

Circuit Court for Prince George's County  
Case No. CAD-22-22468

UNREPORTED\*

IN THE APPELLATE COURT

OF MARYLAND

No. 392

September Term, 2024

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DONNA DANIEL

v.

ROGER DANIEL

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Graeff,  
Zic,  
Sharer, J. Frederick  
(Senior Judge, Specially Assigned),

JJ.

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Opinion by Zic, J.

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Filed: March 26, 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 Maryland Rule 1-104(a)(2)(B).

This case arises from divorce proceedings between appellant, Donna Daniel (“Wife”), and appellee, Roger Daniel (“Husband”), in the Circuit Court for Prince George’s County. Following a June 2023 divorce trial, in April 2024, the court entered an Amended Judgment of Absolute Divorce distributing the parties’ marital assets. Wife timely noted an appeal, in which she specifically challenges the court’s disposition of the parties’ former residence located in District Heights, Maryland (“Home”); the parties’ Joint Investment Account; the family business, Howard Video Productions, LLC (“Howard Video”); and the payment schedule for the monetary awards.

### **QUESTIONS PRESENTED**

Wife presents seven questions for our review, which we have recast into two and rephrased as follows:<sup>1</sup>

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<sup>1</sup> Wife phrased the questions as follows:

1. Whether the trial court erred when it found that the family home was not marital property because [Husband] had title and possession prior to the marriage, even though the parties continued to make payments on the mortgage with marital funds; [Wife] made substantial improvements on the home after it was flooded; and the parties paid taxes on the home during the 21 years of the marriage[.]
2. Whether the trial court erred when it found that [Wife] failed to present any evidence of the source of funds for the Joint Account when [Wife] testified that the money was her share of the proceeds from the sale of [the] family house in the Philippines; it was wired into the account by her sister; it had grown to a determinate amount; the court acknowledged that growth of the investment[.]

(continued)

1. Did the circuit court err in granting multiple monetary awards to Husband?
2. Did the circuit court err in establishing the method and timing of payment of the monetary awards?

For the reasons set forth below, we vacate the circuit court's judgment and remand for further proceedings not inconsistent with this opinion.

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3. Whether the trial court erred when it used the balance sheet value or book value or historical value as the value of Howard Video[.]
  4. Whether the court erred when it used total balance sheet value or book value or historical value of Howard Video [], composed primarily of contracts and equipment, without adjustment for the balance sheet, book, or historical value of the company's equipment in the possession or custody of [Husband], to determine the value of the company[.]
  5. Whether the trial court erred when it used the balance sheet, book, or historical value of the company, rather than the fair market value, to determine the marital award[.]
  6. Whether the court erred when it awarded as [a] marital award 38 percent of the balance sheet value of the company or \$220,000 to [Husband] who was a [five] percent owner[.]
  7. Whether the trial court erred when it ordered [Wife] to pay more than \$460,000 within 30 days without regard to [Wife]'s ability to pay said judgment sum or any evidence of her ability to borrow money by which to pay said judgment sum[.]

## BACKGROUND

### *The Parties' Marriage and the Home*

Husband and Wife were married in February 2001. The parties had one child together in 2011. Their marriage broke down in 2021, following a physical altercation that resulted in Husband's arrest and incarceration.

Upon marrying, Wife moved into the Home with Husband. The parties resided in the Home throughout the marriage. Originally, Husband acquired the Home with his ex-wife<sup>2</sup> on October 10, 1985, as part of a “rent with option to purchase [arrangement]” in which “a large percent of [Husband's] rent went toward[] the purchase of the [Home].” Husband testified at the merits hearing that the deed to the Home had been transferred to him and his ex-wife in 1995, and that he had “fully purchased” the Home by 1999—two years before the parties' marriage. On December 12, 1989, Husband and his ex-wife executed a Deed of Trust<sup>3</sup> which was not paid off until 2005—four years into the parties'

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<sup>2</sup> Husband was previously married and divorced prior to his marriage to Wife.

<sup>3</sup> The Deed of Trust, for which Household Finance Corporation III was the “Lender,” stated as follows:

WHEREAS, Borrower [(Husband and his ex-wife)] is indebted to Lender in the principal sum of \$65,000 or so much thereof as may be advanced pursuant to Borrower's Revolving Loan agreement dated December 12, 1989[,] and extensions and renewals thereof[,] . . . providing for a credit limit of \$65,000 and an initial advance of \$65,000.

As we understand this language, the Deed of Trust secured a home equity line of credit—not a loan to purchase the Home. As explained below, a home equity line of credit does not secure an “acquiring” property interest for purposes of marital property. *Ledbetter v. Ledbetter*, 255 Md. App. 1, 4 n.4 (2022) (citation omitted).

marriage. Wife’s counsel stated at the merits hearing that there was also a “second mortgage” on the Home, which was paid off in 2011 or 2012. Neither party presented mortgage payment documentation to the court. Wife did, however, present Husband’s 2002 bankruptcy petition, which included information regarding a “secured claim” of \$164,016.36 on “Debtor’s residence located at [the Home’s address].”

Husband personally renovated the Home, installing electrical and plumbing systems, floors, drywall, and fixtures. Wife also testified that she made significant investments into the Home, including maintaining the Home and paying for property taxes and home insurance. Between 2021 and 2022, after a flood, Wife spent substantial sums—according to her real property appraiser’s testimony, close to \$100,000—to repair flood damage, correct dangerous electrical issues, and redesign multiple rooms in the Home. Wife’s appraiser also testified that these improvements increased the Home’s property value by approximately \$50,000.<sup>4</sup>

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<sup>4</sup> At the request of Wife’s counsel, Wife’s appraiser returned to appraise the Home for a second time in May 2023, which resulted in a higher appraisal value. Nonetheless, due to a discovery violation, the court excluded the May 2023 appraisal and ruled that trial would proceed with only the June 2022 appraisal. Ultimately, the court “found [] the value [of the Home] pursuant to the appraisal was \$423,000.” Wife does not challenge the court’s exclusion of the second appraisal, and we see no reason to disturb this discovery ruling.

*Howard Video*

In 2001, the parties founded Howard Video, a government contracting business providing video production services. The business obtained 8(a) certification<sup>5</sup> in 2013, which allowed it to secure government contracts without participating in a competitive bidding process. During the marriage, Howard Video grew substantially, securing multi-million-dollar contracts with numerous federal agencies. In 2018, Husband changed Howard Video’s ownership structure, giving Wife 95 percent ownership and retaining five percent for himself, for the purpose of qualifying Howard Video for additional federal certifications as a minority and woman-owned business. These certifications increased opportunities for federal contracting work. After Husband’s arrest and incarceration in 2021, Wife assumed full operational control of Howard Video and terminated Husband’s employment. Husband received no distributions stemming from his five percent ownership of Howard Video from December 2020 through the trial.

