Circuit Court for Montgomery County
Case Nos. 453914V, 458538V, 458539V

UNREPORTED

IN THE COURT OF SPECIAL APPEALS

OF MARYLAND

No. 151

September Term, 2021

WILLIAM R. WALKER, *et al*.

v.

CHARLOTTE WALKER

Beachley,
Wells,
Adkins, Sally D.
(Senior Judge, Specially Assigned),

JJ.

Opinion by Beachley, J.

Filed: February 2, 2022

This appeal concerns three consolidated cases from the Circuit Court for Montgomery County. In the first case, appellee Charlotte Walker filed a claim against appellants, which consist of the estate of her deceased husband John Walker, his revocable trust, and two corporations he previously owned and controlled. In her claim against her husband's estate and revocable trust, Charlotte sought to enforce the terms of a prenuptial agreement, asserting that she was entitled to sole ownership of the couple's marital home and that the estate and the trust were obligated to pay the mortgage on the home. Charlotte also sued for the principal balance and unpaid interest owed on loans she made to her husband's companies. John Walker's estate and Merrimart Management Corporation, LLC ("Merrimart"), two of the appellants in this case, filed a counterclaim against Charlotte and partnerships she owned, seeking monies the partnerships allegedly owed to Merrimart, one of John's former companies.

Merrimart also filed two separate complaints—one against 5702 Luke Fenwood Limited Partnership and one against 5704 Luke Fenwood Limited Partnership—both of which are partnerships Charlotte owns. These two complaints, like the counterclaim, sought damages for unpaid services Merrimart provided to the two partnerships.

Ultimately, all three cases were consolidated. Following a four-day bench trial, the circuit court issued a memorandum opinion and order. In its decision, the court determined that Charlotte was entitled to ownership of the marital home, and ordered John's estate and revocable trust to compensate her for the mortgage payments as required by the prenuptial agreement. Additionally, the court entered judgments against John's two corporations for

the principal balance and unpaid interest on the loans Charlotte made to them. Finally, the court rejected all of Merrimart's claims (the counterclaim and two complaints) against Charlotte's entities. Appellants timely appealed and present the following three questions for our review:

> I. Did the circuit court err in finding that the actions of the parties did not modify their obligations under the prenuptial agreement?
>
> II. Did the circuit court err in computing the amounts due and owing to [Charlotte] under the promissory notes?
>
> III. Did the circuit court err in finding that Charlotte Walker owed no monies to [Merrimart]?

We answer all three questions in the negative. Accordingly, we affirm.

FACTS AND PROCEEDINGS

On December 28, 2002, Charlotte Walker married John Walker. In November 2002, just prior to their marriage, Charlotte and John purchased the residence at 9900 Carter Road in Bethesda, Maryland (the "Property") to use as their marital home. On the day of, but prior to their marriage, and while represented by independent counsel, they executed a prenuptial agreement which stated that, if Charlotte were to die first, John would receive her interest in the Property, but if John were to die first, Charlotte would receive his interest in the property, and John's heirs, assigns, and personal representatives would pay the mortgage balance on the Property. As we shall explain in detail below, Charlotte and John would go on to execute multiple deeds and trusts throughout their marriage, none of which expressly purported to modify the prenuptial agreement.

During their marriage, John suggested that Charlotte loan monies to his two businesses: Merrimart and Ramor Corporation ("Ramor"). Ramor is a construction company, and Merrimart is a management company that manages the approximately 160 properties the Walker family owns. From May 2003 through January 2008, Charlotte made sizeable interest-only loans to Ramor and Merrimart, ultimately totaling $496,000. The promissory notes provided that Charlotte would be paid $4,050.00 per month representing the interest on those loans.

Regarding the claims against Charlotte's partnerships, Merrimart alleged that it provided management services to properties that Charlotte owned as the ninety-nine percent general partner. For purposes of this appeal, the relevant properties are 5702 and 5704 Fenwood Place in Oxon Hill, Maryland.

