



KLEIN LIEBMAN & GRESEN, LLC

BUSINESS VALUATION · FORENSIC ACCOUNTING · LITIGATION SUPPORT · CONSULTING

JUNE NEWSLETTER

ANNOUNCEMENTS

KLG Offers Complex QDRO Services for High Net-Worth Clients

Our QDRO and Pension Valuation Specialist, Denisa Tova, CFP, CDFA, MBA, in addition to 'standard' QDROs, has been preparing complex QDROs for high net-worth and highly compensated executives.

A few recent matters and successes: Deloitte & Touche, Barclays, Debevoise & Plimpton LLP, Chubb Group.

Judge Shay thought the QDRO was a thorough, well written document to implement his decision. - client Gerry C, Fairfield, CT matter

Contact Denisa Tova CFP, CDFA, MBA for more information

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UPCOMING EVENTS

Jeffrey Gibraltar will be one of the speakers on Tuesday **June 11, 2019** from 9:00 a.m. to 4:30 p.m. for the New York State Bar Association in Tarrytown. The program is titled "Unraveling the New Tax Law's Impact on Domestic Relations Law & Extended Updates".

David Gresen will be one of the speakers on Friday **June 14, 2019** from 9:00 a.m. to 4:30 p.m. for the New York State Bar Association in Manhattan. The program is titled "Unraveling the New Tax Law's Impact on Domestic Relations Law & Extended Updates".

Denisa Tova will be presenting on Thursday **July 18, 2019** from 12:45 p.m. to 2:00 p.m. for the Suffolk Academy of Law. The program is titled "QDRO Tips: How to Avoid Malpractice and Speed up the QDRO Process".

MATRIMONIAL CASES OF INTEREST

Larowitz v. Lebetkin (App Div., 1st Dep't)

Plaintiff (hereafter "the wife") and the defendant (hereafter "the husband") entered into a judgement of divorce dated October 9, 2015. In the judgement, the marital

residence was deemed the plaintiff's separate property and the defendant was awarded 5% of the appreciation in value of the marital residence.

The defendant contends that distributive awards of 5% are only for spouses who commit heinous domestic violence. However, the equitable distribution law requires courts to distribute property equitably between the parties "considering the circumstances of the case and of the respective parties". Courts are required to consider 13 defined factors and any other just and proper factors determined in the courts discretion.

Further, the defendant contends that the plaintiff did not show that the appreciation in value of her separate property actually constitutes separate property. The court, however, determined that it was the defendant's burden to prove that the plaintiff's separate property claim was actually marital.

[LINK TO DECISION](#)

Cotton v. Roedelbronn (App Div., 1st Dep't)

Plaintiff (hereafter "the husband") and the defendant (hereafter "the wife") entered into a judgement of divorce dated October 25, 2017 which awarded the wife 10% of the husband's business interest valued at \$19,942,898 and 40% of the plaintiff's other two business entities valued at \$3,280,150 and \$655,943, respectively.

The Special Referee accepted the values as determined by the husband's valuation expert as the findings were grounded by the credibility of the expert witness' testimony and the valuation techniques utilized. The wife did retain her own expert, however did not call her expert as a witness at trial. As the businesses were actively management by the husband, a valuation date close to the date of commencement was utilized.

The wife claimed she was entitled to 50% of the marital value of the business, however the court found this claim unsupported. With regard to the business valued at \$19,942,898, the court found that the value was primarily derived from efforts made by the husband and his business partners prior to the marriage and that the wife made little contribution to the businesses growth. Further, it was determined at trial that the wife acted as a hindrance to the husband's business and accordingly, the court did not divide this asset equally (i.e. 50%/50%). Based on the foregoing, the court awarded the wife 10% of the \$19,942,898 value.

With regard to the businesses valued at \$3,280,150 and \$655,943, these businesses were formed during the marriage and primarily from marital funds. The court determined that although the wife did not make a direct contribution to these entities, she shared in a restrained lifestyle that allowed these particular businesses to grow. Accordingly, the court awarded the wife 40% of the appraised values.

[LINK TO DECISION](#)

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