Circuit Court for Baltimore City
Case No. 24-D-16-000644

UNREPORTED

IN THE COURT OF SPECIAL APPEALS

OF MARYLAND

No. 1125

September Term, 2017

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ROBERT PERSAUD

v.

SONDRA GOAD

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Nazarian,
Arthur,
Shaw Geter,

JJ.

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Opinion by Arthur, J.

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Filed: November 19, 2018

The parties to this appeal, during their marriage, founded several companies for the purpose of acquiring real estate and operating food-service businesses at the Belvedere, a condominium building in Baltimore City that was once a famous luxury hotel. Upon their divorce, the husband sought a monetary award, largely based on the value of companies owned by his wife. The Circuit Court for Baltimore City ultimately awarded him $763,150, to be paid in monthly installments of $10,000.

The husband has appealed, challenging the determinations of the value of the companies, the amount of the award, and the method of payment. For the reasons explained in this opinion, we reject his contentions that the circuit court committed reversible error or abused its discretion when it determined the monetary award.

## BACKGROUND

Sondra Goad and Robert Persaud first met in 1998, through their mutual employment with Southwest Airlines. Ms. Goad was working as a flight attendant at that time; Mr. Persaud was a pilot.

In 1999, the couple began living together in Maryland. Their first and only child was born in December 2000. Ms. Goad remained an employee of Southwest Airlines, but she significantly reduced her work hours so that she could devote time to caring for the child. Mr. Persaud continued working full time as a pilot.

In 2001, Ms. Goad purchased a house in Bethesda, titled solely to her and financed through mortgages in her name. The family lived together in that house until 2006, when they moved to a more expensive house. They later sold the second house at a loss. Ms.

Goad continued to own the first house and to rent it to tenants.

In addition to working as a pilot, Mr. Persaud devoted much of his time to a real estate venture known as Mount Vernon Properties, LLC ("MVP"). Through his efforts, MVP acquired dozens of brownstone houses in Baltimore City. As part of that transaction, Mr. Persaud assumed some personal liability. He defaulted, and in 2002 a judgment was entered against him in the principal amount of $553,606.25. The debt continued to grow over time, because the interest on the judgment exceeded the payments that the judgment-creditor received from garnishing Mr. Persaud's wages.[1] For several years, Mr. Persaud managed MVP and used it as a financial resource for the family.

In 2009, Mr. Persaud acquired a business opportunity at the Belvedere, a condominium building in Baltimore City.[2] The seller owned three residential condominium units and a collection of commercial and retail units, which included kitchens, dining areas, offices, ballrooms, parlors, and a parking lot. The seller operated three food-service businesses out of those spaces: the "Owl Bar," a bar and restaurant on the lobby level; the "13th Floor," a night club on the observation level; and a catering company with the exclusive right to use the building's ballrooms and parlors for events.

[1] The judgment-creditor could not execute against the assets of MVP, which was titled in the name of Mr. Persaud's brother.

[2] Appraisal reports describe the Belvedere as a unique and historic building, which first opened in 1903 as a luxury hotel. It features Beaux-Arts-style architecture, a slate-covered mansard roof, and distinctive interior spaces with "marble floors, painted plaster walls and high ornate detailed ceilings with grand light fixtures and chandeliers." In 1991, the hotel was converted into condominiums for residential and non-residential uses.

To acquire those assets, Mr. Persaud set up three limited liability companies. The first company, Belvedere Real Estate, LLC ("BRE"), purchased the underlying real estate for $4.29 million. BRE financed about half of the purchase through a loan from a credit union and about half through a take-back loan from the seller. Mr. Persaud set up Belvedere Restaurant Group II, LLC ("BRG-II"), as the new operating company for the Owl Bar and 13th Floor. He set up Truffles at the Belvedere, LLC ("TATB"), as the new operating company for the catering business. The seller sold the food-service businesses together for $10,000 in cash. Because Mr. Persaud wanted to shield these assets from his judgment creditor, the new companies were titled in the names of Mr. Persaud's brother and sister.[3]

Mr. Persaud and Ms. Goad were married on June 1, 2009. Over the next few years, both spouses contributed labor and capital to their venture at the Belvedere. Mr. Persaud limited his flying schedule so that he could manage the new businesses. He withdrew or borrowed large sums from his other venture, MVP, to cover closing costs and to obtain working capital.[4] Ms. Goad officially retired from her former career as a flight attendant and took charge of the sales office for the catering business. She contributed to the businesses by borrowing against her retirement savings and later by liquidating her retirement assets altogether. The family moved into a rented

[3] At trial, the parties referred to the owner as Mr. Persaud's sister. Mr. Persaud's appellate brief identifies her as his sister-in-law.

[4] MVP went bankrupt three years later. The bankruptcy trustee made no effort to collect on the loans to Mr. Persaud. Consequently, Mr. Persaud never repaid the loans.

condominium unit at the Belvedere, in part because they were spending so much time working at the building.

During the first few years of the parties' business venture at the Belvedere, Mr. Persaud's brother and sister transferred their ownership of the food-service businesses. Mr. Persaud's brother and sister assigned their respective interests in TATB (the catering company) to Ms. Goad for $100 each. Mr. Persaud's brother assigned his interest in BRG-II (the operating company for the Owl Bar and 13th Floor) in exchange for $300,000, which the parties paid to him in small monthly increments. Mr. Persaud's sister assigned her interest in BRG-II for no consideration.

In 2013, the parties restructured and effectively refinanced their real estate holdings. Mr. Persaud set up two companies to acquire the properties that were then owned by BRE. The first such company, S&H Belvedere Realty, LLC ("S&H"), purchased the commercial and retail units used by the food-service businesses. S&H borrowed slightly more than $4 million, using the properties as security. As a condition for the loan, the lender required that Mr. Persaud (who had a prior judgment against him) not be a member of S&H. Nevertheless, the lender required him to be a personal guarantor for the loan, along with his wife. BRE conveyed the remaining properties, most of which were residential, to a second company known as Belvedere & Co. Real Estate, LLC ("BCRE"). As with S&H, Ms. Goad was the sole member of BCRE.

Beginning in 2011, companies titled to Ms. Goad continuously acquired condominium units at the Belvedere at the direction of Mr. Persaud. BCRE acquired two

storage units and 13 more residential units, which the parties renovated and rented out to tenants. A new entity known as "Truffles, LLC" acquired two units on the basement levels, which the parties left vacant. "Belvedere R4, LLC" acquired a first-floor space used for storage and as a personal gym.[5] Mr. Persaud used the income and borrowing power from the parties' other businesses to fund these acquisitions. Although Ms. Goad acquiesced in his decisions, she did not feel entirely comfortable accumulating the debt associated with the properties. The parties' conflicting attitudes towards debt became a source of tension in the marriage.

In addition to debt obligations, these purchases resulted in recurring expenses in the form of condominium fees and property taxes. At the same time, each unit came with more voting power on the board for the condominium association, which has the authority to impose use restrictions and special assessments.[6] In total, Ms. Goad's holdings account for approximately 45 percent of the square footage at the Belvedere and allow her to control a majority of the seats (four out of seven) on the board of the condominium association. It is undisputed that her control over the board enhances the value of her holdings to some extent, but the parties have not attempted to quantify the

[5] Ms. Goad was the sole member of each limited liability company except Belvedere R4, which the parties owned as tenants by the entireties.

[6] According to Mr. Persaud, the prior owner of the food-service businesses had had a "very contentious" relationship with some board members. The board "implemented a series of resolutions against" the prior owner, restricting "the amount of people that could congregate in the lobby, [and] which elevators they [could] use[,]" and the ability to "carry food or drinks across the lobby from one ballroom to the next."

enhanced value.

The parties separated in July 2014, when Ms. Goad moved Mr. Persaud's belongings out of the family's rented condominium unit and into a one-bedroom unit owned by BCRE. Mr. Persaud continued to work actively in the businesses owned by his wife, but over time they experienced more frequent and more serious disagreements. By the fall of 2015, Ms. Goad assumed nearly exclusive control over management and began implementing some significant changes. Among other things, she converted the 13th Floor from a restaurant run by BRG-II into an event space for the catering company, TATB. She also hired a new accountant to replace Mr. Persaud's long-time accountant. Meanwhile, Mr. Persaud, no longer needing to work long hours at the Belvedere, increased his flying time with Southwest Airlines.

After Ms. Goad assumed control, Mr. Persaud still had access to various bank accounts owned by the businesses. In February 2016, he withdrew a total of $290,000 from three business accounts. In response, Ms. Goad revoked his access to those accounts, as well as his authorization to use her American Express credit card, which they had used for personal expenses throughout the marriage. She allowed him to continue to occupy the one-bedroom condominium at the Belvedere, rent-free, throughout 2016.

On February 26, 2016, Mr. Persaud filed a complaint in the Circuit Court for Baltimore City, seeking an absolute divorce on the ground of a one-year separation. He asked the court to determine the value of all marital property and to grant him a monetary award as an adjustment to the equities and rights of the parties concerning marital

property. He requested joint legal custody and shared physical custody of the parties' minor child, child support, and counsel fees. Ms. Goad counterclaimed, seeking an absolute divorce and other relief similar to the relief requested by Mr. Persaud.

Through their joint property statement, the parties stipulated that almost all of their assets, even some assets that they first acquired before the marriage, should be classified as marital property. They agreed that Ms. Goad owned $316,235 of equity in the Bethesda house (an appraised value of $1 million, minus mortgages of $683,765). They agreed that the net value of Mr. Persaud's retirement assets was $734,183 (account balances of $779,612, minus a loan balance of $45,429). They further agreed on the value of almost all of their relatively smaller assets: automobiles, vacation timeshares, and certain bank accounts and investment accounts.

