# Shelly Sterling's Full Court Press on Community Property

Legal Alert
April 7, 2015

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The Sterlings and their lawsuits have entered another chapter, which allows us to learn more about community property. Donald Sterling's wife, Shelly (Rochelle) Sterling, sued her husband's former companion, V. Stiviano, last March to recover her interest in $3.6 million in cash and gifts, including cars and a house. Los Angeles Superior Court Judge Richard Fruin Jr. heard closing arguments earlier this month (Los Angeles Superior Court Case No BC538659), but has not yet issued a ruling. This is the same Judge who dismissed Ms. Stiviano's cross-complaint under California's Anti-SLAPP statute and her defamation lawsuit against Mrs. Sterling last October.

Mrs. Sterling argues she can recover the gifts because they were the community property of her and Mr. Sterling. Eight states, including California, have community property systems. A community property system treats property (including cash and other assets) acquired during a marriage as jointly owned by both spouses. Even if only one spouse earned income, both spouses are treated as co-owners of the money earned and whatever was purchased with the earnings.

This gives Mrs. Sterling a chance to recover some of the assets Mr. Sterling allegedly gave to Ms. Stiviano: California law prohibits one spouse from giving away community property without the written consent of the other spouse. (California Family Code § 1100(b).) Mrs. Sterling claims that because she did not consent in writing to the gifts, she can recover all of Mr. Sterling's gifts to Ms. Stiviano.

Ms. Stiviano denies that all of the gifts came from Mr. Sterling, and also argues that *she* shouldn't be responsible for returning the community property. Ms. Stiviano's attorney, Mac Nehoray (perhaps confusing paying for services with gifts), explained "Say he gave $2,000 to a call girl. Mrs. Sterling can't go and try to get that money back. We know that's not how it works."

In other California cases, the courts have rescinded gifts of community property made without the consent of the other spouse. The most famous case is *Fields v. Michael* (1949) (91 Cal. App.2d 443, 205 P.2d 402), where comedian and actor W. C. Fields' widow sued his estate to recover the gifts her husband made out of community property. The court noted that a spouse can void an entire gift of community property during the gifting spouse's lifetime, and one-half of the gift after the gifting spouse dies. In the *Fields* case the gifts had been dissipated, therefore the widow went after his estate and the court also held "a wife whose community rights have been violated.... is entitled to pursue whatever course is best calculated to give her effective relief."

The Sterlings have already lost ownership of the Los Angeles Clippers in a forced sale to former Microsoft CEO, Steve Ballmer. Mr. Sterling, admitted to the California Bar in 1961, is continuing with his antitrust lawsuit against the NBA, recently adding as defendants Mrs. Sterling and two doctors who indicated he had Alzheimer's symptoms. In the past, one or both of the Sterlings have sued former players, coaches and mistresses.