

NOT TO BE PUBLISHED

California Rules of Court, rule 8.1115(a), prohibits courts and parties from citing or relying on opinions not certified for publication or ordered published, except as specified by rule 8.1115(b). This opinion has not been certified for publication or ordered published for purposes of rule 8.1115.

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

THIRD APPELLATE DISTRICT

(El Dorado)

In re the Marriage of JACQUELINE and ROBERT
REDDEN.

C060046

JACQUELINE REDDEN,

(Super. Ct. No. PFL20040162)

Appellant,

v.

ROBERT REDDEN,

Respondent.

Appellant Jacqueline Redden appeals from the trial court's judgment dividing the assets of her marriage to Robert Redden. On two occasions during the marriage, Jacqueline executed quitclaim deeds transferring her interest in real property to Robert in order to secure loans, the proceeds of which were used to fund the acquisition of other real and personal property. Jacqueline challenges the effectiveness of a 1993 quitclaim and argues the trial court erred in dividing the property of the marriage and in

determining reimbursements. We shall remand for a recalculation of reimbursements to Robert, but in all other respects we affirm the judgment.

FACTUAL AND PROCEDURAL BACKGROUND

The couple married in 1991. Prior to the marriage, Jacqueline inherited a house in Sacramento. During the early part of their marriage, the couple lived in the house.

The Garden Valley Home

In 1992 the couple decided to buy a house in Garden Valley for \$88,500. In order to purchase the Garden Valley home, they agreed to borrow against Jacqueline's Sacramento home. At the time, Jacqueline had \$110,000 in equity in her separate residence, but her very poor credit prevented her from securing a loan. To facilitate their home financing plans, Jacqueline transferred title in the Sacramento home to Robert as his sole and separate property (by grant deed) so he could use his credit to secure a loan. An \$88,000 loan was secured against the Sacramento home, \$64,512 of which was applied to the purchase price for the Garden Valley home; the sellers took back a \$28,000 note for the remainder, signed by both Jacqueline and Robert. Title was taken as community property. Of the remaining loan proceeds, \$7,752 went to pay off Robert's truck, \$3,504 paid off Jacqueline's old debts, and \$9,632 paid off the prior owner of the Sacramento home.¹

In August 1993 Jacqueline quitclaimed her interest in the Garden Valley home to Robert to allow Robert to obtain a loan against that residence. Jacqueline's credit remained poor. The quitclaim deed states that Jacqueline quitclaimed all her right, title, and interest in the Garden Valley home. Robert obtained a \$50,000 loan against the property.

¹ Robert purchased the truck prior to the marriage.

In 1995 the couple decided to borrow more money against the Garden Valley home and to put the existing loan in both their names. However, the loan was denied and Jacqueline's name was not put back on the title to the Garden Valley home.

The following year, Robert recorded a grant deed transferring title to the Sacramento home to himself and Jacqueline as joint tenants. The couple then borrowed \$23,100 against the property to purchase equipment for Redden Engineering.² Later that year, the couple borrowed another \$5,637, secured by the Sacramento home.

In March 1998 the couple refinanced the \$5,637 loan and borrowed an additional \$7,500, secured again by the Sacramento property, for a total of \$12,877. The couple used \$4,626 to purchase a dump truck for the business.

The following year, the couple borrowed an additional \$10,000 against the Garden Valley home to pay off Robert's truck loan and purchase a car for Jacqueline. Both parties signed the deed of trust securing the loan.

The Separation and Aftermath

The couple separated in June 2001. Four days after the separation, the couple borrowed \$35,000 against the Garden Valley home. They used \$13,647 to pay off the March 1998 loan, \$9,218 to pay off credit cards, and \$10,232 for Jacqueline's living expenses. Jacqueline, suffering from an injury, was not working.

In June 2002 the couple sold the Sacramento home for \$167,000. A portion of that amount, \$78,683, was used to pay off the first note holder, and \$23,182 paid off the second. An additional \$38,700 paid off another loan. Jacqueline kept the remaining \$23,186.

² During the marriage, the couple had a partnership known as Redden Engineering. Jacqueline handled the administrative side of the business. Robert ceased operating the business in 2005, but the partnership had assets, including equipment and a checking account containing \$2,815.