Nevertheless, the parties gave widely disparate estimates of the value of some of the companies titled to Ms. Goad. Mr. Persaud asserted that S&H, the holding company for the non-residential properties, had a value of slightly more than $1.9 million; and that TATB, the operating company for the catering business, had a value of slightly less than $1.2 million. By contrast, Ms. Goad asserted that those two companies should be valued as a single entity, and that the combined value of those entities was *negative* $1.76 million. In aggregate, the parties presented a difference of nearly $5 million in their valuations of the catering business and the real estate in which it operated.[7]

[7] Disputes of this magnitude are not altogether uncommon. The authors of one treatise observe: "Every attorney and judge has a war story concerning the unbelievable difference experts have testified to in evaluating a particular business, businesses, real

The circuit court conducted a bench trial over five days in mid-December 2016. The parties testified about their marriage and separation, but neither sought to blame the other for their estrangement. It was undisputed that both spouses contributed to the well-being of the family throughout the marriage. Mr. Persaud did not dispute that Ms. Goad had contributed to the Belvedere-related companies, but he argued that his overall contributions outweighed those of his wife.

Much of the testimony concerned the value of the companies and real estate. The parties each offered testimony from experts in real estate appraisal and in business valuation. Ms. Goad called her accountant to testify about the financial state of the businesses. At one point, the court commented: "in all candor to [c]ounsel and the parties[,] this is a divorce case[,] [b]ut effectively, this is a business dissolution matter."

The parties' proposals for the monetary award largely depended on the value of Ms. Goad's holdings. Mr. Persaud requested a monetary award of $2,672,000, premised on the court accepting valuations from his experts. He also asked the court to order an equal division of his retirement assets. Ms. Goad proposed awards of either $134,027 or $704,121, premised on the court accepting some or all of her valuations. Her proposals envisioned that the court would leave Mr. Persaud's retirement assets in his name and reduce the award by half of the value of those assets. Both parties effectively treated the $290,000 that Mr. Persaud had withdrawn from business accounts in February 2016 as an

estate, etc." Cynthia Callahan & Thomas C. Ries, *Fader's Maryland Family Law* § 13-12(h), at 13-50 (6th ed. 2016).

advance on the monetary award, but they disputed how much of those withdrawals should be used to offset the award.

On the final day of trial, the court ruled on most issues and embodied those rulings in a written order. The court granted the parties an absolute divorce based on a one-year separation. The court granted the parties' joint request to share custody of their child, who was 16 years old at the time and enrolled in boarding school. The court did not order any child support, because the parties had withdrawn their claims for child support. The court expressly reserved the power to decide the marital property issues.

On March 17, 2017, the circuit court issued a supplemental order regarding marital property. The court granted Mr. Persaud a monetary award of $649,549 and ordered Ms. Goad to pay $10,000 per month until the award was fully satisfied (i.e., for approximately five-and-a-half years). The court ordered that all property titled in the name of one party, including Mr. Persaud's retirement assets, should remain titled in the name of that party. The court explained its reasoning in a comprehensive memorandum opinion.

In its opinion, the court noted that Mr. Persaud was 55 years old and that he will no longer be able to work as a pilot after reaching age 65. The court found that he earned gross wages of $300,000 in 2016 and that he "expects to have an approximate annual salary of $250,000" going forward.[8] The court noted that Ms. Goad was 60 years old,

[8] On appeal, Mr. Persaud takes issue with what he calls the court's "lack of analysis as to the fact that [his] 2016 income was an anomaly." He presented evidence that he earned gross wages of $180,000 in 2014 and $217,000 in 2015, from working as a pilot while also performing the equivalent of another full-time job at the Belvedere. Although he was projected to earn gross wages of more than $300,000 in 2016, he

that she earns no compensation aside from taking draws as the owner of businesses at the Belvedere, and that she expects to operate those businesses for another 10 years. The court addressed these circumstances when it determined the monetary award:

> The Court has considered the factors in §8-205(b) of the Family Law Article in its determination that Mr. Persaud is entitled to a marital award. The Court notes that both parties expect to work approximately ten more years in their current occupations. The Court finds that while Mr. Persaud may have provided more financially for the well-being of the family during and prior to the marriage, Ms. Goad left her employ to care for their [child]. Further, she liquidated her retirement savings to partially subsidize the purchase of marital business assets, while Mr. Persaud retains approximately $734,000 in retirement assets. The Court also notes that while both Parties devoted their full time and attention to The Belvedere operations, Mr. Persaud was able to continue with his career as an airline pilot while devoting his time to the Belvedere entities and [h]as returned full time to that career now that he is no longer involved in the operations of The Belvedere enterprises. Ms. Goad however left her position with [Southwest Airlines] to care for [the child] and later, work at Truffles Catering. She cannot return to her former position or salary at this juncture. Further, Mr. Persaud earns significantly more than Ms. Goad, despite the fact that Ms. Goad operates two food service businesses as well as manages significant real-estate holdings. In short, the Court must consider each party's long term financial well-being in arriving at a fair and equitable monetary award. Included in that well-being is the uncertainty associated with operating food service businesses, to include the carrying costs of those operations, as well as the potential value of The Parties' assets when the Parties leave the workforce, absent a marital award.

The court's basic approach was to award Mr. Persaud about half of the total value of Ms. Goad's property (representing his equitable share of marital property in her name), offset by half of the total value of Mr. Persaud's property (representing her equitable

doubted that he could sustain those hours in the long term. The court, by estimating his income to be $250,000, reasonably concluded that he could expect to fly more frequently than he did in 2015, but less frequently than he did in 2016. We see no error.

share of marital property in his name). The court analyzed the expert testimony in detail to determine the value of the real estate and business entities that were in dispute. The court found that the total value of marital property titled to Ms. Goad (consisting primarily of her real estate and business holdings) was slightly less than $2.8 million. The court found that the total value of marital property titled to Mr. Persaud (consisting primarily of his retirement assets) was slightly less $750,000.

The court reasoned that it was "appropriate to consider the cost of selling assets[.]" The court stated that if Ms. Goad were to sell her real estate, she "most likely would incur sales costs" such as "a 7% realtor fee along with 1% in closing costs." For that reason, the court included only 46 percent of the value of Ms. Goad's real property and business holdings in its calculation of the award, while it included 50 percent of the value of her other assets. Finally, the court reduced the award by the amount that Mr. Persaud had withdrawn from the businesses in February 2016 and used solely for personal expenses. The end result of these calculations was an award of $649,549.

Mr. Persaud filed a timely motion to alter or amend the judgment,[9] raising a host of challenges to the monetary award. Ms. Goad opposed the motion. On July 14, 2017, the court issued an "Amended Order," granting the motion in part and denying it in part.

[9] The deadline for filing a motion under Rule 2-534 is 10 days after entry of judgment. The 10-day period in which to file the motion to alter or amend the judgment began on the day the order was entered onto the docket, not on the day that the judge signed the order. *See Green v. Brooks*, 125 Md. App. 349, 362 (1999). Mr. Persaud filed his motion more than 10 days after the court signed the order, but within 10 days after the clerk entered the order onto the docket. His motion was timely under Rule 2-534.

The court amended its judgment only as to the first issue raised in Mr. Persaud's motion. The court found merit in his argument that it should not have speculated that Ms. Goad would incur costs of sale equal to eight percent of the value of her real estate and business holdings. The court re-evaluated the monetary award, without the reduction for estimated costs of sale, and increased the award to $763,150. The court again ordered Ms. Goad to pay the award at the rate of $10,000 per month.

Mr. Persaud's post-judgment motion included a series of other challenges, which coincide with the issues that he would later raise on appeal. He challenged: the determination of the value of Truffles, LLC; the determination of the value of Truffles at the Belvedere, LLC; the decision to reduce the monetary award by the dollar value of his retirement assets; and the schedule of monthly payments over several years without interest. He also asked the court to order Ms. Goad to transfer to him half of her American Express credit card reward points.[10] The court denied each of these requests and set forth its reasons in its order.

Mr. Persaud noted a timely appeal after the entry of the amended judgment.[11]

[10] Finally, Mr. Persaud asked the court to relieve him of obligations as personal guarantor of $4.5 million in business debt. He does not seek that relief on appeal.

[11] In its orders and opinions, the court did not mention that both parties requested counsel fees and presented evidence of fees they had incurred. It is possible that the court intended to deny their competing requests for fees, without expressly saying so, or that the court simply overlooked the issue. Even if the court never adjudicated their claims for counsel fees under the Family Law Article, the judgment was final and appealable as to the other issues. *See Blake v. Blake*, 341 Md. 326, 336-38 (1996).

## DISCUSSION

All of the issues raised by Mr. Persaud relate to the circuit court's grant of a monetary award under the Marital Property Act: Md. Code (1984, 2012 Repl. Vol.), §§ 8-201 through 8-214 of the Family Law Article ("FL"). The Act reflects "the State's policy that 'when a marriage is dissolved the property interests of the spouses should be adjusted fairly and equitably, with careful consideration being given to both monetary and nonmonetary contributions made by the respective spouses to the well-being of the family.'" *Alston v. Alston*, 331 Md. 496, 506 (1993) (quoting 1978 Md. Laws ch. 794, preamble). The essential aim of this statutory scheme is "to ensure that the value of both real and personal property is distributed in a fair and equitable manner." *McGeehan v. McGeehan*, 455 Md. 268, 279 (2017).

Statutory provisions authorizing a monetary award are "designed to accomplish an equitable division of the marital property in an indirect manner." *Ward v. Ward*, 52 Md. App. 336, 339 (1982). A monetary award serves to "counterbalance any unfairness that may result from the actual distribution of property acquired during the marriage, strictly in accordance with its title" by requiring one spouse to "compensate a spouse who holds title to less than an equitable portion" of property accumulated during the marriage. *Id.* (citation and quotation marks omitted). The award should "achieve equity between the spouses where one spouse has a significantly higher percentage of the marital assets titled [in] his [or her] name." *Long v. Long*, 129 Md. App. 554, 577-78 (2000).

