

MATERIALS TO HANDOUT:

FACT PATTERNS:

1. Separation:
2. Pre-nuptial
3. Post-nuptial

John and Mary are both professionals. They have two children, ages 12 and 15, and each have good jobs.

John stands to inherit a few million when his parents pass. Mary has no such expectations. John earns \$250K a year; Mary earns \$150K a year. After divorce, they will each have \$500K in retirement money and \$250K in investment assets after the anticipated sale of their marital residence.

I. Separation

John and Mary (both 45 years old) are planning to divorce. John's family has a lot of money and he anticipates a good inheritance. Mary is resigned to not getting a piece of that, since they are divorcing, but she wants her children to be sure they get a fair share of John's estate when he dies, figuring that will secure some of his parent's money for her kids. Both parties are professionals with graduate degrees, and have the assets listed above.

II. Pre-nuptial

John, age 46, is about to remarry, and never made any arrangements to secure inheritance for his children. He is now interested in doing so. Given the age of his fiancé (Suzanne, 30 years old), there is a good possibility they will have additional children. He has premarital retirement assets equaling \$500K, investment assets of \$250K, plus a house worth \$400K, a mortgage of \$200K. He is still earning \$250K a year. His fiancé, Suzanne has a marketing job making \$40K a year. She has very few assets but she has a student loan of \$50K and a car that is not yet paid for.

III. Post-nuptial

Mary remarried without negotiating a pre-nuptial agreement. She married a musician, Mick, who has a very erratic earnings history. He also has two children by his prior marriage, and is obligated to pay child support for them. She is continuing to grow her career, and has become the primary support of her new family, including her children, his children and him. She has become concerned about protecting her children's inheritance, because she fears Mick might use it all to support himself and his children to the detriment of her children.

In addition, we will hand out a lengthy Article on this topic that Mr. Teahan wrote and that is about to be published in the New York State Bar Journal, along with sample agreement and trust provisions that can be utilized to effectuate the clients' objectives.