

You're Getting Divorced: Now What?

By Tom Norton, CPA, CDFA

You've decided that your marriage just isn't working out, and that you need to get a divorce. It's not an easy decision, but it's one you feel you have to make.

Or, your spouse just told you they want a divorce, or worse, you've just been served with divorce papers out of the blue.

What do you do now?

The emotions will be overwhelming at times, and I'm not going to tell you to ignore them. You can't. But you do have to face up to the reality of the situation at hand and do your best to deal with it.

Here are some things you will need to think about immediately, in order to protect yourself and possibly your children:

1. You need to find an experienced divorce lawyer. While you need to do this quickly, it's an important decision, so take a few days and find a few to interview.
2. Consider alternatives to a traditional litigated divorce. Maybe mediation or collaborative divorce is right for you.
3. Consider closing joint bank accounts. You may want to take half the money from the account, but make sure you document what you do with the money.
4. Open a bank account in your own name, but keep good records. It may still be considered marital property.
5. Close or freeze joint credit cards and lines of credit.
6. Get a credit card in your own name.
7. Gather important financial information, such as bank statements, mortgage statements, tax returns, pay stubs for you and your spouse, etc. Get as many years of these as you can.

8. Try to make temporary financial arrangements with your spouse for taking care of ongoing bills and the needs of the children. Once you have a lawyer, they can help you make official arrangements through the court.

There will be many more tasks for you to do (more than you can even imagine right now), but this will get you started. Once you have your attorney, look to him or her for guidance on what to do next.

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Finding A Good Divorce Lawyer

By Tom Norton, CPA, CDFA

Hiring a good lawyer is likely to be the most important decision you make in your divorce. Getting the wrong lawyer for your circumstances could end up costing you not only in attorney's fees, but also in a bad settlement and a lot of unnecessary heartache.

So how do you find a good divorce lawyer? First, let's talk about what *not* to do.

Don't go out and hire a lawyer you know just because you know him. He may be great for doing your will or getting that speeding ticket reduced to a loud muffler charge, but how much divorce experience does he have? You want someone who specializes in divorce, which means they spend at least 40% of their time on family law cases.

I can't emphasize this enough. There is simply too much to know (or not know) in a divorce case, and your lawyer's ignorance could literally cost you tens of thousands of dollars.

The lawyer you choose will also depend on whether you want to go to trial or you'd rather try an alternative solution, such as mediation or collaborative divorce. One size does not fit all when it comes to divorce lawyers.

The best way to find a good lawyer is from referrals from family and friends who have actually been through a divorce. Another great way is to ask that attorney friend of yours for a referral to an attorney who specializes in family law.

Once you get a few names, call them up and interview them on the phone. Ask about their approach to divorce cases, and how much of their practice is dedicated to divorce. Pay as much attention to their willingness to listen and answer questions as to their actual answers. Ask for an in-person interview if possible.

Your lawyer will be your partner throughout one of the most difficult times of your life. Make sure you choose your partner wisely.

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Professionals You May Need In Addition To Your Lawyer

By Tom Norton, CPA, CDFA

Your lawyer will be the most important member of your team when getting a divorce. Depending on your circumstances, though, he or she may not be the only member.

Some of the most common other professionals you may need to hire include:

1. Financial or tax specialist
2. Appraisers
3. Private investigator
4. Therapist

While a financial specialist can help in almost any divorce, they are especially useful when you and your spouse earn more than \$100,000 per year combined, if alimony is going to be involved, if you or your spouse owns a business, or if you have significant assets and debts. He or she can do a lot of tasks your attorney would normally do, and do them more efficiently at lower cost.

Appraisers may be necessary to value significant assets such as your home, other real estate, collectibles, or a closely held business or professional practice.

Private investigators are useful if you suspect your spouse is being unfaithful, or to show that their lifestyle is not conducive to caring for the children.

A therapist can be helpful in a lot of ways. They may be called on to evaluate you or your spouse, or to give an opinion on what is in the best interests of the children.

Even if they're not needed as part of the divorce case itself, a good therapist can be useful for you personally during this stressful time. Many mental health professionals say getting divorced is as bad or even worse than the death of a loved one. Seeing a good therapist can help you keep perspective and learn to better cope with your changing circumstances.

To find any of these professionals, ask your divorce lawyer for a referral to one or more people you can then contact and interview.

Putting together a good team of professionals could be the difference between a mediocre (or worse) outcome in your divorce, and an outstanding one.

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Is Divorce Mediation Right For You?

By Tom Norton, CPA, CDFA

If you would like reduce both the cost and conflict in your divorce, you should at least consider mediation.

In mediation, you and your spouse meet with a neutral third party who helps you come to an agreement. The mediator is not an arbitrator, however, which means they won't make decisions for you. Rather, they help the two of you structure your own mutually acceptable divorce settlement.

You typically meet with the mediator in a series of meetings over a period of one to six months. Each meeting is about two hours long and can be scheduled weekly, every other week, or on any other time table that works for you, your spouse and the mediator.

Sometimes courts will require mediation in a divorce. Usually only two to four hours is mandated, though, which is almost never enough time to get the job done. But what those sessions can do is let you sample the mediation process to see if it is right for you.

In addition to the mediator, you should hire a divorce lawyer. While the lawyer will not usually attend the mediation sessions, they will be a resource for you in between meetings, and will look over the final agreement to make sure you're not agreeing to something foolish.

Speaking of agreeing to something foolish, the biggest knock on mediation is that an assertive, domineering personality can sometimes take advantage of a passive, obedient spouse. That's why having a good attorney is important, as is knowing yourself and your spouse.

By increasing the amount of time negotiating directly with your spouse (with the mediator's help), you automatically reduce attorney's fees for both of you. You also avoid much of the nastiness involved in a trial. That makes mediation a lower-stress, cost-effective alternative to a traditional litigated divorce.

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Collaborative Divorce: The New Kid On The Block

By Tom Norton, CPA, CDFA

In response to the high cost and high conflict involved in traditional litigated divorce cases, a new model of divorce practice has evolved: Collaborative divorce.

Collaborative divorce is based on the reality that 95% of all divorce cases settle before going to trial. So why spend the time and money preparing for a trial that's probably never going to happen anyway?

In collaborative divorce, you, your spouse, and your attorneys are committed to staying out of court. It has been described as "representation without litigation." You and your spouse each have an attorney at all times, but the attorneys commit in writing that they will not go to trial.

You or your spouse can decide to go to trial at any time. But if you do, you'll both have to hire new attorneys and start over. Neither of your attorneys will be able to represent you outside of the collaborative process. That gives everyone involved a strong incentive to settle the case.

Much as in mediation, you will meet with your spouse in a series of two hour meetings; however, instead of having a mediator in the room, you will each have your attorney. Since everyone is committed to settlement, the process is usually much friendlier and less hostile than a traditional divorce.

The advantage over mediation is that your attorney is always with you, making sure you don't give in just to avoid a confrontation. The disadvantage is that instead of paying one mediator, you'll be paying two attorneys. Still, the cost is significantly lower than battling it out in court.

Collaborative divorce might not work if you and your spouse are very hostile toward each other, or if there has been physical abuse involved.

The biggest problem with doing a collaborative divorce is getting your spouse to agree to it and hire an attorney who is willing to participate. Since it is relatively new, many attorneys don't know much about it, and will therefore steer you away from it out of fear of the unknown.

The best remedy for that is to speak to your spouse about it up front, and for both of you to consult with a local group of independent attorneys who practice collaborative law. You can find a group near you by going to www.collaborativepractice.com.

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