The statute dictates a three-step process that the court must use to decide claims

for disposition of property upon divorce. *See, e.g.*, *Brown v. Brown*, 195 Md. App. 72, 109 (2010). First, "if there is a dispute as to whether certain property is marital property, the court shall determine which property is marital property[.]" FL § 8-203(a). "'Marital property' means the property, however titled, acquired by 1 or both parties during the marriage." FL § 8-201(e)(1). Second, "the court shall determine the value of all marital property." FL § 8-204(a). The party asserting a marital interest in an asset bears the burden of proving that the asset is marital property and the burden of proving the value of the asset. *See, e.g.*, *Odunukwe v. Odunukwe*, 98 Md. App. 273, 282 (1993).

Factual issues of whether an asset is marital property, as well as the value of any marital property, are subject to review for clear error. *Flanagan v. Flanagan*, 181 Md. App. 492, 521 (2008). Under this standard, the appellate court "will not set aside the judgment of the trial court on the evidence unless clearly erroneous, and will give due regard to the opportunity of the trial court to judge the credibility of the witnesses." Md. Rule 8-131(c). On review, "this Court must assume the truth of all evidence tending to support the findings of the trial court, and may simply inquire 'whether there is any evidence legally sufficient to support those findings.'" *Skrabak v. Skrabak*, 108 Md. App. 633, 650 (1996) (quoting *Weisman v. Connors*, 76 Md. App. 488, 500 (1988)). Typically, if there is "any basis in the record for reaching a given finding, we allow that finding to stand." *Long v. Long*, 129 Md. App. at 567.

The third step in the process occurs "after the court determines which property is marital property, and the value of the marital property[.]" FL § 8-205(a)(1). After

making those determinations, the court must evaluate whether "the division of marital property according to title will be unfair; if so, the court may make an award to rectify the inequity." *Doser v. Doser*, 106 Md. App. 329, 350 (1995). The court may grant a monetary award, transfer ownership of an interest in certain property, or do both "as an adjustment of the equities and rights of the parties concerning marital property[.]" FL § 8-205(a)(1). The authority to transfer ownership from one party to another is limited to a few specific types of property, including "a pension, retirement, profit sharing, or deferred compensation plan[.]" FL § 8-205(a)(2)(i).

The trial court has "broad discretion" to determine whether a spouse is entitled to "a monetary award and, if so, in what amount." *Malin v. Mininberg*, 153 Md. App. 358, 430 (2003). Likewise, the court has discretion to establish an appropriate payment schedule. *Scott v. Scott*, 103 Md. App. 500, 517 (1995). If the court determines that a monetary award is appropriate, it must determine the amount of the award and the method of payment in light of the factors set forth in FL § 8-205(b):

> (1) the contributions, monetary and nonmonetary, of each party to the well-being of the family;
>
> (2) the value of all property interests of each party;
>
> (3) the economic circumstances of each party at the time the award is to be made;
>
> (4) the circumstances that contributed to the estrangement of the parties;
>
> (5) the duration of the marriage;
>
> (6) the age of each party;

> (7) the physical and mental condition of each party;
>
> (8) how and when specific marital property or interest in property described in subsection (a)(2) of this section, was acquired, including the effort expended by each party in accumulating the marital property or the interest in property described in subsection (a)(2) of this section, or both;
>
> (9) the contribution by either party of property described in § 8-201(e)(3) of this subtitle to the acquisition of real property held by the parties as tenants by the entirety;
>
> (10) any award of alimony and any award or other provision that the court has made with respect to family use personal property or the family home; and
>
> (11) any other factor that the court considers necessary or appropriate to consider in order to arrive at a fair and equitable monetary award or transfer of an interest in property described in subsection (a)(2) of this section, or both.

The General Assembly has not "prioritized" these factors "in any way, nor has [it] mandated any particular weighing or balancing of the factors." *Alston v. Alston*, 331 Md. at 507. Rather, the statute leaves the "application and weighing of the factors . . . to the discretion of the trial court." *Id.* Although the trial court must consider all factors, the judge is "presumed to know the law" and is not required to "go through a detailed check list[,]" or to "enunciate every factor he [or she] considered on the record, as long as he or she states that the statutory factors were considered." *Malin v. Mininberg*, 153 Md. App. at 429 (citation and quotation marks omitted).

This Court reviews decisions of whether to grant a monetary award, the amount of the award, and the terms of payment "to ensure consideration of the enumerated statutory factors, and for abuse of discretion." *Hart v. Hart*, 169 Md. App. 151, 161-62 (2006).

Under that standard, the appellate court "may not substitute [its] judgment for that of the fact finder, even if [it] might have reached a different result." *Innerbichler v. Innerbichler*, 132 Md. App. 207, 230 (2000). An abuse of discretion is said to exist where no reasonable person would take the view adopted by the trial court, where the trial court acted without reference to any guiding rules or principles, where the ruling is clearly against the logic and effect of facts and inferences before the court, or when the ruling violates fact and logic. *Flanagan v. Flanagan*, 181 Md. App. at 522 n.11. Despite this deferential process of review, the appellate court must ensure that the trial court exercised its discretion based on the correct legal standards. *Id.* at 522 (citing *Alston v. Alston*, 331 Md. at 504).

The principles described above govern our analysis of the following five questions presented in Mr. Persaud's appellate brief:

> I. Did the trial court commit reversible error in assessing a negative value to the marital property known as Truffles, LLC?
>
> II. Did the trial court commit reversible error in assigning a value to Truffles at the Belvedere, LLC as zero when there were facts and evidence presented by an expert witness that constrained the court to assign a positive value to Truffles at the Belvedere, LLC?
>
> III. Did the trial court commit reversible error in reducing the cash value of the monetary award due [to] appellant by a dollar for dollar amount against appellant's 401(k) account and profit sharing account?
>
> IV. Did the trial court commit reversible error in failing to grant appellant any lump sum payments of the monetary award granted to appellant, thereby resulting in an inequitable monetary award to appellant?

V. Did the trial court commit reversible error in failing to include the American Express points titled to Appellee in the adjustment of equities between the parties?

Our answer to each question is: No. Mr. Persaud has identified no reversible error or abuse of discretion in the circuit court's determination of the monetary award.

## I. Negative Value of Truffles, LLC

As his first challenge on appeal, Mr. Persaud contends that the circuit court "committed reversible error" by finding that the value of Truffles, LLC, was negative $118,225. We conclude that any such error does not require reversal.

Truffles, LLC, is a real estate holding company that owns nothing other than two condominium units at the Belvedere identified as R1 and R2. At the time of trial, the units were unused for any purpose. On their joint property statement, the parties listed "R-2 Water Damaged; R1 (Former Bottle Club)" as an item of marital property. They agreed that these properties were titled to Truffles, LLC, and that Ms. Goad was the sole member of Truffles, LLC. Both parties stipulated that this asset had no value.

In his testimony, Mr. Persaud described R1 as a large unit in the sub-basement and R2 as the space beneath a parking garage. He explained that, during the early years of the parties' businesses at the Belvedere, owners of the R1 unit operated a "bottle club" where people would bring alcohol onto the premises for parties. He said that this club negatively affected the catering business because it attracted physical altercations and police presence, leading to unfavorable coverage in the local newspaper.

Mr. Persaud decided to purchase R1 both to shut down the bottle club and to

acquire additional votes in the condominium association. Purchasing R2, which was vacant as result of water damage, allowed them to acquire even more voting power. The parties purchased both units in August 2012 for $19,900, using income from the catering business. They never used the two units for any purpose except to take advantage of the additional voting power that came with ownership. Historically, the catering company has paid condominium fees and other expenses associated with units R1 and R2, even though Truffles, LLC, owns the units.

Mr. Persaud's real estate expert determined that R1 and R2 each had a value of $0. The expert explained that "[a]ny value attributed to these spaces would be offset by the liability of the cost to correct the space, the condominium fees and taxes." Ms. Goad's real estate expert also appraised both units at $0. Her expert explained that the units were "in poor condition and could not be rented," even though the units "still incur the fixed condominium fees" of $78,252 and "combined real estate taxes" of $19,602, for "[t]otal fixed yearly expenses" of $97,854 per year.

David Witherspoon, the business valuation expert for Ms. Goad, opined that Truffles, LLC, the holding company for R1 and R2, had a fair market value of *negative* $118,225. He noted that the basement units were "vacant" and were "generating no income," even though "the owner still incurs yearly expenses combined of $97,854.00." During closing arguments, counsel for Ms. Goad argued that, "in crafting the marital award," the court "should consider" that Ms. Goad was "stuck with" the two units "in her name to the tune of $90,000 to $100,000 a year in condo fees and taxes[.]"

In its original opinion, the court noted that the real estate experts had "assigned units R1 and R2 a fair market sales value of $0." The court stated that the "uncontroverted testimony suggests" that the two units "have little or no commercial use or value to the food service businesses, but were purchased so [t]he [p]arties could strengthen their position on The Belvedere condominium board." Citing "the unusually high carrying costs associated with those two units, and the fact that they do not generate income," the court reasoned that "assigning them a value of $0 undercuts the negative impact they have on the total value of the other units." The court said that it was "hard pressed to see how one could sell the 'valuable' commercial properties in The Belvedere, while keeping units with $97,000 in annual . . . carrying costs with no income."

The court adopted Mr. Witherspoon's opinion "that, as an entity, Truffles, LLC, which owns units R1 and R2 has a negative value of $118,225." The court said that it "place[d] weight on this opinion" because the two units "do not produce any income and have annual carrying costs of $98,948." "Thus," in the court's view, "a negative value for this entity, or the units that it owns, is justified." The court used this value of negative $118,225 when it determined the total value of Ms. Goad's marital property. As the end result, the court reduced the monetary award by $59,113 (i.e., half of the value negative assigned to Truffles, LLC).