Neither party provided an expert witness to value the business. Husband filed Howard Video’s 2021 Balance Sheet (“2021 Balance Sheet”) and called Howard Video’s certified public accountant (“CPA”) as a witness. The CPA did not provide a valuation

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<sup>5</sup> Administered by the U.S. Small Business Administration, the 8(a) Business Development program provides participating businesses with “training and technical assistance[.]” U.S. SMALL BUSINESS ADMINISTRATION, *8(a) Business Development program*, [<https://perma.cc/4D5W-Q5NJ>]. The program allows participating businesses to “compete and receive set-aside and sole-source contracts” and “[c]onnect with procurement and compliance experts[.]” among other benefits. Businesses that are eligible for certification in this program include small businesses owned and controlled at least 51 percent “by U.S. citizens who are socially and economically disadvantaged[.]” *Id.*

for the business; instead, he affirmed that he had prepared the 2021 Balance Sheet and verified as accurate the values provided in the document. According to the CPA, the 2021 Balance Sheet indicated that Howard Video had \$2,019,725.03 in contracts. Wife testified that, at the time of trial, Howard Video only had one contract worth “about \$224,000[.]”

### ***The Joint Investment Account***

At trial, Wife testified that, in 2019, she received approximately \$183,000 from the sale of her family’s property in the Philippines, which was divided among Wife and her siblings. Wife further testified that her sister wired these funds into one of the parties’ joint bank accounts. Thereafter, pursuant to advice from their financial advisor, the parties deposited \$150,000 from this joint account into a jointly-titled investment account (“Joint Investment Account”), which appreciated to approximately \$263,310 in value by the time of the 2023 divorce trial.

### ***Procedural History***

Husband filed for absolute divorce on July 28, 2022. Wife counterclaimed for divorce on December 29, 2022. The circuit court conducted a trial on the merits in July 2023 and announced that it would grant an absolute divorce on the grounds of cruelty.<sup>6</sup> Nearly six months later, on January 23, 2024, the court issued oral rulings on the marital

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<sup>6</sup> The circuit court found that “[Wife] filed based upon the grounds of constructive [] desertion, cruelty of treatment and excessively vicious conduct as well as 12 months separation.” The court found “grounds for cruelty of treatment and excessively vicious conduct . . . [based on] one incident regarding the parties wherein [Husband] . . . hit [Wife] with a belt[,] and there was verbal and physical abuse in front of the child.” The court noted that, from this incident, Husband “was sentenced to 12 months in jail[.]”

property. The court subsequently entered an Amended Judgment of Absolute Divorce on April 2, 2024,<sup>7</sup> in which it made the following relevant determinations:

Regarding the Home, the court found that it was Husband’s non-marital property “because it was purchased prior to the parties’ marriage and [Wife] is not entitled to it.” The court further found that Wife “failed to present any evidence that her direct contribution [led] to the appreciation in the value of [the H]ome.” Considering the “best interest of the minor child,” with whom Wife was residing at the Home and would need to relocate to a new residence, the court granted Wife exclusive use and possession of the Home for a six-month period beginning on February 1, 2024.

Regarding the Joint Investment Account, the court determined in its oral ruling that Wife did not present “any credible evidence regarding the alleged nonmarital portion of the account . . . nor regarding the source of funds.” In the Amended Judgment of Absolute Divorce, however, the court determined that Wife “had the burden of directly tracing her alleged non-marital contribution to this account to a non-marital source” but that “Wife failed to present any evidence to prove her burden.” The court found the Joint Investment Account to be marital property valued at \$263,310, and ordered it divided equally.

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<sup>7</sup> The circuit court initially granted the parties an absolute divorce in February 2024. The court entered an Amended Judgment of Absolute Divorce on April 2, 2024, to fix a typographical error.

As to Howard Video, the court found the business was marital property because it was “opened during the marriage.”<sup>8</sup> Based upon the 2021 Balance Sheet, the court determined the value of Howard Video to be \$582,668.02. This 2021 Balance Sheet value included \$423,187 in equipment and furniture. Despite finding that Wife owned 95 percent of the business, the court granted Husband a monetary award of \$220,000 from the value of Howard Video, allowing Wife to retain sole ownership of the business and its assets.

Finally, the circuit court disposed of eight bank accounts: six titled in Wife’s name, totaling \$347,156.72; one titled in Husband’s name, totaling \$8,742; and one titled jointly, totaling \$23. After identifying who had title to each account, the court ordered that four of the six accounts titled solely in Wife’s name “be divided 50/50 between the parties[,]” and that Wife transfer funds to Husband directly from each account. The court also ordered that Wife transfer to Husband \$60,000 from the fifth account titled solely in Wife’s name.<sup>9</sup> Similarly, the court ordered that the one account titled in Husband’s name “be divided 50/50 between the parties[,]” and ordered that Husband transfer funds to Wife from this account. Finally, the court ordered the parties’ joint account to “be divided 50/50[,]” and that Wife “transfer to [Husband] the sum of \$11.50 and [] close the account.”

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<sup>8</sup> We note, for completeness, that the parties had filed a Joint Statement of Marital and Non-Marital Property, pursuant to Maryland Rule 9-207, in which they stipulated that Howard Video was marital property.

<sup>9</sup> The circuit court awarded the sixth account titled in Wife’s name to Wife.

In the corresponding schedule, the court ordered that “within 30 days from February 1, 2024, [Wife] shall pay” Husband \$112,479.19 from those bank accounts and a \$220,000 monetary award for Howard Video in certified funds.

Wife timely appealed. We supplement with additional facts as necessary in the discussion.

### STANDARD OF REVIEW

Whether property is marital for purposes of determining a monetary award in a divorce case, and, if so, its value, are both questions of fact, which this Court reviews for clear error. Md. Rule 8-131(c); *Sims v. Sims*, 266 Md. App. 337, 353-54 (2025) (citing *Flanagan v. Flanagan*, 181 Md. App. 492, 521 (2008)). “If there is any competent evidence to support the factual findings [of the trial court], those findings cannot be held to be clearly erroneous.” *Goicochea v. Goicochea*, 256 Md. App. 329, 340 (2022) (internal marks and quotations omitted).

“[W]e review the circuit court’s legal conclusions *de novo*.” *Sims*, 266 Md. App. at 354 (citing *Flanagan*, 181 Md. App. at 521 (citation omitted)). “[I]f it appears that the court erred as to matters of law, further proceedings in the trial court will ordinarily be required unless the error is determined to be harmless.” *Matter of Becker*, 265 Md. App. 301, 309 (2025) (quotation omitted). An error may be harmless when it does not impact the outcome of the challenged proceeding. *Barksdale v. Wilkowsky*, 419 Md. 649, 662-63 (2011) (citations omitted).