Charlotte and John remained married until John's death on December 9, 2017. Following John's death, disagreements arose between Charlotte and William Walker, John's son from a prior marriage who serves as the personal representative of John's estate. Those disagreements culminated in the three consolidated lawsuits that comprise the instant case: 1) Charlotte's claims for sole ownership and title to the Property, as well as damages for the mortgage payments provided for in the prenuptial agreement; and Charlotte's claims for the principal and interest payments on the loans she made to Merrimart and Ramor; 2) a counterclaim filed by Merrimart and William Walker, as personal representative of John's estate, alleging that Charlotte failed to compensate Merrimart for services it rendered to her two Fenwood properties; and 3) Merrimart's two

separate claims against Charlotte's partnerships for services rendered to the Fenwood properties.

As noted above, following a four-day trial, the circuit court ultimately found that, despite the execution of numerous trusts and deeds, Charlotte and John did not modify the prenuptial agreement, and accordingly, Charlotte was entitled to sole ownership of the Property and a judgment for the unpaid mortgage payments John's estate and revocable trust should have made following his death. The court also entered judgment in favor of Charlotte for the principal and unpaid interest on the loans she made to Merrimart and Ramor. Finally, the court denied all claims made against Charlotte and her partnerships. We shall provide additional facts in the discussion sections of this opinion.

DISCUSSION

This Court must effectively resolve three issues: 1) whether Charlotte and John modified the prenuptial agreement by executing numerous subsequent deeds, trusts, and other documents; 2) the amount Merrimart and Ramor owed Charlotte in principal and interest based on the loans she made to those companies; and 3) whether Charlotte, as the general partner of her partnerships, owed any monies to Merrimart for services it provided. We shall address these issues in turn.

I. CHARLOTTE AND JOHN DID NOT MODIFY THE PRENUPTIAL AGREEMENT

The first issue we must resolve is whether Charlotte and John modified the prenuptial agreement during their marriage. As noted above, just prior to their wedding ceremony, Charlotte and John executed a prenuptial agreement. Paragraph 8 of that

agreement addresses obligations related to the couple's principal residence. It provides, in relevant part:

> (8) Principal residence real property:
>
> (a) During marriage provided CHARLOTTE M. VAN ROSSUM[1] has not vacated the principal residence pursuant to Subparagraph (8)(b)(ii) of this agreement:
>
> (i) The parties' principal residence real property shall be distributed to the surviving spouse upon the death of one of the parties. Therefore, the parties agree that the property will be titled in their names as tenants by the entireties or in some other method of co-ownership, which will provide that upon the death of either party, the entire residence real property will be distributed immediately to the surviving spouse.
>
> (ii) JOHN M. WALKER will make all mortgage payments as well as payments for home insurance, real estate taxes, utilities, maintenance and upkeep expenses.

In Paragraph 8(c), the prenuptial agreement provides:

> (c) Death of either party provided CHARLOTTE M. VAN ROSSUM has not vacated the principal residence pursuant to Subparagraph (8)(b)(ii) of this agreement:
>
> Upon the death of either party, the principal residence real property shall become the sole property of the survivor. In the event of the death of [Charlotte], [John] shall receive the property and neither [Charlotte], nor her heirs, personal representatives, or assigns shall have any obligation in connection with the mortgage balance.
>
> *In the event of the death of [John], [Charlotte] shall receive the property and the heirs, assigns, and personal representatives of [John] shall be obligated to pay the mortgage*.

(Emphasis added).

[1] "Van Rossum" is Charlotte's former surname.

Charlotte and John purchased the Property prior to their marriage, but the deed was apparently lost. Accordingly, in November 2003, they obtained a replacement deed that they recorded in February 2004. That deed conveyed the Property to Charlotte and John as tenants by the entireties in conformance with their intent expressed in the prenuptial agreement.

During their marriage, and at John's suggestion, Charlotte and John executed numerous estate planning documents which were prepared by John's attorney, Lee Holdmann.[2] According to appellants, these numerous documents modified the prenuptial agreement because, whereas the prenuptial agreement (and the November 2003 tenants by the entireties deed) contemplated the interests in the Property passing to the survivor, the subsequent trust instruments indicated that the Property would pass as tenants in common to each person's respective heirs and assigns. The court rejected appellants' arguments.

