

### KLG NEWS & EVENTS

KLG proudly announces the addition of [Joshua S. Sechter, CPA/ABV, CFE](#) to our staff.

**David Gralnick, CPA/ABV** will be speaking on June 10, 2014, from 6:00 p.m. to 8:00 p.m. at the Westchester County Bar Association, Domestic Relations & Family Law Section on the topic of 'Hot Topics in Contested Matrimonial Valuations'.

### MATRIMONIAL CASES OF INTEREST

**SYKES v. SYKES (Supreme Court, New York County)** - At the center of the case was the equitable distribution of the plaintiff-husband's hedge fund business. Although parties agree that husband's business is worth \$8 million, they could not agree on the percentage defendant-wife should receive. Wife asserts her 50% entitlement due to the duration of the marriage however husband asserts that the wife is entitled to 5%.

The court found that there was no presumption in favor of awarding the wife an equal share of the business due to her lack of a "significant direct contribution" to the business, nor was she a "corporate spouse" who attended business oriented social events with her husband. Husband argues that even if we were to look at contributions on the domestic front, wife contributed little as a stay-at-home mom because of her heavy reliance on hired household assistance for cooking, cleaning, and child care. The court disagrees that use of domestic help constitutes lack of domestic contributions and finds that because the parties live in the "upper echelon of social and economic strata," hiring such help is common and the wife's contributions included overseeing such staff within the home. Therefore, the court awards wife 30% for her indirect contributions to the growth and success of the husband's business.

Furthermore, in determining the maintenance due to the wife, the court rejected the wife's request for lifetime maintenance to support her lavish pre-divorce standard of living. Instead, the court awarded maintenance for 8 years because 1) the wife's equitable distribution award of \$11.5 million would generate a substantial return each year, 2) the parties' children would be college age by then, 3) 8 years was more than 50% of the marriage duration and 4) the ED award was very generous.

[LINK TO DECISION](#)

**ALEXANDER v. ALEXANDER (Appellate Division, First Dep't)** - The trial court's decision to award the wife 35% of the husband's corporate stock shares was reaffirmed by the appellate court. The stock shares were considered active assets due to husband's daily role in the management of the company. Furthermore, the length of the marriage, the contributions of the wife in running the home and raising the children and because most of the increase in stock price occurred in the same year as the commencement of the action, the percentage awarded to the wife was proper.

Additionally, the court noted that the neutral appraiser's valuation was proper in basing the valuation of the stock on the formula in the shareholder agreement whereas the wife's expert, whose value was significantly higher, failed to properly consider the stock transfer restrictions contained in the shareholder's agreement.

[LINK TO DECISION](#)

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