The ultimate decision of whether to grant a monetary award, and the amount of any such award, is reviewed for abuse of discretion. *Alston v. Alston*, 331 Md. 496, 504

(1993). An abuse of discretion may occur “when no reasonable person would take the view adopted by the trial court or when the court acts without reference to any guiding rules or principles.” *Santo v. Santo*, 448 Md. 620, 625-26 (2016) (internal marks and citation omitted). In undertaking such review, “we may not substitute our judgment for that of the fact finder, even if we might have reached a different result.” *Sims*, 266 Md. App. at 354 (quoting *Flanagan*, 181 Md. App. at 521) (further citation omitted). “[E]ven with respect to a discretionary matter, a trial court must exercise its discretion in accordance with correct legal principles.” *Lamone v. Schlakman*, 451 Md. 468, 479 (2017) (quotation omitted).

### **THE MANDATORY THREE-STEP PROCESS**

“When a party requests a monetary award, a trial court must complete a three-step process before determining whether to grant such an award.” *Wasyluszko v. Wasyluszko*, 250 Md. App. 263, 279 (2021); *see Reichert v. Hornbeck*, 210 Md. App. 282, 361 (2013) (“When a party petitions for a monetary award, the trial court must follow a three-step procedure.”) (quoting *Malin v. Mininberg*, 153 Md. App. 358, 428 (2003)). We have described this mandatory process as follows:

*First*, for each disputed item of property, the court must determine whether it is marital or non[-]marital. . . . *Second*, the court must determine the value of all marital property. . . . *Third*, the court must decide if the division of marital property according to title will be unfair; if so, the court may make a monetary award to rectify any inequity. . . . [Md. Code FL § 8-205(a)].

*Reichert*, 210 Md. App. at 361 (emphases added) (quoting *Innerbichler v. Innerbichler*, 132 Md. App. 207, 228 (2000)). The court may “decide whether to grant a [single]

monetary award” only after it “determine[s] the value of *all* marital property.” *Brewer v. Brewer*, 156 Md. App. 77, 106 (2004) (emphasis added). “Only those marital assets which have been sufficiently identified and valued can be considered in any court award.” *Pickett, Houlton & Berman v. Haislip*, 73 Md. App. 89, 98 (1987) (citation omitted).

We explore each step in turn before turning to our analysis.

**A. Step One: Identification of Property as Marital or Non-Marital**

Under Maryland law, “marital property” is defined as “the property, however titled, acquired by 1 or both parties during the marriage.” Md. Code (1984, 2019 Repl. Vol.), Fam. Law (“FL”) § 8-201(e)(1) (emphasis added). “Acquired” in this context refers to “the ongoing process of making payment for property.” *Gravenstine v. Gravenstine*, 58 Md. App. 158, 169 (1984) (citing *Harper v. Harper*, 294 Md. 54, 80 (1982)). Excluded from “marital property” is any property acquired before the marriage or as an inheritance or a gift from a third party, property that has been excluded by a valid agreement, or property that is directly traceable to any of these sources. FL § 8-201(e)(3)(i)–(iv).

As indicated by the plain language of FL § 8-201(e), Maryland follows the source of funds doctrine, which provides that “[w]hether property is marital or non-marital depends upon the source of each contribution as payments are made to acquire the property.” *Melrod v. Melrod*, 83 Md. App. 180, 185 (1990) (citing *Harper*, 294 Md. at 80). Thus, non-marital property may become marital property by virtue of mortgage payments made during the marriage because, “to the extent that such payments reduced

the balance due on the mortgage, property was acquired during the marriage.” *Kline v. Kline*, 85 Md. App. 28, 41 (1990). *See also Gravenstine*, 58 Md. App. at 168 (“Where property is purchased and paid for in part before marriage and in part during marriage with nonmarital and marital funds, the property is nonmarital in part and marital in part.”).

When one partner in a marital unit contributes funds or efforts to enhance the value of non-marital property, the partner is entitled to “a share of the enhanced value of the property attributable to the expenditure of [marital] funds and efforts, [and] . . . additionally to [a] share in the increased value attributable to the normal appreciation of the property.” *Bangs v. Bangs*, 59 Md. App. 350, 364 (1984) (quoting *Harper*, 294 Md. at 69-70). In assessing a party’s efforts to enhance the value of non-marital property, the court “should . . . determine[] whether [the party’s] efforts *actively appreciated*<sup>10</sup> the value through the expenditure of funds for maintenance and/or development.” *Merriken v. Merriken*, 87 Md. App. 522, 536 (1991) (emphasis added).

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<sup>10</sup> The Supreme Court of Maryland has illustrated when activity qualifies as an “active effort” that renders property appreciation value marital property. For example, in *Brodak v. Brodak*, the Court held that additional trailers acquired during the marriage constituted marital property because the funds used to purchase the additional trailers were the result of the wife’s efforts working in the parties’ trailer park business. 294 Md. 10, 26-27 (1982). Conversely, in *Rosenberg v. Rosenberg*, this Court declined to hold that the value of an increase to non-marital property was marital property because the circuit court could not accurately ascertain whether the increased value resulted from the marital unit’s effort. 64 Md. App. 487, 530-31 (1985). This Court affirmed the circuit court’s finding that “[wife] ha[d] not proven that [husband’s] personal efforts . . . either directly or indirectly contributed to the increase in value of [husband’s] life interests in [the corporation]” because the stock’s value increased by a “variety of factors” beyond the spouse’s efforts, including the increase in value of securities and other assets held by the corporation. *Id.* at 530.

A trial court cannot engage in speculation as to whether any of the increase in value to non-marital property was the direct result of the marital unit's efforts. *See Dave v. Steinmuller*, 157 Md. App. 653, 668-69 (holding that trial court properly excluded increase in value of wife's non-marital property where husband's expert "was unable to identify what portion of the appreciation, if any, was attributable to [husband]'s efforts as opposed to other recognizable market or economic forces").

In short, "the property and the marital residence are marital in the ratio that the marital investment in the property and the residence bears to the total nonmarital and marital investment in the property." *Bangs*, 59 Md. App. at 364 (citing *Harper*, 294 Md. at 81-82). "[T]he [circuit court] must determine the total nonmarital and marital investment as only the marital property is subject to equitable distribution." *Heger v. Heger*, 184 Md. App. 83, 109 (2009) (quoting *Gravenstine*, 58 Md. App. at 169).

