

Practitioner Perspectives

Navigating Ultra-High-Net-Worth Divorce

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The Lowdown on Ultra-High-Net-Worth Divorce: Expert Advice on Navigating One of Life's Leading Stress Tests

January has a richly merited reputation as ushering in the start of a seasonal spike in divorces, affluent and otherwise. With the holiday season over, many already estranged couples opt to officially end their marriage not long after the last strains of "Auld Lang Syne" have dissipated, driven by a New Year's desire for fresh starts and clean slates.

This, then, seems an especially opportune time to consider all aspects of the ultra-high-net-worth (UHNW) divorce experience. To do so, [Geller Chief Client Officer Scott Bush](#) convened a panel of legal experts in midtown Manhattan. The roundtable we assembled consisted of attorneys from both coasts, namely:



Anne C. Kiley, (at the time of filming) Partner and Head of the Family Law Department at Elkins Kalt Weintraub Reuban Gartside in Los Angeles. Anne is a perennial entry on the list of America's Best Lawyers, and has represented Hollywood royalty in high-profile divorce disputes. In December of 2023, Anne was appointed to serve as a Judge in the Los Angeles County Superior Court.



Jenifer J. Foley, Co-founder and Partner at New York City-based Alter Wolff Foley & Stutman LLP. Leading research firm Chambers High Net Worth named Jenifer as a top Family/Matrimonial lawyer in its High-Net-Worth Guide 2023. She is Co-President of the New York Chapter of the Association of Family and Conciliation Courts (AFCC-NY); she is also a Fellow of the American Academy of Matrimonial Lawyers (AAML) and an active member of several other bar associations and committees.



Christen K. Douglas, Private Client Partner at McDermott Will & Emery LLP in New York City. Recognized as a Rising Star 2022 by Super Lawyers, Christen has extensive experience advising ultra-high-net-worth individuals and families on all aspects of their complex legal needs.

Marriage, while ostensibly viewed as a romantic partnership, also involves myriad important legal and financial considerations. Seen through this lens, divorce is analogous to a contested merger, several aspects of which can especially impinge upon UNHW individuals (UHNWIs) and their families. This paper seeks to illuminate the crucial steps and proactive planning measures that UHNWIs should undertake, both before and during the union, to ensure the protection of their hard-earned assets and the security of their future.

Among the key issues which we will discuss are:



Why upfront education and open communication plays such an important, and often overlooked, role in the matrimonial process.



Understanding the financial implications of a marriage where significant wealth is involved, including the potential need for a prenuptial agreement.



The challenges that can arise when there are multiple stakeholders, such as extended family members who span several generations.



How having a support team of experienced professionals encompassing family law attorneys, Trusts & Estates (T&E) planners, and wealth advisors can help guide you through the difficult decisions that often accompany a divorce.



Navigating the emotional aspects of a divorce, which can cloud judgment and negatively impact upon decision making.

Something Old, Something New: A Brief History of Divorce

Divorce is, sadly, a tale as old as time. The earliest known example of a codified divorce law dates to the reign of King Hammurabi of Babylon in 1760 B.C. Julius Caesar was divorced. And the first recorded divorce in the United States occurred as early as 1643 in Massachusetts.

What is relatively new in human history is how divorce, in the U.S. and elsewhere, has been comparatively destigmatized in recent decades. Currently, divorce is illegal in only two nation states worldwide, the Philippines and Vatican City. Longer lifespans and changing social mores contributed to a substantial increase in the incidence of divorce during the 1960s and 1970s.

In the U.S., divorces would eventually peak in 1981, the year that saw Ronald Reagan become the country's first divorced President and Warren Adler publish his darkly comedic divorce novel *The War of the Roses* (later made into a popular movie).

While the divorce rate has since trended downward, it remains more elevated in the U.S. than most other countries, with [some studies showing](#) that almost half of all first marriages will not survive. The [failure rate for second marriages](#)—famously described by James Boswell in his 1791 book *The Life of Samuel Johnson* as “the triumph of hope over experience”—is considerably higher.