It is well-settled in Maryland that prenuptial agreements are contracts, and are therefore reviewed under the objective theory of contract interpretation. *Cannon v. Cannon*, 384 Md. 537, 553 (2005) (citing *Herget v. Herget*, 319 Md. 466, 470 (1990)). Regarding the modification of contracts,

> The parties to a contract may agree to vary its terms and enter into a new contract embodying the changes agreed upon and a subsequent modification of a written contract may be established by a preponderance of the evidence. Assent to an offer to vary, modify or change a contract may be implied and found from circumstances and conduct of the parties showing acquiescence or an agreement.

[2] Mr. Holdmann also represented John with respect to the execution of the prenuptial agreement.

Cole v. Wilbanks, 226 Md. 34, 38 (1961) (per curiam) (citing *Hercules Powder Co. v. Harry T. Campbell Sons Co.*, 156 Md. 346, 362 (1929)). "[W]hether subsequent conduct of the parties amounts to a modification or waiver of their contract is generally a question of fact to be decided by the trier of fact." *Hovnanian Land Inv. Grp., LLC. v. Annapolis Towne Ctr. at Parole, LLC*, 421 Md. 94, 122 (2011) (quoting *Univ. Nat'l Bank v. Wolfe*, 279 Md. 512, 523 (1977)). To determine whether a modification has occurred, a court looks to the totality of a party's actions. *Id*. "Even if the relevant statements and communications of the parties are uncontested, the court must determine whether those statements (and actions) amounted to an understanding between the parties" to modify the terms of the agreement. *Id*. at 123. "[M]utual knowledge and acceptance, whether implicit or explicit," are required to modify a contract. *Id*. at 120 (citing *Myers v. Kayhoe*, 391 Md. 188, 206-07 (2006)).

Because the circuit court's determination that John and Charlotte's conduct did not modify the prenuptial agreement is a finding of fact, we apply the clearly erroneous standard of review. *L.W. Wolfe Enters., Inc. v. Md. Nat'l Golf, L.P*., 165 Md. App. 339, 343-44 (2005). Under this standard, our task is limited to determining whether the circuit court's factual findings were supported by substantial evidence in the record, and we must consider the evidence adduced at trial in a light most favorable to Charlotte as the prevailing party. *Id*. (quoting *GMC v. Schmitz*, 362 Md. 229, 234 (2001)). Simply put, we must review the record to determine whether the circuit court erred when it found, based on the totality of John's and Charlotte's actions, that the parties never mutually reached an

understanding to modify the prenuptial agreement. Our review of the record vindicates the circuit court's decision.

We agree with the circuit court's description of "the myriad of trusts and estate planning documents created by Mr. Holdmann as 'difficult,' 'cumbersome,' 'confusing' and 'jumbled.'" For example, on August 13, 2007, Charlotte executed the Charlotte Walker Revocable Trust ("CWRT"), in which she purported to place her one-half tenant in common interest in the Property into the CWRT. John executed a similar revocable trust that same day—the John Walker Revocable Trust ("JWRT")—which purported to likewise place his one-half tenant in common interest in the Property into the JWRT. We note that, according to the deeds provided in this record, as of August 13, 2007, when Charlotte and John executed their revocable trusts, they held the Property as tenants by the entireties pursuant to the replacement deed recorded in February 2004, not as tenants in common as professed in the trust documents. Also on August 13, 2007, both Charlotte and John executed a Joint Declaration of Trust Ownership in which they declared that any properties they owned jointly would instead be held by their trusts, and that any ownership rights in future properties held jointly would belong to the trusts rather than them individually.

A year later, on August 13, 2008, John executed a document titled, "Plan Upon John Walker's Death—My General Wishes and Directions." In this document, John indicated that Charlotte "is to remain in [the Property] for as long as she wishes and the estate is to pay for the continued costs of mortgage payments and maintenance[.]" That document further provided that when the survivor would leave or sell the home, there would be a "50-

50 split of the equity between John Walker's heirs . . . and Charlotte Walker's heirs[.]"

On March 5, 2009, however, both Charlotte and John each established their own "personal residence" trusts. Each trust purported to designate the other person as trustee—*i.e.* Charlotte was the trustee of John's personal residence trust and vice versa—and both Charlotte and John separately assigned their one-half tenancy in common interests in the Property to their respective personal residence trusts. Charlotte and John also executed deeds on March 5, 2009, that first transferred the Property to themselves as tenants in common and then transferred their respective interests in the Property to their own personal residence trusts.

