

**From the desk of
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Facing Divorce

Despite the fairy tale hopes and dreams of many brides, and the blind faith that all those who marry will live happily ever does not in reality always work out.

The reality is that the divorce rate in the general populace exceeds 54%, and reaches up to 75% in the professional classes.

Unfortunately many of those who thought they had found their Prince Charming, or Princess Bride and found thereafter they did not quite live up to their promised future, many blunder into the divorce process just as blindly as they did in the selection of their now most hated and despised adversary.

The problem is that without advance consideration of how divorce will impact finances, most end up in financial situations that take years to resolve when some advance planning could have avoided disaster.

Even when those couples who naively believe that their divorce will be an “amicable” break-up, the situation generally deteriorates very quickly with both parties ending up with financial problems they could not have imagined when they emotionally decided that their days of bliss have ended.

Many forget during the competition to show the other who is the ultimate winner the outcome is generally a financial disaster for both when that road is ventured upon.

The goal should be an equitable and manageable solution, not scorched earth policies that end up feeding the professional divorce community.

A short list of preparatory steps to consider can help to avoid these pitfalls when the bloom of blissful love has evaporated.

First and foremost, engage reputable family law attorneys for both parties.

Find attorneys who are known for equitable and reasonable solutions as opposed to those “sharks” who whip matters up to a never ending process of ongoing fees that extract every last dollar from the marital accounts.

The ultimate goal is to disengage from the relationship, not fight the next world war. Finding the right representation will lead to a more equitable solution rather than funding some attorney's new Bentley, and summer trip to Europe.

Familiarize yourself with the applicable divorce laws with your attorney so that you know going into the process what is reasonable, and what is not.

Your attorneys are the professionals but it is essential to know the basics so that you know what the process is really about rather than the next crucifixion of your intended ex-spouse.

The process is not about how much pain that can be inflicted on your soon to be ex, it is about disengaging, and doing so in a reasonable manner. Far too many use the process as an extension of their hurt, and their desire for life time vengeance.

Run a credit reports – find out what both owe to others. This provides you with any possible unknown debts that your spouse may have incurred without your knowledge, as well as an accurate assessment of the entire amount of debt the both of you will need to deal with separately.

Take an inventory of tangible and financial possessions including retirement plans, and taxable asset accounts.

Secure the most recent statements for all accounts.

Obtain appraisals for tangible property with any potentially significant value.

One less obvious benefit to the appraisal process is to address the dividing possessions with sentimental value to one party that may or may not have economic value.

Establish individual banking, investment, and credit card accounts and be ready for the separation of assets.

Most importantly create a pre- and post-divorce budget including new expenses such as separate living costs, child care costs that will potentially be incurred.

You may want to go through this process with your CPA, preferably one who is experienced in divorce matters.

The resulting picture may indicate that both parties need to be aware that restrained spending may be in future for both parties as the reverse of the adage that two can live as cheaply as one, both cannot do so separately.

The knowledge of what to expect, and that it will be survivable can take some of the emotional strain out of the upcoming divorce process, and give both parties thought as to being reasonable with each other rather than freely spending to cause continued pain and suffering that the divorce is supposed to stop.

Each marital division is unique.
You will need assistance in handling both the equitable separation of assets assuming that is your goal, and ongoing obligations thereafter.

We are here to help.

We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service.

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