That fall, Jacqueline purchased a home in Pollock Pines as her separate property. Robert signed a grant deed stating he had no interest in the property.

A few months later, Robert purchased a bulldozer for \$8,311, using postseparation earnings. In 2002 Robert claimed the bulldozer as a partnership expense.

At the time of trial, \$42,671 was owed on the Garden Valley home on a credit union line of credit, and an additional \$9,700 was owed to Bank of America. Robert estimated the Garden Valley home was currently worth \$160,000. Since the separation, Robert had paid \$17,281 toward the line of credit secured by the Garden Valley home.

The Trial Court's Decision

Following a court trial, the court issued a tentative ruling. The court valued Redden Engineering at \$27,500, based on the equipment owned by the partnership and cash in the business account.

The court found the Sacramento home had been Jacqueline's separate property but that she deeded it to Robert to obtain a better interest rate. In doing so, Jacqueline "had full knowledge of the effect of the grant deed at the time she executed and recorded it. There is no evidence of undue influence or that [Jacqueline] did not understand what she was doing." The court determined the Sacramento home had been deeded to both parties as joint tenants, and at the time of sale, the property was community property. The couple agreed that Jacqueline would receive the proceeds from the sale of the Sacramento home and \$10,232 from the Beneficial loan, in exchange for Robert's receiving the Garden Valley home.

The court noted that in August 1993 Jacqueline relinquished " 'all her right title and interest' " in the Garden Valley house. Again, the court found no evidence Jacqueline was coerced or that she did not understand the effect of the quitclaim deed.

The court found the Chevrolet Blazer was in Jacqueline's possession following the separation and that Robert made payments of \$12,959 postseparation. Jacqueline owed Robert for those payments. The court denied Jacqueline reimbursement for paying off

Robert's truck in the amount of \$7,752. The court awarded Robert the 1984 bulldozer as his separate property.

The court filed a proposed statement and decision. Following a hearing, the court filed a statement of decision.

In its judgment, the court (1) valued the community interest in Redden Engineering at \$19,188 (\$27,500 minus the [approximately] \$8,311 Robert paid for the bulldozer); (2) awarded spousal support; and (3) held that per the parties' agreement, the Sacramento home would be awarded to Jacqueline and the Garden Valley to Robert. The court made various other findings as to vehicle ownership and reimbursement for loan payments.

Jacqueline filed a notice of intent to move for a new trial. The trial court denied the motion. Following entry of judgment, Jacqueline filed a timely notice of appeal.

DISCUSSION

I.

The trial court has broad discretion to determine the manner in which community property is divided. (Fam. Code, § 2550; *In re Marriage of Brown* (1976) 15 Cal.3d 838, 848, fn. 10.)³ Accordingly, we review the trial court's judgment dividing marital property for an abuse of discretion, reversing only if the trial court's decision is supported by substantial evidence. (*In re Marriage of Dellaria & Blickman-Dellaria* (2009) 172 Cal.App.4th 196, 201; *In re Marriage of Quay* (1993) 18 Cal.App.4th 961, 966.) We review the trial court's factual findings regarding the character and value of the parties' property under the substantial evidence standard. (*Dellaria*, at p. 201; *In re Marriage of Ettefagh* (2007) 150 Cal.App.4th 1578, 1584.) We review matters of law de novo. (*Dellaria*, at p. 201; *In re Marriage of Rothrock* (2008) 159 Cal.App.4th 223, 230.)

³ All further statutory references are to the Family Code unless otherwise designated.

II.

Jacqueline argues the trial court erred in finding the Garden Valley home was Robert's separate property. According to Jacqueline, Robert failed to meet his burden of proving Jacqueline transferred her interest in the property voluntarily and knowingly.

Title to the Garden Valley house was originally taken by the couple as community property. They purchased the property using \$60,000 Robert borrowed against the Sacramento house, financing the rest of the purchase price through a note.⁴ Property acquired during marriage taken in joint title is presumptively community property. (Fam. Code, § 760; *In re Marriage of Haines* (1995) 33 Cal.App.4th 277, 291 (*Haines*).)