When Mr. Persaud moved to alter or amend the judgment, he argued that the trial court erred by assigning a negative value to Truffles, LLC. He contended that, under Maryland law, the court could not determine that any marital property has a value below

zero. He asked the court to amend its findings to value Truffles, LLC, at $0.

In response, Ms. Goad admitted that the court's negative valuation of Truffles, LLC, might "give rise to an error of law[.]" She conceded that "in most cases the [trial] court cannot attribute a negative value to marital property in granting a marital award[.]" Notwithstanding that concession, she argued that it was still appropriate to consider the "financial drain" of the carrying costs for units R1 and R2. She argued that the court should "adjust the overall marital award" to account for "the effect that Truffles, LLC, and its two units, R1 and R2, have on the overall 'Belvedere' marital property[.]"

In its amended order, the court agreed with Ms. Goad. The court reiterated its finding that units R1 and R2 "negatively impact the value on *all* of the marital property associated with The Belvedere." The court said that it was "of no moment" that the court had "expressed this impact as a negative value" in the original opinion. The court concluded: "While the Truffles, LLC assets were expressed in terms of a negative value, the Court took into account the overall effect that the Truffles, LLC, properties put on all of the marital property, which is a negative result."

On appeal, Mr. Persaud again argues that the court erred when it determined the value of Truffles, LLC, to be $0. The term "value" as used in the Marital Property Act means "fair market value, which is defined as the amount at which property would change hands between a willing buyer and a willing seller." *Rosenberg v. Rosenberg*, 64 Md. App. 487, 525-26 (1985) (citations and quotation marks omitted); *see also Solomon v. Solomon*, 383 Md. 176, 188 (2004). When the court determines the value of a marital

asset, it should reduce the value of the asset by the amount of debt incurred by either party to acquire the asset. *Kline v. Kline*, 85 Md. App. 28, 45 (1990). Mr. Persaud cites *Green v. Green*, 64 Md. App. 122 (1985), for the proposition that the court should not find that an asset has negative value in the second step of the process used to determine a monetary award.

In *Green v. Green*, 64 Md. App. at 141, this Court held that a trial court erred when it found that a husband's interest in an insolvent partnership had a negative value. The Court explained: "In the second of the three step process employed in arriving at the monetary award, *i.e.*, the valuation of marital property, the court must value separately each item of marital property." *Id.* at 141-42. According to the Court: "There is no authority for the deduction of the loss incurred by a spouse in a bad investment from the value of the other marital property titled in his name." *Id.* at 142. The Court instructed the trial court that the asset "should be valued at zero" on remand. *Id*.

Accordingly, when a court determines the value of marital property, the "lowest value that property may have is zero." Cynthia Callahan & Thomas C. Ries, *Fader's Maryland Family Law* § 13-12(e), at 13-49 (6th ed. 2016). If the court finds that debt incurred to acquire marital property "'exceeds the value of the marital property acquired as a result of incurring the debt, the result is a zero value for the marital property acquired; marital property cannot have a negative value.'" *Goldberg v. Goldberg*, 96 Md. App. 771, 782-83 (1993) (quoting *Kline v. Kline*, 85 Md. App. 28, 45 (1990)).

This principle, however, does not require the court to ignore economic reality

where the liabilities associated with a marital asset greatly exceed whatever money an owner could hope to extract from the asset. In *Randolph v. Randolph*, 67 Md. App. 577, 586 (1986), a husband during his marriage had acquired a partnership interest with a fair market value that was far less than the balance he owed on a debt to acquire that interest. This Court explained that the trial court could not use the debt that he incurred to acquire the partnership interest to reduce the value of other marital assets. *Id.* at 586-87 (citing *Green v. Green*, 64 Md. App. at 141-42). Nevertheless, this Court explained that the debt was still "significant . . . to the extent that it affect[ed] [the husband's] economic circumstances[,]" a factor that the court must consider when it determines the monetary award. *Randolph v. Randolph*, 67 Md. App. at 587. The debt associated with the partnership interest was "a factor to be considered in granting a monetary award but not in determining the value of any marital property other than" that asset. *Id.*

Thus, although zero is the lowest value that a court may assign within the second step of its evaluation, the third step "may prove an appropriate time to consider negative values." Cynthia Callahan & Thomas C. Ries, *Fader's Maryland Family Law* § 13-12(e), at 13-49 (6th ed. 2016). Mr. Persaud contends here that, if the trial court "wishes to consider any negative impact of Truffles, LLC, it is only proper to do so in determining the amount of a monetary award" in the final step of the process. At that point, he argues, the court would be required to consider all factors listed in FL § 8-205(b) and not purely economic considerations.

If we were reviewing the court's original decision, we might agree that the award

should be vacated. In light of the post-judgment developments, however, it would be unreasonable to require the court to reconsider the issue once again. In his motion to alter or amend, Mr. Persaud cited *Green v. Green* and informed the court of its error. Ms. Goad for all practical purposes conceded the error, but she argued that the court could and should adjust the monetary award to reflect the detrimental effect of the asset on other marital property. The court adopted her position and re-characterized the decision to reduce the monetary award by $59,113 as a decision based on the "negative[] impact" of that property through its "overall effect . . . on all of the marital property[.]"

In its amended opinion, the court unmistakably signaled that it was doing something other than making a pure factual finding of the "value" of Truffles, LLC. The court described the decision as a matter of fairness and not simply finances: "It would be *inequitable* for Mr. Persaud to receive the benefit of the 'good' property, but not receive a portion of the burden of the 'bad' property." (Emphasis added.) The court further noted that "it was Mr. Persaud who sought to purchase these 'bad' properties in the first place." This analysis of "how and when specific marital property . . . was acquired" (FL § 8-205(b)(8)) deserves "considerable weight" in the third step of the process for making a monetary award. *Alston v. Alston*, 331 Md. at 507; *see Frankel v. Frankel*, 165 Md. App. 553, 584 (2005); *Skrabak v. Skrabak*, 108 Md. App. 633, 654-55 (1996). The conclusion to the amended opinion incorporated by reference the "consideration of the equities" from the original opinion, which sufficiently expressed that the court had considered all of the FL § 8-205(b) factors. *See Collins v. Collins*, 144 Md. App. 395, 411 (2002).

The court was undeniably correct when it observed that Truffles, LLC, is a burden on the overall portfolio of marital assets, a burden that Ms. Goad alone would bear after the divorce. Mr. Persaud does not argue that it is inappropriate for the court to consider the high annual costs associated with units R1 and R2 when it evaluates "the economic circumstances of each party at the time the award is to be made[.]" FL § 8-205(b)(3). He does not appear to dispute that $118,225 is a reasonable approximation of the detrimental effect of Truffles, LLC, on Ms. Goad's economic circumstances. If the court erred at all here, it was in continuing to use the phrase "negative value."

As the party challenging the judgment, Mr. Persaud has the burden to show not only error but also prejudice from that error. *See, e.g.*, *Flanagan v. Flanagan*, 181 Md. App. at 515. An error in the determination of a monetary award is considered harmless if it does not affect the outcome to the prejudice of the complaining party. *See Karmand v. Karmand*, 145 Md. App. 317, 342 (2002); *Goldberg v. Goldberg*, 96 Md. App. 771, 783-84 (1993). Even if the court should have amended its valuation of Truffles, LLC, it was still entirely appropriate for the court to reduce the monetary award by $59,113, to account for Mr. Persaud's share of the burden created by owning units R1 and R2. The trial court evidently believed that it was "of no moment" whether it made the reduction during the second step of the process rather than the third step of the process, because the court believed that the downward "result" would be the same under either method.

Mr. Persaud insists that the negative valuation of Truffles, LLC, resulted in a "false reduction" of the monetary award. He suggests that the court might increase the

award if it reconsiders the "negative impact of Truffles, LLC" in light of other facts, such as his "efforts . . . in securing all of the properties and businesses at the Belvedere . . . , his contributions to the businesses . . ., and the amount of liquidity" he retains relative to Ms. Goad. The facts that he identifies, however, are facts bearing on the parties' equitable shares of the overall marital property (i.e., whether he should receive more than 50% of the total value of the marital property). These facts have no specific bearing on their relative shares of the financial burden of owning Truffles, LLC. As the court noted, the fact that Mr. Persaud decided to acquire the costly but essentially worthless basement units indicates, if anything, that he should bear a greater share of the burden resulting from his decision, not the lesser share.

Under the circumstances, any error in the circuit court's valuation of Truffles, LLC, does not require reversal of the judgment. Assuming that the court erred when it said that the entity has "negative value," we remain unconvinced that requiring the court to value it at zero would have any effect on the monetary award.

## II. Zero Value of Truffles at the Belvedere, LLC

Mr. Persaud contends that the trial court erred when it determined that the value of the catering company, Truffles at the Belvedere, LLC ("TATB"), was $0. He argues that the court should have credited testimony from his business valuation expert, who opined that the company was worth nearly $1.2 million.

At trial, many basic facts about TATB were undisputed. Mr. Persaud negotiated the purchase of the catering business in 2009 as part of a larger transaction to acquire real

estate used by that business and by two others (the Owl Bar and 13th Floor). The seller sold the underlying properties for $4.29 million and the food-service businesses for a mere $10,000. Mr. Persaud testified that, although they obtained a real estate appraisal, he and the seller simply "picked a number of $10,000" as the principal price of the food-service businesses, instead of paying for a business valuation. Mr. Persaud obtained financing for about half of the real estate purchase through a seller take-back loan in the amount of $2.14 million.

