

[Music playing in the background]

[No other audio]

[Image of a small store]

[Image of an abstract shape that reads Divorce with a Business Involved]

[Image of a smaller abstract shape that reads Three Steps to Success]

Presented by: farzadlaw.com

[Images of abstract shapes]

You probably asked yourself one or more of these questions:

[Image of a speech bubble that reads will my spouse really get half of my business, how will a court decide what my business is worth, how am I supposed to pay spousal support and buy out my spouse from the business, am I really going to spend a fortune on lawyers and forensic accountants just to figure out what this business is worth?]

[Image of a woman sitting on a bean bag]

[Image of a rectangle that reads these are the types of questions spouses ask us when they go through a divorce that involves a business. Fortunately, after a short discussion with our divorce attorneys, their minds calm down and they realize so much of what they fear is only due to so much of what they do not know.]

[Images of abstract shapes]

The following is a three-step process to a successful conclusion of a divorce with a business involved.

[Images of abstract shapes]

[Image of a circle with rectangles and arrows that reads Characterization? Value? Best and Worst Case Scenario?]

This process works for small businesses and the largest of companies.

[Image of a circle that reads Characterization]

Is the business involved in the divorce community property, separate property or a combination?

Spouses must consider several factors to determine a business' characterization, such as: the date of acquisition and source of acquisition.

[Image of a small store front, a sign with a question mark, and three trees.]

The following affects the community versus separate property characterization:

[Image of a flowing infographic that reads date of marriage: value of business, during marriage: time and money, and after separation: increase in value of business.]

[Images of abstract shapes]

Did the business start before the marriage?

If so, one spouse may have separate property arguments.

[Image of a two forms, a pencil, and a calculator inside of a circle and against the backdrop of a blue triangle]

What is the value of the business?

[Image of a gear]

An accurate determination of a business' value requires expert opinion.

[Image of a gear]

It is best to start the business valuation process early in the divorce.

[Image of a gear]

In most cases, the largest component of value may be the business' goodwill.

[Image of rectangle surrounded by circles that reads a business' goodwill means the expectation of continued public patronage and depends on several factors, such as:]

[Image of a circle that reads customer loyalty]

[Image of a circle that reads location]

[Image of a circle that reads number and types of clients]

[Image of a circle that reads revenue]

[Image of a circle that reads reputation of business and owner]

[Image of a circle that reads longevity]

[Images of abstract shapes]

What are the best and worst-case scenarios regarding division of the business' community property value?

[Image of a rectangle that reads four different ways to use a forensic CPA]

[Image of a circle divided into four equal parts and labeled 1,2,3, and 4]

- 1) Court appointed over a spouse's objection
- 2) Court appointed based on each spouse's agreement
- 3) Separate forensic CPAs retained by each spouse
- 4) Separate forensic CPAs retained, in addition to the court-appointed CPA

[Image of a rectangle that reads additional considerations:]

[Image of a court house within a larger rectangle that reads the court has the power to order and appoint a forensic accountant who will act as the court's expert]

[Image of a magnifying glass within a larger rectangle that reads forensic accountants and experts do not always agree on the value of the business]

[Image of speech bubbles within a larger rectangle that reads the spouses and attorneys must collaborate regarding options]

Read our informative article about divorcing with a business involved. It will give you some of the information you need to stop fearing the unknown and start setting your mind to make logical and factual decisions.

[Image of a woman using her laptop]

[Image of a WiFi symbol that reads visit us today at farzadlaw.com]

[Image of an outline of California with three office building photos]

We have offices in Los Angeles, Orange County, and San Diego.

[Image of the U.S. Bank Tower]

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[Farzad & Ochoa logo]

California Family Law Attorneys For Good And Honest Men And Women.