On October 15, 2010, the parties separately executed new revocable trusts which completely replaced and restated the contents of their August 13, 2007 revocable trusts.[3] Although Charlotte and John purported to convey their respective one-half tenancy in common interests in the Property to their October 15, 2010 revocable trusts, we note that their "personal residence trusts" actually held title to the Property pursuant to the March 5, 2009 deeds. We also note that John's new revocable trust stated that, upon John's death, if Charlotte did not predecease him, "and if [Charlotte] receives the [Property] as the surviving tenant by the entirety, the Trustee [of the JWRT] shall be obligated to pay the mortgage secured by that property." We pause to note that this language somewhat

[3] We note that the 2007 revocable trusts themselves apparently replaced and restated other revocable trusts that the parties had previously executed on June 24, 2004, and March 6, 2006. The parties have not included these trusts in the record—perhaps because each executed trust presumably replaced and restated the previous trust's contents.

resembles language in the prenuptial agreement—if John predeceased Charlotte, then not only would Charlotte take ownership of the Property, but John's heirs and assigns would pay the mortgage on the Property.

Finally, on June 6, 2016, the parties executed a deed which effectively rescinded their personal residence trusts as a result of their conveying their respective one-half tenant in common interests in the Property to their individual revocable trusts.[4] Because the October 15, 2010 revocable trusts were the last iterations of the revocable trusts to be executed, the October 15, 2010 revocable trusts received title to the Property when the personal residence trusts were rescinded.[5]

The circuit court was tasked with determining what effect, if any, the numerous subsequently executed deeds, trusts, and other documents had on the prenuptial agreement. Ultimately, the court concluded that, although the parties were free to modify the prenuptial agreement, "[i]n none of the later-executed trust documents was it expressly stated that the parties intended to modify their premarital agreement." The court explained,

> While Charlotte Walker is a smart and educated woman who had some real estate experience, the subsequent trusts were created by her husband's longtime lawyer, Mr. Holdmann. Mr. Holdmann was not called to testify about what, if any, advice or explanation he may have provided Charlotte about the trusts or their impact on the Prenuptial Agreement – an agreement that was signed at a time when Charlotte had the advice of

[4] The parties have not addressed how the personal residence trusts could be lawfully rescinded in light of their declarations that they were "irrevocable trusts."

[5] Adding to the complexity and confusion of the trust documents, on September 12, 2013, John created the John Walker Gift Trust and conveyed his one-half tenant in common interest in the Property to that trust.

> *independent* counsel. Charlotte Walker never had separate legal representation during the marriage.
>
> Given (i) the absence of any express modification provision in any of the trust documents (which would have been easy enough to include), ([ii]) the overall complexity and unintelligibility of the trust documents to anyone other than perhaps those regularly involved with such instruments, (iii) the absence of evidence that any of the trust documents were explained to Charlotte Walker, and (iv) Ms. Walker's credible testimony that she neither intended nor viewed or understood the trusts as modifying the Prenuptial Agreement, the [c]ourt does not find that the [Property] provisions of the Prenuptial Agreement to which Charlotte and John Walker had so meticulously agreed upon were modified. As mentioned, there was no evidence that Charlotte had that understanding, and no evidence that Mr. Holdmann (John's longtime lawyer) ever explained that to her.

The record supports the circuit court's conclusion that Charlotte and John did not expressly or implicitly modify the prenuptial agreement. It is undisputed that none of "the myriad of trusts and estate planning documents" expressly modified the terms of the prenuptial agreement. Indeed, those documents do not even refer to the prenuptial agreement.