**1. Burden of Proof for Property Acquired Before Marriage**

"[T]he party who asserts a marital interest in property bears the burden of producing evidence as to identity of the property." *Innerbichler*, 132 Md. App. at 227 (citations omitted); *see also Blake v. Blake*, 81 Md. App. 712, 720 (1990) (noting that the trial court's responsibility to determine the value of marital property "does not carry the burden of producing such evidence[,] which instead lies with the party seeking the marital award).

The party asserting a marital interest in non-marital property must show that marital funds were used to increase the value of the non-marital property. *See Golden v. Golden*, 116 Md. App. 116 Md. App. 190, 203, 205 (1997) ("Generally, the burden of

proving a fact is on the party bearing the affirmative of the issue.”). Absent any “evidence tending to show that the asset in question was partly marital,” there is no error “in refusing to designate that property as marital.” *Melrod*, 83 Md. App. at 194; *see also Newborn v. Newborn*, 133 Md. App. 64, 95-96 (2000) (noting that evidence “showing what portion of the property . . . was marital” is “necessary [for the court] to apply the [three-step] analytical approach” in the statute).

## **2. Burden of Proof for Property Acquired During Marriage**

“[T]he party asserting a marital property interest in specific property has the burden of producing evidence as to the identity and value of that property.” *Pickett*, 73 Md. App. at 97 (citation omitted). Once that party makes out a prima facie case, the burden of producing evidence to refute those claims shifts to the other party.” *Id.* at 103 (citation omitted). “Property acquired by purchase during the marriage and not excluded by valid agreement between the parties[] is marital property unless it can be traced directly to a non-marital source of funds or property.” *Melrod*, 83 Md. App. at 187.

### **B. Step Two: Determining the Value of Marital Property**

“The law is settled that, in a proceeding for absolute divorce, the value of marital property must be decided as of the date on which divorce is actually entered.” *Doser v. Dosser*, 106 Md. App. 329, 348 (1995); *see Fox v. Fox*, 85 Md. App. 448, 460-61 (1991) (“[E]quity requires that reasonable efforts be made to ensure that valuations of marital property approximate the date of judgment of divorce which includes a monetary award.”) (quoting *Rosenberg*, 64 Md. App. at 507 (citation omitted)).

Maryland courts have long recognized that “[v]aluation is not an exact science.” *Goicochea v. Goicochea*, 256 Md. App. 329, 354 (2022) (quoting *Innerbichler*, 132 Md. App. at 241) (additional citation omitted). “In this context, “value means fair market value, which is defined as the amount at which property would change hands between a willing buyer and a willing seller[.]” *Rosenberg v. Rosenberg*, 64 Md. App. 487, 525-26 (1985) (internal citations omitted). “[T]he burden rests upon the proponent of the value of the [property] to produce evidence of a [valuation] source’s competence.”) *Gravenstine*, 58 Md. App. at 175.

The total asset value of a business includes the value of the goodwill of the business,<sup>11</sup> in addition to the company’s tangible assets before liabilities. *BAA, PLC v. Acacia Mut. Life Ins. Co.*, 400 Md. 136, 164 n.24 (2007) (citations omitted); *Innerbichler*, 132 Md. App. at 238 (noting that taxes are not a tangible asset because they are “too speculative” and thus “should not be taken into account in valuing property before making a monetary award.”) (internal citation and quotation omitted). “Because

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<sup>11</sup> As recognized by the Supreme Court of Maryland, “goodwill” has been defined as follows:

The advantage or benefit which is acquired by an establishment beyond the mere value of the capital, stock, funds, or property employed therein, in consequence of the general public patronage and encouragement which it receives from constant or habitual customers, on account of its local position or common celebrity, or reputation for skill or affluence, or punctuality, or from other accidental circumstances or necessities, or even from ancient partialities or prejudices.

*BAA, PLC v. Acacia Mut. Life Ins. Co.*, 400 Md. 136, 164 n.24 (2007).

‘business valuation is far more complex’ than the valuation of most types of assets, courts usually require expert testimony to determine the value of a business.” *Goicochea*, 256 Md. App. at 354 (quoting *Long v. Long*, 129 Md. App. 554, 570 (2000)). It is proper for a court to look to testimony and other evidence submitted by the parties “[i]n the absence of expert testimony by an expert witness[.]” *Karmand v. Karmand*, 145 Md. App. 317, 347 (2002). That said, a trial court is “entitled to” reject a party’s testimony regarding a property’s fair market value. *Id.*

***1. Limitations on the Authority to Transfer Ownership of Property***

Once a court has identified marital property and determined its value, significant limitations apply to the court’s authority to transfer ownership of that property. Pursuant to FL § 8-202(a)(3), and “[e]xcept as provided in § 8-205 of this subtitle, the court may not transfer the ownership of personal or real property from one party to the other.” The exceptions in FL § 8-205(a)(i)–(iii) authorize courts to transfer ownership of an interest in: a pension, retirement, profit sharing, or deferred compensation plan; family use personal property; and real property jointly owned by the parties and used as the principal residence of the parties when they lived together.

Put differently, FL § 8-205 “does not carry with it a right in the court to determine the assets that will be transferred or utilized to fund that award.” *Blake*, 81 Md. App. at 726. Instead, “[r]ather[ than transferring ownership of unqualifying property], the trial judge may either grant a monetary award to adjust the equities of the parties, [] or, in the case of property owned by both of them, order that the property be sold and the proceeds

divided equally.” *Pleasant v. Pleasant*, 97 Md. App. 711, 720 (1993) (citations omitted). See *Jandorf v. Jandorf*, 100 Md. App. 429, 438 (1994) (recognizing that a trial “court has authority [] to order the sale of jointly owned property”).

Moreover, absent a valid agreement between the parties, a court may not order that a party keep items of jointly owned property then in her possession at the time of the divorce. Cf. *Harbom v. Harbom*, 134 Md. App. 430, 455 (2000). Such an order would be “tantamount to transferring ownership of that property from both parties to one of them[,] . . . which the court is not authorized to do.” *Pleasant*, 92 Md. App. at 721-22 (quotation omitted). Trial courts, likewise, do not have the authority to transfer ownership of bank accounts. See *Blake*, 81 Md. App. at 721-22 (holding that trial court made “impermissible transfer of assets” from husband to wife when it ordered that wife “was entitled to take the value of her portion . . . from the parties’ [joint bank] account”).

In sum, “[w]hile a monetary award may be made to adjust the equities of the parties, the ownership cannot be changed.” *Blake*, 81 Md. App. at 722. “By applying the [three-step process] precisely, while the end result appears the same, we avoid the pitfall of an impermissible transfer.” *Id.* at 724. Where a “court improperly transfer[s] ownership of the property[,] [FL] § 8-202(a)(3)[,] [] these contested provisions of the judgment must be vacated and remanded for a proper equitable distribution.” *Prahinski v. Prahinski*, 75 Md. App. 113, 140 (1988).

