

Circuit Court for Montgomery County
Case No. 175814FL

UNREPORTED
IN THE APPELLATE COURT
OF MARYLAND*

No. 2512

September Term, 2024

CHANAN ZLOTNITSKY

v.

LIMOR ZLOTNITSKY

Graeff,
Leahy,
Wright, Alexander, Jr.
(Senior Judge, Specially Assigned),

JJ.

Opinion by Wright, J.

Filed: June 5, 2026

*This is an unreported opinion. This opinion may not be cited as precedent within the rule of stare decisis. It may be cited for its persuasive value only if the citation conforms to Rule 1-104(a)(2)(B).

This appeal stems from a judgment, entered in the Circuit Court for Montgomery County, granting Chanan Zlotnitsky (“Husband”) an absolute divorce from Limor Zlotnitsky (“Wife”). In that judgment, the court resolved issues related to, among other things, marital property, spousal support, child support, and attorneys’ fees.

Husband appeals from that judgment, raising two questions for our review. For clarity, we have rephrased those questions as¹:

1. Did the trial court err in calculating Husband’s income, causing Husband’s income to be artificially inflated when the court determined spousal support, child support, and attorneys’ fees?
2. Did the trial court err in finding that Husband had dissipated marital funds?

For reasons to follow, we hold that the trial court erred in calculating Husband’s income. We therefore reverse that portion of the court’s judgment, as well as the portions of the judgment concerning spousal support, child support, and attorneys’ fees, and we remand the case for further proceedings consistent with this opinion. Otherwise, we affirm.

¹ Husband phrased the questions as:

1. Did the trial court err in calculating [Husband’s] gross income by adding his annual compensation from CEO Development Group of \$240,000, and the deposits of that same pay into his personal checking account, thereby double counting his compensation?
2. Did the trial court err in finding dissipation of a marital asset where [Husband] withdrew funds from one jointly owned investment account to invest in another jointly owned investment account, where the record contained no evidence of bad faith, financial misconduct, or use of these funds for a nonmarital purpose, and the funds were traceable and remained within the marital estate?

BACKGROUND²

Husband and Wife were married in 1993. The parties had four children, three of whom have since become emancipated. The parties' youngest child was twelve years old at the time of trial.

In 2021, Wife filed for divorce, and Husband subsequently filed a counter-complaint for divorce. A four-day merits trial was held beginning in July 2024.

Husband's Income

At trial, Husband proffered that, as recently as 2021, he had a gross monthly income of approximately \$54,000.00, which he had received through various business interests. Husband testified that, since that time, his income had declined. In 2022, Husband received a total of \$328,182.00 in distributions from his interest in a company he started with his brother, CEO Housing Partners, LLC. That same year, Husband began working as an independent contractor for a different company, CEO Development Group, LLC, earning \$20,000.00 per month. Husband testified that he did not receive any distributions from CEO Housing Partners in 2023 or 2024. Husband testified that, in 2024, his income was derived almost entirely from his work as an independent contractor for CEO Development Group.

Both parties prepared summary exhibits, which the court accepted into evidence, reflecting their respective interpretations of monies that had been deposited in Husband's personal checking account in 2024 from his various business interests. Husband's exhibit

² Because Husband challenges only a few specific rulings by the trial court, we present only those facts necessary to decide the issues raised in this appeal.

showed that, as of June 2024, he had received approximately \$250,000.00 from CEO Housing Partners and approximately \$9,000.00 from other sources. Husband testified that a portion of the \$250,000.00 he received in 2024 was actually carry-over income that he had earned in 2023 from CEO Development Group but that he had not collected until 2024 for tax purposes. Husband testified that, for the purposes of the summary exhibit, he combined all payments he received from CEO Housing Partners and CEO Development Group into one category. Husband testified that the entirety of the \$250,000.00 he received in 2024 was from his work as an independent contractor for CEO Development Group. According to Husband's summary exhibit, Husband's average income in 2024 was approximately \$21,000.00 per month.

Like Husband's summary exhibit, Wife's summary exhibit showed that Husband had received \$250,000.00 from CEO Housing Partners and CEO Development Group in 2024. In addition, Wife's exhibit included various charges on Husband's business credit cards, as well as payments Husband had received from other business interests in 2023, all of which Wife claimed should be counted as part of Husband's current income. Wife argued that Husband's total income was \$34,145.00 per month, which he derived from two sources: direct money he received as salary, and charges he made on corporate credit cards for personal expenses.