The only document that specifically mentions the prenuptial agreement is John's "Plan Upon John Walker's Death – My General Wishes and Directions," and we reject appellants' reliance on this document to show that John and Charlotte expressly intended to modify the prenuptial agreement. First, this document—executed in 2008 before the execution of the personal residence trusts in 2009 and the restated revocable trusts in 2010—simply purports to express John's "general wishes" upon his death. Moreover, it is far from clear that this document contains an express modification of the prenuptial agreement. In fact, the "Plan Upon John Walker's Death" only refers to the prenuptial

agreement when it states, "My Prenuptial Agreement with Charlotte and update pertaining to home on [the Property] which provides for surviving spouse living in the home as long as he/she wishes and then when he/she leaves and sells the home, there is to be a 50-50 split of the equity . . . ."[6] While it is true that the document states that "there is to be a 50-50 split of the equity" in the Property in contravention of the prenuptial agreement, it also provides that Charlotte may "remain in our home at [the Property] for as long as she wishes and [John's estate] is to pay for the continued costs of mortgage payments and maintenance[] of the [Property]." Appellants' reliance on this document is curious because, in our view, it not only exacerbates the confusion created by the morass of trust documents, but it undermines the estate's position that it is not obligated to pay the mortgage and maintenance on the Property during Charlotte's residency.[7] We see no error in the circuit court's observation that this document "was but one piece of the overall evidence" to be "weighed and considered" in determining whether the prenuptial agreement was modified.

Turning to whether the parties implicitly modified the prenuptial agreement by their subsequent conduct, Charlotte testified that she and John never executed a document for the specific purpose of amending the prenuptial agreement, nor did she intend to amend

[6] This sentence, at best, is inartfully written. The prenuptial agreement does not provide for an equal division of the equity, and it is not clear what John was referring to when he used the word "update" in the sentence.

[7] We also note that, at trial, Charlotte disputed that the initials and signature on the document were her own. She testified that she did not recognize the handwriting, and that she writes letters differently than they appeared on the document. The court made no express fact-finding on this issue.

the prenuptial agreement. Regarding the numerous trusts created by Mr. Holdmann, Charlotte testified that she was never concerned with the trusts in relation to the prenuptial agreement because she simply understood them to be mechanisms for John to save money. Charlotte explained that although she signed the documents when presented to her, she did not read them. At no point throughout their entire marriage was Charlotte ever under the impression that she had modified the prenuptial agreement.

These undisputed facts persuade us that the circuit court's decision was not clearly erroneous. To be sure, we recognize that Charlotte and John executed numerous trusts and deeds throughout the course of their fifteen-year marriage, and that Charlotte's signature appears on several instruments in which she purports to convey her one-half tenant in common interest in the property to her own beneficiaries, seemingly in contravention of the terms of the prenuptial agreement. We further recognize the principle that, in the absence of fraud, duress, or mutual mistake, a party is bound by her signature. *Rossi v. Douglas*, 203 Md. 190, 199 (1953).

Nevertheless, this case involved numerous documents,[8] including deeds and complex trusts that Charlotte and John signed over the course of their fifteen-year marriage. Although the parties to a contract may modify it by implicit agreement, "[e]ven if the relevant statements and communications of the parties are uncontested, the court must determine whether those statements (and actions) amounted to an understanding between

[8] We do not dispute appellants' claim that there were seventeen different relevant documents.

the parties" to modify. *Hovnanian*, 421 Md. at 123. Charlotte's testimony makes clear that there was never any such understanding on her part, and appellants presented no evidence to contradict Charlotte's testimony on this point. Equally important, the court correctly characterized the trust documents, which were prepared by John's lawyer, as "cumbersome" and "confusing." The court at least implicitly concluded that even experienced estates and trusts attorneys would have difficulty navigating what it characterized as a "myriad of trusts." In light of that conclusion, the court properly considered the lack of evidence that the legal effect of these documents was ever explained to Charlotte.

Weighing the unambiguous provision in Paragraph 8(c) of the prenuptial agreement—that Charlotte "shall receive the [Property]" upon John's death and John's estate would pay the mortgage—against the complex trust documents that did not even refer to the prenuptial agreement, the court concluded that the prenuptial agreement prevailed: "Whatever John Walker purported to do in his trust instruments (to which Charlotte was not a party) with his share of the [Property] could not trump his obligations to Charlotte under the Prenuptial Agreement." Indeed, we see no evidence in the trust documents or deeds that the parties intended to modify John's obligation pursuant to Paragraph 8(a) of the prenuptial agreement to pay mortgage and related costs to maintain the Property during his life while he and Charlotte lived in the Property, or to relieve John's estate of its obligation pursuant to Paragraph 8(c) to pay the mortgage after John's death. Finally, the court appropriately noted that Paragraph 8(a) of the prenuptial agreement was

satisfied because titling the Property to the revocable trusts complied with the directive that the Property be titled in a manner that, upon the death of either party, it "will be distributed immediately to the surviving spouse," *i.e.* the trustee could simply execute a deed to Charlotte without the estate's involvement. In conclusion, the court properly considered the totality of Charlotte's and John's actions and conduct, and determined that appellants failed to satisfy their burden to prove a modification of the contract. We see no error in the court's conclusion that the parties did not modify the prenuptial agreement.[9]

