

## **Top Family Law Attorney Provides Insight into Business Valuations in Divorce**

**WASHINGTON, Aug. 5, 2021** – Natalia Wilson, managing partner with Ain & Bank, a top national family law firm, oversees everything related to divorce from separations to custody agreements to business valuations. She has worked with some of the country's top executives, celebrities, athletes and politicians. It's the division of finances including businesses in addition to custody agreements that often become acrimonious. "Many people fail to realize that a detailed prenuptial agreement will resolve many issues down the road," Wilson explained. "It's far easier to agree on how to split assets when you're in love with someone. Difficult to do when you're no longer in love." Wilson went on to add that even married couples without a prenuptial agreement should consider putting together a post-nuptial agreement to ensure assets are divided fairly should they have a future breakup.

She also points out that not all prenuptial agreements are created equal. "A prenuptial agreement does not mean that the other party does not have an interest in the business," Wilson stated. "The language and what was waived is critical to examine." She also recommends that anyone married and with a business should see an attorney periodically and make sure the prenuptial agreement still accurately defines the business, its value and the dissolution of assets should divorce occur. "Be sure to have an expert you trust analyze your prenuptial agreement," Wilson adds. "What was relevant two to five years ago, may not be relevant today."

**Obtain an expert.** Ideally, once a divorce is underway, it is better for parties to agree to jointly retain an expert to do a business valuation. If there is no agreement, husband and wife will have dueling experts that can tie up the divorce and be costly.

**Work jointly.** The discovery process in business valuations can be extensive. Voluminous records are exchanged and costs can be astronomical. If the parties work jointly, costs can be contained and the discovery process is more manageable.

**Determine accepted valuation methodologies.** Each jurisdiction is different. Be sure to confirm the valuation methods accepted where your divorce may take place.

**Know the business's history.** Make sure you know formation date of the company and each party's contribution to the business acquisition. Be sure you understand how much money (and possibly time) was invested in the business during the time of the marriage.

**Work through partnerships.** For businesses where there are partners and partner spouses, untangling a business during a divorce can become messy. Wilson advises business owners have clear legal partnership agreements that detail what will happen with the business and its assets in all scenarios, including potential divorces as well as the death of a partner.

**Business success may be costly.** If the business had significant growth during the marriage and projected earnings are substantial, a business valuation is almost guaranteed to be an aspect of your divorce. And what you or your spouse is or projected to earn from the business may wind up being factored into alimony and the ultimate property distribution in the divorce.

**Don't lowball the business.** There are legal cases when a business owner lowballed the valuation of the business, knowing it was worth more and, after the divorce, sold it for a higher value. These cases often wind up in lengthy and costly litigation and both spouses lose considerable assets. Be honest and treat the other party fairly up front and you may end up saving money by avoiding litigation and create some good will that warrants your retaining a greater interest in the business.

“By planning ahead, checking in with one another along the way and being realistic about the value of a business, spouses can minimize financial and legal impact,” said Wilson. “Attorneys fees are much more reasonable for proactive work where parties are working together as opposed to the costs when spouses are battling over assets.”

For more information on Natalia Wilson, Esq. or Ain & Bank, visit [www.ainbanklaw.com](http://www.ainbanklaw.com).

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