However, a little over a year later, Jacqueline quitclaimed all of her right, title, and interest in the Garden Valley house to Robert. Spouses are free to enter into transactions with each other, but "in transactions between themselves, a husband and wife are subject to the general rules governing fiduciary relationships which control the actions of persons occupying confidential relations with each other. This confidential relationship imposes a duty of the highest good faith and fair dealing on each spouse, and neither shall take any unfair advantage of the other." (§ 721, subd. (b).) When a transaction between spouses advantages one spouse, the court presumes such transactions to have been the result of undue influence and the transaction will be set aside. (*Haines, supra*, 33 Cal.App.4th at pp. 293-294.) To overcome this presumption, Robert bears the burden of establishing that Jacqueline's transmutation of the property "was freely and voluntarily made, with full knowledge of all the facts, and with a complete understanding of [the] effect of the transfer." (*In re Marriage of Delaney* (2003) 111 Cal.App.4th 991, 1000 (*Delaney*).)

⁴ The amount is variously reported as \$60,000, \$60,500, and \$64,512.

Jacqueline contends the trial court failed to “assign” Robert this burden of proof and also failed to rebut the presumption of undue influence. Her argument in this regard points to a statement in the trial court’s tentative ruling that “there is no evidence [Jacqueline] was coerced or that she did not understand the effect of the Quitclaim Deed.” According to Jacqueline, “by requiring Jackie to prove that she was coerced or did not understand the effect of the deed, the trial court improperly shifted the burden to Jackie to show that she *was* coerced or unduly influenced.” We disagree. The trial court’s comment on the absence of certain evidence in the record cannot be taken as an indication that it misunderstood the burden imposed upon Robert or to suggest that the trial court shifted the burden to Jacqueline. The absence of evidence that Jacqueline misunderstood the effect of the quitclaim transaction or was coerced is significant in light of compelling evidence that she acted freely with an understanding of what she was doing. From our reading of the record, the trial court properly assessed both the burden Robert had to overcome and the evidence produced at trial.

At trial, Jacqueline testified she was a high school graduate, with two years of college. She had experience in tax return preparation, and had worked as an engineering contractor and a bank teller. In contrast, Robert testified he never completed high school and had no accounting or bookkeeping experience.

For Redden Engineering, Jacqueline handled the administrative parts of the business, including paying the taxes. In addition, Robert testified Jacqueline took care of the couple’s finances.

Robert testified it was Jacqueline’s idea to execute a deed granting the Garden Valley house to him as his sole and separate property. Jacqueline did so “[b]ecause her credit was ruined, and we wanted to take a home equity line of credit out on the property.” Jacqueline testified it was not her intent to give her interest in the property to Robert when she signed the quitclaim deed. She acknowledged her bad credit necessitated the deed.

Jacqueline did not testify Robert insisted on the transfer, nor did she state she did not understand the impact of the transfer on her property interests. Instead, the record reveals a higher level of sophistication on the part of Jacqueline in financial matters, and a determination to overcome her credit rating problems to pursue a home equity loan. None of this smacks of coercion.

Here, the trial court considered the evidence before it and determined Jacqueline quitclaimed her interest in the Garden Valley house freely and voluntarily, with a complete understanding of the consequences of the transfer. The record supports the trial court's conclusion.

In this regard, the facts of the present case are unlike those presented in *Delaney*, *supra*, 111 Cal.App.4th 991, a case relied on by Jacqueline. In that case, the husband testified he had been diagnosed with a learning disability that severely limited his reading comprehension. He relied on Wife to handle all legal and financial matters. (*Id.* at p. 994.) Less than a year after their marriage and in connection with a loan application process, Husband was moved to execute a grant deed conveying his separate property to Wife and Husband as joint tenants. The court found undue influence and set the transfer aside. (*Ibid.*) Husband's lack of sophistication and deference to his wife in *Delaney* stands in stark contrast to the position of the parties in the present case.