Dissipation

Husband testified that, in 2021, the parties owned a funded money market account through Morgan Stanley (the "Morgan Stanley account"). Husband testified that, after Wife filed for divorce, he accessed a line of credit on the account and transferred approximately

\$500,000.00 into a different joint account and then into his personal checking account. Husband testified that all of that money was then used to buy stocks through a jointly-titled entity, Zlotnitsky Investments, LLC, based on the recommendations of the parties' adult son. Husband testified that he withdrew the funds from the Morgan Stanley account without Wife's knowledge or permission. Husband testified that, as of trial, the value of the investments had dropped significantly. As a result of Husband's actions, the Morgan Stanley account, which was valued at \$581,349.00 at the time of trial, was encumbered by a debt of \$409,723.00, which reduced the marital value of the account to \$171,626.00. Aside from his testimony, Husband did not offer any evidence to show how the funds were utilized after being removed from the Morgan Stanley account or how the purported investments had performed leading up to trial.

Wife argued that Husband had dissipated the \$409,723.00 and that, consequently, the marital value of the Morgan Stanley account should be assessed at \$581,349.00. Wife argued that she never consented to the removal of the funds and that Husband's insistence that the funds were used for investment purposes was unsubstantiated and not credible.

Trial Court's Ruling

Following trial, the court issued a memorandum opinion and accompanying judgment. Among its many decisions, the vast majority of which are not germane to the instant appeal, the court granted primary physical custody of the parties' minor child to Wife and ordered Husband to pay child support. In so doing, the court made the following findings regarding Husband's income:

[Husband] testified that he makes \$20,000.00 per month working as an independent contractor at CEO Development Group.

[Wife] argued that the Court should find [Husband's] income to be greater than \$240,000.00 annually because he receives income from his business interests and uses corporate credit cards to cover some of his expenses. Additionally, [Wife] believes that [Husband] will secure a business interest in his current employer, which is owned by his brother, once the divorce is finalized. She argues that the only reason he does not have an interest now is because he wants to minimize his income for alimony and child support purposes. In support of this allegation, [Wife] offered a summary spreadsheet that details transfers and deposits into [Husband's] personal checking account in the year preceding trial. The spreadsheet shows deposits from CEO Housing Partners LLC, 1267 North Laurel Venture LLC, CEO Development Group, miscellaneous checks, and Zelle and Venmo transfers. [Husband] offered his own summary spreadsheet in rebuttal to [Wife's] spreadsheet. [Husband's] spreadsheet went back eighteen months and showed largely identical transfers to [Wife's] summary spreadsheets, though it did not show any of the transfers from CEO Development Group.

In comparing the spreadsheets and analyzing the deposits, the Court agrees with [Wife] that the deposits from CEO Housing Partners LLC, 1267 North Laurel Venture LLC, and CEO Development Group are additional income. The Court does not agree that the check deposits, which [Husband] testified were from selling his Porsche and his iControl settlement, should be considered part of [Husband's] income. Additionally, the Court was not persuaded that the Zelle and Venmo transfers were income. Further, in making an income determination, the Court only considered the income [Husband] has earned in 2024. [Wife's] summary went back one year before trial, but the Court was not able to determine whether there was other income earned in the first half of 2023 that was not represented by the chart. Therefore, the Court only used the deposits from 2024 and has determined that [Husband] received additional income of \$190,882.70 from CEO Housing Partners, LLC; \$4,972.90 from 267 North Laurel Venture, LLC; and \$60,000.00 from CEO Development Group. The Court did not speculate as to whether [Husband] would receive any similar payments in the remainder of 2024. This totaled \$255,855.60 in additional income on top of [Husband's] wages as an independent contractor.

In support of her allegation that [Husband] has additional income because he puts personal expenses on corporate credit cards, [Wife] offered a summary spreadsheet of what she believes are [Husband's] personal charges on CEO Housing Partners LLC's American Express card. The Court

determined that [Husband] paid those expenses from his personal account and that these charges are not additional income. Therefore, the Court finds that [Husband's] monthly income is \$41,321.30.

(Footnotes omitted.)

The court also identified and valued the parties' marital property. Regarding Wife's dissipation claim, the court found as follows:

[Wife] alleges [Husband] took out a line of credit against the Parties' jointly titled Morgan Stanley Select UMA account ending in 3203 and the Morgan Stanley LOC account ending in 3204. She argues this was dissipation because [Husband] failed to get her consent before he took out the line of credit, did so during the separation after she had filed for divorce, and he used the funds for investing rather than an appropriate family purpose. She further argues that she would not have consented to taking a line of credit against their assets at the time. The investments did not perform and the lien against the Morgan Stanley accounts was \$409,723.00 as of the date of trial. [Husband] admits he withdrew the funds to make an investment and argues that had the investment performed well [Wife] would be requesting a share of the return on investment rather than claiming dissipation; however, he offered no evidence to support how the investment was appropriate at the time it was made.

