



Case Study | What happens to my divorce settlement?

Jessica

Problem

Jessica is a happily married stay-at-home mom. She pours her life into her family and her children. She regularly volunteers at the schools her kids attend and is always one of the first to volunteer for community events. One beautiful spring day there was a knock on the door and her world fell apart. A process server was standing at her door and served Jessica divorce papers.

Consequences

Jessica worked as an Executive Assistant for a few years until she and her husband started having children. Then she became a stay-at-home mom. Her husband is very successful and makes a salary of \$200,000/year plus bonuses. He was contributing to his company 401k plan and also had a sizable brokerage account. It was a long process of splitting up the assets and coming to an agreement on spousal support and child support. Jessica ended up getting a sizeable lump-sum distribution in addition to monthly support for both herself and the children. She had no retirement savings of her own and wanted to use the lump-sum distribution to get a plan started.

Solution

Thankfully a friend of Jessica's referred her to us. Jessica was able to discover how to capitalize her settlement inside a very powerful financial asset. She systematically and strategically built collateral capacity which she could then leverage for future investments and expenditures. Instead of parking her money in an investment over which she had little control and on which she had to pay hefty advisor fees, Jessica is in complete control of her money. With the rest of her world falling apart, at least she has financial peace of mind.

Tax Diversification Strategies