSED DISTRIBUTION	
												HUSBAND (+L) (M)	WIFE (+L) (N)
	08-Dec-87	\$964				\$964		\$964			\$964	\$964	
	08-Dec-87	303,557	99,532	12,142		191,882		191,882	72,234	73,601	118,281	118,281	
	09-Nov-87	132,593				132,593		132,593	0	44,525	88,068	87,918	25
REAL ESTATE:													
REAL ESTATE - 4767 MARILYN DR	13-Nov-87	220,000	286,004	15,000		(71,004)		(71,004)			(71,004)	(71,004)	
CONDOMINIUM BLDG. - BEL-AIRE	03-Dec-87	1,100,000	341,986	66,000		692,014		692,014	379,095	219,917	472,097		472,097
PARTNERSHIPS / SUB-S:													
MM & S DEVEL. - 33% INT.	15-Jul-87	214				214	75	139	0	47	92	92	
EDMAN & MIDDLEY ASSOC. - 25% INT.	15-Jul-87	625,000	547,351		(24,522)	53,127	18,594	34,532	(24,522)	19,830	14,702	14,702	
SUNVEST LTD. - 25% INT.	17-Nov-87	92,500	15,771		(4,438)	72,292	25,302	46,989	(4,093)	17,153	29,836	29,836	
ROBINSON - JOHNSON PARTNERSHIP - 95% INT.	04-Dec-87	408,500	734,053	24,510	417,066	67,003		67,003	417,066	(117,551)	184,554	184,554	
VALLEY LAND PARTNERSHIP #3 - 4.44% INT.	15-Jul-87	7,350		221		7,139	3,600	3,459	7,360	(1,210)	4,769	4,769	
OTHER ASSETS:													
LIFE INSURANCE - CASH VALUE	31-Dec-87	3,635				3,635		3,635			3,635	3,635	
HOUSEHOLD EFFECTS	15-Jul-87	60,850				60,850		60,850			60,850		
HORSES AND HORSE TRAILER	15-Jul-87	5,600				5,600		5,600	1,035	1,533	4,067	4,067	
COIN COLLECTION	15-Jul-87	7,604				7,604		7,604	3,500	1,378	6,226		
AUTOS, TRUCKS, BOAT, ETC.													
1985 MERCEDES 300 SE	10-Dec-87	31,750				31,750		31,750			31,750		31,750
1988 PORSCHE 911 SE	10-Dec-87	16,675				16,675		16,675			16,675	16,675	
BOAT AND TRAILER	15-Jul-87	7,500				7,500		7,500			7,500	7,500	
1975 FORD VAN	15-Jul-87	900				900		900			900	900	
1970 CHEV. PICK-UP	15-Jul-87	500				500		500			500	500	
FLAT-BED TRAILER	15-Jul-87	600				600		600			600	600	
CUBOTA TRACTOR	15-Jul-87	5,500				5,500		5,500			5,500	5,500	
JOHN DEERE TRACTOR - BOLEN	15-Jul-87	600				600		600			600	600	
CHEVROLET VAN (1987)	15-Jul-87	26,000	26,000			0		0			0		
WILLOW CREEK MEMBERSHIP	10-Dec-87	4,500				4,500		4,500			4,500	4,500	
THE PERSONAL ASSETS		3,072,902	2,050,697	117,673	388,106	1,202,438	47,651	1,244,787	851,676	259,123	985,664	414,491	571,173