II. THE CIRCUIT COURT CORRECTLY DETERMINED THE AMOUNTS OWED TO CHARLOTTE ON HER LOANS TO MERRIMART AND RAMOR

The next issue we must resolve is whether the circuit court erred in concluding that Ramor and Merrimart owed Charlotte for the principal balance and interest on loans she made to those two entities. For reference, in anticipation of their marriage and establishing

[9] In their brief, appellants argue that the circuit court erred when it entered judgment against both John's estate and the JWRT, jointly and severally, and that this judgment should have only been entered against the estate. The circuit court presumably relied on the language of the prenuptial agreement, which states that, in the event John predeceases Charlotte, "[Charlotte] shall receive the property and the heirs, assigns, and personal representatives of [John] shall be obligated to pay the mortgage." As to this argument, appellants failed to cite to any legal authority to show why the court erred in entering judgment against JWRT, and it is not our obligation to find legal support for them. *Rollins v. Cap. Plaza Assocs., L.P.*, 181 Md. App. 188, 201 (2008) (citing *von Lusch v. State*, 31 Md. App. 271, 282 (1976), *rev'd on other grounds* 279 Md. 255 (1977)).

Nevertheless, we note that Sec. 1.01 of the October 15, 2010 JWRT states that the Trustee "shall pay *any and all* property charges and expenses incident to the operation of this trust." (Emphasis added). Because the JWRT owned John's share of the Property at the time of his death, and because we have determined that John's obligations under the prenuptial agreement were never modified, the Trustee was required to pay all of John's "charges and expenses" related to the Property. We see no error in the circuit court's entry of judgment against the JWRT.

a joint residence, Charlotte sold her prior residence. With some of the proceeds from this sale, Charlotte loaned to Ramor and Merrimart (through John) numerous sums of money over the course of their marriage as interest-only loans. The loans were as follows:

Date	**Amount**	**Borrower**	**Interest Rate**	**Payment Due**
May 2, 2003	$150,000	Ramor	10%	$1,250.00 per month
May 17, 2003	$50,000	Ramor	10%	$416.67 per month
August 17, 2003	$50,000	Ramor	10%	$416.67 per month
September 3, 2003	$31,000	Ramor	10%	$258.33 per month[10]
September 30, 2003	$30,000	Ramor	10%	$250.00 per month[11]
August 27, 2005	$160,000	Ramor	10%	$1,333.33 per month
January 16, 2008	$25,000	Merrimart	6%	$125.00 per month
Total:	**$496,000**			**$4,050.00 per month**

Thus, Charlotte loaned John's companies a total of $496,000, and in return she was to be paid $4,050 per month in interest. Because the loans were interest-only in nature, each loan was essentially a demand note, expressly stating that the "principal sum will be available to Charlotte Walker within sixty (60) days of receipt of written notice requesting the funds."

Charlotte testified at trial that, during John's lifetime, he consistently made monthly payments to her in the amount of $4,050.[12] After John's death, however, the monthly payments were reduced, and by July 2019, she was no longer receiving any payments.

[10] This loan calls for interest-only payments of $8.50 per day, which the court treated as $258.33 per month.

[11] This loan calls for interest-only payments of $8.22 per day, which the court treated as $250.00 per month.

[12] The court found that the $4,050 in monthly payments were made through a combination of payments by Ramor, Merrimart, and John personally.

Consequently, Charlotte sued Ramor and Merrimart for the entire principal balance of her loans ($496,000) plus the amount of unpaid interest.

At trial, Ramor and Merrimart conceded that Charlotte was due some amount, but they disputed the principal and interest owed because, according to them, from 2004 to 2006, Ramor and Merrimart made payments to Charlotte that reduced the principal and, concomitantly, the interest due on the principal. The circuit court rejected Ramor and Merrimart's arguments.