**C. Step Three: Determining Whether a Monetary Award is Necessary to Achieve Equitable Distribution**

After the court determines which property is marital and the value of the marital property, “the court may . . . grant a monetary award[] . . . as an adjustment of the equities and rights of the parties concerning marital property. . . .” FL § 8-205(a)(1). The purpose of a marital award “is to correct any inequity created by the way in which property acquired during marriage happened to be titled.” *Doser*, 106 Md. App. at 349. “The monetary award is thus an addition to and not a substitution for a legal division of the property accumulated during marriage, according to title. It is intended to compensate a spouse who holds title to less than an equitable portion of that property. . . .” *Id.* (quoting *Ward v. Ward*, 52 Md. App. 336, 339 (1982)).

Critically, a court may “decide whether to grant a [single] monetary award” only after it “determine[s] the value of *all* marital property.” *Brewer*, 156 Md. App. at 106 (emphasis added) (citations omitted). Thus, putting it all together, the three-step process requires a court to first identify all marital property, then value all marital property, and only then—after considering the total value of marital assets held by each party—determine whether a monetary award is necessary to achieve an equitable distribution. *See Harper*, 294 Md. at 82 (requiring the court “to make an equitable distribution of the value of the marital property with due regard being given to all of the relevant factors”).

To achieve an equitable distribution, circuit courts are “vested with broad discretion in deciding whether to grant a monetary award, but the exercise of that

discretion should be informed and based upon reason.” *Freese v. Freese*, 89 Md. App. 144, 153 (1991). Further, the court “is required to consider the statutory factors contained in [FL] § 8-205(b).”<sup>12</sup> *Flanagan*, 181 Md. App. at 520. While the court “need not go through a detailed check list of the statutory factors,” there must be some

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<sup>12</sup> The 11 factors enumerated in FL § 8-205(b) are as follows:

- (1) the contributions, monetary and nonmonetary, of each party to the well-being of the family;
- (2) the value of all property interests of each party;
- (3) the economic circumstances of each party at the time the award is to be made;
- (4) the circumstances that contributed to the estrangement of the parties;
- (5) the duration of the marriage;
- (6) the age of each party;
- (7) the physical and mental condition of each party;
- (8) how and when specific marital property or interest in property described in subsection (a)(2) of this section, was acquired, including the effort expended by each party in accumulating the marital property or the interest in property described in subsection (a)(2) of this section, or both;
- (9) the contribution by either party of property described in § 8-201(e)(3) of this subtitle to the acquisition of real property held by the parties as tenants by the entirety;
- (10) any award of alimony and any award or other provision that the court has made with respect to family use personal property or the family home; and
- (11) any other factor that the court considers necessary or appropriate to consider in order to arrive at a fair and equitable monetary award or transfer of an interest in property described in subsection (a)(2) of this section, or both.

indication that the factors were considered. *Malin v. Mininberg*, 153 Md. App. 358, 429 (2003) (citations and internal quotation marks omitted). So long as the ultimate decision is fair and equitable, the court properly exercised its discretion. *Long*, 129 Md. App. at 578.

## DISCUSSION

### I. THE CIRCUIT COURT ERRED IN GRANTING MULTIPLE MONETARY AWARDS TO HUSBAND.

#### A. **Step One: The circuit court must clarify its evidentiary findings as to the Joint Investment Account; however, the court’s error as to the identity of the Home was harmless.**

Wife first argues that the circuit court erred in finding that she “failed to present any evidence” of the non-marital source of the Joint Investment Account. During the merits hearing, Wife testified that her share of proceeds from the sale of family property in the Philippines, or \$183,000, was wired into one of the parties’ joint accounts by her sister, and that the parties subsequently funded the Joint Investment Account<sup>13</sup> with \$150,000 of the sales proceeds. She argues that this testimony was legally sufficient to satisfy her burden of proof to trace the funds to a non-marital source. Husband’s brief did not respond to Wife’s contentions regarding the Joint Investment Account.

The court determined in its oral ruling that Wife did not present “*any credible* evidence regarding the alleged nonmarital portion of the account . . . nor the source of funds.” (Emphasis added.) In its written judgment, however, the court determined that

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<sup>13</sup> At the merits hearing, Wife testified that she and Husband also deposited “all of [their] salar[ies] and distributions” from Howard Video into the Joint Investment Account.

Wife “had the burden of directly tracing her alleged non-marital contribution to this account to a non-marital source” but found that Wife “failed to present *any* evidence to prove her burden.” (Emphasis added.)

We are unable to discern whether the circuit court simply did not believe Wife’s testimony, or whether the court determined that Wife presented “no evidence” because Wife presented no supporting financial documentation. To the extent the court found that Wife put on no evidence because Wife provided only testimony to trace the funds to a non-marital source, the court clearly erred, because *testimony is evidence*. To the extent the circuit court intended this statement to mean that Wife presented no *credible* evidence (again, that the circuit court did not believe Wife), however, that assessment would be permissible. *Hripunovs v. Maximova*, 263 Md. App. 244, 261, 269 (2024) (“It is ‘not our role, as an appellate court, to second-guess the trial judge’s assessment of a witness’s credibility[,]’” as the trial judge is “most aptly situated to determine the credibility of witnesses[.]”) (quotation and citation omitted).

Accordingly, we vacate the circuit court’s determination that the Joint Investment Account is marital property to be divided equally. On remand, the circuit court is to take into consideration, and evaluate the credibility of, Wife’s testimony—as evidence—that she funded the Joint Investment Account with non-marital funds.

Turning to the Home, Wife contends that the circuit court erred in determining that the Home was non-marital property. Wife argues that the Home is marital property because payments made during the marriage were tendered on an outstanding mortgage, and because she “[took] care of [Husband’s] children” and the parties’ son, maintained

the Home during Husband’s 2021-2022 incarceration, and “spent a large sum of money in renovations, which improved the [H]ome and its value.” She argues that although Husband had title and possession prior to the marriage, the parties made payments on the Home’s second mortgage with marital funds and paid property taxes<sup>14</sup> during their 21-year marriage.

Husband responds that the undisputed evidence established that the Home was “fully purchased” in 1999, approximately two years before the parties’ marriage, and that “a new loan or mortgage existed on the [Home], which was paid[]off in or around 2005.”

The circuit court erred in determining that the Home was non-marital by relying exclusively on Husband’s purchase of the Home prior to the marriage. In the Amended Judgment of Absolute Divorce, the court noted that, “[a]t trial, [Wife] argued that despite the fact that the former marital [H]ome was purchase[d] prior to the marriage, it was marital.” The court concluded that the Home “is [Husband’s] non-marital property because it was purchase[d] prior to the parties’ marriage and [Wife] is not entitled to it.”

