

## **"Conscious uncoupling" still requires doing your financial homework**

*By Trey Yates*

The term "conscious uncoupling" exploded in the news media a few years ago as Hollywood movie star Gwyneth Paltrow announced that she and Coldplay lead singer Chris Martin were ending their 10-year marriage. Paltrow used this then obscure term to describe the couple's goal to keep their separation blame-free and as amicable as possible for the sake of the children. The term has become increasingly popular on social media networks and among celebrity and non-celebrity couples announcing divorces.



As a divorce attorney, I advise my clients with this kind of divorce in mind, "you still must slog through the required steps of the divorce process," and that always requires gathering and organizing financial documents for the road ahead. This is a critical part of any divorce process and will impact the financial outcomes for both spouses, and if appropriate, parenting matters, when it's all said and done.

Here is a list of items you will need to gather for your attorneys:

1. Collect the last three years of your tax returns, bank statements, credit card statements, and all other financial accounts, such as investments, IRAs, 401(k)s, pensions, etc. Make copies of all these statements and file originals and copies in secure, but separate locations.
2. If you have a safe deposit box, create an inventory of the contents and take photographs of the contents if possible. If you don't have a safe deposit box, consider getting one in your own name for important documents and other items you want to keep safe.
3. Get credit reports for you and your spouse. Read them thoroughly, looking to find assets, debts and potential errors.
4. If you own or are purchasing your home, secure and make copies of associated closing documents and mortgage statements, and any refinancing documents, if appropriate.
5. Create a list of your household and your spouse's monthly expenses so your attorneys can see how much you will need to support both households during the process. This can

be used by your attorney to secure Temporary Orders that will ensure all your bills will be paid and no one's credit gets damaged during the divorce.

6. Gather information concerning your children to document the relationship that each parent has with an underage child. Talk to teachers, child care providers, therapists, doctors and neighbors about their observations on your parenting skills and whether they may be willing to be a witness in your behalf should the need arise.
7. While your attorney will not need this information, you should start preparing a list of household items you and your spouse will be responsible for dividing up. If there are collectibles, antiques, or other high-value items, bring this to the attention of your attorneys for discussion. Take photos of such items and if necessary, get appropriate appraisals.

The timing of the filing of your divorce can have a great impact on the length of your divorce proceeding, and what strategy that you and your attorney will consider during litigation. Filing may depend on when a child will graduate from high school. Also, consider whether one spouse requires training or further education to secure a job after the divorce.

There is no doubt that even a well-planned divorce will be stressful. You may want to engage a family therapist to assist you and your children through this process. Seek legal advice early on when confronted with the unpleasant reality that divorce is on the horizon. Schedule a confidential consultation with several Board Certified Family Law Attorneys and choose the one that is experienced in cases like yours and is best aligned with your personality and goals.

## **Hidden assets (or debts) in a divorce may be just clicks away**

*By Patricia Barrett, CFP, CDFA*

Over the years, I am often asked to help divorcing individuals track down potential assets of their spouses during a divorce. This can be an arduous job, sifting through files of paper records to find irregularities during discovery - - pouring over piles of bank statements, credit cards bills, tax records and lots and lots of paper receipts. In the past, I have had to rely primarily on traditional tools of the trade



and experience to sniff out hidden monies, property or businesses strewn along a paper trail. Thanks to technology and online resources, this part of my job has gotten easier.

Sometimes, uncovering spousal mischief or falsehoods just takes basic electronic detective work. For example, free public databases, such as those tracking real estate deals, often provide information on spouses who are less than honest. One of my client's husband had disclosed 11 rental properties as community assets. However, with online resources, we were able to located two additional properties not on his list.

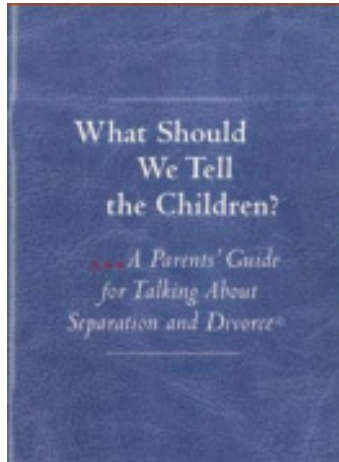
Tax returns also provide a wealth of information for the trained eye. I have found offshore accounts, partnership interests, and bank and brokerage accounts previously unknown by the other spouse. In one of my client cases, I found that a spouse had essentially "stashed" \$80,000 with the IRS in overpayments that could have been pulled out and applied to a tax bill after the divorce was final. Another area that I thoroughly review and investigate are paystubs and other employee records that may reveal undisclosed company benefits.

"Restoration" plans may be overlooked by a spouse and attorneys who typically focus on 401(k) and pension benefits. If an executive earns above \$265,000 annually, the IRS rules state he or she must stop contributing to a qualified plan -- 401(k). However, that executive may have an option to contribute to a "restoration" or "top hat" plan which may go unnoticed. Legally, these funds are still considered community property that must be included in the list of marital assets.

Spouses are also doing basic detective work themselves these days by browsing online social network sites, and the URL history of the family computer, where they are finding things like visits to bank websites where the couple doesn't have an account. Many online searches on Google, Linkedin and Facebook are legal.

I do advise clients to be aware of laws that make hacking into a smartphone, secretly installing GPS on a spouse's car, or installing keystroke monitors on someone's computer potentially illegal. Depending on the state and the details surrounding how the data is acquired, there are still gray areas about what practices are acceptable.

Remember, the best defense in these matters is a good offense. As a married spouse, you have a legal right to know all the details of your community property and finances, and should always strive to understand what is going on in this area. Knowledge truly is power!



### **Talk to your kids**

When parents are about to separate, it is important they tell their children and adolescents what is happening. And more importantly, they need to carefully plan for this discussion.

This free, downloadable [guidebook](#) will help parents think about and accomplish this difficult task. It is published by the American Academy of Matrimonial Lawyers and is designed to help make this discussion meaningful and helpful for both parents and their children.

For additional free information on navigating the divorce process, visit our *Resources* page at <http://www.GuideToGoodDivorce.com>.