Smith v. Smith
No. 20150354-CA
Filed March 2, 2017

Facts: Sharon and Keith Smith married in 1979. During their marriage, Sharon received income from a family trust, the Luveda Fincher Family Limited Partnership, established by her mother. Sharon used the money on family expenses. Sharon & Keith established their own trust, the Smith Family Trust. Sharon's mother died in 2012, and Sharon received an inheritance check which she deposited into two money market accounts in her own name. She filed for divorce from Keith in 2013.

Issue: Because of the establishment of the Smith Family Trust, Keith argued he was entitled to half of Sharon's inheritance distribution. He argued that Sharon's establishment of the new money market accounts made the inheritance joint property pursuant to language in their Smith Family Trust ("Financial Accounts Provision" in Schedule A).

Holding: Sharon's interest in the Luveda Fincher Family Limited Partnership was her separate and exclusive property and the Financial Accounts Provision found in the Smith Family Trust did not transform the inheritance distribution into joint property when she deposited it into financial accounts held in her name alone.

Reasoning: The inheritance distribution received by Sharon was a traditional inheritance, which is ordinarily considered separate property under Utah law. This inheritance did not become joint property under the terms of the Smith Family Trust when deposited into a new account. The inheritance did not change in character from separate property to joint property simply through the act of depositing it into a financial account.