We agree with Wife that the circuit court incorrectly stated the law. “[U]nder the Maryland Act the appropriate analysis to be applied is the source of funds theory.” *Harper*, 294 Md. at 80 (rejecting the inception of title theory). The circuit court, however, did not apply the source of funds theory, which required analysis of the source of funds Husband used to acquire the Home. The court, instead, improperly applied the

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<sup>14</sup> Although Wife’s appellate brief does not explicitly state that she paid *property* taxes, Wife testified on direct examination that she had paid the Home’s property taxes since 2021.

inception of title theory to determine that the Home was non-marital because Husband had taken title to the Home prior to the parties' marriage.

We conclude, however, that the circuit court's error was harmless. Though the court erred as a matter of law by applying title theory rather than the source of funds theory to determine whether Wife had a marital interest in the Home, further proceedings are not required because the error did not alter the ultimate determination that the Home was non-marital. *See Matter of Becker*, 265 Md. App. 301, 309 (2025) (recognizing that harmless error typically does not warrant reversal).

Even where property "may be part marital and part non-marital," the party asserting a marital interest must still "meet her burden of establishing which property was marital or to establish its value." *Lee*, 182 Md. App. at 294. We agree that Wife was required to prove the marital proportion to establish the identity of the marital property. *See id.* Wife directs us to no portion of the record in which she presented evidence of the proportion of the Home's value that should be considered marital. Nowhere does Wife "provide even a hint as to the dollar amount that she claims the trial judge should have found to be the marital value of the [property]." *Id.* at 295 n.6. Similarly, Wife introduced no evidence to indicate how her contributions of making tax payments and caring for Husband's children led to appreciation in the value of the Home. *See Blake*, 81 Md. App. at 720 (holding that the trial court was not clearly erroneous in not attributing any value to work done on the parties' marital home when neither party presented any evidence of increased value to the home); *Steinmuller*, 157 Md. App. at 668-69 (holding that when an expert cannot determine what portion of a property's appreciation is

attributable to a party’s efforts, the trial court does not, based on this fact alone, err in declining to assign the increase in value to the party’s efforts).

Moreover, as noted above, the Deed of Trust appears to have secured a home equity line of credit, rather than a loan to purchase the Home. Home equity lines of credit are not necessarily considered an “acquiring interest” for purposes of marital property; instead, “a home equity line of credit *may* be categorized as marital debt. . . .” *Ledbetter v. Ledbetter*, 255 Md. App. 1, 4 n.4 (2022) (citation omitted). In other words, “property which is represented by an outstanding marital debt has not been ‘acquired’ for the purpose of an equitable distribution by . . . a monetary award. . . . [A] marital debt is considered under the second step of the process followed in reaching a monetary award, namely the valuation of marital property.” *Schweizer v. Schweizer*, 301 Md. 626, 637 (1984). It follows that Wife would not be able to establish a marital interest in the Home based on payments made for the home equity line of credit.

For these reasons, we vacate the circuit court’s disposition of the Joint Investment Account and hold that although the circuit court applied the wrong legal standard to identify the Home as non-marital property, because Wife failed to meet her burden of proof, the court’s error was harmless.

**B. Step Two: The circuit court erred in valuing Howard Video.**

Wife next argues that the court erred in using the 2021 Balance Sheet value, \$582,668.02, as the fair market value of Howard Video. She contends that the “[b]alance sheet value is book or historical value[,]” which, quoting *Rosenberg v. Rosenberg*, 64 Md. App. 487, 525 (1985), she explains “is not an amount ‘at which property could

change hands between a willing buyer and a willing seller[.]” (Alteration added.) Wife also asserts that even if the court could have used the 2021 Balance Sheet value, it should have adjusted its calculation to account for the business equipment, worth approximately \$423,187, in Husband’s possession.

Husband counters that there is “no exact science when valuing businesses” and that the circuit court properly relied on the only financial evidence before it, namely, the 2021 Balance Sheet prepared by the company’s accountant (who testified at the merits hearing) and approved by Wife as CEO. Husband further argues that the court’s use of the 2021 Balance Sheet was proper because Wife did not supply “other evidence to refute the [t]rial [c]ourt’s determination. . . .”

Because both parties asserted a marital interest in Howard Video—stipulated by the parties in the Rule 9-207 Statement as marital property—but disagreed as to the valuation of the business, both spouses bore a distinct burden of proof as to the value of Howard Video. *See Pickett*, 73 Md. App. at 97 (“[T]he party asserting a marital property interest in specific property has the burden of producing evidence as to the identity and value of that property.”); *see also Gravenstine*, 58 Md. App. at 175 (“[T]he burden rests upon the proponent of the value of the [property] to produce evidence of a [valuation] source’s competence.”). That said, neither party presented an expert witness to assist the circuit court’s valuation of Howard Video. Indeed, the court explicitly stated that it “struggle[d] with the valuation of [Howard Video] as [Wife] has f[a]iled to file an income tax [ ] return as it related to the actual value of the property.”

Nonetheless, the circuit court’s reliance on the 2021 Balance Sheet, which reflects book value or historical cost and not its fair market value, was inadequate to properly value the business “as of the date on which divorce [was] actually entered.” *Doser*, 106 Md. App. at 348 (citing *Fox v. Fox*, 85 Md. App. 448, 460-61 (1991)) (additional citations omitted). In business valuations, the court must “plac[e] a value on each of the component assets of the business and add[] the numbers together. Those assets ‘fall into three classes: tangible assets, liabilities, and goodwill.’” *Skrabak v. Skrabak*, 108 Md. App. 633, 649 (1996) (internal citation omitted). Applying this principle here, we conclude that the court abused its discretion in using the 2021 Balance Sheet to value Howard Video, and accordingly vacate the court’s valuation of the business. Its reliance did not consider Howard Video’s tangible assets, liabilities, and/or goodwill as of the date of divorce.

On remand, unless the parties come to an agreement on Howard Video’s value,<sup>15</sup> the circuit court shall value Howard Video as of the date on which the divorce was actually entered, utilizing appropriate methodologies for determining fair market value of a closely held business. *See Doser*, 106 Md. App. at 348 (citations omitted). The court may, at its discretion, appoint an expert, at the cost of the parties, to determine the fair

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<sup>15</sup> Moreover, should the parties reach an agreement for one to buy out the other’s interest in Howard Video, or to sell Howard Video to a third party, the circuit court may merge this agreement into its judgment. *See Droney v. Droney*, 102 Md. App. 672, 690 (1995) (“[T]he court can merge the terms of a deed agreement, or settlement made between the parties during the divorce as part of the divorce decree.”) (citing FL § 8-105(a); *Goldberg v. Goldberg*, 290 Md. 204, 210 n.6 (1981)).

market value of Howard Video. Md. Rule 5-706(a) (“The court may appoint any expert witnesses agreed upon by the parties, and may appoint expert witnesses of its own selection.”).

