

## **Business Valuation and the Issues That Can Arise in Divorce**

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Divorce cases can be complex, and there are many factors that spouses need to consider when protecting their financial interests.

The presence of businesses adds to the complexities of divorce. Spouses who own businesses must determine how to value and divide their business assets.

Working with a family law attorney helps you establish rightful ownership of your businesses in a divorce. It protects assets to secure your financial future and prevent the issues that can arise.

### **Valuation of Businesses During Divorce**

The value of your businesses must be considered as part of the divorce process. Courts must evaluate all aspects of a business including its past and future earnings, market value, and structure.

Businesses acquired during the marriage are viewed as marital property under Georgia law. Marital property is subject to division during a divorce, so providing all of the information related to your businesses is critical to achieving the outcome you want.

Your attorney will provide you with the legal strategies you need to ensure a fair valuation and division of business assets.

Businesses commonly affected by divorce include corporations, limited liability companies (LLC), and other partnerships. Private professional practices must also be valued during divorce along with their related assets.

### **Common Issues With Businesses in Divorce**

The valuation of business assets can be further complicated by the many types of assets that are involved.

Commercial real estate has unique aspects that must be understood by your family law attorney when protecting assets in a divorce.

Appraisers and other real estate professionals are often called in to determine the market value of commercial property. This will also impact the total valuation of your businesses.

Private practices have intangible assets that impact their valuation. For example, business goodwill represents the value that's created from all assets working together.

The expectation of future revenue, brand recognition, customer satisfaction, trade secrets, and licenses are examples of business goodwill.

Assets that were inherited and used in your business must also be valued in divorce. This includes property, collectibles, copyrights, and patents among other assets.

An experienced family law attorney will help you establish legal ownership of these assets under Georgia law.

In addition, separate assets can be commingled with marital assets such as a business. This can include money, stocks, and other assets whose value can increase or decrease over time.

Business valuation in divorce involves more than accounting for the value of their assets. That's why is essential that you have the right resources to support your divorce case.

Understanding business valuation under Georgia law is the first step in protecting your business assets.

Business owners must work with an attorney who understands the complexities of business valuation and their division according to state laws.

This includes determining a standard of value, which establishes the assumptions under which a business is valued.

Fair market and investment value must also be considered. The value of a business being sold on the market will be different from a business that will be held for the future.

Knowing whether to apply fair market or investment value in your divorce can significantly impact the results you achieve. Some courts may consider a combination of both.

There are many issues that arise in divorces that involve business assets. Valuation is just one step in ensuring that they're fairly divided between both parties.

The better your legal resources, the more likely you are to protect your business interests and avoid the losses that many businesses owners experience when they divorce.