ASSET DESCRIPTION (A)	EFFECTIVE DATE (B)	F.M.V. EST. (C)	LESS DEBT (*) (D)	SALES COMMISSION (E)	ADD CAPITAL ACCOUNT (F)	EST. EQUITY (C-D-E+F) (G)	MINORITY INT. ADJUSTED FOR DISCOUNT (H)	MINORITY INT. (I)	TAX BASIS (J)	TAX LIABILITY (**) (C-E-J) *33.58% (K)	TAX EQUITY (I-K) (L)	HUSBAND (+L) (M)	WIFE (+L) (N)
LESS PERSONAL LIABILITIES:													
EST. ACCRUED PERSONAL DEBTS			3,500			(3,500)		(3,500)			(3,500)	(3,500)	
TAX LIABIL. ON SALE OF CONDO			23,506			(23,506)		(23,506)			(23,506)	(23,506)	
ACCRUED INCOME TAXES			4,000			(4,000)		(4,000)			(4,000)	(4,000)	
PLAINTIFF'S ACCRUED LEGAL FEES			55,321			(55,321)		(55,321)			(55,321)	(55,321)	
PLAINTIFF'S ACCRUED ACCOUNTANT'S FEES			10,973			(10,973)		(10,973)			(10,973)	(10,973)	
PLAINTIFF'S ACCRUED APPRAISAL FEES			1,550			(1,550)		(1,550)			(1,550)	(1,550)	
DEFENDENT'S ACCRUED APPRAISAL FEES			4,730			(4,730)		(4,730)			(4,730)	(4,730)	
DEFENDENT'S ACCRUED LEGAL FEES			27,000			(27,000)		(27,000)			(27,000)	(27,000)	
DEFENDENT'S ACCRUED ACCOUNTANT'S FEES			12,000			(12,000)		(12,000)			(12,000)	(12,000)	
NET PERSONAL ASSETS		\$3,072,902	\$2,193,278	\$117,873	\$388,106	\$1,149,858	\$47,651	\$1,102,206	\$851,676	\$259,123	\$843,083	\$271,910	\$571,
BUSINESS ASSETS:													
OFFICE FURNITURE		\$4,500				\$4,500		\$4,500	\$2,553	\$654	\$3,846	\$3,846	
DENTAL EQUIPMENT		21,000				21,000		21,000	11,914	3,051	17,949	17,949	
SUPPLIES		4,500				4,500		4,500	0	1,511	2,989	2,989	
GOODWILL		0				0		0	0	0	0	0	
ACCOUNTS RECEIVABLE (***)		0				0		0	0	0	0	0	
ACCOUNTS PAYABLE			6,000			(6,000)		(6,000)	0	(2,015)	(3,985)	(3,985)	
TOTAL PRACTICE ASSETS		30,000	6,000	0	0	24,000	0	24,000	14,467	3,201	20,799	20,799	
- TOTAL ASSETS		\$3,102,902	\$2,199,278	\$117,873	\$388,106	\$1,173,858	\$47,651	\$1,126,206	\$866,143	\$262,324	\$863,882	\$292,709	\$571,1

AMOUNT TO EQUALIZE (LIEN ON BEL-AIRE)												139,232	(139,2
DISTRIBUTION												\$431,941	\$431,9

CAPITAL GAIN TAX (FEDERAL AND STATE)
ORDINARY GAIN TAX (FEDERAL AND STATE)

33.58%

E X H I B I T "I"

MORGAN V. MORGAN
PROPOSED DIVISION OF MARITAL PROPERTY
SUMMARY REPORT

	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET ===	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====
** I. CASH AND SECURITIES					
** Subtotal **	342148.66	0.00	342148.66	160699.28	180998.98
** II. RETIREMENT ACCOUNTS					
** Subtotal **	132590.86	0.00	132590.86	248.00	132342.86
** III. REAL PROPERTY					
** Subtotal **	1330000.00	639088.00	690912.00	984613.00	-293701.00
** IV. PERSONAL PROPERTY					
** Subtotal **	213700.00	26000.00	187700.00	58900.00	128800.00
** V. INVESTMENTS IN PARTNERSHIPS/CORPORATIONS					
** Subtotal **	1674612.18	962716.25	711895.93	15326.09	696569.84
** VI DENTAL PRACTICE					
** Subtotal **	162700.00	0.00	162700.00	0.00	162700.00
** VII MISC. LIABILITIES					
** Subtotal **	0.00	0.00	0.00	0.00	0.00
*** Total ***	3855751.70	1627804.25	2227947.45	1219786.37	1007710.68

