

SUMMARY STATEMENT

Lamm v. Preston

Docket No. 49188

Leslie Preston and Ross Lamm divorced after 18 years of marriage. Following a trial, the magistrate court determined that Ross and Leslie's 25% interest in Black Sage Acquisition, LLC ("BSA"), was worth \$163,373 based on its fair market value. All remaining value was found to be Ross's personal goodwill. Leslie appealed the magistrate court's valuation and division of the BSA shares in her divorce, which was upheld on intermediate appeal by the district court. On appeal to the Idaho Supreme Court, it affirmed the lower courts' rulings, concluding that the magistrate court's decision was based on substantial and competent evidence, and a correct application of the law; thus, it was properly affirmed the district court.

The Supreme Court held that the lower courts' refusal to include personal goodwill in determining the value of the community's interest in BSA—based on Ross's talents, knowledge, and expertise—was appropriate. While *business* goodwill is an appropriate factor in valuing a business, the Court reiterated that *personal* goodwill is not community property. Additionally, the Court concluded that the magistrate court did not err in declining to divide the BSA shares because a simple division of shares would not have disentangled Ross and Leslie.

******This summary constitutes no part of the opinion of the Court, but has been prepared by court staff for the convenience of the public.******