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Howard v. Hughes, 134 Nev. Adv. Op. 80 (Oct. 4, 2018)

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PROPERTY LAW: JOINT TENANCY, EQUAL OWNERSHIP

Summary

The Court clarified the holding of *Langevin v. York*,² and applied the presumptions outlined in *Sack v. Tomlin*³ to unmarried joint tenants. The Court held that before property may be partitioned and shares are proportionally divided between unrelated joint tenants, a party must overcome the presumption of equal ownership. If a party overcomes this presumption, the shares are proportionally divided based on the parties' respective financial contributions to the initial purchase price, unless the other party can show a donative intent to gift an equal ownership interest.

Background

Elizabeth Howard and Shaughnan Hughes maintained a romantic relationship for many years but never married. During their relationship, the couple moved to Fallon, Nevada where they leased a property and applied for credit together to one day purchase a home. Things changed when Howard was awarded a third-party settlement and used the money to purchase over eleven acres of land for the couple to live on. After paying the entire purchase price, Howard executed a quitclaim deed listing herself and Hughes as joint tenants on the property. Less than three years later however, Howard locked Hughes out of the property.

Hughes filed a complaint to partition the property arguing that he and Howard had an equal ownership interest as joint tenants. Following a bench trial, the district court found that the parties were joint tenants with an equal ownership interest in the property. The court ordered Howard to either purchase Hughes' interest in the property, or sell the property and pay Hughes an equal share in the sale. Howard appealed to this Court arguing that the district court improperly found that she and Hughes were entitled to equal ownership.

Discussion

Howard and Hughes are entitled to equal shares of the property

Under NRS 39.010, a joint tenant may bring an action to partition the real property in question consistent with their ownership rights.⁴ Howard and Hughes are undisputed joint tenants in the property, and thus the question before the Court is whether the parties have an equal ownership interest in the property, or if the circumstances make equal ownership inappropriate. Howard appealed the district court's finding that Hughes was entitled to an equal share of the property arguing that *Langevin* lacked the donative intent requirement making her actions irrelevant to the division of the property interest.

¹ By Christian Ogata.

² *Langevin v. York*, 111 Nev. 1481, 907 P.2d 981 (1995).

³ *Sack v. Tomlin*, 110 Nev. 204, 871 P.2d 298 (1994).

⁴ NEV. REV. STAT. § 39.010 (2017).

Standard of review

The Court reviews a district court's interpretation of case law *de novo*.⁵ When a trial court—sitting without a jury—makes findings of fact, the Court defers to the trial court's factual determinations if substantial evidence supports those findings.⁶ Evidence is substantial when a reasonable person could accept the evidence as sufficient to support the conclusion.⁷

Langevin did not alter the Sack presumptions

Howard argued that the trial court should have awarded her the property in full, arguing that under *Langevin*, property ownership is proportional to the amount each unmarried joint tenant contributed to the initial purchase of the property. The Court disagreed and applied the *Sack* presumptions to joint tenants.

In *Sack v. Tomlin*, the Court held that unmarried tenants in common who unequally contributed to the purchase of real property are presumed to have an equal ownership interest in the property unless the parties are unrelated and show no donative intent.⁸ When a party successfully rebuts this presumption, the proceeds from a sale of the property will be divided proportionally by the amount contributed by each party in the purchase price.⁹ One year later, the Court applied these principles to joint tenants in *Langevin v. York*.¹⁰ Although these cases concerned different forms of co-ownership, the Court held that the presumptions outlined in *Sack* controlled the dispute between unmarried joint tenants.¹¹ The Court held that the circumstances in *Langevin* disfavored equal ownership in the property because the joint tenants' relationship was unclear, and one party paid for the entire property and all subsequent bills.¹²

Applying these principles, the Court held that before dividing property or proceeds from a sale of that property, a party must first overcome the presumption of equal ownership outlined in *Sack*, by showing that the parties are not related, or a donative intent.

Hughes presented overwhelming evidence of Howard's donative intent, thereby demonstrating that the parties intended to share the property equally

Donative intent is a factual question.¹³ In Nevada, a donative transfer of property requires three elements to be valid.¹⁴ First, a donor must intend to make a present transfer of property without consideration.¹⁵ Second, the donor must actually or constructively deliver the gift to the

⁵ LVMPD v. Blackjack Bonding, 131 Nev. 80, 85, 343 P.3d 68, 612 (2015).

⁶ Trident Constr. Corp. v. W. Elec. Inc., 105 Nev. 423, 427, 776 P.2d 1239, 1242 (1989).

⁷ Dynamic Transit Co. v. TransPac. Ventures Inc., 128 Nev. 755, 761, 291 P.3d 114, 118 (2012).

⁸ Sack v. Tomlin, 110 Nev. 204, 213, 871 P.2d 298, 304 (1994).

⁹ *Id.* at 210, 871 P.2d at 303 (citations omitted).

¹⁰ Langevin v. York, 111 Nev. 1481, 1485, 907 P.2d 981, 983 (1995).

¹¹ *Id.*

¹² *Id.* at 1482, 907 P.2d at 981–82.

¹³ *In re Irrevocable Tr. Agreement of 1979*, 130 Nev. 597, 608, 331 P.3d 881, 888 (2014).

¹⁴ *Id.* at 603, 331 P.3d at 885.

¹⁵ *Id.*

donee.¹⁶ Third, the donee must accept the gift.¹⁷ Donative intent is presumed when a party obtains the property interest through a written agreement establishing joint tenancy.¹⁸

While Howard overcame the initial presumption against equal ownership by showing that she paid for the property in full, the Court held that Hughes presented sufficient evidence to establish that Howard intended to gift Hughes an equal interest in the property through the deed. The parties found the property together, intended on jointly financing the purchase, and repeatedly talked about including both of their names on the deed. The Court found that because there was overwhelming evidence that Howard intended to gift an equal interest in the property to Hughes, the parties equally owned the property and affirmed the district court's decision.

Conclusion

The Court affirmed the district court and held that Howard's actions manifested an intent to gift an equal ownership interest in the property to Hughes, overcoming the secondary presumption of proportional division.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ 48A C.J.S. *Joint Tenancy* § 10 n.8 (2014).