



High Stakes Divorce: 8 Complicating Factors That Demand High-Quality Legal Intervention

Divorce is a difficult process even under ideal circumstances. When a significant number of valuable assets and personal wealth are concerned, problems can skyrocket right through the roof. Everything you achieved up until this point, and all the material gains you realized as a result of that success, will now be analyzed and disputed. Examples of such gains include:

- Substantial bank accounts
- Real estate holdings
- Ownership of businesses and/or professional practices
- Investments
- High-value assets such as art collections, antique furnishings, or vintage cars

A complex, high-asset divorce typically involves eight complicating factors that demand high-quality legal intervention. Each one is explored in-depth below.

Hiding of Marital Assets

Your spouse may try to pull the wool over the court's eyes, and yours, by transferring valuable marital assets to a third party, such as a friend or business partner. If they are caught making this type of transfer, they face significant penalties, as such actions are considered fraudulent. Often, people will go to extreme lengths to avoid detection.

A resourceful attorney with experience in high net worth divorces can help by gathering evidence of offshore holdings, checking for IRS overpayments, and reviewing financial statements for suspicious transfers or spending. If you are falsely accused of concealing assets in this manner, a law group with sophisticated and experienced business and criminal law attorneys can gather the evidence needed for a solid defense.

Inaccurate Accounting of Assets and Liabilities

Even if neither you nor your spouse intend to commit fraud, in a high net worth divorce with a complex financial situation it can be easy to make a mistake regarding marital assets and liabilities. An attorney who focuses on business law can assist you in filling out a financial affidavit and collecting the necessary documents to support it. A thorough analysis can then ensure that you don't give up any assets you don't have to or assume liabilities that are not legally yours.

Consequences From Asset Transfer Taxes

Individuals with high net worth usually have corporate holdings such as family businesses. When assets from a business are transferred to an individual, certain tax liabilities can be



triggered. If, for example, your spouse transfers company property to you as part of a divorce order, it can not only trigger a taxable gain, it can also be counted as additional income for you. This is another instance in which an attorney with a solid background in business law can maximize your gains by providing advice that minimizes tax consequences.

Protecting Business Interests

It is often said that divorce between lower-wealth couples is focused on peacefully ending the partnership while high net worth couples emphasize the proper division of valuable assets. When a high net worth couple jointly owns a business (which is often the case), the interests of both sides will need to be properly and fairly valued. Even if the business is in the name of one party only, if both spouses contributed to its growth, or revenue grew substantially during the course of the marriage, the business is categorized as a marital asset.

If you own business assets, a business attorney can help you protect them by obtaining a professional valuation, removing your spouse from the business by paying them with non-business assets, and raising money to sell off equity shares.

Child Custody

Child custody cases can be complex, no matter the financial circumstances, but with high net worth divorces, there are some issues that can further complicate the process. High-income individuals are often required to travel for their work, or work long hours that are not always easy to anticipate. This can make it challenging to determine both custody and a visitation schedule. An experienced family law attorney can help you present your case and receive as much time as possible with your child.

Child Support

In New York, child support is determined by the Child Support Standards Act (CSSA), a statutory series of calculations that determines the financial obligations for both the custodial and non-custodial parents. When a couple has combined parental income that exceeds the cap of \$141,000, the advice of an attorney experienced in high net worth divorce and business law is strongly recommended. In these instances, courts tend to place considerations on the reasonable needs of the children and the ability of each parent to provide necessary support. In high income cases, reasonable needs may include:

- The salary of an au pair or nanny
- Private school tuition
- College tuition

A forensic accounting ordered by an experienced business attorney can help determine the ability of your spouse to contribute to these expenses, reducing the amount of support actually required and preventing you from being deceived into overpaying.



Prenuptial Agreements

Prenuptial agreements are a common topic when a high-asset couple divorces. The mere existence of an agreement does not make it valid or legally binding. If you and your spouse signed one prior to getting married, it needs to be carefully reviewed. 'Pre-nups' are often setup for reasons such as the following:

- One party coerced the other into signing
- One party made signing it a condition of getting married
- One or both parties did not disclose all debts and assets

If you are represented by a attorneys that focus on business and family law, they can go over your prenuptial agreement to assess its validity and help you enforce or challenge it.

Spousal Maintenance

In high asset divorces, spousal maintenance often remains an issue even if both spouses have their own financial resources. When determining the amount and duration of maintenance payments, courts consider relevant factors such as:

- The length of the marriage
- Property brought into the marriage
- Each spouse's educational background
- Earnings and earning capabilities
- Accustomed standard of living
- Tax consequences.

It is not unusual for either spouse to misrepresent income and assets to get more support money or be ordered to pay less. If you suspect that your spouse is applying this strategy, a law group that handles many high net worth clients will have the resources to review financial records and estate planning documents for evidence of fraud and search for hidden assets on a global scale.

If you are facing a high-net worth divorce, you need high-quality legal counsel with the experience, skill, and resources to make sure that your case is handled with professionalism and the thoroughness needed to handle intricate taxation issues, trace assets in offshore and international accounts, and deal with complex property distributions.

In this respect, the Levoritz Law Group is precisely the solution you need. Our team of experienced and energetic attorneys can provide you with high quality representation in family, business, civil, estate, and criminal law matters throughout your divorce, ensuring that no matter what obstacles arise, you have a team capable of dealing with it. To schedule a confidential consultation, please contact us online or call 718.942.4004.