



Financial Strategy for Divorce

A step-by-step guide to divorce and money

Lee D. Sanderson, CPA, ABV, CFF, CVA, MST

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About the Author

Lee D. Sanderson, CPA, CFF, ABV, CVA, MST

Lee D. Sanderson is a recognized expert on financial matters relating to divorce. He has been hired by some of the nation's top divorce attorneys to provide expert testimony to the court on a wide range of financial matters. Mr. Sanderson is a frequent lecturer conducting training to attorneys on financial strategies for divorce including income analysis, forensic accounting for divorce, business valuation, property settlement strategies and divorce taxation issues.

Mr. Sanderson is a forensic accountant specializing in the financial aspects of divorce. He holds the following professional designations:

- CPA - Certified Public Accountant
- CFF - Certified in Financial Forensics
- ABV - Accredited in Business Valuation
- CVA - Certified Valuation Analyst
- MST - Master of Science in Taxation

Lee practices is in the Boston area. He lives in Framingham, Massachusetts with his daughter, Rachel.

Introduction

"Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat" Sun Tzu

First, I would like to thank you for purchasing this book. I understand all too well that if you made this purchase, you are either contemplating divorce or are already in the process of divorcing and deeply concerned about your financial future.

You are not alone. Over one million divorces are filed in the United States each year and the number continues to rise.

Divorce can be one of the most financially devastating experiences people ever encounter. Throughout the process, people are overwhelmed by the uncertainty of their future finances and the financial decisions they will need to make.

Some of the most common questions I hear are:

- Can I afford to stay in my home?
- How can I get through this divorce without losing my shirt?
- How much will my divorce cost me?
- Can I even afford to get divorced?
- How much will I have left over to begin my new life?
- How much will I pay / receive in child support or alimony?
- What can I do to maximize my financial settlement?
- Is my spouse hiding money?
- I know my spouse makes more money than the tax returns show. Will I lose out on support because of this?

- My spouse says his/her business is not worth anything. How is this possible with the money it makes?
- Are there any ways to save money in this process?

I have written this book to help you maximize your financial situation during and after your divorce and to provide you with answers to many of these important questions.

How Financial Strategy for Divorce Can Help You

Financial strategies can make a world of difference in your divorce. They can affect:

- The amount of money you pay or receive each month;
- The amount of money you have after your divorce;
- Your post divorce assets and debts;
- Your ability to stay in your home;
- Your ability to pay for education;
- The money available to start a new life; and
- Much more.

Many people find out after their divorce that they made a bad deal due to a lack of knowledge about the financial matters.

Remember, once your divorce is over, you can't go back and fix it. You are stuck with it, so, it is in your best interest to apply sound financial strategy early in the process to maximize your situation.

You may be saying “there is not that much to strategize over”. Have you considered that your future income is essentially an asset?

Consider this: Let's say you earn \$100,000, your spouse earns nothing and there are 20 years of support payments left. That is \$2,000,000 of cash flow! I would say that your share of that \$2,000,000 is certainly worth some closer analysis. Don't you agree?

In this example, the difference between paying or receiving 20% in support or 30% in support is \$200,000 over the duration of those support payments!¹

One of the activities I have greatly enjoyed over the years has been teaching seminars to attorneys. I have taught divorce attorneys about divorce financial strategies relating to uncovering hidden assets, utilizing the tax law to maximize settlements for their clients, business valuation strategies, uncovering hidden income, tax aspects of divorce and income analysis for support.

Financial Strategy for Divorce is an attempt to bring my years of experience practicing and teaching in the divorce area directly to you.

I won't tell you that I can make all of your financial concerns disappear. I wish I could....but I can't. There are many unknown variables in every divorce.

What I can tell you from experience is that **utilizing sound financial strategies for divorce can definitely help you to:**

- Approach the process better informed and armed with information;
- Save time and money;
- Organize your finances to make better decisions;
- Take control of your financial situation;

¹ This book discusses the financial aspects of support such as the importance of determining the appropriate level of income and the impact that different support levels can have over time. There are other considerations relating to support that should be discussed with an attorney.

- Find hidden assets;
- Find hidden income;
- Protect your assets;
- Avoid hidden tax consequences;
- Maximize the amount of money remaining you receive;
- Avoid unnecessarily wasting money on your divorce;
- Begin the path to rebuilding your financial future

This book will provide you with worksheets to help you organize your financial information, action items, information to help you make better financial decisions and financial strategies that can save you money and maximize your financial situation.