

IN THE COURT OF APPEALS OF IOWA

No. 8-121 / 07-0578
Filed March 14, 2008

**IN RE THE MARRIAGE OF TRICIA LYNN PLAGMAN
AND TODD ELLIS PLAGMAN**

**Upon the Petition of
TRICIA LYNN PLAGMAN,**
Petitioner-Appellant,

**And Concerning
TODD ELLIS PLAGMAN,**
Respondent-Appellee.

Appeal from the Iowa District Court for Plymouth County, James D. Scott,
Judge.

The petitioner appeals the property distribution provisions of the parties'
dissolution decree. **AFFIRMED.**

Teresa A. O'Brien, Sioux City, for appellant.

Todd Plagman, Orange City, appellee pro se.

Considered by Mahan, P.J., and Eisenhauer and Baker, JJ.

MAHAN, P.J.

Tricia and Todd Plagman were married in June 2004, and their marriage was dissolved in March 2007. Even though the district court awarded her the vast majority of the parties' assets, Tricia claims the court should have ordered Todd to pay "reimbursement" alimony or entered an additional judgment against him in the amount of \$21,000. We affirm the dissolution decree.

I. Background Facts and Prior Proceedings

The record in this case is limited, but we are able to discern the following facts: Both parties had children through prior relationships, but this marriage did not produce any children. Tricia brought a house and personal property to the marriage, and Todd brought a car and personal property to the marriage.

Six months after they were married, Tricia's mother died leaving Tricia approximately \$165,000. Once she received the inheritance, Tricia decided to quit her \$42,000-a-year job so that she could try to sell home-baked cakes. The cake business only generated sixty dollars' worth of income a month, so the parties lived off the inheritance and Todd's monthly net income of \$820. Within twenty months the entire \$165,000 inheritance was gone.

At the dissolution trial Tricia claimed she should be reimbursed for Todd's use of the inheritance during their marriage. She claimed \$21,000 of the \$165,000 spent during the twenty months was solely attributable to Todd, and argued that she should receive the bulk of the parties' assets plus alimony or a personal judgment of \$21,000 against Todd to compensate for the loss of her family inheritance. The district court rejected this proposal. Instead, the court awarded her the \$120,000 house (with its \$48,000 encumbrance) and \$8854 of

the \$11,554 in remaining personal property. The court also assigned Tricia the liability for five credit cards totaling \$1397 and assigned Todd the liability for three credit cards totaling \$1629.

Tricia now appeals, claiming the court erred when it did not award her “reimbursement” alimony or a \$21,000 personal judgment against Todd. Todd did not file a brief in this appeal.

II. Standard of Review

Our standard of review in dissolution of marriage proceedings is de novo. *In re Marriage of Smith*, 573 N.W.2d 924, 926 (Iowa 1998). We examine the entire record and adjudicate rights anew. *Id.* “No hard and fast rules govern the economic provisions in a dissolution action; each decision turns on its own uniquely relevant facts” and we will disturb a ruling only when there has been a failure to do equity. *Id.*

III. Merits

A. Reimbursement Alimony

“Reimbursement” alimony is predicated upon economic sacrifices made by one spouse during the marriage that directly enhance the future earning capacity of the other. *See In re Marriage of Francis*, 442 N.W.2d 59, 64 (Iowa 1989). It is awarded where there is insufficient property to compensate for sacrifices made during marriage, and it is most appropriate in cases where one spouse has obtained education during the marriage that will lead to a well-paying career or job but has not worked long enough at such a job to accumulate property to be shared with the sacrificing spouse. *See id.* at 64-65.

Tricia claims she deserves reimbursement alimony because she paid Todd's pre-marriage legal-related debts. Tricia argues that she enhanced Todd's future earning capacity because, had she not paid his debts relating to court fines and court-ordered domestic abuse counseling, he would be in prison and not earning any income.