At the time of the 2009 sale, the catering business had substantial liabilities. The business had collected $328,087.33 in customer deposits for future events that it was obligated to perform, but it no longer had the cash on hand needed to put on those events. The seller agreed to credit the amount of $328,087.33, dollar-for-dollar against the take-back loan, in exchange for TATB assuming the obligations of its predecessor. In effect, Mr. Persaud received a discount of several hundred thousand dollars in the purchase of the real estate, in exchange for taking the catering business off the seller's hands.

A year later, Ms. Goad became the sole member of TATB by paying nominal amounts of $100 each to Mr. Persaud's brother and sister. When the parties obtained new financing a few years later, they again obtained an appraisal of the real property without seeking any valuation for the businesses.

Testimony at trial showed that TATB's business model was atypical for a catering business. Both before and after the 2009 sale, the catering business relied on a related party's ownership of the spaces in which it operated. TATB operated entirely inside the

Belvedere, without offering off-site catering. Even though a separate company owned the various ballrooms and parlors, TATB enjoyed the exclusive right to use those event spaces. The kitchens and event spaces used by TATB, like all other spaces inside the Belvedere, required high carrying costs. Because the parties also owned the real estate companies, they did not charge a fair market rent to TATB, but instead charged only enough to cover the carrying costs.

TATB received revenue in the form of customer deposits that it collected well in advance of an event. The typical TATB contract required customers to pay 25 percent of the price at the time they booked an event (usually one year in advance), with three additional 25% payments due before the event. Under Mr. Persaud's management, TATB often would redirect funds out of TATB's accounts and into his other investments at the Belvedere. In effect, TATB would cover its current obligations to customers by collecting additional deposits from other customers for future events.

In the early years of TATB's operations, the company's accountant used accrual-basis accounting. Under that method, customer deposits would be recorded as a liability until the date of the event, to represent the company's obligation to perform the future event. Beginning in 2013, Mr. Persaud directed his accountant to switch to cash-basis accounting. That method essentially treats the deposits as income as soon as the deposits are received, without reflecting the corresponding future liability.[12] At trial, Mr. Persaud

[12] Nevertheless, the accountant needed to convert back to an accrual basis at the end of each year when reporting income for tax purposes.

testified that he preferred cash-basis accounting because it gave more accurate information about the company's profits. Ms. Goad argued that his true motive was to show a profit higher than the actual profit, in order to impress lenders.

When Ms. Goad assumed control of operations, she installed a new accountant, Ira Tucker, who returned to accrual-basis accounting for TATB's financial statements. Mr. Tucker considered cash-basis accounting to be "very misleading" for a company that collects deposits well in advance of events. In his opinion, cash-basis financial statements "would overstate the net worth" of TATB because they would "underestimate[] liabilities." Using accrual-basis accounting, Mr. Tucker reported that TATB had significant liabilities in the form of "deferred revenue," resulting from the deposits for events that it had not yet performed. According to Mr. Tucker, TATB had about $850,000 in "deferred revenue" at the end of 2015, but it held only about $173,000 of cash in bank accounts. He reported that the "deferred revenue" increased to more than $1,600,000 by the halfway point of 2016, against about $427,000 in the bank. He reported an even greater deficit at the end of the third quarter of 2016.

Mr. Tucker testified that TATB was "definitely insolvent," because the ratio of its current liabilities to its current assets exceeded 1:1. According to his financial statements, the ratio of TATB's total current liabilities to its total current assets was around 2:1. He further opined that the true degree of insolvency was even greater than his statements would make it appear. His statements treated a note due from the residential real estate company, BCRE, as a current asset of TATB worth around

$300,000, even though BCRE had spent that money on renovations and lacked the ability to repay it. His statements treated the withdrawals of more than $200,000 from TATB's business accounts as "loans" to Mr. Persaud and thus as assets of TATB, even though there was no expectation that he would ever repay the money.

At trial, Mr. Persaud relied on testimony from Kristopher Hallengren, whom the court accepted as an expert in business valuation. Mr. Hallengren opined that TATB was worth $1,198,000 as of December 31, 2015. One major component of his valuation was his analysis of TATB's financial records, from which he concluded, after making certain adjustments, that TATB maintained "positive cash flows" for several years. He relied on the financial statements prepared by TATB's former accountant, who used cash-basis accounting for 2013, 2014, and 2015. He did not rely on the financial statements prepared by Mr. Tucker, who used accrual-basis accounting for 2015 and the first three quarters of 2016. Mr. Hallengren pointed to the change in accounting method as one of several reasons for excluding the data compiled by Mr. Tucker.

Ms. Goad countered with testimony from her own business valuation expert, David Witherspoon. He opined that the catering company, TATB, and the real estate holding company, S&H, should be valued as a single entity. In his opinion, TATB was "wholly dependent" on the real estate in which it operated, while S&H was "wholly dependent" on the catering company as its sole tenant. Emphasizing that TATB's "customers sign a contract that both lines up the catering and the usage of the real estate simultaneously," he opined that the two companies were "designed to operate as a single

entity and a single business unit." He predicted that, in any hypothetical transaction, willing parties would only agree to buy or sell both companies at the same time.

Mr. Witherspoon used a valuation date of June 30, 2016, because he had been informed that counsel for the parties had agreed to use that date. His valuation relied on Mr. Tucker's financial statements, which used accrual-basis accounting for 2015 and the first six months of 2016. Mr. Witherspoon concluded that TATB "would lose approximately $100,000.00 in cash flow every year" if it were paying fair market rent at the Belvedere and fair market wages to a manager. He further opined that no rational buyer would be willing to take on TATB's "working capital deficiency," primarily resulting from the deferred revenue for future events, without subtracting that deficiency "from a purchase price dollar for dollar[.]" Overall, he concluded that fair market value of TATB and S&H, as a combined entity, was negative $1,759,444 as of June 30, 2016.

In rebuttal, Mr. Hallengren defended his decision to value TATB as of the end of 2015 and criticized aspects of Mr. Witherspoon's methodology. Mr. Hallengren believed that TATB and S&H should be valued as two separate entities, primarily because "real estate appraisal is different from the appraisal of an operating entity." He suggested that TATB could offer "offsite catering" outside the Belvedere, and that it could "allow other caterers" into its events spaces and "charge a facility fee" to those caterers.

Before the court addressed the valuation of the businesses, it first determined the value of the commercial and retail condominium units owned by S&H. Based on the appraisals from the real estate experts, the court found that S&H owned properties with a

total fair market value of $4,610,000. The court subtracted $3,679,812 of total encumbrances on those properties, to arrive at a net value of $930,188 for S&H.

In a separate section of its opinion, the court discussed the conflicting testimony from the business valuation experts. The court found that counsel for the parties "had agreed that their experts would value all property and businesses as of June 30, 2016." In determining the value of BRG-II, the operating entity for the Owl Bar, the court credited Mr. Witherspoon's valuation because it was "more current than Mr. Hallengren's and it more closely reflects the current operations" of the companies, in which the 13th Floor was "now used as a venue for events hosted by TATB[.]"

With respect to TATB, the court wrote that it was "challenged to place great weight on either Mr. Hallengren or Mr. Witherspoon's estimated values[.]" The court noted that "Mr. Hallengren's value was based on 2015 end-of-year cash basis accounting data." "Given the nature of [TATB's] operations," the court wrote, "an accrual basis accounting system more accurately reflects the finances of the business." On the other hand, the court criticized Mr. Witherspoon's analysis, stating that his treatment of S&H and TATB as a single entity "masks the true value of each LLC." Observing that a few "soundly based adjustments in variables used by Mr. Witherspoon" would result in "vast changes in value," the court said that it was "reluctant to place great weight on his work."

Ultimately, the court found that the value of TATB was zero, "[g]iven its dependence on S&H for rent 'at cost[.]'" "In other words," the court said, "if S&H sold its real property to a third party that charged TATB market rent, TATB would cease to

exist, given the competitive market for catering services." In a footnote, the court mentioned that TATB paid only $10,000 to purchase the predecessor catering business in 2009, a price that "considered the lack of working capital in [the company's] possession, which resulted in a reduction in the then-owner's take-back financing."

When the court declined to amend its finding as to the value of TATB, it stated that "TATB has no value absent ownership of the real estate." The court said that "the value of TATB is inextricably tied to the value of the real estate used by it, which was obvious in the original sale" from 2009. The court added that its "conclusion is further supported by the testimony of Mr. Tucker with respect to TATB's financial position."

On appeal, Mr. Persaud contends that the trial court erred in finding that the value of TATB was zero. He asserts that the evidence presented at trial "constrained the court to assign a positive value" to TATB. He asks this Court to require the trial court to "[r]econsider and accept the testimony" of his business valuation expert, Mr. Hallengren, and to "adjust the marital award accordingly."

Maryland courts recognize that "[v]aluation is not an exact science." *Innerbichler v. Innerbichler*, 132 Md. App. 207, 241 (2000) (citing *Brodak v. Brodak*, 294 Md. 10, 27 (1982)). Because "business valuation is far more complex" than the valuation of most types of assets, courts usually require expert testimony to determine the value of a business. *Long v. Long*, 129 Md. App. 554, 570 (2000). Nevertheless, "the trial judge need not accept the testimony of any expert." *Quinn v. Quinn*, 83 Md. App. 460, 470 (1990). An expert's opinion has "'no greater probative value than the soundness of [the]

reasons given'" for the opinion. *Skrabak v. Skrabak*, 108 Md. App. 633, 648 (1996) (quoting *Beatty v. Trailmaster Prods., Inc.*, 330 Md. 726, 741 (1992)) (further citations and quotation marks omitted). Where "'there are two experts, the trier of fact must evaluate the testimony of both of them and decide which opinion, if any, to accept.'" *Long v. Long*, 129 Md. App. at 570 (quoting *Quinn v. Quinn*, 83 Md. App. at 470).

