

THE PRIVATE JET LIFESTYLE MAGAZINE

ELITE

T R A V E L E R

MAY/JUN
2014

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RESTAURANTS
IN THE WORLD

SEPARATION ANXIETY

Three of the biggest mistakes the wealthy make when divorcing.

BY RUSS ALAN PRINCE

The wealthy, like many others, marry with the best of intentions of spending their lives together, only to decide that lives apart are a better alternative. While prenuptial agreements and the structured separation of assets can prove very effective and accommodating, it's common for the wealthy not to have taken such steps. This is more the case when the wealth was created during the marriage.

In situations where the couple decides to divorce and all financial issues were not pre-arranged in anticipation of splitting up, the divorce can prove emotionally and mentally draining, as well as financially problematic. Although there's often no way around many of the aggravations occurring during this process, there are some ways of mitigating the adversity and obtaining better results. The idea is to avoid some of the more detrimental mistakes many affluent people going through a divorce make. Let's consider three common and damaging missteps.

THINKING YOUR "DAY IN COURT" WILL PRODUCE THE OUTCOME YOU THINK

Very often what someone expects out of court rulings are far from what they receive. According to Michelle M. Smith, CEO of **Source Financial Advisors**, a certified divorce financial analyst and a leading authority in the field, "There are options besides court that have a higher probability of getting you what you want and getting you what you want privately. Having your net-worth statement and personal dramas splashed across 'Page Six' is not what most clients set forth as goal number one in their divorce."

TAKING ADVICE FROM WELL-MEANING FRIENDS AND FAMILY

While people close to the divorcing individual want to be helpful, usually they're not. "In our experience working with wealthy divorcees, there are many times they are not inclined to share a lot of information with friends and family, who usually don't understand the legal and financial implications involved," explains Richard J. Flynn, principal at **Rothstein Kass Family Office Group**. "The goal of the wealthy going through one of the largest personal financial transactions in their lives is not to surround themselves with emotional support from well-meaning family and friends but with solid and specific divorce-related advice from the best available talent in the field."

NOT ADEQUATELY ADDRESSING THE COMPLETE FINANCIAL PICTURE

Considering the intense economic implications of divorce, it's unfortunate that many of the wealthy are not adequately dealing with these issues. This situation is slowly changing as an increasing percentage of the wealthy getting divorced use the services of divorce financial analysts. "While financial divorce specialists complement and can never replace divorce lawyers, their role is to—from the start of the process to after the divorce is finalized—ensure the financial well-being of their clients," explains Smith. "For example, they're often extremely effective in providing the supporting evidence for settlements."

If divorce is the right alternative, then it's important to ensure the best results possible. Avoiding these three mistakes goes a long way to getting a superior outcome.