For UHNWIs, Breaking Up Is Hard to Do: Complex Assets and Balance Sheets, and Generational Wealth

Certainly, what often distinguishes UHNW divorces from those of the average individual is their sheer complexity. Such disputes invariably involve far more than simply parsing apart joint bank accounts. A divorcing couple who has real estate holdings in multiple states must contend with a thicket of vastly different legal regulations (California, to take but one example, is a community property state, whereas New York is an equitable distribution jurisdiction). And with cross-cultural marriages becoming ever more common, trophy assets stretching from Fifth Avenue to the French Riviera may be also involved. This only compounds the complications. Untangling other assorted holdings including private investment portfolios, business interests, and high-end collectibles is a notoriously laborious process that can take many months simply to inventory. Indeed, given the elevated financial sums involved, it is by no means unheard of for UHNW divorce proceedings to drag out for years, occasionally lasting even longer than the marriage itself.

The rules that govern divorce proceedings can differ dramatically on a state-by-state basis.

Regardless of where a couple was married, what ultimately holds sway are the laws of the state that has jurisdiction over the divorce. For example:

- California and Texas are each community property states. This means that assets acquired over the course of a marriage shall be divided equally between the separating spouses. Yet even here, California's distinct community property laws differ from those of Texas.
- New York and Florida are both equitable distribution states. In this scenario, the law provides for more latitude when ascertaining who gets what.

Premarital agreements can be useful tools for helping to define which laws that will apply in property disposition after a divorce—and a dependable team of advisors can help guide divorcing UHNWIs through complex regulations at the local level.

Additionally, where an affluent divorcing couple is concerned, the matter is often a family affair. Multiple generations of competing stakeholders and business interests are frequently involved in the deliberations. Parties to the dispute, who have habitually prized discretion and privacy above all, must also weigh reputational risk if sensitive information becomes part of the public domain. In one particularly well-publicized past case, the former CEO of electronics retailer Best Buy Co. was forced to disclose that a sale of almost half a million shares of company stock was prompted by his divorce settlement.

Last but by no means least, the financial costs can be eye-watering, even for such an upscale socioeconomic demographic. When Mohammed bin Rashid Al Maktoum, the ruler of Dubai, divorced his sixth wife in a British courtroom, his legal fees alone amounted to a staggering \$105 million.

Beware Magical Thinking, Even in Fairytale Romances

Daniel Kahneman, the Nobel Prize-winning behavioral economist, noted in his bestselling book *Thinking, Fast and Slow* that "...the decision to get married reflects, for many people, a massive error of 'affective forecasting.' On their wedding day, the bride and groom know that the rate of divorce is high and that the incidence of marital disappointment is even higher, but they do not believe that these statistics apply to them."

Denial indeed often looms large in such instances, and divorce may sometimes appear to be a bolt from the blue.

To address such 'known unknowns,' there are certain practical steps that UHNWIs can proactively take. Chief among these relates to educating oneself about the legal, financial, and emotional implications of marriage even before first walking down the aisle as a couple together.

Entering Marriage with Eyes Wide Open: The Importance of Advance Education about Marriage as a Legal, Operational, and Financial Agreement between Individuals

"Thus grief still treads upon the heels of pleasure: Married in haste, we may repent at leisure."

This famous line penned by William Congreve in his 1693 play *The Old Batchelour* remains timely advice that marrying couples would do well to follow more than three centuries later. Quite apart being a romantic union, marriage is also an economic partnership. Yet many marrying couples, consumed with vows, veils, and videographers, frequently rush headlong into the endeavor without first fully educating themselves about financial and legal consequences that can reverberate for a lifetime.

Jenifer Foley points out that "To earn a driver's license you are required to take a test, one which involves studying a manual and rigorous prior practice." By contrast, many couples can simply "walk into the city clerk's office and walk out with a marriage license," with precious little attention paid to the legal implications that a marriage entails.