MORGAN V. MORGAN
PROPOSED DIVISION OF MARITAL PROPERTY

DESCRIPTION =====	EX NO ==	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET ===	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====	DISPOSITION OF PROPERTY =====	
** I. CASH AND SECURITIES								
I.A Tracy Collins Bank, checking account no. 72-23195-4 (dental practice account)	1	16642.25	0.00	16642.25	0.00	16642.25	Award to defendant	1
I.B Tracy Collins Bank, checking account no. 72-20100-7 (tax reserve account)	2	7821.69	0.00	7821.69	0.00	7821.69	Award to defendant	2
I.C Tracy Collins Bank, checking account no. 72-60442-4 (horse farm account)	3	1046.82	0.00	1046.82	0.00	1046.82	Award to defendant	3
I.D Capital City Bank, checking account no. 11022688 (Bel-Aire Apartments account in the name of KMJ Investment)	4	8667.51	0.00	8667.51	8667.51	0.00	Award to plaintiff	4
I.E Capital City Bank, checking account no. 0011023926 in the name of Broadmoor Management Co.	5	0.00	0.00	0.00	0.00	0.00	Award to defendant	5
I.F Capital City Bank, checking account no. 0031003478 in the name of Willowbrook Co.	6	134.72	0.00	134.72	0.00	134.72	Award to defendant	6



MORGAN V. MORGAN
PROPOSED DIVISION OF MARITAL PROPERTY

DESCRIPTION =====	EX NO ==	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET ===	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====	DISPOSITION OF PROPERTY =====	
I.G Merrill-Lynch Government Fund Account No. 2247689-0	8	450.40	0.00	450.40	0.00	0.00	Award to defendant	7
I.H Kidder-Peabody Premium Account No. 815-00435-041	9	253.27	0.00	253.27	253.27	0.00	Award to defendant	8
I.I Stocks (Wilson Davis Account)	10 11	303557.00	0.00	303557.00	151778.50	151778.50	Divide in half	9
I.J National Service Life Insurance-Cash Value of Life Insurance Policy	46	3100.00	0.00	3100.00	0.00	3100.00	Award to defendant	10
I.K Beneficial Life Insurance-Cash Value of Life Insurance Policy	46	475.00	0.00	475.00	0.00	475.00	Award to defendant	11
** Subtotal **		342148.66	0.00	342148.66	160699.28	180998.98		
** II. RETIREMENT ACCOUNTS								
II.A Self Employment Retirement Plan, Wasatch Advisors Account No. 10057 (94% of total plan value)	12	121841.10	0.00	121841.10	0.00	121841.10	Award to defendant	12

MORGAN V. MORGAN
PROPOSED DIVISION OF MARITAL PROPERTY

DESCRIPTION =====	EX NO ==	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET ===	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====	DISPOSITION OF PROPERTY =====	
II.B Twentieth Century IRA, account 13 no. 20000525 in the name of Vera Morgan		248.00	0.00	248.00	248.00	0.00	Award to Plaintiff	13
II.C Twentieth Century IRA, account 14 no. 200004207 in the name of Wallace J. Morgan		10501.76	0.00	10501.76	0.00	10501.76	Award to defendant	14
** Subtotal **		132590.86	0.00	132590.86	248.00	132342.86		
** III. REAL PROPERTY								
III.A Personal Residence	15	230000.00	293701.00	-63701.00	230000.00	-293701.00	Award to Plaintiff, require defendant to assume mortgage	15
III.B Bel-Aire Apartment Building and Land	16	1100000.00	345387.00	754613.00	754613.00	0.00	Award to plaintiff	17
** Subtotal **		1330000.00	639088.00	690912.00	984613.00	-293701.00		
** IV. PERSONAL PROPERTY								
IV.A Horse Farm, equipment and horses	43	23600.00	0.00	23600.00	0.00	23600.00	Award to defendant	18