We find reimbursement alimony is not appropriate in this case because we reject Tricia's assumption that Todd would be in prison had she not paid for these expenses. She cites no authority and points to nothing in the record to suggest he would have been sent to prison had these expenses not been paid in a timely fashion. We also find the payment of these expenses did nothing to enhance Todd's future earning capacity. None of these payments furthered Todd's education or gave him any specialized or advanced training that could potentially increase his future earning capacity. We find the district court properly denied her claim for reimbursement alimony.

B. Personal Judgment

An equitable distribution of the parties' property must be made according to the criteria set forth in Iowa Code section 598.21(5) (Supp. 2005). Generally, an inheritance received by a spouse during the marriage is not subject to property division unless the failure to do so would be inequitable to the other spouse or the children. Iowa Code § 598.21(6). This rule is followed even when the gifted or inherited asset has been placed in joint ownership, or replaced with another asset. *In re Marriage of Hoffman*, 493 N.W.2d 84, 89 (Iowa Ct. App. 1992).

In *In re Marriage of Harberts*, 492 N.W.2d 435, 436 (Iowa Ct. App. 1992), our court addressed an analogous scenario in which, during the parties' marriage, the wife received a gift of \$2300. The gift was deposited in a joint account and used for household improvements, payment of household bills, and payments on a vehicle loan and credit card bills. *Harberts*, 492 N.W.2d at 437. On appeal, Mr. Harberts argued the district court erred when it required him to reimburse his former wife \$2300 for the gift she received during the marriage because the money was commingled with marital assets and spent on routine family expenses. *Id.* We affirmed, stating: "Based on the short length of the marriage and the purposes for which the money was spent, we find the district court did not err in awarding [the wife] reimbursement for the gift she received during the marriage." *Id.*

We conclude *Harberts* is distinguishable from the present case. In *Harberts*, the gift was used for routine family expenses. In the present case, routine family expenses went out the window once they received the inheritance. Tricia quit her job and made an unsuccessful attempt at a home-based business. At the same time, the couple spent the inheritance at such an alarming rate that, within twenty months, the entire \$165,000 was gone, with very few tangible assets to show for it. The record does not reveal the parties' net worth at the time of the marriage; however, by the end of the marriage, their net worth was only \$80,528. The whereabouts of the bulk of the remaining funds is conspicuously absent, though some of the inheritance was spent to improve the family home.

Upon our de novo review of the evidence, we find that most of the \$21,000 in expenditures that Tricia attributes to Todd, such as his \$2142.28 in medical expenses, were ordinary marital expenses not fairly attributable to one party. We find that only \$5850.36 of the \$21,000 was attributable solely to Todd because they reflect payments that only satisfied Todd's pre-marriage debts and they did not benefit the family.¹

Even if we were to assume the \$5850.36 in expenditures were not gifts from Tricia to Todd, we conclude the property distribution established by the district court adequately compensated Tricia. As noted above, the court awarded Tricia the lion's share of the parties' assets—\$79,457² of the \$80,528 total net worth of the parties. Undoubtedly, some of the assets allocated to Tricia reflect her equity in the home before the marriage, but the limited record in this case does not reveal how much equity she had in the home prior to the marriage. Similarly, her equity in the house at the time of the marriage is further clouded by the unknown value of the sizeable improvements made to the home during the marriage and the unknown value of Todd's labor spent improving the home.³

¹ This consists of \$3982.96 in fines, court costs, and attorney fees relating to incidents prior to the marriage and \$1867.40 used to repay a loan he had taken out prior to the marriage.

² This figure reflects Tricia's net award of \$127,457, reduced by the \$48,000 encumbrance on the family home. We find no merit to Tricia's claim that the district court erred when it did not list the \$48,000 encumbrance on the home in the dissolution decree.

³ The extent of these improvements is not accurately documented in the record. Some of the improvements included new siding, new windows, a new deck, and removal of an interior kitchen wall. Tricia hired professionals to complete some of the work, while other portions were completed by Todd. Although Tricia diminishes the quality of Todd's work, it is clear he invested significant labor into improving the house.

In short, Tricia has failed to convince both the district court and this court that she deserves any additional payment from Todd. We find the distribution plan set forth by the district court to be equitable, and therefore affirm.

AFFIRMED.