Education is especially important where there is a financial disparity between the parties, which can often become a particularly contentious issue at the point of divorce. Before booking the wedding date, an honest dialog should occur relating to the role the non-monied spouse intends to play during the marriage, including such aspects as how they intend to build their own financial security.

More broadly, a lack of (or breakdown in) communication has been cited as the number one cause of divorce. Therefore, having frank and open discussions can potentially help to alleviate this issue at an early stage. Doing so often entails engaging in fundamental conversations concerning what marriage means, including the management of finances, who intends to pay for which aspects, and how couples envisage their financial future together.

From a trusts and estates perspective, where children are involved and one or either party brings substantial wealth to the union, Christen Douglas notes that sometimes the offspring haven't even been made aware that a trust has been created for their benefit. In such cases, she adds, "The initial step is simply educating the child so that they are privy to the provisions that have been put in place for them. Doing so can often be a constructive and productive process, one which encourages wider dialogue for the family."

Understanding the Contractual Agreement That is the Prenup, and the Perils of Postponing It

Where UHNWIs are concerned, prenups can be a crucial cornerstone in outlining each individual's rights and responsibilities should a divorce eventually occur. If a prenup is the right choice for a marrying couple (and they aren't always), they must be carefully considered and meticulously thought through for, as Anne Kiley says, "One can't simply go on ChatGPT and write an effective prenup."

Modern prenuptial agreements, the written forerunners of which have been found on hieroglyphics in ancient Egypt, are typically viewed as a decidedly unromantic topic while in the midst of marriage preparations. Such contracts often involve awkward conversations, occurring as they do before the couple has even embarked upon their honeymoon. Their potential importance simply cannot be overstated, however. Especially where families of substantial wealth are concerned, prenups are an effective and legally binding insurance policy designed to protect individual assets in the event of divorce.

Those bringing significant family or business-related financial means to the marriage, individuals who have previously been married, anyone anticipating a future windfall, and couples with existing children who are especially mindful of any inheritance issues may especially benefit from the provisions of a prenup. Any chosen wealth advisor should also possess an encyclopedic knowledge of the document's contents.

An ironclad prenup will address the component finances involved in great granularity, and compel the couple to confront hard questions by modeling multiple future 'what if' scenarios as part of the ongoing pre-wedding education process. Foley notes that "In the event of a divorce, the more detailed and transparent information that was previously disclosed on schedule A of the prenup, the better off the individual will ultimately be in lessening litigation at the point of enforcement."

For her part, Douglas points out that "The most practical advice I've ever seen a client follow is not to set your wedding date until you've finalized your prenup." Indeed, hastily made agreements forcibly signed under duress may not be worth the paper on which they were written. In the UHNWI case of *Remillard vs. Remillard*, the Court of Appeals of Virginia ruled that a prenup was unenforceable because it was signed just one day prior to the marriage ceremony.

In the aforementioned instance, the prenup was also rendered null and void on account of the fact that the groom failed to disclose \$10 million in assets. Even absent such obvious malfeasance, however, prenups can be challenged if material financial information is inadvertently omitted or overlooked.

When outlining the prenup's parameters, Foley advises against falling for the false economy of trying to cut corners and reduce upfront costs. The wish to be fair and equitable with a loving spouse, especially in the early stages of a romantic union, is eminently understandable. However, should the relationship subsequently sour and eventually lead to expensive divorce litigation, couples can often have cause to rue their having opted for an opaque or budget prenup years earlier.

Some forward-thinking couples will also insist on inserting so-called 'sunset clauses' into their prenuptial agreements. These contract riders stipulate that the original terms will only apply for a clearly defined timeframe, acknowledging that life's many vicissitudes may include unforeseen changes in income levels, health circumstances, and the like.