On appeal, Ramor and Merrimart argue that the circuit court erred by failing to construe Charlotte and John's joint tax returns as dispositively proving that the loan principal was reduced. This is a factual determination, and as noted above, when reviewing a court's factual findings, our task is to determine whether those findings were supported by substantial evidence in the record. *L.W. Wolfe Enters., Inc.*, 165 Md. App. at 343-44.

The record amply supports the circuit court's findings. The court found that John never made any payments against the principal, and that he consistently paid Charlotte $4,050 in interest each month until his passing. Furthermore, we reject appellants' argument that the 2004 through 2006 joint tax returns indisputably prove that Ramor and Merrimart curtailed the principal on the loans.

We acknowledge that Charlotte and John's 2004, 2005, and 2006 tax returns did not indicate that Charlotte had received any interest income related to the loans. The undisputed evidence on this point showed that Derek Hart, John's accountant and the person responsible for preparing Charlotte and John's tax returns, did not even learn about

the interest payments until 2007 because John "never told us" about the loans. Mr. Hart acknowledged that he exclusively relied on documents and information which John provided in order to prepare the tax returns, and he admitted that he had barely ever spoken to Charlotte beyond simply exchanging pleasantries.

Mr. Hart testified that he treated the 2004-2006 payments for tax purposes as curtailments to the principal.[13] That Mr. Hart classified the payments as curtailing the principal for tax purposes—inferentially to avoid filing amended tax returns reflecting interest income—is not dispositive on the issue. Indeed, Mr. Hart's own testimony on this point is illuminating. Mr. Hart testified that Merrimart's accounting records demonstrated that Merrimart made approximately $114,000 in principal curtailment payments to Charlotte between 2004 and 2006. On cross-examination, however, Mr. Hart acknowledged that because he applied all payments to the principal, his calculations failed to account for continuing interest on the loans. Even more significant, the payments reflected in defense exhibit 96—an accounting of all payments made from Merrimart to Charlotte from 2004 to 2007—line up precisely with the monthly interest payments expressly identified on the face of the promissory notes, corroborating the conclusion that all of the payments were in fact interest payments. Although Charlotte apparently failed

[13] We note that the tax returns starting in 2007 do indeed list interest income from Merrimart. For example, the 2007 return lists $36,000 in interest income from Merrimart, and the 2009 return lists $22,033 in interest income from Merrimart. Although it seems strange that all but one of Charlotte's loans was to Ramor (rather than Merrimart), and that the tax returns list the income source as Merrimart (rather than Ramor), Mr. Hart testified that Merrimart acted as an agent for all of Ramor's banking.

to pay tax on the interest payments she received between 2004 and 2006, that omission was likely due to John's failure to tell Mr. Hart about the existence of the loans.

Finally, we note that the document "Plan upon John Walker's Death – My General Wishes and Directions"—the document appellants urged us to rely upon with regard to modification of the prenuptial agreement—unequivocally shows that, as of August 13, 2008, John believed that neither Merrimart nor Ramor had reduced the principal of Charlotte's loans. That document, which John executed on August 13, 2008, (two years after the alleged principal curtailment payments were made) lists all of the interest-only loans Charlotte made as loans which "will need to be paid by the estate." Notably, the document lists the "current amount" of each loan to Charlotte as being the same as the "original amount" of each loan, thus undermining appellants' claims of principal curtailments between 2004 and 2006. Because it was well within the province of the circuit court to reject appellants' claims that the payments made in 2004, 2005 and 2006 represented reductions in principal, the court did not err.

III. THE COURT PROPERLY DENIED MERRIMART'S CLAIMS AGAINST CHARLOTTE

Finally, we reject appellants' arguments that Charlotte and her limited partnerships breached contracts with Merrimart, or that Charlotte was unjustly enriched because Merrimart provided management services for the benefit of her partnerships. In their counterclaim, Merrimart, as well as the estate of John Walker (through William Walker), alleged that Charlotte, the general partner of 5702 Luke Fenwood Limited Partnership (5702 Fenwood Place in Oxon Hill) and 5704 Luke Fenwood Limited Partnership (5704

Fenwood Place in Oxon Hill), entered into two separate contracts with Merrimart to manage her properties.[14] On appeal, Merrimart asserts that the circuit court erred in denying its claims for services—primarily management fees—that it rendered to the Fenwood partnerships.

