FAMILY LAW FINANCIALS

Division of Assets & Debts

MARITAL ASSETS & DEBTS

Acquired or Accrued After Marriage and Prior to Valuation Date

VALUATION DATE

Snapshot in Time, Typically Date of Separation, Date of Service, Date of ICMC or Date of Pre-Trial Conference

TITLEHOLDER

Timing of Acquisition, Not Titleholder Status, Defines Marital Character

NONMARITAL PROPERTY

Property Acquired Prior to Marriage or During Marriage as a Gift or Inheritance or Exchange

INCOME FROM NONMARITAL PROPERTY

Marital, Unless Defined as Nonmarital in a Prenuptial Agreement

APPRECIATION OF NONMARITAL PROPERTY

Marital if Active Appreciation, Nonmarital if Passive Appreciation

COMBINED MARITAL & NONMARITAL

Common Examples Include Homes, Retirement Accounts, Pensions and Businesses

DIVISION OF MARITAL PROPERTY

Equitable : Almost Always Means Equal

DIVISION OF NONMARITAL PROPERTY

Typically Awarded to Holder of Nonmarital Interest, Unless Basis to Invade

DIVISION OF HYBRID PROPERTY

Varying Methods of Valuing, Whether Real Estate, Retirement Accounts, Stock Options, Pensions and Businesses

TRANSMUTATION

Property Loses Nonmarital Character :

Think Meatloaf

NONMARITAL TRACING

Burden on Proponent of Nonmarital Claim to Prove Through Tracing the Interest

REAL ESTATE

Valuation by Appraisal, Market Analysis, Agreement or Sale.

Satisfaction of Equity in Various Ways

VEHICLES

Valuation by KBB, Appraisal, Agreement or Sale. Often Gifted to Children.

Many Upside Down.

BANK ACCOUNTS

Valuation by Monthly Statements.

Nature of Account Dictates Need for Number.

INVESTMENTS

Valuation by Monthly Statements.

STOCK BENEFITS

Valuation by Statements.

Stock Options: Buy at Strike Price

Restricted Shares: Vest Over Time

BUSINESSES

Three Primary Methods of Valuation: (1) Balance Sheet; (2) Return on Investment; (3) Comparable Sales.

LIFE INSURANCE

Term Policies v. Whole Life Policies

UNSECURED DEBTS

Verified by Monthly Statements.

Offset for Attorney’s Fees

Often Different Valuation Date

STUDENT LOANS

Marital v. Nonmarital Character

Typically Determined by Use of Funds

TAX REFUNDS & LIABILITIES

Subject to Equal Division, Regardless of Individual Income Level.

PERSONAL INJURY AWARDS

Marital v. Nonmarital Character

Determined by Nature of Recovery

SPENT MONEY

The Court is Not Going to Re-Spend

HOUSEHOLD GOODS & FURNISHINGS

The Court is Not Interested.

RETIREMENT INTERESTS

Isolate Pre-Tax Assets

Value Based on Monthly Statements.

PENSIONS

Defined Benefit v. Defined Contribution

Actuarial Present Value Calculation

Employee Contribution is Not Value

DISSIPATION

Waste in Contemplation of Divorce

BALANCE SHEETS

Capture Crucial Data on One Sheet

Exhibit to Decree

Cross Check Math

	A	B	C	D	E	F	G
1		NAMED	VALUE	ERNIE	BERT	SOURCE	DATE
2							
3	**REAL ESTATE**						
4	123 Sesame Street	Joint	500,000.00		500,000.00	Appraisal	06/01/20
5	Bank of New York	Joint	(350,000.00)		(350,000.00)	Statement	05/30/20
6	**VEHICLES**						
7	2018 Volkswagon Beetle	Ernie	20,000.00	20,000.00		KBB	06/01/20
8	Bob's Credit Union	Ernie	(15,000.00)	(15,000.00)		Statement	05/30/20
9	2010 Buick LaCrosse	Bert	6,000.00		6,000.00	KBB	06/01/20
10	2020 Harley Davidson	Ernie	25,000.00	25,000.00		Value Bert Will Accept	
11	SS Bank	Ernie	(23,000.00)	(23,000.00)			
12	**BANK ACCOUNTS**						
13	SS Bank Checking *1234	Joint	3,000.00	1,500.00	1,500.00	Statement	06/02/20
14	SS Bank Savings *5678	Bert	35,000.00		35,000.00	Statement	06/04/20
15	**INVESTMENTS**						
16	Bitcoin (24)	Bert	250,000.00		250,000.00	Statement/Ticker	06/03/20
17	Apple Stock (500 Shares)	Bert	25,000.00		25,000.00	Statement/Ticker	06/15/20
18	**BUSINESS INTERESTS**						
19	Snuffy's Malt Shop	Ernie	400,000.00	400,000.00		Statement	06/02/20
20	**UNSECURED DEBTS**						
21	IRS	Joint	(320,000.00)	(160,000.00)	(160,000.00)	Statement	06/03/20
22	Luis' Fixit Shop	Ernie	(500.00)	(500.00)		Statement	06/04/20
23	**TOTAL**		**555,500.00**				
24	**EACH ENTITLED TO**		**277,750.00**				
25	**EACH RECEIVED**			**248,000.00**	**307,500.00**		
26	**EQUALIZER**			**29,750.00**	**(29,750.00)**		
27	**NET AFTER EQUALIZER**			**277,750.00**	**277,750.00**		
28							
29	**PRE-TAX RETIREMENT ACCOUNTS**						
30	Lake Elmo Bank 401(k)	Bert	250,000.00		250,000.00	Statement	06/01/20
31	District #123 403(b) Plan	Ernie	50,000.00	50,000.00		Statement	06/03/20
32	District #123 Defined Benefit Pension	Ernie	x	x	x	QDRO Marital Portion	
33	**TOTAL**		**300,000.00**				
34	**EACH ENTITLED TO**		**150,000.00**				
35	**EACH RECEIVED**			**50,000.00**	**250,000.00**		
36	**EQUALIZER**			**100,000.00**	**(100,000.00)**		
37	**NET AFTER EQUALIZER**			**150,000.00**	**150,000.00**		
38							

QUESTIONS?

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