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IN THE COURT OF APPEALS OF NORTH CAROLINA

No. COA25-1121

Filed 7 October 2026

Hoke County, No. 22CVD000909-460

SELWYN GARRY FACEY, Plaintiff,

v.

MELODY APRIL FACEY, Defendant.

Appeal by plaintiff from orders entered 13 January 2025 and 28 January 2025 by Judge Beth Tanner in Hoke County District Court. Heard in the Court of Appeals 13 August 2026.

Mark Hayes for plaintiff-appellant.

Jonathan McGirt and Sandlin Family Law Group, by Deborah Sandlin, for defendant-appellee.

ZACHARY, Judge.

Plaintiff Selwyn Garry Facey (“Husband”) appeals from a child support order and an equitable distribution order in which the trial court ordered an unequal distribution of assets. After careful review, we affirm the child support order. We vacate the equitable distribution order and remand to the trial court for entry of an amended order consistent with this opinion.

I. Background

Husband and Defendant Melody April Facey (“Wife”) were married on 18 March 2005 and had two children during the marriage, born in 2007 and 2011. The parties were “separated by the end of May 2020.”

Husband is the sole member of a limited liability company, Flight Science, LLC, which he created during the marriage. Flight Science, LLC, is a parachute-jumping business. Wife was employed by Flight Science, LLC, as a parachute rigger.

On 18 October 2022, Husband filed a complaint against Wife in Cumberland County District Court advancing several claims for relief, including, *inter alia*, child custody, child support, equitable distribution, and absolute divorce. Wife filed her answer and counterclaims on 31 October 2022, which included, *inter alia*, counterclaims for absolute divorce, child custody, child support, and equitable distribution. Wife also moved for a change of venue to Hoke County.

On 4 November 2022, the Cumberland County District Court entered an order granting Wife’s motion for change of venue and transferred the matter to Hoke County.

Wife filed a motion for summary judgment on her claim for absolute divorce on 8 December 2022, which the trial court granted on 17 January 2023.

The trial court entered a permanent custody order on 14 November 2024, granting the parties joint legal custody of the children. Wife was awarded primary physical custody of the children and Husband was awarded visitation.

The parties' claims for equitable distribution and child support came on for hearing on 14 May, 15 May, 15 July, and 1 October 2024. The trial court entered the equitable distribution order on 13 January 2025, in which it determined that "[a] non-equal distribution of the marital assets and debts [was] appropriate here given the [N.C. Gen. Stat. § 50-20(c) distributional factors] and the findings associated with those factors." The court distributed the following to Husband: a truck valued at \$16,713.62, a joint checking account valued at \$4,288.87, skydiving equipment valued at \$12,000.00, Bitcoin valued at \$125,000.00, and a recreational vehicle purchased after the parties' separation. Wife received the following: the former marital home valued at \$180,000.00, a vehicle valued at \$13,420.00, a personal checking account valued at \$5,462.98, a freeze dryer valued at \$1,000.00, and a hope chest. The court concluded that Husband's business could not be distributed because no evidence was presented as to its value.

On 28 January 2025, the trial court entered its child support order. The court found that Husband "makes at least \$82,248/year in income or \$6854/month (his verified income of \$5000/month plus income to him from covered business expenses as claimed on his tax documents)," and that Wife makes \$37,418.00 in income per year or \$3,118.67/month. The court ordered Husband to pay Wife \$1,383.00 per month in child support together with \$117.00 per month toward his child support arrears of \$25,943.00 until the arrears are satisfied.

Husband timely appealed the child support order and the equitable distribution order.

II. Discussion

On appeal, Husband contends that the trial court erred 1) in its determination of his income for child support purposes; 2) by “failing to credit [him] for paying off the debts on” the parties’ vehicles; 3) by failing to make proper findings concerning Husband’s post-separation property tax and insurance premium payments for and Wife’s post-separation use of the former marital home; 4) by “failing to distribute the marital debts from the two credit cards”; and 5) “in its valuation and distribution of the Bitcoin.”

A. Standards of Review

“[T]he standard of review on appeal from a judgment entered after a non-jury trial is whether there is competent evidence to support the trial court’s findings of fact and whether the findings support the conclusions of law and ensuing judgment.” *Kabasan v. Kabasan*, 257 N.C. App. 436, 440, 810 S.E.2d 691, 696 (2018) (extraneity omitted). “While findings of fact by the trial court in a non-jury case are conclusive on appeal if there is evidence to support those findings, conclusions of law are reviewable de novo.” *Id.* at 440–41, 810 S.E.2d at 696 (extraneity omitted) (emphasis omitted).

