SUPREME COURT OF LOUISIANA

Michael B. Reis, Jr. v. Mandy Pohlmann Reis

2025-C-00539 · No. 2025-C-00539 · Decided March 6, 2026

SUMMARY

The Louisiana Supreme Court held that Outkast Industrial Group, LLC, formed after termination of the parties’ community property regime, was the separate property of Michael B. Reis rather than a community asset. The Court rejected the lower courts’ use of the “substitute corporation” theory and held that alleged mismanagement of former community property may support fiduciary-duty remedies but does not change the classification of a subsequently formed business entity. The judgment was reversed and the matter remanded.

CASE DETAILS

COURT	Supreme Court of Louisiana
WRITING FOR THE COURT	Cole, J.; Griffin, J.; Allison H. Penzato, J., pro tempore
JURISDICTION	Supreme Court of Louisiana
DECIDED	March 6, 2026
DOCKET	2025-C-00539
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	On a writ of certiorari from the Court of Appeal, Fourth Circuit, the Supreme Court reviewed the classification of a business formed after termination of the parties' community-property regime.
STANDARD OF REVIEW	Classification of property as community or separate is a factual determination reviewed for manifest error. The Supreme Court also reviewed the lower courts' legal application of the Louisiana Civil Code de novo.
PRECEDENTIAL VALUE	published and precedential
PARTIES	Michael B. Reis, Jr. v. Mandy Pohlmann Reis

TOPICS

community property · dissolution of marriage · appellate procedure · limited liability companies · breach of fiduciary duty

PRACTICE AREAS

family law · community property · corporate law · appellate procedure · fiduciary duty · remedies

QUESTIONS PRESENTED

1. Whether a business entity formed after termination of a community-property regime may be classified as community property merely because it performs functions similar to a former community business or allegedly uses community-business resources.
2. Whether Louisiana law recognizes a separate business formed after termination of the community as a 'substitute corporation' that becomes part of the former community property partition.
3. Whether alleged post-termination mismanagement or breach of fiduciary duty concerning former community property changes the separate-property classification of a newly formed entity.

HOLDINGS

1. Outkast Industrial Group, LLC, formed approximately four months after termination of the parties' community regime, is Michael Reis's separate property; the presumption that property possessed during the community regime is community property does not apply.
2. Louisiana law does not recognize the concept of a 'substitute corporation,' and a newly formed business does not become community property merely because it is similar to, succeeds, or allegedly receives resources from a former community business.
3. Alleged mismanagement or breach of the duty to preserve former community property may support separate remedies, but it does not convert a separate entity formed after termination of the community into community property.

KEY QUOTATIONS

> *"The concept of a "substitute corporation" does not exist in Louisiana law."* (p. 8)

> *"Nor does Mr. Reis's alleged mismanagement or potential breach of fiduciary duty under La. C.C. art. 2369.3 change the classification of an entity that is separate property to community property."* (p. 10)

> *"Considering the foregoing, we find that Mr. Reis's company, Outkast Industrial, was formed after the termination of the community regime between the parties and is thereby his separate property."* (p. 11)

FACTUAL BACKGROUND

Michael and Mandy Reis married in 2010 under a community-property regime and formed Outkast Environmental, LLC, during the marriage. Their community regime terminated upon divorce on October 24, 2019. In February 2020, after the divorce, Michael formed Outkast Industrial Group, LLC, which performed similar services and allegedly used or drew upon resources associated with Outkast Environmental. The trial court and court of appeal classified Outkast Industrial as community property, while Michael maintained that it was a separate business funded by a post-divorce loan.

PROCEDURAL HISTORY

The trial court classified Outkast Industrial Group, LLC, as a community asset in the parties' partition proceeding. The Court of Appeal, Fourth Circuit, affirmed, holding that the company was a substitute corporation for the former community business, Outkast Environmental, LLC. The Supreme Court of Louisiana granted Michael Reis's writ application, reversed the lower courts, and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The matter is remanded to the trial court for any necessary proceedings consistent with the opinion, including proceedings addressing issues remaining after classification of Outkast Industrial as separate property.

CASES CITED

- Queenan v. Queenan, 492 So. 2d 902 (La. App. 3 Cir. 1986)
- Granger v. Granger, 06-1615 (La. App. 3 Cir. 9/26/07), 967 So. 2d 540
- Robinson v. Robinson, 99-3097 (La. 1/17/01), 778 So. 2d 1105
- Ross v. Ross, 02-2984 (La. 10/21/03), 857 So. 2d 384
- Lanza v. Lanza, 04-1314, 04-1756 (La. 3/2/05), 898 So. 2d 280
- Reis v. Reis, 04-750 (La. App. 4 Cir. 4/3/25), 418 So. 3d 79
- Terry v. Terry, 565 So. 2d 997, 1001 (La. Ct. App. 1st Cir. 1990)
- Michael B. Reis, Jr. v. Mandy Pohlmann Reis, 25-539 (La. 9/16/25), 418 So. 3d 892 (mem.)