Invaluable as they are, prenups should be seen as neither magic wand nor silver bullet. It behooves anyone getting married to educate themselves on the inherent limitations of such documents. Even the best lawyers are evidently unable to predict the future. Thus, the contents of these contracts aren't always foolproof, especially as a couple's financial situation evolves. Prenups cover material possessions but have no power in custody disputes—legally, children are wards of the court. And UHNWIs who own assets and property spanning several different locations must be mindful of the vastly different laws that may apply in each jurisdiction.

Ultimately, given the extreme importance of prenups, writing them on the cheap can cause considerable legal conflicts later on. While rare, it is not unheard of for some UHNW prenups to cost into the six figures. So high are the stakes, it could be considered money well spent.

To Prenup or Not to Prenup?

- Prenuptial agreements are legally binding contracts that can act as an insurance policy for a marriage. That said, they are not necessarily appropriate for all couples. Speak with your matrimonial lawyer about what's best for your personal situation.
- Prenups are not meant to be filed away once written—it is not simply a case of 'set it and forget it.' An experienced family office can help with the administration of these documents.
- Be mindful of a prenup's inherent limitations. Lawyers can't predict the future. As a couple's financial situation evolves, these contracts are not always foolproof.
- A prenup can be rendered 'unconscionable' if signed under duress or with incomplete disclosure.
- Prenups give guidance on the distribution of financial assets. They cannot adjudicate on child custody disputes.

For Richer, For Poorer: Steps to Take During Marriage to Safeguard Your Financial Future

Over the course of a marriage, financial situations can shift dramatically. When wealth vacillates dramatically during a union, it can greatly complicate later divorce proceedings. Prenuptial agreements, trusts, and other marriage-related documents are not static decrees, but living breathing entities that must be constantly monitored, evaluated, and even updated as events dictate.

UHNW couples should have forthright conversations around subjects such as asset division and future financial planning while still happily married, when the emotional temperature is lower. Topics which merit discussion include the particulars of:

- Each partner's cash flows,
- Expense loads, and
- Philanthropic and educational goals.

Above all, where joint finances are concerned, it is vital to ensure that both partners actively involve themselves in the planning process, while also working in tandem with an experienced wealth advisory team. In UHNW marriages, Foley has encountered many instances where "There's a tendency for the non-monied spouse to take a back seat and not be as involved with the finances. Even if one spouse has traditionally handled the money, while other spouse is in charge of the social calendar, the non-monied spouse still has an obligation to learn about the overall financial picture. Ongoing transparency and education during a marriage can potentially avoid copious litigation when a divorce is at hand."

Frequently in a divorce settlement, the monied spouse and children are financially secure but—especially when child support ends—the non-monied individual is not. It can therefore often be difficult for children, even those of adult age, to navigate such a financial divergence between parents.

Furthermore, Foley adds that "How you live your life during marriage is sometimes even more important than what is contained within the provisions of a prenup. For example, if the non-monied spouse's lifestyle is more extravagant than the prenup provides for, this can be an extremely determinative factor should the case go to court."

Another important aspect to be aware of during a marriage is the role of recurring gifts, often provided for by parents or grandparents to a spouse. When given on an ongoing basis these can be considered income—imputed or real. As such, a court is eligible to consider their implications as part of the overall monies available for post-divorce support.

Also of overriding significance is being able to deploy an expert team of legal and wealth and financial advisors who can administer these complex documents, and ensure that couples are adequately adhering to each of their provisions. Doing so can help to protect hard-earned assets, and often save a good deal of time and expense should a divorce eventually come to pass.

D-Day: Best Practices At the Point of Divorce

Marriage may involve the union of a couple but, for UHNW individuals, divorce is almost always a team sport. Surrounding yourself with a wide range of relevant expertise—including attorneys, T&E lawyers, wealth advisors, and even emotional counselors—is an absolute imperative. Such specialists should be regarded almost as a ‘personal board of directors’ designed to help guide those getting divorced through this tumultuous time.

Above all, the legal counsel should be assembled with particular care. At such an elite level of wealth, within the overall family law category there are only an infinitesimally small subset of attorneys with the requisite skills and experience to understand the nuances and complexities involved.