“The purpose for the requirement of specific findings of fact that support the court’s conclusions of law is to permit the appellate court on review to determine from

the record whether the judgment—and the legal conclusions that underlie it—represent a correct application of the law.” *Armstrong v. Armstrong*, 322 N.C. 396, 405, 368 S.E.2d 595, 600 (1988) (extraneity omitted). “When the findings and conclusions are inadequate, appellate review is effectively precluded.” *Id.*

“[O]ur review of a child support order is limited to a determination whether the trial court abused its discretion.” *Kabasan*, 257 N.C. App. at 441, 810 S.E.2d at 696. Similarly, “[o]ur standard of review of an equitable distribution order is abuse of discretion.” *Bodie v. Bodie*, 239 N.C. App. 281, 286, 768 S.E.2d 879, 883 (2015). “The trial court’s rulings in equitable distribution cases receive great deference and may be upset only if they are so arbitrary that they could not have been the result of a reasoned decision.” *Id.* (extraneity omitted).

B. Child Support Order

We first address Husband’s appeal of the child support order. Husband argues that “the trial court’s child support order is not based on competent evidence of [his] income.” We disagree.

The North Carolina Child Support Guidelines define “income” as “gross income from any source,” including, *inter alia*, “ownership or operation of a business.” North Carolina Child Support Guidelines, at 3 (2023). “Gross income from . . . proprietorship of a business . . . is defined as gross receipts minus ordinary and necessary expenses required for self-employment or business operation.” *Id.* “Ordinary and necessary business expenses do not include . . . business expenses determined by the court to be

inappropriate for determining gross income.” *Id.* “Expense reimbursements or in-kind payments (for example, use of a company car, free housing, or reimbursed meals) received by a parent in the course of employment, self-employment, or operation of a business are counted as income if they are significant and reduce personal living expenses.” *Id.*

“[T]he North Carolina Child Support Guidelines vest a trial court with the discretion to disallow the deduction of any business expenses which are inappropriate for the purposes of calculating child support.” *Britt v. Britt*, 284 N.C. App. 359, 364, 876 S.E.2d 310, 314 (2022) (extraneity omitted). Accordingly, “the trial court’s decision to disallow the claimed expenses must be upheld unless it is manifestly unsupported by reason and therefore an abuse of discretion.” *Id.*

In the instant case, the trial court found that Husband’s income was \$6,854.00 per month. The court arrived at this figure by combining two sums: the \$5,000.00 monthly income to which Husband attested in his verified complaint, and the disallowance of \$22,248.00 of the \$399,896.00 in business expenses Husband claimed on his 2023 1040 Schedule C. The court disallowed the claimed \$15,169.00 for automobile expenses, \$3,368.00 for deductible meals, and \$3,711.00 for utilities, and increased Husband’s income by that amount.

Husband asserts that the trial court “appears to have relied on the principle that a person’s income includes not only his or her paycheck, but also includes valuable benefits or cost reimbursements from a third party.” Husband reasons that

because he was paying himself through his business, this principle does not apply. Yet the trial court did not rely on this principle. Instead, it found that “[t]hese covered expenses by the business reduce [Husband’s] personal living expenses and are income to him.”

As the Guidelines recognize, the “appropriate level of gross income available to [a] parent to satisfy a child support obligation” will, “[i]n most cases, . . . differ from a determination of business income for tax purposes.” *Id.* In the instant case, the court’s decision to disallow a small portion of Husband’s claimed business expenses was not “manifestly unsupported by reason,” *Britt*, 284 N.C. App. at 364, 876 S.E.2d at 314, and hence, was not an abuse of discretion.

C. Equitable Distribution Order

Husband contends that the trial court erred in its determination of an equitable distribution, raising several issues that we address in turn.

Husband’s Post-Separation Payment of Marital Debt and Wife’s Possession of the Marital Home

Husband first argues that the trial court “erred in failing to credit [him] for paying off the debts on the Dodge Charger and RAM truck.” Husband similarly argues that the court “failed to make findings indicating that it considered [Husband’s] post-separation tax and insurance payments for the marital home as well as [Wife’s] use of the home.” We review these issues together, and conclude that the court’s findings prevent us from determining whether Husband’s payment of the

homeowner's insurance premiums for the former marital home was properly considered.