Mr. Persaud objects to the trial court's decision to discount what he calls "credible evidence" from his expert witness. Touting Mr. Hallengren's "credentials," the "rigor" of his methods, and the "reasonableness" of his assumptions, Mr. Persaud asserts that it would have been "proper for the trial court to heavily credit" Mr. Hallengren's testimony.

Mr. Persaud cites no case holding that a trial court was required to credit an opinion from a particular expert. He purports to rely on *Goldberg v. Goldberg*, 96 Md. App. 771, 777-80 (1993), in which this Court held that a trial court did not err when it credited valuation testimony from one expert and rejected testimony from another. The *Goldberg* Court explained: "A trial court is afforded discretion . . . in accepting or rejecting evidence to arrive at valuations for determining marital property." *Id.* at 780 (quotation marks omitted).

Under our standard of review, it is improper for this Court to make its own assessment of the relative weight of expert opinions. "This Court's job on appeal 'is not to re-weigh expert testimony, but to assure that there is an adequate foundation for the opinion rendered below.'" *Skrabak v. Skrabak*, 108 Md. App. at 648 (quoting *Strauss v. Strauss*, 101 Md. App. 490, 506 (1994)). "[T]he strength of the methodology relative to

the accuracy of the analysis performed by the expert is immaterial under the clearly erroneous standard of review." *Long v. Long*, 129 Md. App. at 570 (citing *Strauss v. Strauss*, 101 Md. App. at 509). Generally, this Court will uphold a decision to credit an opinion on valuation where the opinion is "explained in detail" and not "totally devoid of reason or logic." *Fox v. Fox*, 85 Md. App. 448, 459 (1991).

The trial court here identified a combination of valid reasons to discount Mr. Hallengren's valuation. Unless the parties agree otherwise, marital property must be valued as of the date of the divorce judgment, based on the evidence produced at trial. *See Dobbyn v. Dobbyn*, 57 Md. App. 662, 676 (1984); *see also Doser v. Doser*, 106 Md. App. 329, 348 (1995); *Rosenberg v. Rosenberg*, 64 Md. App. at 507-08. Yet, here, the court noted that Mr. Hallengren used the valuation date of December 31, 2015, even though it found that the parties' counsel had agreed on the valuation date of June 30, 2016. The court observed that Mr. Hallengren's valuations did not reflect the state of operations in 2016, because TATB had added the 13th Floor as a venue.

More importantly, the court discounted Mr. Hallengren's opinion because his assessment of TATB's performance depended on cash-basis accounting data from 2015. As with any expert opinion, an opinion on the valuation of a business "has no greater value than the facts on which it is based." *Prahinski v. Prahinski*, 75 Md. App. 113, 125 (1988) (citation and quotation marks omitted). Mr. Hallengren explained why he thought it was reasonable to rely on the cash-basis accounting data, but other testimony supported the conclusion that cash-basis accounting might show a higher profit than TATB's actual

profit.

In addition to praising the work of his own expert, Mr. Persaud challenges the soundness of the work of the competing expert, Mr. Witherspoon. For our purposes, questions about Mr. Witherspoon's approach to valuing TATB jointly with S&H are immaterial, because the trial court did not rely on those calculations. In fact, the court echoed the criticisms of Mr. Witherspoon's approach when it commented that combining TATB and S&H "masks the true value of each LLC." The court determined the value of S&H as an independent real estate entity, arriving at a net value of $930,188. The subsequent analysis of the value of TATB neither increased nor decreased the finding of the value of S&H.

Mr. Persaud argues that, even though the court "technically" determined the value of TATB and S&H as separate entities, "in practice" the court "wrongly coupled" the value of both companies. His argument misconstrues what the court meant when it said that "the value of TATB is inextricably tied to the value of the real estate used by it[.]" The court explained in its original opinion that it found that TATB's profitability depended on the ability to rent its operating spaces for less than a fair market rent. Because the court had rejected the data underlying Mr. Hallengren's analysis of TATB's profitability, the court was not required to accept his opinion that TATB would earn a profit even while paying fair market rent to an unaffiliated third party.

Looking beyond the expert testimony, Mr. Persaud also insists that it "simply defies logic" to conclude that TATB could have zero value, given "the undisputed

testimony that the income of TATB was customarily used by the parties to fund other ventures." To the contrary, this very practice of shifting the revenue out of TATB into other investments substantially diminished the company's value. Mr. Tucker explained that redirecting customer deposits into illiquid real estate investments for other entities "in and of itself has a negative impact on [TATB's] ability to meet its obligations as they become due." Even Mr. Hallengren agreed that a potential buyer would reduce the purchase price to account for TATB's working capital deficiency, but he believed that a buyer would not reduce the price dollar-for-dollar.

Mr. Hallengren downplayed the fact that the original owner of the catering business had agreed to a dollar-for-dollar price reduction, reasoning that "2009 was not an optimal time to sell a business" given "the state of the economy at that time[.]" For similar reasons, Mr. Persaud argues that the trial court was clearly erroneous in looking to the 2009 sale to confirm its conclusion that the value of TATB was tied to the Belvedere real estate. Yet contrary to his argument, the court did receive some evidence of the "comparable nature" of TATB to its predecessor, which employed the same business model of operating exclusively in spaces at the Belvedere owned by an affiliated entity.

In sum, Mr. Persaud's various arguments about the value of TATB cannot overcome the deferential standard of review. The "trial court has discretion to accept or reject evidence to arrive at valuations for determining marital property." *Long v. Long*, 129 Md. App. at 570. Even though another fact-finder might have reached a different conclusion, the trial court was not clearly erroneous when it rejected Mr. Hallengren's

expert opinion testimony as to the value of TATB.

## III. Disposition of Mr. Persaud's Retirement Assets

Mr. Persaud's retirement assets from his employment with Southwest Airlines were the most valuable assets in his name. At trial, there was no dispute that his retirement assets were marital property. The parties stipulated that his 401(k) retirement savings account had a value of $556,063, and was encumbered by a loan of $45,429, for a net value of $510,534. They stipulated that his profit sharing plan had a value of $223,549 and was unencumbered.

The court has "'broad discretion" to determine the manner in which pensions and retirement benefits should be distributed upon a divorce. *Woodson v. Saldana*, 165 Md. App. 480, 489 (2005). The court has the authority to "transfer ownership of an interest in . . . a pension, retirement, profit sharing, or deferred compensation plan, from one party to either or both parties[.]" FL § 8-205(a)(2)(i). The court may transfer ownership of such a plan, grant a monetary award, or do both when it adjusts the rights and equities of the parties concerning marital property. FL § 8-205(a)(1). Although the statute permits the court to transfer certain retirement assets, it "'does not require [the court] to do so.'" *Otley v. Otley*, 147 Md. App. 540, 558 (2002) (quoting *Klingenberg v. Klingenberg*, 345 Md. 315, 329 (1996)).

In his proposed division of marital property, Mr. Persaud asked for an "equal division" of his retirement assets and asked for Ms. Goad to bear the cost of preparing any qualified domestic relations orders needed to divide those assets. Ms. Goad proposed

that Mr. Persaud should retain full ownership of his retirement assets, as long as the court reduced the monetary award by one-half the value of those assets.

During closing arguments, counsel for Mr. Persaud told the court that he "would have to pay tax" on any "early withdrawal" from his retirement savings. His counsel argued that, if the court were to leave the retirement assets in his name, it would be unfair to reduce the monetary award by the full value of his retirement assets. His counsel stated that, in order "to get a hundred thousand dollars cash, he would have to take probably a hundred and forty or a hundred and fifty out of his retirement, depending on penalties and interest." His counsel suggested that the court should use "like $1.50 or $1.00 or something like that" as the ratio of retirement assets to any reduction in the monetary award.

The court declined to transfer ownership of Mr. Persaud's retirement assets. Instead, the court used the value of those assets to offset the value of other marital property titled to Ms. Goad. The court found that the net value of the retirement assets was $734,183 and consequently reduced the monetary award by $367,092, to represent half of that value. The court made no adjustment for taxes or penalties that Mr. Persaud might incur for early withdrawal from his retirement assets.

When Mr. Persaud moved to alter or amend the judgment, he argued that it was "inequitable" to reduce the monetary award dollar-for-dollar against the value of his retirement assets, because he could not withdraw funds immediately "without incurring penalties and tax consequences." The court denied his request, explaining that its

judgment did not obligate him to liquidate his retirement assets, "so any argument that he will incur early withdrawal penalties is speculative." The court also said that it would not "speculate as to the tax implications that may or may not occur in the future[,]" because it had "not received any evidence from either party regarding the potential income tax consequences of the sale of any marital asset[.]"

On appeal, Mr. Persaud contends that the court abused its discretion by reducing the monetary award, dollar for dollar, based on the value of his retirement assets. He faults the court for failing to account for "his lack of ability to access these resources without penalty or tax consequence." His argument fails, however, to address the grounds on which the court declined to consider those potential consequences.

It is true that, under some circumstances, the circuit court may consider certain tax implications when it considers "any other factor that the court considers necessary or appropriate to consider in order to arrive at a fair and equitable monetary award" under FL § 8-205(b)(11). *See Solomon v. Solomon*, 383 Md. 176, 191 (2004). The court may consider potential tax consequences "only when they are immediate and specific or not speculative." *Id.* (quotation marks omitted). Tax consequences from the premature liquidation of a retirement account may be regarded as "'immediate and specific'" if the record shows that the account holder "had no option other than to withdraw funds from his [or her] retirement accounts in order to pay the marital award." *Id.* at 193.