The Court finds that [Husband] took out a line of credit against the joint account during the separation without [Wife's] consent and invested those funds into his son's company. He did so by transferring the funds to his Chase Checking account ending in 6679 and then into Zlotnisky Investments. Consequently, the Parties have a \$409,732.00 outstanding liability against the joint account. The Court credits [Wife's] testimony that she would have not authorized the use of these funds for any investments while the Parties were in contested litigation. At the time [Husband] made these investments he stated he could not afford to pay for the minor child's educational and therapy expenses. [Husband] offered no valid reason for investing such a large sum of money into his son's business nor did he offer any evidence as to how and when the funds were lost or if, in fact, they were actually lost in the investment. The Court finds that [Wife] has met her burden in demonstrating that [Husband] dissipated marital funds as [Husband] had no appropriate family purpose for the expenditure.

Based on those findings, as well as many other findings not relevant here, the court ordered Husband to pay Wife a monetary award of \$430,141.00. In addition, the court ordered Husband to pay Wife \$10,000.00 per month in indefinite alimony, \$5,200.00 per month in child support, and \$35,000.00 in attorneys’ fees.³

This timely appeal followed. Additional facts will be supplied as needed below.

STANDARD OF REVIEW

“A trial court’s judgment regarding dissipation is a factual one and, therefore, is reviewed under a clearly erroneous standard.” *Solomon v. Solomon*, 383 Md. 176, 202 (2004). A court’s judgment regarding a party’s income is also factual and is likewise reviewed under the clearly erroneous standard. *Reynolds v. Reynolds*, 216 Md. App. 205, 223-24 (2014).

DISCUSSION

I.

Parties’ Contentions

Husband argues that the trial court erred in finding that his monthly income was \$41,321.30. Husband contends that the court “double counted” his income by treating the \$250,882.70 in deposits into his personal checking account in 2024 as being separate from the \$240,000.00 per year he received from CEO Development Group as an independent contractor. Husband argues that the evidence did not support the court’s decision, as neither he nor Wife ever asserted that the deposits into his account were anything other than his

³ The trial court originally ordered Husband to pay \$75,000.00 in attorneys’ fees, but the court later reduced that amount after Husband filed a motion for reconsideration.

salary from CEO Development Group. Husband contends that the court’s income determination must therefore be reversed and that the case must be remanded for a redetermination of his income. Husband also contends that, because the court’s determinations regarding spousal support, child support, and attorneys’ fees were based on an erroneous assessment of his income, those determinations must also be reversed, and, on remand, the court should make new findings in light of Husband’s redetermined income.

Wife contends that the court did not err. Wife argues that the court’s assessment of Husband’s income was proper based on Husband’s testimony that he earned \$240,000.00 from CEO Development Group and the parties’ summary exhibits, which showed, according to Wife, additional income from other sources. Wife argues that the court was not required to accept Husband’s explanation that the two incomes were the same.

Analysis

When determining the amount of a parties’ child support obligation, a court must assess the “actual adjusted income” of each party. *Reichert v. Hornbeck*, 210 Md. App. 282, 316 (2013) (cleaned up); *see also* Md. Code, Fam. Law (“FL”) § 12-204(a). “‘Actual income’ means income from any source.” FL § 12-201(b)(1). Although the recognized sources of income are many, *see* FL § 12-201(b), a court’s calculation of a party’s support obligation must be based on the party’s verified “actual” income.⁴ *Reichert*, 210 Md. App. at 316-17 (cleaned up). That is, where, as here, a party is employed to full capacity, the

⁴ A court may impute income on a party upon a finding that the party is voluntarily impoverished. FL § 12-201(i)(2). No such finding was made here.

court’s income assessment must be based on evidence of what the party actually receives as income. FL § 12-201(i)(1).

