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DINERS
The History of
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Vicki Ziegler Helps Wealthy Couples Divide Assets After the Love is Gone

Forever is for greeting cards, as marriage has always been the leading cause of divorce. Vicki Ziegler is a must-call after the passion dies.



By MARTIN C. DAKS
CONTRIBUTING EDITOR

THE PARTNER AND CO-FOUNDER of Livingston, New Jersey, law firm Ziegler & Zemsky LLC—and the child of divorced parents, whose own marriage broke up in her 20s—Vicki Ziegler specializes in high-net-worth divorce, with a focus on mediation.

Her skills were featured on Bravo TV's *Untying the Knot*, where she would help wealthy spouses settle their divorce out of court and used experts to establish value for emotional items or rare collectibles—separate from more traditional assets that have easily measured financial value.

Ziegler is the author of *The Pre-Marital Planner: A Complete Legal Guide to a Perfect Marriage*; an entrepreneur with an upscale hair perfume and body fragrance brand called Lavish; and this January she launched a Facebook and Instagram live video series, #DearVikki, which airs live at 2:30 p.m. Eastern Time, every Wednesday.

She also has an app called *DivorceDating.com* on the App Store, where people who are separated or divorced can find dates or talk to other people for advice. About 5,000 people are currently on it.

In this interview with *COMMERCE*, Ziegler discusses high-net-worth

divorces, mediation, dividing financial and emotional assets and protecting family businesses from marriage or live-in relationships.

COMMERCE: What are some trends in settling high-net-worth divorces?

VICKI ZIEGLER: High-net-worth couples often prefer to resolve their differences outside of a courtroom and choose mediation to preserve their privacy. Also, as more women hold down high-paying jobs, or become entrepreneurs, more women are paying alimony support to their ex-husbands.

Q: Are high-net-worth divorces more complicated to settle?

A: They often are more complicated because each side can afford to bring an entourage of advisers. We're working on one divorce mediation case now for a New Jersey couple with a net worth of about \$100 million. We have five experts and the other side has four. It's typical for each side to have financial advisers, tax and accounting specialists, and even a coach or mentor and provide emotional support. You usually start bringing in these kinds of experts when the couple has assets of \$10 million or more.

Q: What are some of the issues in this \$100 million divorce case?

A: The couple owns a restaurant chain, and the issues include how much equity the husband has, how to put a dollar value on it and how much his wife will get. Complicating the matter is the fact that the company also owns a fleet of about 50 exotic vehicles as an investment—so we're trying to determine their value, too. The couple has a lavish lifestyle, spending about \$250,000 a month on average and, although they live here part of the year, they also have Florida residency for tax purposes.

Q: What are some best practices for dividing assets?

A: First, you need to identify the assets, and where the lower-earning spouse is in terms of age and needs; and whether the higher-earning spouse can continue to bring in alimony or other support post-retirement. That can be a big factor in deciding whether you want an equity interest in a business, or if a cash payout is better. Generally, if you're close to retirement age, a cash payout is better. Either way, you must examine all the assets available for distribution. One relatively new wrinkle is

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digital assets and intellectual property, like patents. You need experts who can help to determine valuation—current value or the future potential value. Each case is different.

Q. Do some high net worth spouses split up, and stay in a business together post-divorce?

A. In some cases, both spouses will need to continue to manage their business. We've structured settlements like that, and it's important to have boundaries in place—maybe deal remotely with each as much as possible—to keep the emotions out of it and focus on running the business. In an extreme situation, you may be able to have a third party take care of all the communications between the ex-spouses, but that can create all sorts of complications.

Q. What kind of advice do you offer when children are involved?

A. A messy divorce can make it more likely that the couple's children will themselves be involved in a divorce when they're older, so I ask my clients to try to be civil. Beyond the divorce itself, I also counsel them not to take out their anger or frustration on their

kids—it's important to co-parent constructively post-divorce, otherwise you can really mess up a kid's life.

Q. What about pets? How do you handle a beloved cat or dog as an asset?

A. Was the dog acquired before the marriage or during the marriage? Emotionally, is the dog closer to one spouse? We had a case where a divorcing couple had two dogs, and one was closer to the man and one was closer to the woman. But both dogs were close to each other, and to separate them would have been devastating. So, I recommended a rotation arrangement, where both dogs would spend a week with one spouse, and the next week with the other spouse.