Here, the monetary award did not require Mr. Persaud to pay anything "from any specific source of funds, let alone his retirement accounts." *Solomon v. Solomon*, 383

Md. at 193. More precisely, the award did not require him to pay anything at all: he receives $120,000 a year, tax-free, from his ex-wife. In addition, the court found that Mr. Persaud can expect to earn about $250,000 per year as an airline pilot, and that he can expect to work for up to 10 years until he will be required to retire at age 65. This record amply supported the conclusion that the monetary award would not require him to liquidate his retirement assets and that "any tax liabilities he may face in choosing to do so are speculative, and not immediate and specific." *Id.* at 194. The court properly treated his assertion that he would incur early withdrawal penalties or taxes as speculative. *See id.*; *see also Innerbichler v. Innerbichler*, 132 Md. App. 207, 238-39 (2000); *Rosenberg v. Rosenberg*, 64 Md. App. 487, 526 (1985).

Moreover, the trial court correctly recognized that it could not evaluate any asserted tax consequences without evidence of what those consequences might be. *See Williams v. Williams*, 71 Md. App. 22, 37 (1987) (stating, in the context of a remand to revaluate monetary award, that the trial court must consider tax consequences only if "evidence of tax consequences is presented" and if the evidence is not speculative). The court received no information about specific consequences of early withdrawals from Mr. Persaud's 401(k) retirement savings account or from his profit sharing plan. His attorney's vague assertions about the implications of early withdrawals were not in evidence. Furthermore, the court had no clear picture of what portion of his retirement assets (if any) he might decide to liquidate early. Under any scenario, it would be unreasonable to find that he will liquidate both accounts, immediately, in their entirety.

Even if we assume that Mr. Persaud might liquidate (or borrow against) some of his retirement assets in the near future, we would still disagree with his assertion that the court's decision resulted in any "gross imbalance" or "clearly inequitable" outcome. He claims that the court "wrongly equated" the value of his retirement assets with "the cash value of the monetary award the court was calculating[.]" Yet even though a monetary award is paid as sums of money, the award here was based primarily on the value of real property and businesses owned by Ms. Goad. Mr. Persaud attempts to portray her holdings as liquid assets, by insisting that she "has immediate access to hundreds of thousands of dollars of cash and millions of dollars' worth of real estate at her disposal[.]" She correctly responds that the "hundreds of thousands of dollars of cash" to which he alludes are actually the deposits held by the catering business for future events that it is obligated to perform. Moreover, Ms. Goad does not have "immediate access" to the value of her real estate, and (as Mr. Persaud conceded during trial) she would need to incur substantial transaction costs to liquidate those holdings.

The circuit court aptly noted a degree of inconsistency in Mr. Persaud's arguments about his retirement assets and Ms. Goad's real estate holdings. Mr. Persaud insisted that the court must consider unspecified penalties or tax consequences that he might incur for early withdrawals from his retirement assets, but at the same time he argued that the court must not consider the costs associated with sales of her real property because doing so would be "impermissibly speculative." *Coviello v. Coviello*, 91 Md. App. 638, 657 (1992). The trial court, in its amended judgment, appropriately decided not to speculate

about either matter. We perceive neither error nor abuse of discretion in those decisions.

## IV. Method of Payment for Monetary Award

Mr. Persaud challenges the payment schedule requiring Ms. Goad to pay the monetary award of $763,150 in monthly installments of $10,000 until it is satisfied, about six-and-a-half years after the divorce. He contends that the circuit court abused its discretion in establishing this payment method.

"Decisions regarding the method of payment of a monetary award lie within the sound discretion of the trial court." *Thacker v. Hale*, 146 Md. App. 203, 214 (2002). FL § 8-205(b) requires the court to determine the method of payment based on its consideration of the same factors used to determine the amount of the monetary award. *See, e.g.*, *Schweizer v. Schweizer*, 301 Md. 626, 630 (1984). This provision authorizes the court to allow an award "to be paid in installments over time." *Thacker v. Hale*, 146 Md. App. at 215. "'The entire award can be made immediately due and payable or all or part of it can be made payable in the future.'" *Schaefer v. Cusack*, 124 Md. App. 288, 302 (1998) (quoting *Scott v. Scott*, 103 Md. App. 500, 517 (1995)) (further citation and quotation marks omitted); *see also Doser v. Doser*, 106 Md. App. 329, 351 (1995).

This Court has emphasized that "'the terms of the payment must be fair and equitable, and the court should consider the method of payment in light of the payor's ability to pay.'" *Lee v. Andochick*, 182 Md. App. 268, 291 (2008) (quoting *Innerbichler v. Innerbichler*, 132 Md. App. 207, 243 (2000)) (further citations and quotation marks omitted). The court may draw inferences about a party's ability to pay "from the

financial evidence adduced on the other issues in the case." *Williams v. Williams*, 71 Md. App. 22, 38 (1987). If the award is based on the value of assets that are not available for immediate monetary payment, the court may not order an immediate payment absent evidence of the payor's ability to pay the award (or to borrow and repay). *See Rosenberg v. Rosenberg*, 64 Md. App. 487, 522-23 (1985). Where the monetary award is largely based on the value of an illiquid asset, such as a business, the court should try to ensure that the payment schedule is "not 'so harsh as to force [the payor] spouse to liquidate his or her . . . interest in order to satisfy' the monetary award." *Innerbichler v. Innerbichler*, 132 Md. App. at 243 (quoting *Deering v. Deering*, 292 Md. 115, 131 (1981)).

Our case law does not prohibit the court from spreading out payments over several years, even without interest. *See Innerbichler v. Innerbichler*, 132 Md. App. at 242-43 (upholding schedule requiring payment of award in semi-annual installments over five years and concluding that this "five-year, interest-free schedule was eminently reasonable" under the circumstances); *Schaefer v. Cusack*, 124 Md. App. at 301-02 (holding that trial court did not abuse its discretion in ordering spouse to pay monetary award over three years instead of ordering a lump-sum payment). On the other hand, the court's discretion has some limits. In *Caccamise v. Caccamise*, 130 Md. App. 505 (2000), this Court refused to uphold an award payable in 14 annual installments, even though the husband's most valuable asset, a business, was not a liquid asset. This Court reasoned that, under the circumstances, the 14-year payment term defeated the purpose of achieving equity between the spouses. *Id.* at 522. "While an immediate payment in full

[was] not required," this Court directed the trial judge to determine "whether the award can be paid in a more expeditious manner or, if not, whether a reasonable amount of interest should be paid to [the payee] for the period of time she is required to wait to collect" the award. *Id*. at 522-23.

Throughout this case, Mr. Persaud never argued that the court should order an immediate payment in full. At trial, he asked for a monetary award of $2,672,000 based on his proposed valuations of the marital property (which were significantly greater than the court's eventual findings). He proposed a schedule under which Ms. Goad would pay him $7,500 per month for five years, in addition to a series of larger sums: a $222,000 payment around the time of judgment; two payments of $250,000; and three more annual payments of $500,000. For her part, Ms. Goad asked the court to order a monetary award of either $134,027 or $704,121, depending on its resolution of other issues. In both proposals, she asked the court to make the award payable at the rate of $10,000 per month. Under her first proposal, she would have paid the award over little more than one year, and under her second proposal she would have paid the award over nearly six years.

During closing arguments, the court asked counsel for Mr. Persaud to explain how Ms. Goad might be able to afford any lump-sum payments. In response, counsel for Mr. Persaud stated that, "depending on the amount" of the award, the court should "spread out payments over time to give Ms. Goad options and opportunity to figure out how to best make that work while still holding on to as much of the assets as possible." His counsel stated that he "does not want any more of a financial harm to come to Ms. Goad

than necessary because if [the award] harms her financially, it harms" the parties' child. Later, his counsel added: "[R]egardless of the number that the Court determines is appropriate, I think it's appropriate to consider a payout over time to minimize the adverse impact on Ms. Goad and the value of her holdings, including her ability to maintain the level of control in the Belvedere."

The circuit court originally granted a monetary award of $649,549, and adopted Ms. Goad's suggestion to require monthly payments of $10,000. In his motion to alter or amend, Mr. Persaud argued that it was inequitable to require him to "wait approximately 5 and ½ years to realize the totality of the award, without interest[.]" He asked the court to require Ms. Goad to pay the entire award in a single year, with at least one "lump sum" due within six months and the balance due after another six months. In response, Ms. Goad argued that the schedule was "more than fair" to Mr. Persaud and that she had "no financial ability to pay a lump sum marital award." In reply, Mr. Persaud argued that she could "generate hundreds of thousands of dollars in cash" if she sold the home in Bethesda or residential units at the Belvedere.

At the same time that Mr. Persaud was asking the court to create a payment schedule based on the assumption that Ms. Goad would sell her real property, he was also arguing that it was "impermissibly speculative" to consider the estimated costs of selling her real property. The latter argument convinced the court to recalculate and increase the award to $763,150. The court nevertheless found "contradiction" in his arguments. The court noted that Mr. Persaud asserted that it was "speculative" to anticipate that Ms. Goad

would sell her real property, while he was also pointing to hypothetical sales as evidence of her ability to pay lump sums. The court also observed that Mr. Persaud himself had proposed a five-year payment schedule. In those circumstances, the court declined to amend the payment method of $10,000 per month. Because the court had increased the amount of the award, the term for the award increased to nearly six and one-half years.

On appeal, Mr. Persaud argues that he is "entitled to at least one lump sum distribution of his award." He does not repeat the arguments made at trial or in his post-judgment motion. Instead, he argues more generally that the "trial court failed . . . to appreciate the overall picture of the Parties' respective assets" and that "the resulting disparity is plainly inequitable." He argues that the court "failed to consider" a litany of facts that might have weighed in his favor such as: his obligations to pay the judgment creditor from his prior business venture, Mount Vernon Properties; uncertainty that he will be able to sustain the level of income that he earned in 2016; the higher degree of flexibility that Ms. Goad enjoys by holding title to the greater share of marital property; and his substantial contributions to the acquisition of her property. Comments from the bench throughout the trial, however, demonstrate that court was aware of all of those underlying facts, even if the court did not weigh those facts to his liking.