Though Jacqueline disagrees, the facts of the present case resemble those of *In re Marriage of Mathews* (2005) 133 Cal.App.4th 624 (*Mathews*), where in order to obtain a better interest rate, the wife quitclaimed to the husband her interest in a house the couple was buying. Title to the house was taken in the husband's name alone, though the wife believed she would be added to the title later on. The trial court awarded the house to the husband as his separate property. (*Id.* at pp. 627-628.) Though the trial court erred in refusing to apply the presumption of undue influence, the appellate court nonetheless affirmed, holding that substantial evidence supported the court's decision. Of particular significance was the fact that the husband put no pressure on her to sign; she handled her

own separate finances as well as their joint finances, and admitted knowing her name was not on the title but simply “assumed it would be added later.” (*Id.* at p. 632.) In this respect *Mathews* is similar to the present case, but both cases stand in stark contrast to *In re Marriage of Starr* (2010) 189 Cal.App.4th 277, where the wife, because of her poor credit history, agreed to quitclaim her interest in a house she and her husband were buying. The action was recommended by the loan broker so that the husband could qualify for a better interest rate. The loan broker told them they could add wife’s name back on to the title within 45 days of the close of escrow. Husband said he would do that and wife signed the quitclaim deed. Husband never added wife’s name to the deed and upon dissolution, relying on *Mathews*, claimed the house as his separate property. (*Id.* at pp. 279-280.) The appellate court found a “critical--and . . . fatal--distinction” (*id.* at p. 283) in the two cases: “In *Mathews*, the wife said she merely assumed she would be added onto the title after escrow closed” (*ibid.*), while in *Starr* the wife testified husband told her he would do so (*id.* at p. 279). The present case more closely resembles *Mathews*.

In *Mathews*, as in the present case, reasonable minds could question the wisdom of quitclaiming a property interest to facilitate a loan transaction under the extant circumstances. However, section 721 and the presumption of undue influence were not intended to provide protection against unwise financial decisions but to protect against coercive spouses who seek to gain a financial advantage. Where the evidence establishes that the disadvantaged spouse acted voluntarily with full knowledge of the legal consequences, the presumption of undue influence is overcome. “It is also correct . . . that whether the spouse gaining an advantage has overcome the presumption of undue influence is a question for the trier of fact, whose decision will not be reversed on appeal if supported by substantial evidence.” (*Mathews, supra*, 133 Cal.App.4th at p. 632.) Such is the case here, and we decline to reverse the trial court’s finding on this point.

Jacqueline also argues the trial court erred in finding the Garden Valley property was Robert's separate property, since the transfer did not comply with section 852, subdivision (a), which states: "A transmutation of real or personal property is not valid unless made in writing by an express declaration that is made, joined in, consented to, or accepted by the spouse whose interest in the property is adversely affected." Jacqueline argues the quitclaim deed is insufficient to meet these requirements.

We review de novo the determination of whether a writing comports with section 852. (*In re Marriage of Leni* (2006) 144 Cal.App.4th 1087, 1096.) The requirements for a valid transmutation under section 852 can be divided into two basic components: (1) a writing that satisfies the statute of frauds, and (2) an expression of intent to transfer a property interest. (*Estate of Bibb* (2001) 87 Cal.App.4th 461, 468 (*Bibb*).

In *Bibb*, the appellate court considered whether a grant deed satisfied the requirements of section 852. The court determined: "the grant deed, which was signed by [the decedent], is a writing that was 'made, joined in, consented, to or accepted by the spouse whose interest in the property is adversely affected.' (§ 852, subd. (a).) Thus, we need only determine whether the deed, independent of extrinsic evidence, contains a clear and unambiguous expression of intent to transfer an interest in the property. The grant deed on the Berkeley property states that Everett, as surviving joint tenant, granted the property to himself and Evelyn as joint tenants. [Fn. omitted.] The deed is drafted in the statutory form required for expressing an intent to transfer an interest in real property." (*Bibb, supra*, 87 Cal.App.4th at p. 468.)

The *Bibb* court concluded that the use of the word "grant" to convey real property satisfied the express declaration requirement of section 852, subdivision (a). Therefore the property was validly transmuted. (*Bibb, supra*, 87 Cal.App.4th at pp. 468-469.)