Q. What's involved in getting clients from anger to acceptance?

A. If I've done my job right, then nobody wins or loses; it's an equitable split. I emphasize the factual issues—not the emotional ones—and how to get the best outcome. I also counsel clients about accepting reality: we can fight over the biggest issues, but that will also mean compromising on the smaller ones.

Q. As a rule, do men and women handle divorce differently?

A. It really depends on the individual's personality. I've worked with some women who are right on top of the issues; although traditionally, most women have not been as financially savvy as their husbands. But that is changing, as more women marry later and take control of their lives and finances. One trend hasn't changed though: men typically want to get the divorce over with quickly, while women are more patient, and want to take the time to understand the nuances.

Q. What are some common mistakes couples make when divorcing?

A. The biggest is when they're fighting each other right out of the gate. If you start off on a bad foot, it's harder to unwind the negative feelings, and that can complicate the divorce discussion. It's better to start from a position where both spouses are looking to resolve their differences in an equitable way. For example, trying to hide assets may be illegal and, even when it doesn't rise to that level, you'll lose credibility in front of a judge if you're caught. I also counsel clients not to speak badly about their soon-to-be ex in front of their children. In the end, it creates needless hostility, and will ultimately backfire. The individuals also should temper their expectations—be realistic and don't expect to get everything you wanted in the divorce. Finally, I tell them to listen to their lawyer's advice.

Q. What can an entrepreneur do to protect their business in a divorce?

A. The safeguards begin before you tie the knot: consider placing the business in a trust and execute a prenuptial agreement that specifically excludes the spouse from having any interest in the business. As an added safeguard, make sure the spouse has no authority, equity

Breaking up is hard to do, expensive and painful. Making smart financial choices before, during and after marriage can make a real difference, experts agree.

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or other interest in a family business; and that their name does not appear on any of the business' accounts.

Q. *What are the benefits of mediation?*

A. You may be able to save money by using an impartial mediator to iron out differences. Generally, the divorcing spouses will split any mediation fees 50-50. Mediation also offers privacy, compared to an open court, and the mediation sessions can usually be done at the spouses' convenience, instead of the rushed "cattle call" typically seen at a court. Another plus is that an experienced mediator can help to recommend a settlement—judges generally cannot do this.

Q. *What are some issues that arise in mediation?*

A. There are some potential drawbacks: One is that it may take longer, since the mediator has to get up to speed and understand the issues involved in the case. The other is that mediators generally do not have the power to levy legal sanctions for fraud, so it may be easier for one spouse to hide their assets.

Q. *If a divorced person decides to marry again—presumably to someone else—what kind of asset-protection tips would you give them?*

A. Get a prenuptial agreement and engage in some serious estate planning before you sign the marriage contract. You want your spouse-to-be to waive their right to any of your assets, even if they're acquired during the marriage.

If you have any children from a previous marriage and you want to give them money, do it while you're still alive, because if they fall into your estate it could get messy. Also, draw up a power of attorney and a health proxy, and make sure they name the person or persons that you want to be responsible, especially if your new spouse is not one of them.

If you have significant assets going into the subsequent marriage, put them in a trust: before you tie the knot, to ensure that they're kept separate from anything you own jointly with your new spouse. And make sure your will is updated, intact and in order.

Q. *Is technology making marriages and relationships stronger or weaker?*

A. Definitely weaker—people now have access to former boyfriends or girlfriends, there are websites for hookups, and you can easily engage in naughty behavior like heavy flirting or an emotional affair while keeping it largely hidden from your spouse. Some people get addicted to this and if their own marriage is no longer thrilling, they can easily look for excitement elsewhere.

Q. *People are getting married later, or not even bothering to get married, but are still having a relationship and, many times, children. Has the law evolved to meet these changes?*

A. Yes, but slowly and it's behind the times. Lawyers need to try to create stopgap measures; for example, I do a lot of co-habitation agreements.

Q. *What's typically involved in a co-habitation agreement?*

A. It lays out who pays what expenses while the couple is together, and it also protects each person's assets by waiving rights to palimony and estate inheritance. Courts are evolving also—look at same-sex marriage legalization. But social media has a lot to do with meeting and dating and living together, and it moves a lot faster than the law. ■



Dividing emotional assets such as children and pets is very complicated, and requires patience and compassion, says Ziegler.