In making an equitable distribution, the trial court “shall determine what is the marital property and divisible property and shall provide for an equitable distribution of the marital property and divisible property between the parties in accordance with this section.” N.C. Gen. Stat. § 50-20(a) (2025). The division is to be equal “unless the court determines that an equal division is not equitable.” *Id.* § 50-20(c). In making this determination, the trial court is to consider twelve factors, including “[a]cts of either party to maintain, preserve, develop, or expand . . . the marital property,” as well as, generally, “[a]ny . . . factor that the court finds just and proper.” *Id.* § 50-20(c)(11a), (12).

“A spouse is entitled to some consideration, in an equitable distribution proceeding, for any post-separation payments made by that spouse (from non-marital or separate funds) for the benefit of the marital estate.” *Walter v. Walter*, 149 N.C. App. 723, 731, 561 S.E.2d 571, 576–77 (2002). “To accommodate post-separation payments, the trial court may treat the payments as distributional factors under [§] 50-20(c)(11a), or provide direct credits for the benefit of the spouse making the payments.” *Id.* at 731, 561 S.E.2d at 577 (internal citation omitted).

Yet “[i]f . . . the property is distributed to the spouse who had the post-separation use of it or who made post-separation payments relating to its maintenance, there is, as a general proposition, *no entitlement* to a credit or

distributional factor.” *Id.* at 732, 561 S.E.2d at 577 (emphasis added). Nevertheless, “the trial court may, in its discretion, weigh the equities in a particular case and find that a credit or distributional factor would be appropriate under the circumstances.” *Id.*; see also *Edwards v. Edwards*, 110 N.C. App. 1, 13, 428 S.E.2d 834, 840 (“The trial court is in the best position to determine the most equitable treatment of post-separation payments toward marital debt”), *cert. denied*, 335 N.C. 172, 436 S.E.2d 374 (1993).

Similarly, “a spouse is entitled to some consideration for any post-separation use of marital property by the other spouse.” *Walter*, 149 N.C. App. at 731, 561 S.E.2d at 577. “[T]he trial court may treat the use as a distributional factor under N.C. Gen. Stat. § 50-20(c)(12), or place some value on the use and provide a direct credit for the benefit of the spouse who did not use the property.” *Id.* at 732, 561 S.E.2d at 577.

“The burden of showing the property to be marital is on the party seeking to classify the asset as marital and the burden of showing the property to be separate is on the party seeking to classify the asset as separate.” *Johnson v. Johnson*, 230 N.C. App. 280, 285, 750 S.E.2d 25, 29 (2013). Where a defendant fails to meet his burden to introduce such evidence, “the trial court d[oes] not err by making no findings specifically valuing or distributing [the] defendant’s post-separation payments.” *Cushman v. Cushman*, 244 N.C. App. 555, 566, 781 S.E.2d 499, 506 (2016).

In the instant case, the trial court found that, on the date of separation, the Dodge Charger was worth \$13,420.00 and the RAM truck was worth \$16,713.62. By

the date of distribution, Husband had paid off the loans on the vehicles with his separate, post-separation income. However, Husband was not entitled to any consideration—either as a direct credit or as a distributional factor—for the payment of the balance of the loan on his vehicle, of which he had the post-separation use. In addition, Husband introduced no evidence as to the cost to him of satisfying the automobile loans.

Nonetheless, the court considered the post-separation loan satisfaction as a distributional factor, finding: “The vehicles that are held by the parties were paid off by [Husband] after the date of separation[.]” The court declined to give Husband a direct credit for his payments and instead chose to consider those payments as a distributional factor.

Husband cites *Kerslake v. Kerslake*, in which this Court concluded that “[t]he [trial] court is required to credit a former spouse with at least the amount by which he decreased the principal owed on marital debt by using his separate funds.” 295 N.C. App. 504, 512, 907 S.E.2d 40, 46 (2024) (extraneity omitted). Husband appears to argue that our opinion in *Kerslake* limits the trial courts to giving a direct credit, contrary to our holding in *Walter*.¹ We do not read these cases as contradictory.

¹ Husband correctly recognizes that N.C. Gen. Stat. § 50-20 “has undergone significant amendments since *Walter*.” In *Warren v. Warren*, this Court recognized that, under the version of § 50-20 then in effect, “the court should consider the post[-]separation payments [reducing marital debt] as divisible property.” 175 N.C. App. 509, 517, 623 S.E.2d 800, 805 (2006) (citation omitted). However, § 50-20 was later amended, and active increases and decreases in marital debt are no longer considered divisible property. See N.C. Gen. Stat. § 50-20(b)(1a)(d). This amendment has effectively revived the *Walter* line of cases as regards the treatment of active decreases in marital debt.