In rejecting Merrimart's claims, the circuit court questioned their sincerity. Regarding the services provided, the court acknowledged that Merrimart did indeed provide services to the two Fenwood partnerships until 2018, when William Walker, on behalf of Merrimart, e-mailed Charlotte to inform her that Merrimart was terminating its agreements with her. The court observed, however, that this e-mail never mentioned that Charlotte owed Merrimart any outstanding monies for services provided. Instead, several months later, William Walker wrote to Charlotte stating that Merrimart had closed the account through which it processed her properties' fees, and sent her a check for $1,486.03. At no point prior to Charlotte filing her lawsuit did Merrimart ever demand payment for services or management fees, nor did it present Charlotte with an invoice for any outstanding balance. These facts caused the circuit court to question Merrimart's claims in light of the approximately $200,000 sought, and Merrimart's failure to even mention this substantial indebtedness when it terminated its relationship with Charlotte.

[14] Although the counterclaim specifically mentioned two other properties that Charlotte owns and that Merrimart allegedly managed—a property in Ocean City, Maryland, and a cabin in Montross, Virginia—appellants have raised no arguments concerning these properties on appeal.

The court also rejected Merrimart's claim that it entered into a contract with Charlotte regarding her payment of management fees. At trial, Charlotte testified that her arrangement with Merrimart was simply that, when John would present her with an invoice, she would immediately pay it. The court characterized this testimony as "convincing[]." Furthermore, William Walker conceded at trial that the arrangements between Charlotte and Merrimart were made exclusively through conversations John had with Charlotte, and that William himself was not privy to those conversations.

On appeal, Merrimart argues that its own internal records, coupled with tax returns filed by the Fenwood partnerships and signed by Charlotte, demonstrate that Charlotte received tax benefits from, and still owed, outstanding management fees to Merrimart. The circuit court was not persuaded, and neither are we.

The court correctly noted that Merrimart claimed that Charlotte owed nearly $200,000 to Merrimart for services rendered to the Fenwood partnerships. In its post-trial memorandum, Merrimart substantially relied on tax returns filed by the Fenwood partnerships to support its claims for unpaid management fees. But defense exhibits 92, 92A, 93, and 93A, which reflect *all* sources of revenue and *all* operating expenses for the Fenwood partnerships from "Inception to Date" (essentially covering a period from 2004 until 2018), indicate otherwise. Defense exhibit 92 pertaining to 5702 Fenwood contains a line item titled "Management Fees" that shows $36,416.66 in management fees were paid between 2004 and 2017. Similarly, defense exhibit 93 pertaining to 5704 Fenwood contains a line item titled "Management Fees" that shows $37,460.18 in management fees

were paid between 2004 and 2017. As to these two exhibits, Mr. Hart confirmed that an invoice would not be listed in the records if it were not paid. Moreover, both defense exhibits 92 and 93 provided an itemization of all Fenwood management fees for each year between 2004 and 2017. According to defense exhibit 92, as to 5702 Fenwood, the "Total Due to Merrimart" after crediting all payments is $3,349.72. According to defense exhibit 93, as to 5704 Fenwood, the "Total Due **From** Merrimart" to the partnership is $597.14. (Emphasis added). Thus, Merrimart's own records showed that the partnerships collectively owed Merrimart a net of $2,752.58, a far cry from the nearly $200,000 Merrimart asserted at trial.

In light of Merrimart's inconsistent arguments and the contradictory nature of its own documents—as well as the testimony that John and Mr. Hart exclusively handled the finances for all of the business entities—the court did not err in reaching its ultimate conclusion that Merrimart failed to prove that Charlotte breached any contract with Merrimart or that she was unjustly enriched.

We therefore affirm the court's denial of Merrimart's claims against Charlotte and her partnerships.

JUDGMENT OF THE CIRCUIT COURT FOR MONTGOMERY COUNTY AFFIRMED. COSTS TO BE PAID BY APPELLANTS.