MORGAN V. MORGAN
PROPOSED DIVISION OF MARITAL PROPERTY

	DESCRIPTION =====	EX NO ==	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET ===	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====	DISPOSITION OF PROPERTY =====	
IV.B	Houshold Furnishings located at residence (not including personal effects)		15000.00	0.00	15000.00	15000.00	0.00	Award to plaintiff	19
IV.C	Vera Morgan's personal belongings and jewelry.		0.00	0.00	0.00	0.00	0.00	Award to plaintiff	20
IV.D	Wallace Morgan's personal belongings		0.00	0.00	0.00	0.00	0.00	Award to defendant	21
IV.E	1986 Mercedes		29000.00	0.00	29000.00	29000.00	0.00	Award to plaintiff	22
IV.F	1980 Porsche		14000.00	0.00	14000.00	0.00	14000.00	Award to defendant	23
IV.G	1970 Chevrolet Pickup		1100.00	0.00	1100.00	0.00	1100.00	Award to defendant.	25
IV.H	Boat and Trailer		9000.00	0.00	9000.00	9000.00	0.00	Award to plaintiff	26
IV.I	Flat Bed		1000.00	0.00	1000.00	0.00	1000.00	Award to defendant	27
IV.J	1975 Ford Van		1600.00	0.00	1600.00	0.00	1600.00	Award to defendant	24
IV.K	Garden Tractor		6500.00	0.00	6500.00	0.00	6500.00	Award to defendant	28

MORGAN V. MORGAN
PROPOSED DIVISION OF MARITAL PROPERTY

DESCRIPTION =====	EX NO ==	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET ===	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====	DISPOSITION OF PROPERTY =====	
IV.L Coin Collection		80000.00	0.00	80000.00	0.00	80000.00	Award to defendant	29
IV.M 1987 Van		27000.00	26000.00	1000.00	0.00	1000.00	Award to defendant.	38
IV.N Willow Creek Country Club Membership		5900.00	0.00	5900.00	5900.00	0.00	Award to plaintiff	42
** Subtotal **		213700.00	26000.00	187700.00	58900.00	128800.00		
** V. INVESTMENTS IN PARTNERSHIPS/CORPORATIONS								
V.A Eckman Midgley & Associates - 25% partnership interest	18	900000.00	590785.25	309214.75	0.00	309214.75	Award to defendant	30
V.B PSI, Ltd. - 50% partnership interest	27- 29	30652.18	0.00	30652.18	15326.09	15326.09	Partnership assets have already been sold. Defendant applied entire amount of proceeds to an obligation at Capital City Bank. Award plaintiff one-half of proceeds from sale.	31
V.C Sunvest Ltd. 25% partnership interest	31	92500.00	21541.00	70959.00	0.00	70959.00	Award to defendant	32

MORGAN V. MORGAN
PROPOSED DIVISION OF MARITAL PROPERTY

DESCRIPTION =====	EX NO ==	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET ===	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====	DISPOSITION OF PROPERTY =====	
V.D Valley Land Partners #3 Limited (4.44% interest)	32	7360.00	0.00	7360.00	0.00	7360.00	Award to defendant	33
V.E MM & S Development (One-third interest)	35	0.00	0.00	0.00	0.00	0.00	Take out and divide in one-half	34
V.F Morgan-Johnson Partnership (95% interest)	33 34	644100.00	350390.00	293710.00	0.00	293710.00	Award to defendant	35
** Subtotal **		1674612.18	962716.25	711895.93	15326.09	696569.84		
** VI DENTAL PRACTICE								
VI.A Wallace J. Morgan, DDS	36	162700.00	0.00	162700.00	0.00	162700.00	Award to defendant	36
** Subtotal **		162700.00	0.00	162700.00	0.00	162700.00		
** VII MISC. LIABILITIES								
VII.A Tracy Mortgage	57	0.00	0.00	0.00	0.00	0.00	Defendant should assume contingent liability	37
VII.B Capital City Bank Line of Credit	58	0.00	0.00	0.00	0.00	0.00	Require Defendant to assume.	39

