

Hearst Heir Wins Victory Against Estranged Wife in Legal War Over Fortune

By Mark Fass

The grandson of newspaper magnate William Randolph Hearst has scored a significant victory in his fight with his wife over his share of his grandfather's fortune.

After a Manhattan judge awarded John Randolph Hearst Jr.'s estranged wife, Barbara W. Hearst, temporary monthly support of \$25,939 and denied Mr. Hearst's divorce petition for lack of grounds, Ms. Hearst sought a permanent increase to \$90,000 in order to maintain her lifestyle.

Manhattan Supreme Court Justice Rosalyn Richter instead reduced Ms. Hearst's maintenance to \$20,000, finding that she transferred the majority of her disabled husband's assets to her own name in a "highly questionable manner."

"[I]n reaching this maintenance award, the Court has considered the fact that the wife has transferred most of the couple's property into her own sole name leaving her husband with little or no real estate of his own," Richter wrote. "[T]he Court recognizes that the wife cannot accurately be described as the 'non-monied' spouse, since each of the parties has significant income and assets."

Ms. Hearst lived in a rental house on a farm, had recently filed for bankruptcy and owed the IRS \$50,000 when she married Mr. Hearst shortly after he suffered a severe stroke in 1990, according to the decision, *Hearst v. Hearst*, 350444/04.

She now possesses nearly \$8 million in liquid assets and approximately \$1.4 million in jewelry, art and antiques, and holds sole title to six pieces of real estate—a house in Sag Harbor, a parcel of land in Bridgehampton, a Manhattan apartment and three properties in the Carolinas.

Mr. Hearst has initiated a separate fraud action in Suffolk County seeking to reclaim his allegedly misappropriated assets.

Mr. Hearst is the son of John Randolph Hearst, the third of William Randolph Hearst's five sons.

In determining maintenance, New York courts must address 11 statutory factors. Ms. Hearst's papers focused solely on the first, "The standard of



Justice Rosalyn H. Richter

living the parties established during the marriage," according to the decision.

Richter downplayed the significance of the "standard of living" element, concluding that Mr. Hearst's disability precluded him from sharing in Ms. Hearst's lavish lifestyle.

"The husband was sick and confined to a wheelchair for the last ten years of the marriage and did not share in much of his wife's opulence," she wrote. "He essentially stayed in two rooms of his house during most of the latter part of the marriage while his wife traveled, dined at expensive restaurants, spent time at numerous other residences and spent millions of dollars from the husband's trust distributions."

Richter noted that not only had Mr. Hearst never set foot in several of the homes for which Ms. Hearst had sole title, but that some did not accommodate his disability and that he did not even know about some of the purchases until after the divorce proceedings began.

"[T]he wife's papers essentially argue that the marital standard of living is the sole factor for the Court to consider," Richter wrote. "She impermissibly elevates this factor above the other statutory factors and thus would have this Court ignore the other considerations."

Richter instead emphasized the final statutory consideration, "Any transfer or encumbrance made in contemplation of a matrimonial action without fair consideration, and any other factors which the court shall expressly find to be just and proper."

Here, such "other factors" included Ms. Hearst's accumulation of wealth through "questionable" means throughout the couple's marriage, Richter wrote.

"In fashioning a maintenance award, the Court cannot ignore the husband's testimony that

without his knowledge, the wife ensured that millions of dollars in real estate and investments, funded entirely by his trust distributions, were placed into her sole name, and that at the time of the parties' separation, he was left with just a small fraction of her wealth," Richter wrote.

"It is clear to this Court that the husband never intended for his wife to take all his money and place it in assets in her control."

EARLIER RULING

The divorce proceedings began before Justice Laura Visitacion-Lewis, who granted Ms. Hearst the \$25,939 per month pendente lite relief and then denied Mr. Hearst's divorce claims for lack of grounds. Mr. Hearst is appealing that decision.

When Visitacion-Lewis left the Family Court, she transferred the matter to Richter, who heard Ms. Hearst's petition for permanent support.

Solo practitioner Sharon Stein and Brett Ward of Blank Rome represent Mr. Hearst.

"The reason it's a crucial case is because there are very few cases on post no-divorce maintenance," said Stein, who has practiced matrimonial law for 26 years. "This court very carefully reviewed all of the statutory factors in the [Domestic Relations Law] and addressed every single one of them, and in doing so it greatly clarified the law in permanent maintenance cases, and at the same time it ensured that justice was done in this particular case."

Peter E. Bronstein of Bronstein, Van Veen & Bronstein represented Ms. Hearst. He said his client is considering her options.

Bronstein suggested that Richter's revisiting of issues decided by Visitacion-Lewis could be the subject of an appeal.

"The initial [pendente lite] decision painted what I think is a more accurate picture of what I think Mrs. Hearst did to take care of her husband and all the wonderful things she did for his benefit," Bronstein said. "This decision didn't reflect on Mrs. Hearst in the same way, which I think is unfortunate and inaccurate."