Jacqueline contends *Bibb* was wrongly decided. We disagree. The court in *Bibb* carefully considered the Supreme Court's decision in *Estate of McDonald* (1990)

51 Cal.3d 262, which held that the phrase, “ ‘I give to the account holder any interest I have’ ” provides for a valid transmutation. (*Id.* at p. 273.) *Bibb* theorized that since “grant” is the historically operative word for transferring interests in real property, under the reasoning of *McDonald*, “grant,” like “give,” satisfies the express declaration requirement. (*Bibb, supra*, 87 Cal.App.4th at pp. 468-469.) We find *Bibb* both well-reasoned and persuasive.⁵

While *Bibb* involved a grant deed, a quitclaim deed has the same effect. “It is well recognized that a quitclaim deed is a distinct form of conveyance and operates like any other deed inasmuch as it passes whatever title or interest the grantor has in the property.” (*In re Marriage of Broderick* (1989) 209 Cal.App.3d 489, 496 (*Broderick*).

While the issue of undue influence is a critical consideration in determining whether a quitclaim deed should be given effect, there seems to be little doubt that, assuming the presumption of undue influence is resolved, a quitclaim deed is sufficient to work a transmutation of property. (See *In re Marriage of Campbell* (1999) 74 Cal.App.4th 1058, 1065.) “It is well recognized that a quitclaim deed is a distinct form of conveyance and operates like any other deed inasmuch as it passes whatever title or interest the grantor has in the property. [Citations.] It is equally settled that the form of the instrument creates a presumption that the title to the property is held as shown in the instrument.” (*Broderick, supra*, 209 Cal.App.3d at p. 496.)

⁵ On appeal, Robert attempts to turn the tables on Jacqueline. Insisting that “what is ‘good for the goose is good for the gander,’ ” he argues the presumption of undue influence applies as well to the deed executed by Robert in January 1996, granting the Sacramento house from himself to the couple as joint tenants. In the alternative, Robert contends he had a section 2640 right of reimbursement in the Sacramento residence. Perhaps the argument is intended to illustrate the folly of Jacqueline’s contentions. However, Robert did not appeal from the judgment, and his assertions of error are not otherwise cognizable. (*Estate of Powell* (2000) 83 Cal.App.4th 1434, 1439.)

III.

Jacqueline contends the trial court abused its discretion in failing to award her reimbursements for the Garden Valley home. According to Jacqueline, she contributed \$60,000 of her separate property, representing the proceeds of the loan against her home, to the down payment on the Garden Valley home and is therefore entitled to reimbursement of \$60,000.

A spouse who contributes separate property to the acquisition of a community asset is entitled to reimbursement upon dissolution of the marriage unless this right is waived in writing. (§ 2640, subd. (b); *In re Marriage of Walrath* (1998) 17 Cal.4th 907, 910-911.) Section 2640, subdivision (b) reads: “In the division of the community estate under this division, unless a party has made a written waiver of the right to reimbursement *or has signed a writing that has the effect of a waiver*, the party shall be reimbursed for the party’s contributions to the acquisition of property of the community property estate to the extent the party traces the contributions to a separate property source.” (Italics added.)

However, at the time the \$60,000 loan was negotiated for the purchase of the Garden Valley home, Jacqueline had transferred title in the Sacramento home to Robert as his sole and separate property. Therefore, the security underlying the loan was provided by Robert’s separate property. Section 2640, subdivision (b) does not apply.

There also is a right of reimbursement for the contribution of one spouse’s separate property to the acquisition of separate property by the other spouse. But the right does not apply upon a proper transmutation of title. Section 2640, subdivision (c) provides: “A party shall be reimbursed for the party’s separate property contributions to the acquisition of property of the other spouse’s separate property estate during the marriage, unless there has been a transmutation in writing pursuant to Chapter 5 (commencing with Section 850) of Part 2 of Division 4, or a written waiver of the right to reimbursement.” Jacqueline does not challenge the transmutation of title to her

Sacramento home, and as our analysis of the transmutation of title to the Green Valley Home indicates, such a challenge would be futile in any event.

In light of our conclusion, we need not consider the trial court's determination that Jacqueline's reimbursement rights were waived by an oral agreement between the parties entered into in June 2002 or the court's alternative conclusion that Jacqueline relinquished her reimbursement rights when she executed a quitclaim deed purporting to relinquish all her right, title, and interest in the Garden Valley property. Simply put, Jacqueline's execution of a grant deed to her Sacramento home transmuted title to Robert's separate property such that the subsequent loan against the property in order to purchase the Green Valley home did not create a right of reimbursement to Jacqueline.