Treatment of post-separation payments as a distributional factor is a credit, albeit not a direct credit. Moreover, Husband failed to satisfy his burden of introducing evidence as to the amount of his post-separation loan payment for Wife's vehicle, preventing the court from giving him a direct credit had it chosen to do so.

In the present case, the trial court, in its discretion, determined that it would be appropriate to consider these payments as a distributional factor. We discern no abuse of discretion in the court's treatment of Husband's post-separation payment of the Wife's automobile loan and no harm to Husband in the treatment of the post-separation payment of his automobile loan as a distributional factor.

Husband next asserts that he should have received credit for his post-separation payment of the property taxes and the insurance premiums on the former marital home, which was distributed to Wife.

"If the [marital] property is distributed to the spouse who did not have post-separation use of it or who did not make post-separation payments relating to the property's maintenance (i.e., taxes, insurance, repairs), the use and/or payments must be considered as either a credit or distributional factor." *Hill v. Hill*, 244 N.C. App. 219, 238, 781 S.E.2d 29, 42 (2015).

At trial, Husband proffered evidence of his payment of the property taxes and insurance premiums on the former marital home. The trial court found that Husband "paid [the property] taxes on the marital home each year since the date of separation" but did not make a finding as to the amount that Husband paid for the property taxes.

Nonetheless, a specific finding of the amount of a payment is not necessary in every case. *See Peltzer v. Peltzer*, 222 N.C. App. 784, 792, 732 S.E.2d 357, 363, *disc. review denied*, 366 N.C. 417, 735 S.E.2d 186 (2012). The court therefore properly considered Husband's tax payments. However, the court did not make a finding reflecting its consideration of Husband's payment of the homeowner's insurance premiums. Thus, the court erred by failing to consider Husband's post-separation insurance premium payments either as a direct credit or as a distributional factor.

As regards Wife's possession of the former marital home, the court found that "[b]oth parties have maintained the marital home"; that "[n]either party desire[d] to sell the former marital residence," which the parties wanted "to be an asset for the benefit of their minor children"; and that Wife lived in the home "with the minor children since the date of separation." The court then considered Wife's occupancy of the home, with the parties' children, as a distributional factor. Therefore, the court did not err in its treatment of Wife's possession of the former marital home.

In sum, Husband's post-separation satisfaction of the automobile loan for Wife's vehicle and payment of the property taxes for the former marital home and Wife's post-separation occupancy of the home were properly treated as distributional factors; however, the court made no findings regarding Husband's payment of the homeowner's insurance premiums. Accordingly, we remand to the trial court for findings regarding Husband's post-separation payment of the homeowner's insurance

premiums and consideration of the payment either as a direct credit to Husband or as a distributional factor.

Distribution of Credit Card Debt

Husband next argues that the trial court erred in “failing to distribute the marital debts from the two credit cards.” We agree.

“Debt, as well as assets, must be classified as marital or separate property. If the debt is classified as marital, the court must value the debt and distribute it pursuant to [N.C. Gen. Stat. §] 50-20(c).” *Byrd v. Owens*, 86 N.C. App. 418, 424, 358 S.E.2d 102, 106 (1987). “Marital debts are those incurred during the marriage and before the date of separation by either spouse or both spouses for the joint benefit of the parties.” *Pott v. Pott*, 126 N.C. App. 285, 288, 484 S.E.2d 822, 825 (1997) (extraneity omitted).

Here, Husband had two credit cards in his name that he used for business expenses. The trial court found that “the date of separation debt attributable to the business AMEX . . . [was] \$21,805.42. . . . [T]he date of separation debt attributable to the business Visa as of the date of separation [was] \$9,563.64.” The court then included the credit card debt in its enumeration of “assets and/or property [that] were prove[d] to be marital but evidence as to their value was not sufficient and therefore . . . cannot be distributed.” Flight Science, LLC, was also included in this list. The findings explained that the credit card debt “was for business expenses but there was

no credible evidence to determine whether such debt left an overall value to Flight Science, LLC or a debt.”

It is apparent that the trial court viewed the credit card debt as part of Flight Science, LLC, for which the court determined that there was no evidence as to the value and thus could not be distributed. Nevertheless, the court must either distribute the credit card debt independently of Flight Science, LLC, or distribute the debt as a component of Flight Science, LLC. Accordingly, we remand to the trial court to distribute the credit card debt.

Bitcoin Currency

Husband next submits that the trial court “erred in its valuation and distribution of the Bitcoin.” We agree.