It is also important to note that the sheer complexity of many UHNW balance sheets and business holdings invariably calls for far more than the services of simply a family lawyer. Depending upon the particular situation, experts in T&E, non-profit, and real estate law will all likely be necessary.

As Kiley emphasizes, it is important for these various professionals themselves to “Stay in their lane.” Estate planners, for instance, should avoid any temptation to dispense advice on matters of matrimonial law and vice versa, unless the attorney practices in both areas. Effective communication is a key component of this, as is the need to hire lawyers who will not simply echo what the client wants to hear. She adds that “My best advice for UHNWIs who find themselves in a divorce situation is to choose an attorney who they feel most aligns with their own goals and values.”

In Foley’s view, the process extends beyond merely selecting lawyers who are deemed an appropriate fit. They must also be able to work effectively with other members of the team. These may importantly include forensic accountants, who can help identify disputed assets, ascertain in whose name they are held, and assist in the discovery process.

Choosing the right attorney is a crucial aspect of the divorce process. It is recommended that UHNWIs select an experienced, ethical professional who:

- Is highly conversant with a multitude of different-state regulations
- Keeps lines of communication constantly open
- Best aligns with your own goals and values
- Offers the risks and consequences of certain actions, as well as the benefits; an attorney shouldn’t simply echo what the client wants to hear
- ‘Stays in their lane’ and refrains from offering guidance on areas outside of their own expertise
- Works well in tandem with other vital members of the overall advisory team, including wealth managers, forensic accountants, and other attorneys who may be required (e.g., Trust & Estates, non-profit, real estate)

A Matter of Trust: The Pivotal Role Trust & Estate Plays in Affluent Divorces

Just as matrimonial lawyers are expert at understanding all the judicial intricacies involved during the dissolution of a marriage, Trust & Estates (T&E) specialists are a similarly indispensable element of any UHWI's divorce team. Trusts help to protect and shield the assets of the affluent during a divorce. In an optimal scenario, the contents of such trusts should be firmly established prior to the wedding, contain solely premarital property, and involve open communication with any affected children.

Trusts can be an especially effective mechanism to ensure that financial assets, including property, are kept strictly separate. This mitigates against the risk of comingling, which can ultimately come back to haunt the parties and cause considerable later complications when a high-end divorce ensues. A trust structure also provides a degree of control against the diminution of family assets during a marriage.

In order to fully 'ring fence' and protect hard-earned family assets, Douglas favors a "belt and suspenders" approach. Beyond simply holding assets in trust for children, a prenuptial agreement is helpful to expressly agree that the family trusts will be respected as separate property (to the extent trust assets could even be characterized as property of the beneficiary spouse). The couple should unambiguously agree that this will be respected even if the spouse they are marrying may participate in managing the trust assets or rely on distributions from the trust.

Maintaining separation of inherited family assets from the individual spouse's assets should be a guiding principle when formulating an effective estate plan. Doing so lessens the risk of collateral financial (and reputational) damage to ancillary family members.

It is also, as Douglas attests, important to bear in mind that the trustee is invariably the only person who has the legal authority to manage and dispose of assets of the trust. She adds that, for their part, trustees must also never lose sight of the fact that their fiduciary duties run to the beneficiaries of the trust itself, irrespective of how close a relationship they may have with the grantor of the trust or spouse of the beneficiary.

Once the legal team has established the trust structure, reputable wealth advisors will then play a crucial role in overall trust administration. This includes properly managing the trust on a day-to-day basis, and proactively ensuring that there is never any transmuted of funds between the trust itself and a couple's personal property.

Working in tandem with the relevant team of T&E attorneys, wealth advisors are also charged with assisting families of means in seeing to it that all of their critical documents stay current. An effective estate plan is analogous to a roadmap, in that it reflects a family's intentions at any given point in time. It must thus always take into account changing life circumstances and major milestones and, as such, should be updated accordingly every five years. By mapping out and modeling multiple potential scenarios, wealth advisors can play a pivotal role in navigating an UHNWI divorce.