**C. Step Three: The circuit court committed multiple errors in granting the monetary awards.**

Wife also challenges the circuit court’s award of \$220,000 (or approximately 38 percent of the court’s valuation of Howard Video) to Husband, despite the determination that Husband owned only five percent of the business. Husband summarily argues that the court’s monetary award properly considered equitable factors, including Wife’s failure to issue K-1 distributions<sup>16</sup> to Husband. As explained below, we hold that the court erred in three separate ways.

*First*, the circuit court fundamentally erred in its approach to the monetary award by conducting a property-by-property analysis rather than following the mandatory

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<sup>16</sup> We clarify that, although the record reflects that Howard Video is a limited liability company (“LLC”), Howard Video’s accountant testified that the business is taxed federally as an S corporation. As explained by the United States District Court for the District of Massachusetts:

[T]he [federal] Tax code does not define, nor does it recognize, so-called hybrid entities such as limited liability companies and limited liability partnerships. Instead, the [Internal Revenue Service], considers such an entity an unincorporated organization and affords it the option to “elect its classification for Federal tax purposes . . . as either an association (and thus a corporation . . .) or a partnership.” 26 C.F.R. § 301.7701-3.

*Sun Cap. Partners III, LP v. New England Teamsters & Trucking Indus. Pension Fund*, 903 F. Supp. 2d 107, 118-19 (D. Mass. 2012), *aff’d in part, vacated in part, rev’d in part*, 724 F.3d 129 (1st Cir. 2013) (internal citations omitted). Thus, all distributions taken by Howard Video must be distributed in proportion to the shareholders’ ownership interests.

three-step process. Instead of (1) identifying all marital property, (2) determining the total value of all marital property, and (3) then deciding whether the division of marital property according to title would be unfair—and if so, granting a single monetary award after consideration of the FL § 8-205(b) factors—the circuit court made separate dispositions and awards for each individual asset.

The circuit court ordered that the Joint Investment Account “be divided equally between [the parties;]” that four bank accounts titled in Wife’s name “be divided 50/50 between the parties;” that Wife transfer \$60,000 from a fifth account to Husband; that the account titled in Husband’s name “be divided 50/50 between the parties[;]” and that Husband receive a \$220,000 monetary award in relation to Howard Video. Each of these dispositions was made separately, without any indication that the court had first calculated the total value of all marital property and then considered the FL § 8-205(b) factors to determine whether an equitable distribution required a monetary award.

This piecemeal approach violates the mandatory three-step process. As this Court explained in *Brewer*, a circuit court may “decide whether to grant a [single] monetary award” only after it “determine[s] the value of *all* marital property.” 156 Md. App. at 106 (citations omitted) (emphasis added). The purpose of the monetary award is “to correct any inequity created by the way in which property acquired during marriage happened to be titled.”<sup>17</sup> *Doser*, 106 Md. App. at 349. To achieve this purpose, the court

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<sup>17</sup> We are not persuaded that the circuit court erred in awarding Husband a monetary award higher in value than that to which he was entitled by title. After properly  
(continued)

must view the marital estate as a whole, determine the total value of marital property, ascertain what portion of the total marital property each spouse holds title to, and only then, if a division according to title would be inequitable, grant a monetary award to rectify the inequity. The court must create a comprehensive marital property schedule corresponding to the monetary award. *See, e.g., Wasyluszko v. Wasyluszko*, 250 Md. App. 263, 267 (2021) (exemplifying a marital property schedule).

The FL § 8-205(b) factors contemplate this holistic approach. Factor two, for example, requires the trial court to consider “the value of all property interests of each party[.]” FL § 8-205(b)(2). This cannot be done if the court is making separate awards for each individual asset without reference to the overall distribution. Similarly, factor three requires consideration of “the economic circumstances of each party at the time the award is to be made.” FL § 8-205(b)(3). A property-by-property approach fails to account for the cumulative effect of multiple awards on each party’s economic circumstances.<sup>18</sup>

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valuing all property and considering the FL § 8-205(b) factors, should the circuit court determine on remand that disposition of the marital estate according to title would be “less than [] equitable,” *Doser*, 106 Md. App. at 349 (quotation omitted), the court has “broad discretion . . . to grant a monetary award” to either party. *Freese*, 89 Md. App. at 153. This determination, however, must be made in the context of the entire marital estate, and not on a property-by-property basis.

<sup>18</sup> As explained above, although we concluded that the court committed harmless error in its determination that the Home was non-marital property, the court must consider “the contributions, monetary and nonmonetary, of each party to the well-being of the family” prior to determining the amount and method of payment of a monetary award. FL § 8-205(b)(1); *see also Turner v. Turner*, 147 Md. App. 350, 407 (2002) (“Contribution is a factor that may be considered in making a monetary award[.]”)

(continued)

Here, there is no indication in the record that the circuit court calculated the total value of all marital property, determined how that property was divided according to title, and then considered the FL § 8-205(b) factors in deciding whether to grant a monetary award. Instead, the court made separate transfers and awards for each asset, thereby deviating from the requisite holistic approach in FL § 8-205(b).

*Second*, the circuit court further erred in ordering that Wife “shall keep as her sole and separate property all remaining assets of the business.” The physical equipment belonged to Howard Video. Nothing in the record indicates that Husband consented to the transfer of Howard Video’s fixed assets to Wife. Though Wife repeatedly stated at trial that she wanted *Husband* to have the equipment,<sup>19</sup> the court made no finding that the parties had agreed that *Wife* keep the equipment. *See Harbom v. Harbom*, 134 Md. App. 430, 455 (2000) (explaining that transferring the property of one party to another party without the parties’ consent would be improper).

Thus, in ordering that Wife “keep as her sole and separate property all remaining assets of the business[,]” the circuit court impermissibly transferred ownership of Howard Video from both parties to one party. *See Pleasant v. Pleasant*, 97 Md. App. 711, 720,

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(quotation omitted). Accordingly, on remand, the court should weigh Wife’s alleged monetary and non-monetary contributions prior to determining the amount of a possible monetary award and scheduling order.

<sup>19</sup> Contrary to one of Wife’s arguments before us, the circuit court’s order did not grant Howard Video’s physical assets to Husband. We also clarify that the court did not have the authority to reduce the valuation of Howard Video by the value of the remaining equipment. *See Speropulos v. Speropulos*, 97 Md. App. 613, 619 (1993) (“Either each piece of office equipment and inventory is a separate marital asset or the aggregate of equipment and inventory, *i.e.*, the business as a whole, is a single marital asset.”).