We hold that the court clearly erred in calculating Husband’s income. The court, citing Husband’s testimony, found that Husband earned \$240,000.00 per year from CEO Development Group. The court also found, based on the parties’ summary exhibits, that Husband earned, by way of cash deposits into his checking account, an additional \$250,882.70 from CEO Housing Partners and CEO Development Group in 2024. The court then combined those two “incomes” and determined that Husband earned over \$40,000.00 per month in 2024. The problem with the court’s final determination is that the evidence did not establish, and Wife never argued, that the \$250,882.70 in deposits into Husband’s checking account represented anything other than his yearly salary from CEO Development Group. The court essentially treated the deposits into Husband’s checking account as “actual income” separate from Husband’s yearly salary, even though there was no evidence or argument that Husband actually received that money from a source other than CEO Development Group. Given that the amount of the deposits was consistent with Husband’s yearly salary from CEO Development Group, and given that Wife did not dispute Husband’s claim or otherwise argue at trial that the deposits into Husband’s checking account should be counted in addition to Husband’s yearly salary of \$240,000.00, the court clearly erred in treating the deposits as additional income and in calculating Husband’s income to be \$41,321.30 per month.

As noted, Wife claims that the court’s income determination was not clearly erroneous because that determination was based on two separate pieces of evidence,

namely, Husband’s testimony and the summary exhibits, which established that Husband received \$240,000.00 from CEO Development Group and an additional \$250,882.70 in cash deposits into his checking account from CEO Development Group and CEO Housing Partners. Wife argues that the court was not obligated to credit, and in fact did not credit, Husband’s explanation that the two incomes were the same.

We are not persuaded by Wife’s arguments. To begin with, although Wife did claim at trial that Husband had additional sources of income beyond the \$240,000.00 he received from CEO Development Group, Wife never argued that Husband earned \$250,882.70 per year from CEO Development Group and CEO Housing Partners *and* \$240,000.00 per year from CEO Development Group. As such, Wife’s current claim – that the two “incomes” should be treated separately – is not properly before this court, as it should have been raised at trial. Md. Rule 8-131(a).

Furthermore, the record shows that each of the summary exhibits, which is the evidence Wife now relies upon in claiming that Husband had two incomes, was created and introduced as a summary of all Husband’s earnings, including his salary from CEO Development Group. Rather than treating the summaries as they were intended and incorporating Husband’s salary into the figures presented, the court concluded, erroneously, that the summaries were indicative of some additional income that was separate and apart from Husband’s salary from CEO Development Group. That inference, while perhaps reasonable in a vacuum, was not reasonable in light of the summaries’ intended purpose.

For those reasons, we must reverse the court’s determination regarding Husband’s income, and we must remand the case for a reassessment of Husband’s income in light of the above discussion. And, because the court relied on an erroneous income determination when deciding spousal support, child support, and the award of attorneys’ fees, we must reverse those decisions as well. On remand, the court, upon recalculating Husband’s income, should recalculate, where appropriate, Husband’s obligations regarding spousal support, child support, and attorneys’ fees.

II.

Parties’ Contentions

Husband next claims that the court erred in finding that he dissipated marital assets when he removed money from the parties’ Morgan Stanley account. Husband claims that dissipation arises only when a spouse removes property for “an improper purpose.” Husband argues that Wife did not show an improper purpose and that, at most, his removal of the funds constituted an unwise financial decision.

Wife argues that the court’s dissipation finding was proper. Wife contends that the court correctly applied the law and appropriately determined, based on the evidence, that Husband had dissipated assets.

Analysis

Generally, property disposed of before trial cannot be marital property. *Sims v. Sims*, 266 Md. App. 337, 368 (2025). Where, however, a party has wrongfully squandered, *i.e.*, dissipated, marital property, the court may consider that property in valuing marital property and fashioning a marital award. *Heger v. Heger*, 184 Md. App. 83, 94-95 (2009).

“Wrongful dissipation occurs when one spouse uses marital property for his or her own benefit for purposes unrelated to the marriage, at a time when the marriage is undergoing an irreconcilable breakdown.” *Hiltz v. Hiltz*, 213 Md. App. 317, 349 (2013). Dissipation may also be found when: “(1) the marriage is *not* undergoing an irreconcilable breakdown, and/or (2) the dissipating spouse’s *principal purpose* was a purpose other than the purpose ‘of reducing the amount of funds that would be available for equitable distribution at the time of the divorce.’” *Omayaka v. Omayaka*, 417 Md. 643, 652 (2011) (footnote omitted) (quoting *Welsh v. Welsh*, 135 Md. App. 29, 51 (2000)). In short, “[d]issipation occurs when ‘marital assets [are] taken by one spouse without agreement by the other spouse.’” *Id.* (quoting John F. Fader, II & Richard J. Gilbert, *Maryland Family Law*, § 15-10 (4th ed. 2006)).