MORGAN V. MORGAN
PROPOSED DIVISION OF MARITAL PROPERTY

DESCRIPTION =====	EX NO ==	FAIR MARKET VALUE =====	LIEN AMOUNT =====	NET ===	AWARD TO PLAINTIFF =====	AWARD TO DEFENDANT =====	DISPOSITION OF PROPERTY =====	
VII.C Capital City Bank Loan	59	0.00	0.00	0.00	0.00	0.00	Require Defendant to assume.	40
VII.D Capital City Bank Guarantee (Kevin Morgan)	60	0.00	0.00	0.00	0.00	0.00	Require Defendant to assume. (Not actually Morgan's debt - leave zero)	41
** Subtotal **		0.00	0.00	0.00	0.00	0.00		
*** Total ***		3855751.70	1627804.25	2227947.45	1219786.37	1007710.68		

E X H I B I T " J "

NECESSARY MONTHLY EXPENSES OF VERA MORGAN

Food & household supplies	\$ 600
Utilities and maintenance	750
Homeowners insurance	60
Property tax	192
Laundry/dry cleaning	75
Housecleaning	200
Clothing	400
Dental & medical insurance	200
Medications	110
Auto insurance	100
Auto expenses	125
Entertainment	200
Gifts (including Christmas, weddings and birthdays, prorated)	250
Incidentals	150
Travel, trips, vacations	800
Charitable contributions	45
Income tax	<u>1,284</u>
TOTAL	<u><u>\$5,541</u></u>

E X H I B I T " K "

SNOW, CHRISTENSEN & MARTINEAU

SUMMARY OF LEGAL SERVICES

through October 31, 1987:

Harold G. Christensen	47.75 hours	7,640.00
Rodney R. Parker	175.75 hours	16,077.50
Shaunna D. Wixom	240.00 hours	<u>11,400.00</u>
		<u>\$35,117.50</u>

Unbilled November 2, 1987 through December 9, 1987:

Harold G. Christensen	7.00 hours	1,120.00
Rodney R. Parker	15.75 hours	1,496.25
Shaunna D. Wixom	78.00 hours	3,705.00
Joan Johansson	69.25 hours	2,423.75
Lorie Myers	11.25 hours	<u>562.50</u>
		<u>\$ 9,307.50</u>

Costs (per attached summary)	<u>10,896.10</u>
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Total fees and costs	<u>\$55,321.10</u>
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MORGAN V MORGAN
COSTS