At the end of trial, the court aptly observed that its task was to "balance between the need to compensate the parties fairly and the need to kind of hold this altogether [sic] at the Belvedere because without that there can be no marital award and Ms. Goad would be without any income going forward." The court's opinion recognized that Mr. Persaud

made greater monetary contributions to the well-being of the family, but it also recognized that Ms. Goad made greater nonmonetary contributions when she left her job to care for the parties' child. The court contrasted the relative stability of Mr. Persaud's salary and retirement assets against the uncertainty faced by Ms. Goad in operating a small business without any retirement savings. This analysis justified the decision to schedule a payout over several years. Adopting a more accelerated schedule might cause Ms. Goad to incur even more debt, which might threaten the viability of her businesses.

On the whole, we perceive no unreasonableness in the court's chosen method of payment. The payment schedule was not so harsh as to force Ms. Goad to liquidate her holdings in order to satisfy the award. *See Innerbichler v. Innerbichler*, 132 Md. App. at 243. At the same time, the six-and-a-half-year term was not so interminable as to defeat the purpose of achieving equity by putting the parties in roughly equal financial positions. *Cf. Caccamise v. Caccamise*, 130 Md. App. at 522.

## V. Credit Card Reward Points

As the final issue, Mr. Persaud contends that the court was required to determine that certain credit card reward points were marital property. On the joint property statement, he asserted that "American Express Points" titled to Ms. Goad were marital property. Ms. Goad disagreed. Both parties stated the value of the asset was "Unknown."

In his testimony, Mr. Persaud mentioned that, during the marriage, he and his wife used an American Express credit card for personal expenses and business expenses. The

card was in Ms. Goad's name, but he was an authorized user. Each month, he said, the parties would pay the credit card bill with funds from bank accounts owned by the businesses. Afterwards, they would separate their personal expenses as an "owner's draw" for tax purposes. Mr. Persaud used the American Express card for business expenses until October 2015, when Ms. Goad asserted control over the businesses. He continued to use the card for personal expenses until February 2016, when she revoked his authorization after he withdrew a total of $290,000 from business accounts.

While cross-examining Ms. Goad, counsel for Mr. Persaud called attention to the "American Express points" item on the joint property statement. Ms. Goad testified that she accumulated "points" whenever the parties used the American Express card. She explained that, as the card holder, she could use the points to pay certain vendors in the "Starwood family of hotels." She believed that she could "[p]robably" use the points for other purchases as well, such as purchases from a restaurant. She estimated that she owned "[c]lose to two million" points at the time of trial. When counsel for Mr. Persaud asked her if she had an idea of how much those points were "worth," as a "dollar value," Ms. Goad stated that she had not looked up information on that matter "in a long time."

During closing arguments, counsel for Mr. Persaud made no mention of the American Express credit card points. He submitted a summary exhibit, stating his proposed values for marital property, his proposed division of marital property, and his proposed monetary award. The exhibit did not assign any particular value to the credit card points, did not suggest that the court should transfer any of those points, and did not

suggest that the court should account for those points when determining the monetary award.

In its initial opinion, the circuit court wrote: "There is no dispute here as to what assets are marital property, save American Express points possessed *by Mr. Persaud*." (Emphasis added.) It is unclear whether the court was under a mistaken impression that the credit card points actually belonged to him or whether the court simply wrote the name of one spouse where it meant to write the other. In any event, the court did not try to determine any value or assign any weight to the credit card points.

Even though Mr. Persaud appeared to have abandoned any claim based on the credit card points, he attempted to revive the issue through his post-judgment motion. Mr. Persaud pointed out that the court's opinion erroneously stated that *he* owned the credit card points, when in fact Ms. Goad owned those points. He asked the court to order Ms. Goad to "transfer at least half of the American Express points" to him. In response, Ms. Goad argued that the court lacked the authority to transfer the ownership of credit card points; that Mr. Persaud had failed to prove that the points "were in fact marital property"; and that he had failed to prove the fair market value of those points.

When the court issued its amended order, it decided that Ms. Goad should retain all credit card points titled in her name. The court wrote that Mr. Persaud had "presented no evidence . . . that the points were in fact marital property."

On appeal, Mr. Persaud contends that the trial court erred by refusing to find that the American Express credit card points were marital property. He asks this Court to

direct the court either to order Ms. Goad to transfer half of the points to him or to increase his monetary award to account for the value of points retained by Ms. Goad.

Neither party here suggests that any Maryland appellate court has considered whether credit card reward points may qualify as marital property. As mentioned previously, "'[m]arital property' means the property, however titled, acquired by 1 or both parties during the marriage." FL § 8-201(e)(1). To qualify as marital property, an asset must first qualify as "property." *Solomon v. Solomon*, 383 Md. 176, 204 n.18 (2004). The "term 'property' as used in the statute . . . encompass[es] 'everything which has exchangeable value or goes to make up a [person]'s wealth – every interest or estate which the law regards of sufficient value for judicial recognition.'" *Id.* at 204 (quoting *Deering v. Deering*, 292 Md. 115, 125 (1981)). Many intangible assets meet this definition, but others do not. *See Solomon v. Solomon*, 383 Md. at 205-06.

The court's statement that Mr. Persaud "presented no evidence . . . that the points were in fact marital property" is a compound statement. The statement might mean that the court was not convinced that the credit card points met the definition of "property." Ms. Goad's testimony suggested that she could redeem the points for some goods or services, but "there 'was no evidence that the right to use the [points] was assignable, let alone assignable for any consideration.'" *Lee v. Andochick*, 182 Md. App. 268, 296 (2008). No testimony suggested that the points could be "sold or transferred freely to another party" or that she could "exercis[e] or exchange" the points "in order to receive a particular monetary amount[.]" *Solomon v. Solomon*, 383 Md. at 207. Alternatively, the

court's statement could mean that it was not persuaded that the points had been "acquired . . . during the marriage." FL § 8-201(e)(1). Both parties said that they used the American Express card during the marriage, but they did not mention when Ms. Goad first acquired the card or what the point balance might have been before the marriage.

As the party asserting that the credit card points were marital property, Mr. Persaud bore the burden of producing evidence of both the marital nature of the asset and its value. *See Murray v. Murray*, 190 Md. App. 553, 570 (2010); *Odunukwe v. Odunukwe*, 98 Md. App. 273, 282 (1993); *Melrod v. Melrod*, 183 Md. App. 180, 194 (1990). "Only those marital assets which have been sufficiently identified and valued can be considered in any court award." *Pickett, Houlon & Berman v. Haislip*, 73 Md. App. 89, 98 (1987) (citing *Green v. Green*, 64 Md. App. 122, 139 (1985)). Mr. Persaud asserts that "there was ample testimony as to the marital nature of the card (and thereby the points), and as to the value of the points."

Even if we agreed that the credit card points were marital property, the record certainly did not include sufficient evidence of value. Mr. Persaud's admission on the joint property statement that the "Value" of the "American Express Points" was "Unknown" constituted a formal stipulation of that fact. *See Flanagan v. Flanagan*, 181 Md. App. 492, 529 (2008); *Beck v. Beck*, 112 Md. App. 197, 205 (1996). The evidence at trial did not make the value known to the court. Ms. Goad had no idea of what two million points might be worth as a monetary value. Mr. Persaud did not put on evidence or suggest any method from which the court might determine the value of the points.

Despite lacking any evidence that the credit card company would even permit Ms. Goad to transfer the points to another person, Mr. Persaud suggests that the court should order Ms. Goad to transfer half of her points to him. He does not identify any authority for the court to order such a transfer. FL § 8-202(a)(3) expressly states that "the court may not transfer the ownership of personal or real property from [one] party to the other[,]" except as provided in FL § 8-205. In turn, FL § 8-205(a) permits the transfer of an interest in a few enumerated types of property: pension, retirement, profit sharing, or deferred compensation plans; family use personal property; and real property jointly owned by the parties and used as the principal residence of the parties when they lived together. Outside of those express grants, the court lacks authority to alter title to property held by the parties. *See Herget v. Herget*, 319 Md. 466, 471 (1990); *Pleasant v. Pleasant*, 97 Md. App. 711, 720 (1993).

Just as Mr. Persaud has failed to identify an evidentiary basis to determine the monetary value of the credit card points, so too has he failed to identify any legal basis for a court-ordered transfer of the ownership of those points. The circuit court properly left the credit card points of unknown value titled to Ms. Goad.

## CONCLUSION

For the reasons discussed above, we see no basis to set aside the monetary award. The law provides no precise formula for addressing a set of financial and equitable circumstances as unique as the one seen here. The law only demands a trial judge's careful exercise of discretion within a range of reasonable outcomes. The court here was

even-handed in its decisions and transparent in its reasoning. While it is true that a reasonable fact-finder might have granted Mr. Persaud a more generous award, it is also true that another reasonable fact-finder might have granted him a less generous one.[13]

The judgment is affirmed.

**JUDGMENT OF THE CIRCUIT COURT FOR BALTIMORE CITY AFFIRMED. COSTS TO BE PAID BY APPELLANT.**

[13] The court ruled against Mr. Persaud on issues discussed in this opinion, but it also ruled in his favor on others. The court: declined to consider an impending special assessment from the Belvedere condominium association, even though Mr. Persaud himself anticipated the need for about $1 million of building repairs; rejected Ms. Goad's proposal to apply a "blockage discount" to the value of her properties; found that the value of BRG-II was $76,817 greater than the value proposed by Mr. Persaud's expert; accounted for the total value of $72,245 for Ms. Goad's smaller assets, even though Mr. Persaud had encouraged the court to exclude those assets from its calculation; and credited Mr. Persaud's testimony that he spent $62,000 of his withdrawals from the business accounts to pay down the debt that both parties owe to Mr. Persaud's brother.