“Both the burden of persuasion and the initial burden of production for demonstrating an act of wrongful dissipation are on the party making the allegation.” *Hiltz*, 213 Md. App. at 349. “[A *prima facie* case] of dissipation occurs when evidence is produced that marital assets were taken by one spouse without agreement by the other spouse.” *Omayaka*, 417 Md. at 656 (quoting John F. Fader, II & Richard J. Gilbert, *Maryland Family Law*, § 15-10 (4th ed. 2006)). Once the alleging party makes a *prima facie* dissipation case, “the burden shifts to the alleged dissipator to show that their expenditures were appropriate.” *Sims*, 266 Md. App. at 369. “After the alleged dissipator provides evidence that the expenditure was appropriate, it is up to the circuit court to determine whether the dissipation claimant has proven that the alleged dissipator did indeed dissipate marital assets.” *Id.*

To be sure, “[t]he doctrine of dissipation is aimed at the nefarious purpose of one spouse’s spending for his or her own personal advantage so as to compromise the other spouse in terms of the ultimate distribution of marital assets.” *Heger*, 184 Md. App. at 96. As such, “[i]t matters not ... that one spouse has, post-separation, expended some of the marital assets[;] ... what is critically important is the *purpose* behind the expenditure.” *Hiltz*, 213 Md. App. at 349.

That said, dissipation may be proven by circumstantial evidence. For instance, “[p]roof that a spouse made sizable withdrawals from bank accounts under his or her control is sufficient to support the finding that the spouse had dissipated the withdrawn funds.” *Omayaka*, 417 Md. at 657. Moreover, because dissipation is a question of fact, a court is not required to accept, at face value, a party’s explanation regarding the property at issue. *Hiltz*, 213 Md. App. at 349-50. Thus, where a court is presented with evidence of sizable withdrawals, and the alleged dissipator provides testimony concerning what he or she did with the funds, the court is at liberty to believe or disbelieve the alleged dissipator’s explanation. *Omayaka*, 417 Md. at 657. That is because the court, in assessing the credibility of witnesses, is “entitled to accept – or reject – *all, part, or none* of the testimony of any witness, whether that testimony was or was not contradicted or corroborated by any other evidence.” *Id.* at 659.

Against that backdrop, we hold that the court did not err in finding that Husband had dissipated some of the marital funds contained in the parties’ Morgan Stanley account. Wife presented uncontroverted evidence that Husband made sizeable withdrawals from an account under his control, without Wife’s knowledge or consent, at a time when the

marriage was undergoing an irreconcilable breakdown. That evidence was sufficient to make a *prima facie* case of dissipation. Although Husband did offer evidence, via his own testimony, that the funds were invested for the benefit of the parties and that the funds had been depleted because the investments performed poorly, the court was under no obligation to accept Husband's testimony, particularly given that Husband offered no independent evidence in support. In fact, the court ultimately did reject Husband's claims regarding the fate of the withdrawn funds, and the court found that, absent a credible explanation from Husband that his use of the funds was appropriate, Wife had carried her burden of proving that Husband had dissipated the funds. None of those findings was clearly erroneous.

Husband contends that he “acted with an appropriate purpose” in investing the funds and that the funds were “transparent, traceable, and intended to benefit the marital estate.” Husband also contends that there was no “taking” because he merely transferred the funds from one marital asset – the Morgan Stanley account – to another marital asset – Zlotnitsky Investments, LLC. Husband notes that the court “made no finding that [he] acted in bad faith, concealed assets, diverted funds for personal use, or engaged in financial misconduct.” Husband argues, therefore, that Wife “failed to establish the essential element of dissipation – the removal of assets from the marital estate for an improper purpose[.]”

We find Husband's contentions unavailing. The court was not required to accept Husband's claims regarding what he did with the funds after they were removed from the Morgan Stanley account, nor was the court required to find bad faith or other misconduct in the handling of said funds before determining that the funds had been dissipated. Again, Wife made a *prima facie* case for dissipation by showing that Husband removed the funds

from the Morgan Stanley account without Wife’s knowledge or consent at a time when the marriage was undergoing an irreconcilable breakdown. The onus was thus on Husband to present credible evidence that the withdrawals were appropriate, and the court was free to accept or reject that evidence. Ultimately, the court rejected Husband’s evidence and found that the funds had been dissipated. The court did not err in reaching that conclusion.

**JUDGMENT OF THE CIRCUIT COURT
FOR MONTGOMERY COUNTY
AFFIRMED IN PART AND REVERSED IN
PART; CASE REMANDED TO THAT
COURT FOR FURTHER PROCEEDINGS
CONSISTENT WITH THIS OPINION;
COSTS TO BE PAID 1/2 BY APPELLANT
AND 1/2 BY APPELLEE.**