STATEMENT	DATE	WORK DATE	DESCRIPTION	AMOUNT
35523	09/24/86		Copy Expenses	19.60
35523	09/24/86		Courier Service	5.00
35523	09/24/86		Local Travel Expenses (mileage/parking)	0.25
35523	09/24/86		Word Processing Expense	40.00
36130	10/16/86		Word Processing Expense	10.00
36130	10/16/86		Copy Expenses	48.00
37066	11/12/86	10/31/86	Witness Fee & Mileage - Karen Butterfield	16.10
37066	11/12/86		Copy Expenses	45.40
37066	11/12/86		Word Processing Expense	33.68
37908	12/15/86	11/10/86	Services of Subpoena - John A. Sindt	22.75
37908	12/15/86	11/19/86	Services of Subpoena Wallace Jay Morgan - John A. Sindt, Constable	22.75
37908	12/15/86		Copy Expenses	24.00
37908	12/15/86		Courier Service	5.00
38663	01/19/87	12/19/86	Court Reporter Fee - Rocky Mountain Reporting	90.00
38663	01/19/87	12/09/86	Service of Process - Service of Subpoena - Brent Lowther	43.40
38663	01/19/87	12/11/86	Service of Process - Order to Show Cause (2)	61.25
38663	01/19/87		Copy Expenses	39.00
38663	01/19/87		Courier Service	30.00
38663	01/19/87		Local Travel Expenses (mileage/parking)	0.75
39469	02/17/87	01/12/87	Court Reporter Fee - Deposition of Lawrence Coop, Jr. - Capitol Reporters	90.90
39469	02/17/87	01/15/87	Professional Services - Research and copy expenses - Capital City Bank	829.00
39469	02/17/87	01/28/87	Records Search - Motor Vehicle Division	3.00
39469	02/17/87		Copy Expenses	1198.00
39469	02/17/87		Copy Expenses	193.60
39469	02/17/87		Courier Service	10.00
39469	02/17/87		Local Travel Expenses (mileage/parking)	0.30
39469	02/17/87		Word Processing Expense	11.67
40146	03/17/87	02/04/87	Deposition Expense - Lois Jensen & Cecelia Mitchell - Capitol Reporters	100.83
40146	03/17/87	02/19/87	Service of Process - Service of Order to Show Cause - Wallace Jay Morgan - Lowther & Associates	43.75

MORGAN V MORGAN
COSTS

STATEMENT	DATE	WORK DATE	DESCRIPTION	AMOUNT
=====	=====	=====	=====	=====
40146	03/17/87	02/19/87	Service of Process - Service of Order to Show Cause - Jonathon Morgan - Lowther & Associates	17.50
40146	03/17/87		Copy Expenses	(668.20)
40146	03/17/87		Copy Expenses	4.51
40146	03/17/87		Courier Service	57.50
40146	03/17/87		Local Travel Expenses (mileage/parking)	17.10
40146	03/17/87		Word Processing Expense	35.00
41444	04/27/87	01/26/87	Witness Fee & Mileage - First Interstate Bank	14.30
41444	04/27/87	01/26/87	Witness Fee & Mileage - First Security Bank	14.30
41444	04/27/87	01/26/87	Witness Fee & Mileage - Brighton Bank	17.30
41444	04/27/87	01/26/87	Witness Fee & Mileage - Pioneer Bank	15.00
41444	04/27/87	01/26/87	Witness Fee & Mileage - Tracy Collins Bank	14.60
41444	04/27/87	02/05/87	Witness Fee & Mileage - David N. Johnson	18.50
41444	04/27/87	02/05/87	Witness Fee & Mileage - Lyle Davis and Wilson Davis	14.30
41444	04/27/87	02/05/87	Deposition Expense - deposition of Lyle Davis and David Johnson - Capitol Reporters	165.05
41444	04/27/87		Copy Expenses	30.00
41444	04/27/87		Courier Service	45.00
41444	04/27/87		Local Travel Expenses (mileage/parking)	10.20
41444	04/27/87		Word Processing Expense	20.00
41829	05/12/87	04/10/87	Witness Fee & Mileage - Jerrold Jenson	14.30
41829	05/12/87	04/23/87	Witness Fee & Mileage - Tracy Mortgage Company	14.45
41829	05/12/87		Copy Expenses	29.60
41829	05/12/87		Courier Service	30.00
41829	05/12/87		Local Travel Expenses (mileage/parking)	2.70
41829	05/12/87		Word Processing Expense	6.67
42964	06/05/87	05/14/87	Deposition Expense - Deposition of Jerrold Jenson - Capitol Reporters	119.68
42964	06/05/87	05/22/87	Business Meal - Business meeting - Harold G. Christensen	23.29
42964	06/05/87	05/26/87	Witness Fee & Mileage - Kathy Jorgensen	17.60