IV.

Jacqueline contends the trial court failed to consider community property funds that paid off the loan on the fifth wheel trailer and erred in awarding the entire asset to Robert. Instead, Jacqueline argues, the court should have reimbursed her for those community funds.

The court, in its tentative ruling, stated, regarding the trailer, that "[n]o evidence was offered during trial regarding the current value of this asset or any community interest." Jacqueline challenges this finding, claiming she testified that at the time of the marriage Robert owned the trailer, on which he owed money and which was paid for during the marriage with community funds. However, in her testimony, Jacqueline merely stated the debt on the trailer was paid off during the marriage, and the total payoff "would have been [\$]10,500 plus 13 percent over ten years." The source of the funds was "Robert's vacation pay."

Jacqueline offered no documentation to support her estimation. She contends the evidence in support of her motion for a new trial supports her claim. However, the court denied the motion, and on appeal we do not consider this evidence.

V.

The trial court required Jacqueline to reimburse Robert for \$12,959 he paid toward the 1994 Chevrolet Blazer and for payments he made on community credit cards. Robert made these payments until May 2004, when he began paying spousal support based on a stipulation of \$924 a month. At trial, Jacqueline testified the parties agreed these payments were in lieu of spousal support. Robert denied the existence of such an agreement.

Jacqueline contends the trial court erred in requiring her to reimburse Robert for the payments made in lieu of support. According to Jacqueline, given the disparity in their incomes, there is no dispute that Robert would have owed some amount in spousal support from June 2001 to May 2004, and the \$360 paid each month was precisely the amount awarded by the court as temporary support from May 2004 through December 2006. Although Jacqueline acknowledges the trial court found no agreement between the parties that Robert would continue to make payments on the Blazer, or that Jacqueline could continue to use the credit cards in lieu of support, she argues such a finding amounted to an abuse of discretion.

We review the court's order under the abuse of discretion standard. (*In re Marriage of Epstein* (1979) 24 Cal.3d 76, 89.) Here, the court determined Robert made the payments on the Blazer, which was in the exclusive possession of Jacqueline, and the community credit cards, used by Jacqueline, to pay down community debt, not in lieu of spousal support. In so finding, the trial court, which judges the credibility of witnesses, found Robert's testimony that there was no agreement that these payments were a substitute for spousal support more credible than that of Jacqueline.

Although Jacqueline claims "there is no dispute that Robert would have owed some amount in spousal support from June 2001 to May 2004," the evidence was actually conflicting. At trial, testimony by Robert and Jacqueline's sister raised the specter of Jacqueline's cohabitation with her employer, Patrick Hoover.

The court found Jacqueline “was not candid in her representation regarding her income or her relationship with Mr. Hoover.” The court noted trial testimony and exhibits that showed Jacqueline opened a bank account in May 2001, the month before the couple separated, and maintained and deposited an average of \$3,636 per month until 2003, when she opened a joint account with Hoover. In January 2003 Jacqueline deposited \$3,777 into her account. Deposits into the joint account with Hoover averaged \$4,353. Based on this evidence, the trial court determined Jacqueline’s relationship with Hoover during this period reduced her need for spousal support. Accordingly, the court set spousal support at \$360 per month beginning in May 2004 through December 31, 2006.

Given the evidence produced at trial, and the court’s purview as the judge of the credibility of witnesses, we cannot find the court abused its discretion in reimbursing Robert for payments on the Blazer and the community credit cards.

VI.

Jacqueline also faults the trial court for reimbursing Robert for the existing debts and mortgages on the Garden Valley property. According to Jacqueline, a party takes an asset subject to the debts thereon.

The trial court awarded Robert the Garden Valley home and “its existing debts and mortgages.” The court also found Robert “is entitled to reimbursement for one-half of the payments made on the HELOC post-separation, prior to the June agreement between the parties that the debt was [Robert’s]. [Jacqueline] owes [Robert] \$527.29. [¶] . . . [¶] The Schools Credit Union line of credit is a community obligation, paid by [Robert] post-separation, and [Robert] is entitled to reimbursement in the amount of \$8,640.00 through May 2007.” These obligations were loans taken against the Garden Valley home.