Treatment of Trusts in Marriage and Divorce: Protecting Family Wealth

For UHNWIs aiming to successfully shield their family trusts from divorces, Douglas emphasizes a framework she coined, “The Three Pillars of Trust Protection.”

These Pillars Are:



The underlying provision of the trust agreement itself.



Ensuring that the prenuptial agreement acknowledges, in no uncertain terms, that the trusts are distinctly separate property, irrespective of how they were used or managed throughout the duration of the marriage.



Proper trust administration, aimed at strictly separating the trust assets from the beneficiary’s personal assets, and maintenance of a separate account by the beneficiary spouse to receive distributions from the trust.

An experienced T&E professional can also help guide UHNWIs on any especially thorny issues that may arise during a divorce. This includes what happens when the marital residence is owned by a trust, a notoriously complex legal matter.

Spousal Lifetime Access Trusts (SLATs), which can play a key role in maximizing potential gift tax exemptions against an ever-changing legislative backdrop, often also loom large in UHNWI divorces. Douglas notes that this type of irrevocable trust, “is often viewed as an excellent estate planning vehicle when a marriage is proceeding amicably, with the grantor spouse contributing assets to a trust for the benefit of the other spouse and their descendants.” When a divorce occurs, however, SLATs can quickly present unforeseen tax and economic consequences for separating couples.

Spousal Lifetime Access Trusts (SLATs) are an increasingly popular estate planning device. These can be an effective method for a couple to make optimal use of their gift tax exemptions, especially if they are concerned that such exemptions may potentially be reduced by upcoming legislative changes. SLATs enable the participant to utilize their exemptions while also maintaining indirect access to the trust assets, by making the other spouse a beneficiary of the trust. Although this approach often works well when a couple is happily married, complications can arise at the point of divorce. For separating couples, two considerations in particular often cause surprises. Depending upon how the trust was originally drafted, the beneficiary spouse may no longer enjoy their prior status once the divorce is finalized. Moreover, the grantor spouse is sometimes responsible for all taxes on income earned by the trust. As ever, it pays to consult with a team of expert advisors who are able to determine the complexities of your specific situation.

Divorce Can Be a Taxing Situation

National Ex-Spouse Day falls on April 14 every year but, for divorcing UHNWIs, the following day's annual Internal Revenue Service deadline arguably carries far greater significance. The tax implications of divorce can sometimes be treated almost as an afterthought. Yet divorce often materially alters an individual's tax status, and impacts upon a wide range of issues including alimony and child support.

Individuals going through, or contemplating, a divorce should carefully consider matters such as the status of any remaining estate and gift tax exemptions available to each spouse. Equally relevant is the date during the calendar year at which the divorce was finalized, which can greatly affect the ability to file taxes jointly. As ever, being able to turn to a team of trusted professionals in this area is of paramount importance. Forward planning is crucial, as the scope for tax saving strategies diminish considerably when the decision to divorce has already been made.

Additionally, SLATs can cause considerable confusion in the context of divorce disputes. Pertinent questions include whether the beneficiary spouse will continue to enjoy their prior status post-separation, and the grantor spouse's comfort level in continuing to pay income taxes on a trust that may primarily benefit their now ex-partner.

Divorce carries important, and sometimes overlooked, tax implications.

- In addition to affecting tax brackets, divorce may influence the nature of spousal support, including alimony.
- The IRS considers a couple to be married until they receive a final decree of divorce or separate maintenance. If a divorce is finalized before December 31, individuals are no longer allowed to jointly file taxes for that year.
- The ownership and sale of a marital residence is often an especially contentious issue among divorcing couples and entails material tax consequences.
- UHNWIs, acting in close consultation with their advisors, should review prior years' gift tax returns and determine the number of remaining estate tax exemptions available to each spouse.
- A Spousal Lifetime Access Trust (SLAT) is considered a grantor trust for the purposes of income tax and involves its own highly specific set of tax regulations.