age No. 3
2/10/87

MORGAN V MORGAN
COSTS

<u>TATEMENT</u>	<u>DATE</u>	<u>WORK DATE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u> =====
42964	06/05/87		Copy Expenses	72.60
42964	06/05/87		Courier Service	40.00
42964	06/05/87		Local Travel Expenses (mileage/parking)	6.90
42964	06/05/87		Word Processing Expense	38.33
43546	07/16/87	06/11/87	Witness Fee & Mileage - Merlena Blackburn	17.60
43546	07/16/87		Copy Expenses	59.60
43546	07/16/87		Courier Service	40.00
43546	07/16/87		Local Travel Expenses (mileage/parking)	11.70
43546	07/16/87		Long Distance Telephone Charges - Utah	3.10
43546	07/16/87		Word Processing Expense	41.67
45147	09/22/87	07/21/87	Deposition Expense - Court Reporter - Capitol Reporters	217.40
45147	09/22/87		Copy Expenses	173.60
45147	09/22/87		Copy Expenses	10.00
45147	09/22/87		Courier Service	70.00
45147	09/22/87		Local Travel Expenses (mileage/parking)	12.30
45147	09/22/87		Word Processing Expense	46.67
46215	10/20/87		Copy Expenses	11.60
46215	10/20/87	09/30/87	Witness Fee & Mileage - Jay Midgley	17.60
47269	11/17/87		Copy Expenses	13.00
47269	11/17/87		Courier Service	20.00
47269	11/17/87		Local Travel Expenses (mileage/parking)	6.90
47269	11/17/87		Long Distance Telephone Charges Out-of-State	24.60
0	12/09/87	10/30/87	Appraisal Fee	1260.00
0	12/09/87	11/06/87	Deposition Expense - Jay Midgley and Merlena Blackburn	155.10
0	12/09/87	11/19/87	Litigation Support	57.00
0	12/09/87	11/19/87	Witness Fee & Mileage - Richard E. Milne	17.00
0	12/09/87	11/19/87	Witness Fee & Mileage - Jerry Jenson	14.30
0	12/09/87	11/19/87	Witness Fee & Mileage - Richard D. Simon	16.10
0	12/09/87	11/19/87	Witness Fee & Mileage - Terry Diehl	14.90
0	12/09/87	11/19/87	Witness Fee & Mileage - Jerry L. Butterfield	17.00
0	12/09/87	11/19/87	Witness Fee & Mileage - Ed. A. Butterfield	17.00
0	12/09/87	11/19/87	Witness Fee & Mileage - Jack F. Wiles	17.00

MORGAN V MORGAN
COSTS

<u>STATEMENT</u>	<u>DATE</u>	<u>WORK DATE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
0	12/09/87	11/24/87	Appraisal Fee - Mary A. Page	390.00
0	12/09/87	12/08/87	Witness Fee & Mileage - Lawrence Coop, Jr.	15.50
0	12/09/87	12/08/87	Appraisal Fee - Jerry R. Webber	2460.00
0	12/09/87	12/08/87	Witness Fee & Mileage - Merlena Blackburn	17.00
0	12/09/87	12/08/87	Witness Fee & Mileage - Karen Butterfield	16.10
0	12/09/87		Copy Expenses	566.60
0	12/09/87		Courier Service	200.00
0	12/09/87		Local Travel Expenses (mileage/parking)	54.00
0	12/09/87		Word Processing Expense	161.70
*** Total ***				10896.10

Statement identified as 0 represents costs incurred through
December 9, 1987 but not set forth in statement form.