The court, upon granting a judgment of dissolution of marriage, must divide the community property equally. In order to accomplish this, the court is empowered to award different assets to each party, balanced by the award of obligation to each party so

that the residual assets are equal. (*In re Marriage of Barnert* (1978) 85 Cal.App.3d 413, 421 (*Barnert*).

“In most cases, the courts divide the community assets by using the net value of each item. If an asset is encumbered by a mortgage or a lien, the party receiving that asset has received, for computation purposes, the value of the asset minus the lien. The same party becomes primarily liable for the lien debt. This debt ceases to play a part in the further considerations of the court.” (*Barnert, supra*, 85 Cal.App.3d at pp. 421-422.)

Here, the trial court awarded Robert the Garden Valley home *and* reimbursed him for half of the payments on the loans against the property. Such an allocation runs afoul of the trial court’s stated intent to award Robert the Garden Valley property “with its existing debts and mortgages” and of the general rule that a party takes an asset with all its debts.

In response, Robert argues: “This loan was a community property debt acquired during marriage by the parties. As such, each party is responsible for one-half of the debt, until such time the debt is divided or signed by the court.” Tellingly, Robert provides no citation to either the record or the law to support this assertion.

The court erred in requiring reimbursement for debt payments made on the Garden Valley home after the dissolution of the couple’s marriage. At that point the Garden Valley home became Robert’s separate property, complete with any liens or indebtedness. We shall remand the case to the trial court for a redetermination of the reimbursements to Robert for amounts paid on the debts secured by the Garden Valley property.

VII.

Jacqueline claims the trial court erred in finding the bulldozer to be Robert’s separate property, but then subtracting the purchase price from the value of Redden Engineering. This, Jacqueline argues, provided Robert with a double recovery: the

bulldozer as separate property and the cost deducted from the value of the community business before its value was split between the parties.

The court, in its tentative ruling, determined the value of Redden Engineering to be \$27,500. The court later concluded it had mistakenly included Robert's separate property, which should not have been included. The court ultimately concluded Redden Engineering, at the time of trial, was worth \$19,188.12.

In its initial calculations, the court relied on a postseparation tax return that listed the bulldozer as depreciated personal property. However, on reflection, the court found "the small dozer and the Dodge truck were purchased post separation and are the separate property of [Robert]. . . . The debt related to [the] small dozer must be deducted from the business value for purposes of arriving at a community value of the business. Subtracting the debt the court finds the total community value of the business at the time of trial to be \$19,188.12."

Although Jacqueline argues the court erred in subtracting the debt from the value of Redden Engineering, the court subtracted the value of the bulldozer from the partnership assets, since it was purchased after the couple separated. Unfortunately, in clarifying the cost of the bulldozer, the court mistakenly substituted "debt" with purchase price of the bulldozer. Robert testified the bulldozer was purchased with postseparation earnings. Jacqueline did not dispute this testimony and we find no error.

VIII.

Finally, Jacqueline argues the trial court erred in awarding the Dodge truck to Robert as his separate property without reimbursement. She argues the documentation she produced in support of her motion for a new trial established that Robert used the community-owned Chevy diesel as a trade-in toward the Dodge. She also asserts that \$7,752.34 in community funds from a community loan were used to pay off an Operating Engineers Credit Union loan used to purchase Robert's separate property Ford truck.

The trial court stated: “The court finds that the . . . Dodge truck [was] purchased post separation and [is] the separate property of [Robert].” In its tentative ruling, the trial court found there was no evidence, other than Jacqueline’s testimony, “as to the source for this Operating Engineers debt nor is there any evidence that this debt was in fact related to [Robert’s] separate property truck. [Jacqueline’s] request for reimbursement is denied.”

Again, it is the trial court that determines the credibility of witnesses at trial. The court did not err in declining to award Jacqueline reimbursements for payments made on Robert’s truck.

DISPOSITION

We remand the case back to the trial court to redetermine the division of property in regard to the payments on the debt secured by the Garden Valley home in accordance with part VI of our opinion. In all other respects, we affirm the judgment. The parties shall bear their own costs on appeal.

RAYE, P. J.

We concur:

BLEASE, J.

BUTZ, J.