



Net Worth Case Study Part II: Assets

CASE INFORMATION:

Based on the information provided by the confidential informant, you were able to obtain a search warrant for John's house and place of employment. In addition, you obtained several judicial orders to gather banking documents, property ownership documents and motor vehicle ownership records.

Based on the documents obtained during the course of your investigation, the following assets were identified as belonging to John and Sarah:

- 1) John and Sarah live at 125 Anywhere Street. The house was purchased on July 15, 2022 for a total price of \$1,250,000*. John and Sarah were required to put a \$100,000 down payment on the house on December 4, 2021. The current value of the house is \$1,600,000.

* All amounts are in North American dollars unless otherwise stated.

- 2) Prior to purchasing 125 Anywhere Street, John and Sarah lived at 549 Nice Lake Road. This house was purchased on September 23, 2015 for \$435,000 and was sold to an arms-length buyer on July 14, 2022 for \$680,000.
- 3) On March 3, 2023, John and Sarah purchased a vacation home in Spain located at 1050 Ocean View Drive. The total purchase price of the vacation home was €750,000 with a daily spot exchange rate of 1.4492 to North American dollars. Seized documents show the vacation home was registered to JC Consulting LLC and was paid for with a wire transfer from JC Consulting LLC's bank account in the Cayman Islands.
- 4) John and Sarah own three vehicles. The details are as follows:
 - a) A 2017 BMW M5, purchased on March 21, 2017 for \$110,000;
 - b) A 2021 Audi Q7, purchased on June 2, 2021 for \$120,000. A 2008 Mercedes ML350 was sold for \$12,500 on the same day and was used as a down payment on the Audi Q7. The original purchase price of the Mercedes is unknown; and
 - c) A 2023 Porsche Cayman, purchased on August 14, 2023 for \$132,000.



- 5) John and Sarah had the following December 31st balances in their various bank accounts:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
North America Trust Company – John and Sarah Joint Chequing Account	\$ 7,893	\$ 6,842	\$ 10,584	\$ 55,369
North America Trust Company – John and Sarah Joint Savings Account	\$ 47,125	\$ 62,584	\$ 55,249	\$ 72,412
North America Trust Company – John Chequing Account	\$ 16,457	\$ 22,465	\$ 7,638	\$ 18,912

- 6) John and Sarah had the following balances in their investment account held with North America Trust Company on December 31st:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Fair Market Value of Investment Holdings	\$ 246,585	\$ 294,762	\$ 350,144	\$ 416,714
Adjusted Cost Base of Investment Holdings	\$ 195,000	\$ 245,000	\$ 290,000	\$ 355,000

- 7) JC Consulting LLC had the following December 31st balances in their bank account. All amounts are denominated in North American dollars:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Cayman Investment and Trust Bank	\$ 50,044	\$ 347,542	\$ 655,210	\$ 268,779

FOR YOUR ACTION:

In your breakout groups, complete the following:

- 1) Using the Net Worth template, calculate the total assets for John and Sarah for the years 2020, 2021, 2022 and 2023.