SNOW, CHRISTENSEN & MARTINEAU

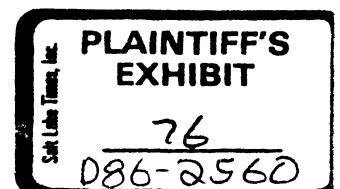
Summary of Fees & Costs

Unbilled 12-10-87 - 12-14-87:

Harold G. Christensen	33.00 hours at \$160.00 =	\$ 5,280.00
Rodney R. Parker	35.00 hours at \$ 95.00 =	3,325.00
Shaunna D. Wixom	49.00 hours at \$ 47.50 =	2,327.50
Joan Johansson	33.25 hours at \$ 35.00 =	1,163.75
Lorie Myers	2.50 hours at \$ 50.00 =	125.00
Jennifer Hawkins	1.00 hours at \$ 25.00 =	<u>25.00</u>
	Total	\$12,246.25

Unbilled costs 12-10-87 - 12-14-87:

Per attached summary	<u>1,133.70</u>
Total	\$13,379.95



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MORGAN V MORGAN
COSTS

STATEMENT	DATE	WORK DATE	DESCRIPTION	AMOUNT
=====	=====	=====	=====	=====
0	12/10/87	12/10/87	Copy Expenses	500.00
0	12/10/87	12/10/87	Copy Expenses	0 40
0	12/10/87	12/10/87	Copy Expenses	1.20
0	12/10/87	12/10/87	Copy Expenses	229.00
0	12/10/87	12/10/87	Copy Expenses	4.80
0	12/10/87	12/10/87	Miscellaneous - Search	85.00
0	12/10/87	12/10/87	Witness Fee & Mileage	14.30
0	12/10/87	12/10/87	Witness Fee & Mileage	14.30
0	12/11/87	12/11/87	Word Processing Expense	1.67
0	12/11/87	12/11/87	Witness Fee & Mileage	14.30
0	12/11/87	12/11/87	Witness Fee & Mileage	17 00
0	12/11/87	12/11/87	Witness Fee & Mileage	17 00
0	12/14/87	12/14/87	Miscellaneous - Copies out of Office	141.63
0	12/14/87	12/14/87	Miscellaneous - Copies out of Office	93 10
*** Total ***				1133 70

E X H I B I T " L "

ERA MORGAN CASE
 STIMATED DISPOSABLE INCOME OF DR. WALLACE J. MORGAN

	1984	1985	1986
SOURCE OF INCOME	ESTIMATED DISPOSABLE INCOME	ESTIMATED DISPOSABLE INCOME	ESTIMATED DISPOSABLE INCOME
INTEREST	\$2,803	\$2,071	\$1,460
DIVIDENDS	\$4,274	\$633	\$854
TAX REFUNDS	\$0	\$0	\$1,145
DENTAL PRACTICE	\$155,433	\$189,725	\$164,907
CONDOMINIUM AIR APARTMENTS	\$43,888	\$24,801	\$48,839
WILLOWBROOK MOBILE HOME PARK	(\$19,015)	(\$40,995)	\$0
WILLOWBROOK HORSE FARM	(\$14,415)	(\$5,175)	(\$12,903)
WILLOWBROOK MOBILE HOME SALES	(\$9,361)	(\$12,184)	\$0
REVENUE OF INVESTMENTS	\$1,875	\$11,039	\$90,581
PARTNERSHIP INTERESTS:			
MORGAN/JOHNSON(BROADMOOR APTS.)	\$0	(\$8,650)	(\$77,450)
WILLOWBROOK/MIDGLEY	\$43,000	\$15,000	\$6,000
WILLOWBROOK S.I. LTD.	\$0	\$0	\$0
SUNVEST LTD.	\$0	\$0	\$0
VALLEY LAND PARTNERS	\$0	\$25,316	\$0
TOTAL DISPOSABLE INCOME	\$208,482	\$201,581	\$223,433
MONTHLY DISPOSABLE INCOME	\$17,374	\$16,798	\$18,619
ESTIMATED MONTHLY DISPOSABLE FOR 1984 THROUGH 1986			\$17,597
MONTHLY DEDUCTIONS PER FINANCIAL DECLARATION DATED 8/26/87			
TAXES			(\$2,161)
PERSONAL EXPENSES			(\$2,840)
TOTAL DEDUCTIONS			(\$5,001)
ESTIMATED MONTHLY EXCESS			\$12,596