During an equitable distribution, “marital property shall be valued as of the date of the separation of the parties, and evidence of pre-separation and post[separation] occurrences or values is competent as corroborative evidence of the value of marital property as of the date of the separation of the parties.” N.C. Gen. Stat. § 50-21(b). “Divisible property and divisible debt shall be valued as of the date of distribution.” *Id.*

“It is well established that lay opinions as to the value of the property are admissible if the witness can show that he has knowledge of the property and some basis for his opinion.” *Finney v. Finney*, 225 N.C. App. 13, 16, 736 S.E.2d 639, 642 (2013) (extraneity omitted). “Further, the owners of property have generally been

held to have both a knowledge and basis for the testimony as to the value of their property.” *Id.*

“Our Supreme Court has held that evidence of value from a date other than the relevant date may still be admissible if the ‘other’ date is not too remote in time.” *Cunningham v. Cunningham*, __ N.C. App. __, __, 927 S.E.2d 46, 49 (2026) (concluding that an account statement showing the value of the account six weeks before the hearing was competent evidence of the present value of the account).

In the present case, the trial court found that the parties’ Bitcoin account was worth \$125,000.00 on the date of separation. This determination was based on Schedule D Capital Gains and Losses of the parties’ 2020 1040 federal income tax return, on which they reported that the Bitcoin was sold on 16 December 2020 for \$125,000.00. However, the date of sale was more than six months after the date of separation. There was no evidence presented as to the value of the Bitcoin on the date of separation, although Husband testified concerning the value of the Bitcoin and the court admitted into evidence a printout of the balance of his Coinbase account, in which the Bitcoin was held. This printout indicates an account balance of \$35,233.81 on 5 April 2020, roughly one month before separation, a moderate balance increase into June, and a sharp increase into December, when the sale occurred.

The facts of this case are akin to those presented in *Fitzgerald v. Fitzgerald*, 161 N.C. App. 414, 588 S.E.2d 517 (2003). There, the parties conceded that they had presented “no evidence of the fair market value of the marital home on the date of

separation and the only evidence presented on the value of the house were two appraisals valuing the house at \$395,000.00.” *Fitzgerald*, 161 N.C. App. at 419, 588 S.E.2d at 521. The appraisals were conducted one and three years after the date of separation. *Id.* This Court concluded that the appraisals could not support the court’s finding that the date of separation value of the marital home was \$375,000.00. *Id.*

In the case at bar, the trial court based its valuation of the Bitcoin not on any evidence of its value on the date of separation, but on a single sale occurring six months after the date of separation. Because the value of Bitcoin is volatile, the date of sale value was “too remote in time,” *see Cunningham*, __ N.C. App. at __, 927 S.E.2d at 49, and could not support a finding of the value on the date of separation.

Husband further argues that the increase in value of the Bitcoin account was due to his efforts and was thus his separate property, not subject to distribution. There is a rebuttable presumption that an increase in the value of marital property is divisible; “the burden of overcoming the presumption [is] placed on the party seeking to show that the post[-]separation appreciation/increase . . . was the result of post[-]separation actions or activities of a spouse.” *Romulus v. Romulus*, 215 N.C. App. 495, 501, 715 S.E.2d 308, 313 (2011) (extraneity omitted). Here, on remand the trial court may distribute the increase in value of the account as marital property if the court concludes that the increase was not due to the “post[-]separation actions or activities of a spouse,” *id.*, but rather to “changing economic conditions or other such circumstances beyond the control of either spouse.” *O’Brien v. O’Brien*, 131 N.C. App.

411, 420, 508 S.E.2d 300, 306 (1998), *disc. review denied*, 350 N.C. 98, 528 S.E.2d 365 (1999).

In sum, the trial court erred by failing to make a finding reflecting its consideration of Husband's post-separation payment of the homeowner's insurance premiums; failing to distribute the credit card debt; and failing to properly value the Bitcoin currency and determine whether any increase in value was divisible. Accordingly, we vacate the equitable distribution order and remand to the trial court for entry of an amended order consistent with this opinion. "The trial court may, in its discretion, receive evidence on remand," which it may limit to that evidence, if any, necessary to enter an amended order. *Groseclose v. Groseclose*, 291 N.C. App. 409, 429, 896 S.E.2d 155, 169 (2023).

III. Conclusion

For the foregoing reasons, we affirm the child support order. We vacate the equitable distribution order and remand to the trial court for entry of an amended order consistent with this opinion.

AFFIRMED IN PART, VACATED IN PART, AND REMANDED.

Judges WOOD and GORE concur.

Report per Rule 30(e).