

The Divorce Agreement Newsletter

Wednesday, January 25, 2017

Divorcing the Wealthy

“Divorcing the Wealthy” is the catchy title for an excellent CLE course presented by the American Academy of Matrimonial Lawyers in Richmond last week. The lead speaker, Sandy Ain, has probably handled more “wealthy” divorces than any other attorney in the United States. He was accompanied by Dana Cogan, a distinguished forensic psychiatrist. The two opening speakers made it clear that clients in these high profile divorces were even more likely than clients in less-affluent cases to have psychological issues that challenged the client skills of the attorneys.

Charlottesville attorney Ron Tweel introduced two financial experts to discuss unique issues and challenging valuations in high asset cases. These include the frequent incidence of a complex web of trust and similar wealth protection arrangements, tax devices, and off-shore assets. They also pointed ways in which inherited wealth differed from personally acquired wealth, such as the sensitivities of extended family in the former case. The range of valuation options for business entities and issues of separate vs. marital property in valuations were also discussed.

Where custody issues arise in these cases, as often occurs, they are even more likely to be fought out in extended fashion. Among the reasons for this is that far more money is available to finance these cases and that there is greater likelihood that these cases will be international in nature. One segment of the program was devoted to the international custody agreements, mainly affecting the choice of forums and enforcement.

There was also a segment on the changes in military retirement law. There are two different aspects of these changes. The first is as to how military retirement benefits are determined generally, which means that the levels of retirement compensation will decline somewhat over time. The other matter is how the rights of a military spouse will be calculated when retirement benefits are divided in divorce. The changes in this area are that the spouse no longer fully benefits from the service member’s subsequent increases in pay due to higher rank and years of service. This will be the subject of an article that will be posted in the future. One may ask why this block was included in a CLE about the wealthy. The main reason is its current interest, but it is also accurate that officers who retire at the grade of O-5 or above have substantial retirement benefits.