The Generational Dimensions of UHNW Divorce

When UHNWIs divorce, there can often be upwards of three different generations—never mind individuals—who are impacted. The sheer number of stakeholders involved, be they familial or business interests, is another important aspect that differentiates divorces of the 1% from most other separations.

As Kiley mentions, sometimes the union of two people actually involves assets that have been grown and built over multiple generations. Knowing precisely how much information to divulge, and when to disclose it, are each crucial considerations. Although such topics may make for undeniably sensitive discussions, they are important subjects for couples to thoughtfully navigate through.

Indeed, the reverberations of UHNW divorces frequently ensnare many more protagonists than simply the separating couple themselves. Affluent divorces of this ilk also often involve some form of an operating business. Should there be other family members who also work in the business, it is of the utmost importance to try and avoid having the company become collateral damage in any divorce dispute. We at Geller have even seen instances where the divorcing couple decides that their interests are best served by remaining as co-owners in order to avoid any further disruption to the business.

In Foley's view, having a parallel plan of education and honest communication upfront can potentially evade numerous future inter-generational complications that later arise at the point of divorce. Establishing clear demarcation lines of who will represent the extended family from the outset of the process, and being transparent about the information that is being disclosed to trust recipients, are both vital.

Trustees from different generations can also, as Kiley notes, unwittingly be dragged into their adult children's divorces. For instance, a parental gift or monetary loan made with the best of intentions during a marriage can, depending upon the specific circumstances, be considered material in any subsequent divorce court proceeding.

How Wealth Advisors Can Help Guide UHNWIs Through Divorce

When Fleetwood Mac penned their popular song about the breakup of a romantic union, they pointedly called it "Go Your Own Way." Yet for UHNWIs in the throes of a divorce, going it alone is never advisable.

In such situations, being able to call upon a team of trusted wealth advisors is every bit as important as hiring skilled legal counsel, for the financial dimensions of divorce should never be overlooked. Experienced wealth professionals, especially those who have a longstanding expertise in the complexities of family offices, can run risk management assessments that help protect individual wealth, safeguard the assets of succeeding generations, and proactively manage all aspects of what is one of life's major inflection points.

In vetting a wealth advisor, there are several key criteria for divorcing UHNWIs to carefully consider. Arguably the most important is selecting an established firm that can bring a sufficiently broad range of available resources to bear, such are the inherent intricacies of affluent divorces. Experience, along with a verified track record, is vital. Advisors must also have demonstrable expertise, in the form of professional training and certifications. Additional qualities including trust and client chemistry, while somewhat more intangible, should also be adequately factored into any decision.

Scott Bush says that, “By deploying a holistic and integrated approach, wealth advisors are the professionals best able to parse the overall family balance sheet and income statement. In so doing, they are a vital ally in helping divorcing UHNWIs ascertain future monetary needs for their now separate post-separation lives.” From a business tax strategy standpoint, he adds that “A world-class wealth advisory team is all about the art and science of ensuring the most effective means of safeguarding wealth for succeeding generations.”

Bush further notes that a valued wealth advisor, working in tandem with other experts, can also help clients achieve their long-term financial targets. Armed with an encyclopedic knowledge of expenses and cash flows, investment goals, and philanthropic and educational aims, wealth advisors play a crucial role in the process.

Douglas says that “Selecting an insufficiently skilled wealth advisor can certainly work against you during an UHNW divorce. In the context of a trust, for instance, if the financial advisor has allowed the beneficiary spouse to treat a trust account as their personal piggy bank, not adhering to trust formalities and the provisions of the trust agreement, such actions can materially harm the validity and enforceability of the trust.” Another red flag to be aware of when choosing a wealth manager pertains to any misalignment of fundamental values between client and advisor.