721-22 (1993) (“[T]he [circuit court] had no authority to permit either of [the parties] to retain possession of the property then in his or her possession, but should have ordered the property sold and the proceeds divided between them.”).

*Third*, the circuit court also erred in transferring ownership of seven bank accounts.<sup>20</sup> The court disposed of eight bank accounts: six titled in Wife’s name; one titled in Husband’s name; and one titled jointly. After identifying who had title to each bank account, the court ordered that four of the six accounts titled solely in Wife’s name “be divided 50/50 between the parties[,]” and ordered Wife to transfer funds to Husband directly from each account. The account divisions and transfer orders were made immediately following the court’s individual identification of each account’s title.

The circuit court also ordered that Wife transfer to Husband \$60,000 from a fifth account titled solely in Wife’s name. The court explained that “[Wife] used [this account] to care for the minor child as well as take care of the household responsibilities. As such, since [Wife] has been caring for the minor child and taking care of responsibilities solely . . . , the [c]ourt will award [Husband] \$60,000 from that account to be transferred from [Wife].” Similarly, the court ordered that the account titled solely in Husband’s name “be divided 50/50 between the parties[,]” and ordered that Husband transfer funds to Wife from this account. Finally, the court ordered the parties’ joint account to “be divided 50/50[,]” and that Wife “transfer to [Husband] the sum of

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<sup>20</sup> We note for clarity that the court’s order awarding Wife the account titled solely in her name, valued at \$12,895, was permissible.

\$11.50 . . . and [] close the account.”

These orders constituted impermissible transfers of ownership because, as explained above, trial courts do not have the authority to transfer ownership of bank accounts. *See Harbom*, 134 Md. App. at 455; *Pleasant*, 92 Md. App. at 711, 720, 721-22; *see also Blake*, 81 Md. App. at 721-22 (holding that trial court order specifying that the monetary award must be paid to wife from a bank account titled in husband’s name constitutes an impermissible transfer of ownership). Accordingly, we vacate and remand the corresponding portions of the Amended Judgment of Absolute Divorce. *See Prahinski v. Prahinski*, 75 Md. App. 113, 140 (1988) (holding that when a “court improperly transfer[s] ownership of the property[,] [FL] § 8-202(a)(3)[,] [] the[] contested provisions of the judgment must be vacated and remanded for a proper equitable distribution”).

## II. WIFE’S CHALLENGE TO THE PAYMENT SCHEDULE IS MOOT.

Wife’s challenge to the payment schedule corresponding to the disputed monetary awards is rendered moot because, as discussed at length above, we vacate these monetary awards and remand for further consideration. *See Lee*, 182 Md. App. at 291 (noting that this Court “need not resolve th[e] issue” of the payment schedule because we had already ruled that, “[u]pon remand, the trial judge should reconsider the amount of the monetary award”). Nevertheless, we exercise our discretion pursuant to Maryland Rule 8-131(a) and address the payment schedule for guidance on remand.

“We first observe that the method of payment is entrusted to the sound discretion of the trial judge.” *Caccamise v. Caccamise*, 130 Md. App. 505, 522 (2000). Pursuant to

FL § 8-205(b), the court must determine the payment method based on its consideration of the same factors used to determine the amount of the monetary award. *See, e.g., Schweizer v. Schweizer*, 301 Md. 626, 630 (1984) (“In determining the amount and method of payment of an award, the court is obliged to consider each of [the FL § 8-205(b)] factors.”). In making this determination, the court should consider whether the marital property disposition has affected a party’s ability to pay, e.g., an order granting use and possession of real property to only one party, requiring the paying party to relocate.

“[T]he ‘terms of the payment must be fair and equitable,’ and the court should consider the method of payment in light of the payor’s ability to pay.” *Lee*, 182 Md. App. at 291 (quoting *Caccamise*, 130 Md. App. at 523). A circuit court may draw inferences about a party’s ability to pay “from the financial evidence adduced on the other issues in the case.” *Williams v. Williams*, 71 Md. App. 22, 38 (1987) (citing *Rosenberg*, 64 Md. App. at 522).

If the award is based on the value of assets that are unavailable for immediate monetary payment, the court may not order an immediate payment absent evidence of the payor’s ability to pay the award (or to borrow and repay). *See Rosenberg*, 64 Md. App. at 522-23 (vacating the payment schedule when “the [court] completely ignored the fact that a large part of the marital property consisted of interests in benefit plans, which were not presently available to [the party]” and “[t]here was no factual predicate upon which [the court] could determine whether [the party] could borrow the amount determined.”). Thus, where the monetary award is largely based on the value of an illiquid asset, such as

a business, the court should try to ensure that the payment schedule is “not ‘so harsh as to force [the payor] spouse to liquidate his or her . . . interest in order to satisfy’ the monetary award.” *Innerbichler*, 132 Md. App. at 243 (quoting *Deering v. Deering*, 292 Md. 115, 131 (1981)).

This Court has repeatedly upheld payment schedules which spread out payments over several years, even without interest. *See Innerbichler*, 132 Md. App. at 242-43 (upholding interest-free payment schedule requiring semi-annual payments over a five-year period); *Schaefer v. Cusack*, 124 Md. App. 288, 301-02 (1998) (holding no abuse of discretion where trial court ordered a three-year payment schedule, rather than a lump-sum payment). On the other hand, this Court has emphasized that the circuit court should determine “whether the award can be paid in a more expeditious manner or, if not, whether a reasonable amount of interest should be paid to [the payee] for the period of time she is required to wait to collect” the award. *Caccamise*, 130 Md. App. at 523.

On remand, the circuit court should consider these principles in determining the payment schedule for a monetary award, if applicable.

### CONCLUSION

We hold that the circuit court erred (1) by conducting property-by-property monetary award analyses rather than following the mandatory three-step process, (2) in its valuation of Howard Video and by transferring ownership of Howard Video’s equipment, and (3) by transferring ownership of the bank accounts. Accordingly, we vacate the monetary awards, totaling \$464,134.19, to Husband. We also vacate the

circuit court's valuation of Howard Video and determination that the Joint Investment Account is marital property to be divided equally. The case is remanded for further proceedings not inconsistent with this opinion.

**JUDGMENT OF THE CIRCUIT COURT  
FOR PRINCE GEORGE'S COUNTY  
VACATED.**

**CASE REMANDED TO THE CIRCUIT  
COURT FOR FURTHER PROCEEDINGS  
NOT INCONSISTENT WITH THIS  
OPINION.**

**COSTS TO BE PAID 25 PERCENT BY  
APPELLANT AND 75 PERCENT BY  
APPELLEE.**