

IN THE COURT OF APPEALS OF IOWA

No. 8-925 / 08-0344
Filed December 17, 2008

**IN THE MATTER OF THE ESTATE OF STEVEN CARTER,
Deceased,**

PATRICIA CARTER,
Claimant-Appellant,

vs.

**GENE CARTER, Administrator of the
ESTATE OF STEVEN CARTER, Deceased,**
Administrator-Appellee.

Appeal from the Iowa District Court for Linn County, Robert E. Sosalla,
Judge.

Patricia Carter appeals from the district court ruling concluding she waived
her beneficiary interest in her deceased ex-husband's retirement account and
determining the account was an asset of the decedent's estate. **AFFIRMED.**

Robert F. Wilson of Wilson, Matias, Lahammer & O'Brien, Cedar Rapids,
for appellant.

Kenneth F. Dolezal of Dolezal Law Office, Cedar Rapids, for appellee.

Considered by Sackett, C.J., and Eisenhauer and Doyle, JJ.

DOYLE, J.

This case involves a dispute between a decedent's ex-wife and the decedent's estate over the proceeds of the decedent's retirement account. The district court found the ex-wife waived her beneficiary interest in the retirement account and determined the account was an asset of the decedent's estate. We agree and therefore affirm.

I. Background Facts and Proceedings.

The facts of this case are undisputed. Patricia and Steven were married in 1993. Steven has sons from an earlier marriage. Steven's increasing problem with alcohol led to Patricia and Steven's divorce in December 2005. They entered into a "Stipulation of Settlement," which had been drafted by Patricia's attorney. The stipulation was approved by the district court and made a part of the decree of dissolution of marriage.

Steven owned an American Funds retirement account at the time of the dissolution. Although not specifically referenced in the stipulation or decree, Steven was awarded the account under the stipulation provision that stated: "each party shall keep as their own, free and clear of any claim of the other party, all property in their individual name." It is undisputed that at the time of Steven's death in October 2006 Patricia was still designated as the beneficiary to the retirement account.

The estate filed a "Petition for Retrieving (Possession) of Property of Deceased and Request for Injunctive Relief." The petition requested a writ of replevin for the return of decedent's property in Patricia's possession and for injunctive relief to prevent Patricia from obtaining or disposing of certain property,

including the American Funds retirement account. The district court entered an order providing, among other things, that the estate's administrator, Patricia, and others were prohibited and enjoined from selling, encumbering, transferring, possessing, or cashing in the American Funds retirement account. By agreement of the parties, trial of both the replevin action and the two claims in probate filed by Patricia and her daughter were consolidated for trial. After two days of testimony, the court issued very detailed findings of fact and comprehensive conclusions of law. In reference to the retirement account, the court found:

[W]hile the replevin action did mention the existence of a certain American Funds retirement account, the ownership of which is apparently in dispute, no evidence was presented by either party which would enable the Court to address the issue of ownership of this account at this time. Both parties were advised that they would need to file an additional action to determine the ownership interest of the Estate and/or Patricia Carter in and to the American Funds Retirement Account.

Patricia then filed an "Application for Orders" requesting the court to decree that Patricia was the sole owner of the American Funds retirement account. A telephonic hearing was subsequently held with the parties waiving a record of the proceedings. In its "Ruling Re: Application for Orders," the district court made a detailed analysis of Iowa law and, in applying it to the facts, concluded Patricia waived her beneficiary interest in the account when she signed the stipulation of settlement. The court further concluded the account was an asset of the estate, and consequently denied Patricia's application and ordered the account be surrendered to the administrator of the estate.

Patricia appeals.

II. Discussion.

Patricia argues on appeal that the retirement account should be hers because (1) the stipulation and the decree did not specifically address the retirement account, (2) the language of the stipulation and decree was not sufficiently broad to encompass Patricia's expectancy interest in the account, and (3) there was no evidence of any intent on Steven's part that Patricia should no longer be beneficiary of his retirement account. "We review the ruling in this equity action de novo." *Schultz v. Schultz*, 591 N.W.2d 212, 213 (Iowa 1999); Iowa R. App. P. 4.

Iowa follows the majority rule that "divorce or dissolution per se does not void the designation of a named spouse on a life insurance policy." *Sorensen v. Nelson*, 342 N.W.2d 477, 479 (Iowa 1984). Likewise, divorce or dissolution of marriage does not per se void the designation of a named spouse on a retirement account. *Schultz*, 591 N.W.2d at 215. The crux of this dispute is whether the stipulation at hand is sufficiently comprehensive to relinquish Patricia's expectancy interest in the retirement account. We find that it is.

Whether the interest is a "mere expectancy" or a more substantial property interest, it can be disposed of by the dissolution court if this is clearly shown to be the intent of the parties. *Sorensen*, 342 N.W.2d at 480. Furthermore:

[A] dissolution court's division of the parties' property does not, by itself, affect a beneficiary interest; some additional language addressing this expectancy interest is required or the beneficiary spouse must have waived this interest as part of a stipulation or settlement.

Schultz, 591 N.W.2d at 214-15.

To determine Patricia and Steven's intent, we must focus on the relevant language of the stipulation. The parties stipulated:

The Petitioner and Respondent agree that each party shall keep as their own, free and clear of any claim of the other party, all property in their individual name.

.....

The terms of this Stipulation constitute a full and complete settlement of all claims of any kind, of either party against the other arising out of this action.

The question is what effect to give the language in the stipulation that attempts to "constitute a *full and complete* settlement of *all claims of any kind*." (Emphasis added.) Our supreme court has analyzed the language of numerous similar agreements. See *Schultz*, 591 N.W.2d at 215; *Sorensen*, 342 N.W.2d at 480-81. None are identical to the stipulation in this case, but after a review of these cases, we find the stipulation in this case evidences the same wide scope found in the *Sorensen* stipulation.

We believe the comprehensive language of the stipulation in this case evidences the parties' intent to "wipe the slate clean." Accordingly, the district court was correct in concluding Patricia stipulated away her interest in Steven's retirement account.

III. Conclusion.

Because we conclude the district court correctly concluded that Patricia waived her beneficiary interest in Steven's retirement account and determined the account was an asset of Steven's estate, we affirm the judgment of the district court.

AFFIRMED.