In contrast, a high-caliber wealth advisor can aid an UHNWI immeasurably by helping them to make more informed decisions during divorce negotiations. From a financial planning standpoint, these advisors are able to model multiple outcomes involving complicated balance sheets under various scenarios, all aimed at answering such crucial questions as the level of net worth required to achieve future long-term financial objectives.

Deploying painstaking investigation and analysis, Certified Public Accountants and forensic accountants also play pivotal roles within the overall wealth advisory team. During divorce negotiations, these specialists can help to identify assets, which is often the most pressing issue in any UHNW separation. A reputable forensic accountant is vital in uncovering any hidden assets. These may include cash concealed in a separate account, income that has gone un (or under) reported, and funds being sheltered from the spouse in a foreign domicile.

Ultimately, given the often staggering financial sums involved in an UHNW divorce, it simply doesn't pay to cut corners when selecting a wealth advisor. These professionals are key cogs in guiding and educating clients about the highly complex, and often hard-to-value, assets and liabilities that constitute the overall family balance sheet.

Separation Anxiety: Be Cognizant of Divorce's Emotional Component

The title of ABBA's divorce-related hit single was "The Winner Takes It All." Perhaps, however, the divorce lawyer played by Danny DeVito's character in *The War of the Roses* movie was more on the money when he opined that, for couples experiencing an acrimonious split, "There is no winning, only degrees of losing."

This is especially true emotionally. Enduring a divorce consistently ranks among life's most stressful events, invariably exceeded only by the death of a loved one. A large body of scientific evidence attests to divorce's emotional toll. [Studies have demonstrated](#) elevated levels of anxiety, depression, and social isolation in divorcees when compared with the wider population.

Successful professionals and UHNWIs are certainly not immune from the consequences. [In 2016, a paper published in the *Journal of Financial Economics*](#) found that hedge fund managers "Underperform by 4.3 percent per year in the six months around a breakup, and continue to lag behind by 2.3% annually for up to two years after the divorce."

Emotions can cloud judgement, encourage cognitive biases, and negatively influence the ability to make rational decisions based on available information. Research reveals that anger—a constant companion during many divorce cases—can also reduce an individual's ability to empathize with and understand another person's point of view.

While there may be a tendency for divorcing individuals to relegate the role played by emotion in proceedings, relative to legal and financial considerations, its impact should not be understated. Indeed, as Foley attests, "In many UHNW divorce cases, where there are invariably ample funds to go around and the case could otherwise be settled comparatively quickly, the central arguments are almost never about money per se. It's typically about something else. Not the fact that the painting was purchased for \$10 million, for example, but the couple having picked it out together."

Kiley adds that, where all divorces are concerned, "There will always be an emotional overlay, even if it's a four-month marriage." In such instances it is important to fully acknowledge the feelings involved, not personalize the legal process, and avoid bringing a sense of entitlement to negotiations.

Trying to make cogent legal and financial decisions, many of which will carry momentous long-term consequences, while enduring such an emotional rollercoaster is extremely challenging. Therefore, as part of their divorce team, UHNWIs may choose to seek out therapeutic support from an array of credentialed behavioral experts including professionally trained psychologists. For their part, wealth and other advisors must avoid being overbearing or encumbering the client excessively during what is an especially fraught emotional time.

Till Divorce Do Us Part: Key Takeaways When an UHNWI's Marriage Ends

It is, as Scott Bush says, an inescapable fact of life that all marriages are ultimately destined to end, whether it be by death or divorce. Given the unique characteristics inherent in an UHNW divorce, enduring such a separation is invariably a traumatic experience for all parties involved. Should this event eventually come to pass, however, the negative consequences can be mitigated by employing several important contingency measures.

Crucial among these are formulating proactive plans to protect hard-earned assets even before the onset of marriage, educating oneself about all relevant legal and financial aspects of a union, establishing a clear and effective communication strategy, constantly reviewing your financial situation during a marriage as circumstances evolve, soliciting a trusted team of expert legal and wealth and financial advisors to help navigate the divorce process, and avoiding emotional decisions made during a time of duress.

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